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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2005

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

001-32492
(Commission File Number)

LAZARD LTD

(Exact name of registrant as specified in its charter)

Bermuda	**98-0437848**
(State of Incorporation)	**(I.R.S. Employer Identification No.)**

Clarendon House
2 Church Street
Hamilton HM11, Bermuda
(Address of principal executive offices)

Registrant's telephone number: (441) 295-1422

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 16, 2005, there were 37.5 million shares of the registrant's Class A common stock and one share of the registrant's Class B common stock outstanding.

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Unless the context otherwise requires, “Lazard,” “we,” “our” and “us” refer to Lazard Ltd, a Bermuda exempted company, and its subsidiaries, including Lazard Group LLC and its subsidiaries.

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PART I. FINANCIAL INFORMATIO N

Item 1. Financial Statements

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* The historical condensed consolidated financial statements reflect the historical results of operations and financial position of Lazard Group LLC (formerly known as Lazard LLC and referred to herein as "Lazard Group"), for all periods presented and include the results of operations and financial condition for certain businesses that Lazard Group no longer owns. Accordingly, the historical condensed consolidated financial statements do not reflect what the results of operations and financial position of Lazard Ltd or Lazard Group would have been had these companies been stand-alone, public companies for the periods presented. Specifically, the historical results of operations of Lazard Group do not give effect to the following matters:

- The separation of Lazard Group's Capital Markets and Other activities, which consist of equity, fixed income and convertibles sales and trading, broking, research and underwriting services, merchant banking fund management activities outside of France and specified non-operating assets and liabilities. As a result of the separation, these Capital Markets and Other activities are now owned and operated by LFCM Holdings, LLC ("LFCM Holdings"), a newly-formed Delaware limited liability company owned by the current and former managing directors of Lazard Group.
- Payment for services rendered by Lazard Group's managing directors, which, as a result of Lazard Group operating as a limited liability company, historically has been accounted for as distributions from members' capital, or in some cases as minority interest, rather than as compensation and benefits expense. As a result, Lazard Group's operating income historically has not reflected payments for services rendered by its managing directors. As a result of the consummation of the initial public offering and additional financing transactions, as described in Note 9 of the accompanying Notes to Condensed Consolidated Financial Statements, Lazard Ltd now includes all payments for services rendered by its managing directors in employee compensation and benefits expense.
- U.S. corporate federal income taxes, since Lazard Group has operated in the U.S. as a limited liability company that was treated as a partnership for U.S. federal income tax purposes. As a result, Lazard Group's income has not been subject to U.S. federal income taxes. Taxes related to income earned by partnerships represent obligations of the individual partners. Outside the U.S., Lazard Group historically has operated principally through subsidiary corporations and has been subject to local income taxes. Income taxes shown on Lazard Group's historical consolidated statements of income are attributable to taxes incurred in non-U.S. entities and to New York City Unincorporated Business Tax ("UBT") attributable to Lazard Group's operations apportioned to New York City. Subsequent to the initial public offering, the consolidated financial statements of Lazard Ltd will include U.S. federal income taxes on its allocable share of the results of operations of Lazard Group, giving effect to the post initial public offering structure.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)
DECEMBER 31, 2004 AND MARCH 31, 2005
($ in thousands)

	December 31, 2004	March 31, 2005
ASSETS		
Cash and cash equivalents	$313,938	$234,227
Cash and securities segregated for regulatory purposes	38,460	39,650
Marketable investments	112,467	95,281
Securities purchased under agreements to resell	153,681	131,164
Securities owned—at fair value:		
Bonds—Corporate	397,258	406,966
Non-U.S. Government and agency securities	53,528	38,077
U.S. Government and agency securities pledged as collateral	98,342	165,931
Equities	48,101	24,718
	597,229	635,692
Swaps and other contractual agreements	666	—
Securities borrowed	852,266	1,194,668
Receivables—net:		
Fees	284,376	240,412
Customers	130,668	204,053
Banks	346,285	323,752
Brokers and dealers	128,979	226,849
Other	1,216	1,013
	891,524	996,079
Long-term investments	202,644	196,892
Other investments	13,019	13,069
Property—net of accumulated amortization and depreciation of $151,309 and $151,029	199,453	188,587
Goodwill	17,205	16,786
Other assets	106,672	108,246
Total assets	$3,499,224	$3,850,341

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION—(Continued)
(UNAUDITED)
DECEMBER 31, 2004 AND MARCH 31, 2005
($ in thousands)

	December 31, 2004	March 31, 2005
LIABILITIES AND MEMBERS' EQUITY		
Notes payable	$70,777	$55,496
Securities sold under agreements to repurchase	196,338	214,405
Securities sold, not yet purchased—at fair value:		
Bonds—Corporate	76,425	61,207
U.S. Government and agency securities	133,775	128,407
Equities	22,281	24,484
	232,481	214,098
Swaps and other contractual agreements	4,619	3,576
Securities loaned	624,918	1,123,507
Payables:		
Banks	379,797	461,738
Customers	178,728	251,803
Brokers and dealers	43,057	104,558
	601,582	818,099
Accrued employee compensation	204,898	67,721
Capital lease obligations	51,546	45,098
Other liabilities	652,547	579,765
Subordinated loans	200,000	200,000
Mandatorily redeemable preferred stock	100,000	100,000
Total liabilities	2,939,706	3,421,765
Commitments and contingencies		
Minority interest	174,720	141,308
Members' equity (including $18,058 and $5,091 of accumulated other comprehensive income, net of tax)	384,798	287,268
Total liabilities and members' equity	$3,499,224	$3,850,341

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
THREE MONTH PERIODS ENDED MARCH 31, 2004 AND 2005
($ in thousands)

	Three Month Period Ended March 31,	
	2004	2005
REVENUE		
Investment banking and other advisory fees	$110,221	$158,135
Money management fees	95,455	106,059
Commissions	18,366	16,396
Trading gains and losses—net	7,248	8,915
Underwriting	8,316	4,840
Investment gains and losses, non-trading—net	2,554	2,413
Interest income	11,112	14,066
Other	5,187	3,304
Total revenue	258,459	314,128
Interest expense	12,870	16,150
Net revenue	245,589	297,978
OPERATING EXPENSES		
Employee compensation and benefits	140,860	127,487
Premises and occupancy costs	22,227	27,531
Professional fees	13,656	13,332
Travel and entertainment	13,839	10,501
Communications and information services	9,941	10,989
Equipment costs	5,101	5,450
Other	12,068	11,016
Total operating expenses	217,692	206,306
OPERATING INCOME	27,897	91,672
Provision (benefit) for income taxes	(2,121)	8,056
INCOME ALLOCABLE TO MEMBERS BEFORE MINORITY INTEREST	30,018	83,616
Minority interest	14,965	10,260
NET INCOME ALLOCABLE TO MEMBERS	$15,053	$73,356

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
THREE MONTH PERIODS ENDED MARCH 31, 2004 AND 2005
($ in thousands)

	Three Month Period Ended March 31,	
	2004	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income allocable to members	$15,053	$73,356
Adjustments to reconcile net income allocable to members to net cash provided by operating activities:		
Noncash charges included in net income allocable to members:		
Depreciation and amortization	2,782	3,934
Minority interest	14,965	10,260
(Increase) decrease in operating assets:		
Cash and securities segregated for regulatory purposes	11,711	(1,190)
Securities purchased under agreements to resell	(186,945)	22,384
Securities owned, at fair value and swaps and other contractual agreements	(318,509)	(56,486)
Securities borrowed	(147,650)	(342,402)
Receivables	(297,426)	(128,666)
Marketable and long-term investments	10,473	20,819
Other assets	(24,263)	(3,704)
Increase (decrease) in operating liabilities:		
Securities sold under agreements to repurchase	239,781	20,449
Securities sold, not yet purchased, at fair value and swaps and other contractual agreements	358,366	(19,208)
Securities loaned	353,034	498,589
Payables	256,439	241,012
Accrued employee compensation and other liabilities	(130,732)	(197,723)
Net cash provided by (used in) operating activities	157,079	141,424
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property	(2,093)	(849)
Disposals and retirements of property	2,625	767
Net cash provided by (used in) investing activities	532	(82)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributions to members and capital withdrawals	(193,296)	(157,919)
Proceeds from notes payable	1,318	—
Repayment of notes payable	(314)	(15,281)
Repayment of capital lease obligations	(3,584)	(4,005)
Net capital contributions and distributions relating to minority interest stockholders	(51,929)	(42,634)
Net cash used in financing activities	(247,805)	(219,839)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	13,841	(1,214)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(76,353)	(79,711)
CASH AND CASH EQUIVALENTS—January 1	350,891	313,938
CASH AND CASH EQUIVALENTS—March 31	$274,538	$234,227
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$14,916	$20,331
Income taxes	$1,261	$2,367

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
(UNAUDITED)
THREE MONTH PERIOD ENDED MARCH 31, 2005
($ in thousands)

	Capital and Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Total Members' Equity
BALANCE—January 1, 2005	$366,740	$18,058	$384,798
Comprehensive income (loss):			
Net income allocable to members	73,356		73,356
Other comprehensive income—net of tax:			
Currency translation adjustments		(12,967)	(12,967)
Comprehensive income (loss)	73,356	(12,967)	60,389
Distributions and withdrawals to members	(157,919)		(157,919)
BALANCE—March 31, 2005	$282,177	$5,091	$287,268

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(dollars in thousands, except per share amounts, unless otherwise noted)

1. BASIS OF PRESENTATION AND ORGANIZATION

The accompanying unaudited condensed consolidated financial statements of Lazard Group LLC (formerly known as Lazard LLC and collectively referred to with its subsidiaries as "Lazard Group") have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the U.S. ("U.S. GAAP") for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto included in Lazard Ltd's Registration Statement on Form S-1 declared effective by the SEC on May 4, 2005 (the "Registration Statement") for the initial public offering of shares of Class A common stock, par value $0.01 per share ("Class A Common Stock"). The accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. Preparing financial statements requires management to make estimates and assumptions that affect the amounts that are reported in the financial statements and the accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions that Lazard Group may undertake in the future, actual results may be different than the estimates. The consolidated results of operations for the three month period ended March 31, 2005 are not necessarily indicative of the results to be expected for any future period or the full fiscal year.

Lazard Group is a Delaware limited liability company, and is governed by its Amended and Restated Operating Agreement, which was amended and restated in its entirety on May 10, 2005 (the "Operating Agreement").

Lazard Group's principal activities are divided into three business segments:

- Financial Advisory, which includes providing advice on mergers, acquisitions, restructurings and other financial matters,
- Asset Management, which includes the management of equity and fixed income securities and merchant banking funds, and
- Capital Markets and Other, which consists of equity, fixed income and convertibles sales and trading, broking, research and underwriting services, merchant banking fund management activities outside of France and specified non-operating assets and liabilities.

In addition, Lazard Group records selected other activities in Corporate, including cash and marketable investments, certain long-term investments, and the commercial banking activities of Lazard Group's Paris-based Lazard Frères Banque SA ("LFB"). LFB is a registered bank regulated by the Banque de France. LFB's primary operations include the management of the treasury positions of Lazard Group's Paris House through its money market desk and, to a lesser extent, credit activities relating to securing loans granted to clients of Lazard Frères Gestion SAS ("LFG") and custodial oversight over assets of various clients. In addition, LFB also operates many support functions of the Paris House. Lazard Group also allocates outstanding indebtedness to Corporate.

The condensed consolidated financial statements include Lazard Group's principal operating subsidiaries, Lazard Frères & Co. LLC ("LFNY"), a New York limited liability company, along with its subsidiaries, including Lazard Asset Management LLC and its subsidiaries (collectively referred to as "LAM"); Lazard Frères SAS and Maison Lazard SAS, French limited liability companies, along with their respective subsidiaries, including LFB and LFG (collectively referred to as "LFP"); and Lazard & Co., Limited ("LCL"), through Lazard & Co., Holdings Limited, an English private limited company ("LCH"); together with their jointly-owned affiliates and subsidiaries.

LAZARD GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)
(dollars in thousands, except per share amounts, unless otherwise noted)

Lazard Group's December 31, 2004 condensed consolidated statement of financial condition includes a reclassification of $44,171 from cash and securities segregated for regulatory purposes to cash and cash equivalents and other investments of $40,270 and $3,901, respectively. Such reclassification was made to conform to the presentation at March 31, 2005.

See Note 9 for information regarding the initial public offering, the additional financing transactions and certain separated businesses (each as defined in Note 9). The separated businesses became a part of LFCM Holdings, effective as of May 10, 2005.

2. STRATEGIC ALLIANCE IN ITALY

In September 2002, Lazard Group and Banca Intesa S.p.A. ("Intesa") announced an agreement to form a strategic alliance (the "Strategic Alliance"), pursuant to which, in January 2003, Intesa effectively became a 40% partner in Lazard Group's business in Italy. Pursuant to the terms of the Strategic Alliance, Intesa made a $100,000 investment in Lazard Group's business in Italy, and purchased a $50,000 subordinated promissory note issued by Lazard Group's business in Italy. The subordinated promissory note has a scheduled maturity in 2078 (subject to extension), with interest payable annually at the rate of 3.0% per annum.

From time to time, Lazard Group has considered appropriate modifications to its relationship with Intesa. Lazard Group has held various discussions with Intesa in connection with the separation and recapitalization transactions, and Intesa has notified Lazard Group of its intention not to extend the term of the joint venture relationship beyond the expiration date of December 31, 2007. As a result, under the terms of the Strategic Alliance, unless Lazard Group and Intesa otherwise agree, Lazard Group will repurchase Intesa's 40% interest in Lazard Group's business in Italy and repay the $50,000 subordinated promissory note for an aggregate amount not to exceed $150,000, less certain distributions received by Intesa in connection with the joint venture, on or prior to February 4, 2008. Based on the current performance of the joint venture, Lazard Group does not currently expect the expiration of the joint venture to have a material adverse effect on its operating results.

3. EMPLOYEE BENEFIT PLANS

Lazard Group, through its subsidiaries, provides certain retirement and other post-employment benefits to certain of its employees through defined contribution and defined benefit pension plans and other post-retirement benefit plans. Expenses incurred related to the defined benefit pension plans, the defined benefit pension plan supplement and the post-retirement health care plans for the three month periods ended March 31, 2004 and 2005 are shown in the table below.

	Pension Plans	Pension Plan Supplement	Post-Retirement Medical Plans
Three month period ended March 31, 2004			
Service cost	$4,602	$85	$481
Interest cost	6,960	35	390
Expected return on plan assets	(7,520)		
Amortization of transition (asset) obligation	(30)		
Amortization of prior service cost	136	22	
Recognized actuarial (gain) loss	702	(5)	8
Net periodic benefit cost	$4,850	$137	$879

LAZARD GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)
(dollars in thousands, except per share amounts, unless otherwise noted)

	Pension Plans	Pension Plan Supplement	Post-Retirement Medical Plans
Three month period ended March 31, 2005			
Service cost	$1,998		$89
Interest cost	6,774	$22	135
Expected return on plan assets	(6,973)		
Amortization of prior service cost	(115)		(482)
Recognized actuarial (gain) loss	844	(3)	111
Net periodic benefit cost (credit)	2,528	19	(147)
Settlements (curtailments)			(2,302)
Total benefit cost (credit)	$2,528	$19	$(2,449)

Lazard Group has the right to amend or terminate its benefit plans at any time, subject to the terms of such plans and applicable law. Recent amendments and terminations are described below.

Amendments to LFNY Employee Benefit Plans

- ***LFNY Defined Benefit Pension Plan and Pension Plan Supplement***—Effective as of January 31, 2005, the LFNY Employees' Pension Plan and the Employees' Pension Plan Supplement were amended to cease future benefit accruals and future participation. As a result of such amendment, active participants will continue to receive credit for service completed after January 31, 2005 for purposes of vesting; however, future service will not count for purposes of future benefit accruals under the plans. Vested benefits for active participants as of January 31, 2005 will be retained.
- ***LFNY Defined Contribution Plan***—Effective January 1, 2005, the LFNY Defined Contribution Plan (the "401(k) Plan") was amended to implement an employer match to participant pre-tax contributions. LFNY will match 100% of pre-tax contributions to the 401(k) Plan, excluding catch-up contributions, up to 4% of eligible compensation. Participants will be 100% vested in all employer-matching contributions after three years of service. Any service accrued prior to January 1, 2005 will count toward this three-year vesting requirement.
- ***LFNY Post-Retirement Medical Plan***—Effective December 31, 2005, post-retirement health care benefits will no longer be offered to those members and employees hired on or after the effective date and for those members and employees hired before the effective date who attain the age of 40 after December 31, 2005. In addition, effective January 1, 2006, the cost sharing policy will change for those who qualify for the benefit.

Termination of LCH's Post-Retirement Medical Plan—In April 2004, LCH announced a plan to terminate its Post-Retirement Medical Plan. As a result of such action, benefits available to eligible active employees and retirees will cease on February 28, 2007. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 106, *Employers' Accounting for Post-Retirement Benefits Other Than Pensions*, Lazard Group is recognizing the effect of such termination, which resulted in a reduction in Lazard Group's accumulated post-retirement benefit obligation of approximately $24,000, the effect of which will reduce employee compensation and benefits expense over the period ending February 2007. For the three month period ended March 31, 2005, employee compensation and benefits expense was reduced by approximately $2,300 related to the effect of such termination.

Employer Contributions and Indemnities from LFCM Holdings—As reflected in Lazard Group's December 31, 2004 consolidated financial statements included in the Registration Statement, Lazard Group's principal U.K. pension plans had a combined deficit of approximately $95,000 (or approximately 49,200 British pounds). This deficit would ordinarily be funded over time. Lazard Group has been in discussions with the trustees of the pension plans aimed at reaching agreement regarding a deficit reduction plan. In May 2005, "Heads of Terms" have been agreed between Lazard Group and the trustees of the plans dealing with a plan for future funding of the deficit as well as with asset allocation. In June 2005, Lazard Group expects to execute a final agreement with the trustees. Irrespective of the terms in the final executed agreement, in considering their duties to beneficiaries, the trustees also have the power to change the asset allocation. Any changes in the asset allocation could change the unfunded liability that would be funded over time, depending on asset mix, any increase in liabilities and investment returns. It is also the case that the pensions regulator in the U.K. may have the power to require contributions to be made to plans, and to impose support in respect of the funding of plans by related companies other than the direct obligors. As part of the separation (see Note 9), Lazard Group made a contribution to LFCM Holdings of $55,000 in connection with the provision by LFCM Holdings of support relating to U.K. pension liabilities and other indemnities. Lazard Group anticipates that as part of the separation, LFCM Holdings will make payments of 30,000 British pounds in the aggregate to reimburse Lazard Group when Lazard Group or one of its subsidiaries makes payments to reduce the pension plan deficit.

Approximately $31,000 (or 16,400 British pounds) of contributions were made to Lazard Group's defined benefit pension plans in 2005 in the U.K. Of such amount, approximately $1,600 was contributed during the three month period ended March 31, 2005 and the remainder was contributed on June 1, 2005 when LFCM Holdings also satisfied its obligation to reimburse 15,000 British pounds to Lazard Group.

Lazard Group will make further payments amounting to 16,400 British pounds on June 1, 2006, 8,200 British pounds on June 1, 2007 and 8,200 British pounds on June 1, 2008.

4. VARIABLE INTEREST ENTITIES

In January 2003, the Financial Accounting Standards Board ("FASB") issued Financial Interpretation No. ("FIN") 46, which provides additional guidance on the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, for enterprises that have interests in entities that meet the definition of a Variable Interest Entity ("VIE"). On December 24, 2003, the FASB issued FIN 46R, *Consolidation of Certain Variable Interest Entities—an interpretation of ARB No. 51*, which requires that an entity consolidate a VIE if that enterprise has a variable interest that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both.

Lazard Group is involved with various entities in the normal course of business that are VIEs and hold variable interests in such VIEs. Transactions associated with these entities primarily include investment management, real estate and private equity investments. Those VIEs for which Lazard Group is the primary beneficiary were consolidated beginning in 2004 in accordance with FIN 46R. Those VIEs include company sponsored venture capital investment vehicles established in connection with Lazard Group's compensation plans.

Lazard Group's merchant banking activities consist of making private equity, venture capital and real estate investments on behalf of customers. At March 31, 2005, in connection with its merchant banking activities, the net assets of entities for which Lazard Group has a significant variable interest was approximately $102,000. Lazard Group's variable interests associated with these entities, consisting of investments, carried interest and management fees, were approximately $24,350, which represents the maximum exposure to loss, only if total

assets declined 100% at March 31, 2005. At March 31, 2005, the consolidated statement of financial condition included $22,552 of incremental assets relating to the consolidation of VIEs for such merchant banking activities in which Lazard Group was deemed to be the primary beneficiary.

In connection with its Capital Markets and Other segment activities, Lazard Group holds a significant variable interest in an entity with liabilities of $12,800 at March 31, 2005. Lazard Group's variable interests associated with this entity, primarily paid-in-kind notes, were approximately $12,800 at March 31, 2005. As the noteholders have sole recourse only to the underlying assets, Lazard Group has no exposure to loss at March 31, 2005. Also, as Lazard Group is not the primary beneficiary, the entity has not been consolidated.

5. COMMITMENTS AND CONTINGENCIES

Commitments—Lazard Group has various leases and other contractual commitments arising in the ordinary course of business. In the opinion of management, the fulfillment of such commitments in accordance with their terms will not have a material adverse effect on Lazard Group's consolidated financial position or results of operations.

In the three month period ended March 31, 2005, Lazard Group recorded a provision of approximately $6,300 for abandoned leased space. In accordance with SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*, this provision, recorded on the cease-use date, was determined based on the fair value of the liability for costs that will continue to be incurred for the remaining term of the lease without economic benefit to Lazard Group, based on the remaining lease rentals, reduced by estimated sublease rentals. Such amount was recorded as "premises and occupancy costs" on the condensed consolidated statement of income for the three month period ended March 31, 2005.

See Note 9 with regard to formation of new private equity fund, Corporate Partners II Limited.

Legal—Lazard Group's businesses, as well as the financial services industry generally, are subject to extensive regulation throughout the world. Lazard Group is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Management believes, based on currently available information, that the results of such proceedings, in the aggregate, will not have a material adverse effect on Lazard Group's financial condition but might be material to its operating results for any particular period, depending, in part, upon the operating results for such period.

Lazard Group has received a request for information from the NASD as part of what it understands to be an industry investigation relating to gifts and gratuities, which is focused primarily on the Capital Markets business that is part of the separated businesses now owned and operated by LFCM Holdings. In addition, Lazard Group has received requests for information from the SEC and the U.S. Attorney's Office for the District of Massachusetts seeking information concerning gifts and entertainment involving an unaffiliated mutual fund company, which are also focused on the Capital Markets business that is part of the separated businesses. Lazard Group believes that other broker-dealers have also received requests for information. These investigations are continuing and Lazard Group cannot predict their potential outcomes, which outcomes, if any, could include regulatory consequences, nor can Lazard Group estimate any potential loss or range of losses related to them. Accordingly, Lazard Group has not recorded an accrual for losses related to any such judicial, regulatory or arbitration proceedings.

6. MEMBERS' EQUITY

Pursuant to Lazard Group's Operating Agreement as in effect on March 31, 2005 and prior to the amendment and restatement of such agreement on May 10, 2005, Lazard Group allocates and distributes to its

members a substantial portion of its distributable profits in three monthly installments, as soon as practicable after the end of each fiscal year. Such installment distributions usually begin in February. In addition, other periodic distributions to members include, as applicable, capital withdrawals, fixed return on members' equity and income tax advances made on behalf of members.

In connection with the consummation of the initial public offering (see Note 9), during the three month period ended March 31, 2005, members' equity was reduced by approximately $18,000 for the repurchase of working member interests. Additional repurchases of working member interests and redemptions of working members' capital made subsequent to March 31, 2005, in connection with the consummation of the initial public offering, approximated $126,000 with all such payments having been made by May 9, 2005.

7. REGULATORY AUTHORITIES

LFNY is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Under the alternative method permitted by this rule, the minimum required net capital, as defined, is 2% of aggregate debit items arising from customer transactions or $1,500, whichever is greater. LFNY's regulatory net capital at March 31, 2005 was $70,982, which exceeded the minimum requirement by $69,482.

Certain U.K. subsidiaries of Lazard Group, namely LCL, Lazard Brothers & Co., Limited, Lazard Fund Managers Limited, Lazard Asset Management Limited, and Lazard European Private Equity Partners LLP (the "U.K. Subsidiaries") are regulated by the Financial Services Authority ("FSA"). At March 31, 2005, the aggregate regulatory net capital of the U.K. subsidiaries was $181,741, which exceeded the minimum requirement by $76,078. As a result of the separation, Lazard European Private Equity Partners LLP is now owned by LFCM Holdings.

The Financial Advisory activities of Lazard Frères SAS ("LF") and its wholly-owned subsidiaries, including LFB, are authorized by the Comité des Etablissements de Crédit et des Entreprises d'Investissement and are regulated by the Comité de la Réglementation Bancaire et Financière. Supervision is exercised by the Commission Bancaire, which is responsible, in liaison with the Banque de France, for ensuring compliance with the regulations. In this context LF has the status of a bank holding company ("Compagnie Financière") and LFB is a registered bank ("Etablissement de Crédit"). In addition, the investment services activities of the Paris group, exercised through LFB and other subsidiaries, primarily LFG (asset management) and Fonds Partenaires Gestion (private equity, merchant banking), are subject to regulation and supervision by the Autorité des Marchés Financiers. At March 31, 2005, the consolidated regulatory net capital of LF was $148,183, which exceeded the minimum requirement set for regulatory capital levels by $53,318.

Certain other U.S. and non-U.S. subsidiaries are subject to various other capital adequacy requirements promulgated by various regulatory and exchange authorities in the countries in which they operate. At March 31, 2005, for those subsidiaries with regulatory capital requirements, aggregate net capital of those subsidiaries were $35,787, which exceeded the minimum required capital by $25,137.

At March 31, 2005, each of these subsidiaries individually were in compliance with its regulatory capital requirements.

8. SEGMENT OPERATING RESULTS

Lazard Group's reportable segments offer different products and services and are managed separately as different levels and types of expertise are required to effectively manage the segments' transactions. Each

segment is reviewed to determine the allocation of resources and to assess its performance. In reporting to management, Lazard Group's business results are categorized into the following three segments: Financial Advisory, Asset Management and Capital Markets and Other. Financial Advisory includes providing advice on mergers, acquisitions, restructurings and other financial matters. Asset Management includes the management of equity and fixed income securities and merchant banking funds. Capital Markets and Other consists of equity, fixed income and convertibles sales and trading, broking, research and underwriting services, merchant banking fund management activities outside of France and specified non-operating assets and liabilities. In addition, Lazard Group records selected other activities in Corporate, including cash and marketable investments, certain long-term investments, and the commercial banking activities of LFB. Lazard Group also allocates outstanding indebtedness to Corporate.

Lazard Group's segment information for the three month periods ended March 31, 2004 and 2005 is prepared using the following methodology:

- Revenue and expenses directly associated with each segment are included in determining operating income.
- Expenses not directly associated with specific segments are allocated based on the most relevant measures applicable, including headcount, square footage and other factors.
- Segment assets are based on those directly associated with each segment, and include an allocation of certain assets relating to various segments, based on the most relevant measures applicable, including headcount, square footage and other factors.

Lazard Group allocates trading gains and losses, investment gains and losses, interest income and interest expense among the various segments based on the segment in which the underlying asset or liability is reported.

Each segment's operating expenses include (i) employee compensation and benefits expenses that are incurred directly in support of the businesses and (ii) other operating expenses, which include directly incurred expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, legal, facilities management and senior management activities.

Lazard Group evaluates segment results based on net revenue and operating income.

LAZARD GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)
(dollars in thousands, except per share amounts, unless otherwise noted)

Management believes that the following information provides a reasonable representation of each segment's contribution to net revenue, operating income and total assets:

	For the three month period ended March 31, 2004				
Net Revenue and Operating Income (Loss)	**Financial Advisory**	**Asset Management**	**Corporate**	**Capital Markets and Other**	**Total**
Net Revenue	$105,494	$96,826	$1,135	$42,134	$245,589
Operating Income (Loss)	$(7,107)	$31,924	$3,461	$(381)	$27,897

	For the three month period ended March 31, 2005				
Net Revenue and Operating Income (Loss)	**Financial Advisory**	**Asset Management**	**Corporate**	**Capital Markets and Other**	**Total**
Net Revenue	$157,259	$106,863	$(4,023)	$37,879	$297,978
Operating Income (Loss)	$59,862	$36,881	$1,526	$(6,597)	$91,672

Total Assets	**Financial Advisory**	**Asset Management**	**Corporate**	**Capital Markets and Other**	**Total**
At December 31, 2004	$380,331	$245,449	$1,384,769	$1,488,675	$3,499,224
At March 31, 2005	$322,358	$242,703	$1,247,962	$2,037,318	$3,850,341

9. SUBSEQUENT EVENTS

Initial Public Offering, Separation, Additional Financing Transactions and Recapitalization—On May 10, 2005, Lazard Ltd completed its initial public offering of Class A common stock (the "initial public offering") that involved substantially all of Lazard Group's business and completed certain additional financing transactions. The historical consolidated financial statements reflect the historical results of operations and financial position of Lazard Group, including the separated businesses for all periods presented, including the results of operations and financial condition for certain businesses that Lazard Group no longer owns. Accordingly, the historical financial statements do not reflect what the results of operations and financial position of Lazard Ltd or Lazard Group would have been had these companies been stand-alone, public companies for the periods presented. Specifically, the historical results of operations do not give effect to the following matters:

- The separation of Lazard Group's Capital Markets and Other activities (the "separation"), which consists of equity, fixed income and convertibles sales and trading, broking, research and underwriting services, merchant banking fund management activities outside of France and specified non-operating assets and liabilities (the "separated businesses"). As a result of the separation, the Capital Markets and Other activities are now owned and operated by LFCM Holdings.
- Payment for services rendered by Lazard Group's managing directors, which, as a result of Lazard Group operating as a limited liability company, historically has been accounted for as distributions from members' capital, or in some cases as minority interest, rather than as compensation and benefits expense. As a result, Lazard Group's operating income historically has not reflected payments for services rendered by its managing directors. As a result of the consummation of the initial public offering and the additional financing transactions, Lazard Ltd now includes all payments for services rendered by its managing directors in compensation and benefits expense.
- U.S. corporate federal income taxes, since Lazard Group has operated in the U.S. as a limited liability company that was treated as a partnership for U.S. federal income tax purposes. As a result, Lazard

LAZARD GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)
(dollars in thousands, except per share amounts, unless otherwise noted)

Group's income has not been subject to U.S. federal income taxes. Taxes related to income earned by partnerships represent obligations of the individual partners. Outside the U.S., Lazard Group historically has operated principally through subsidiary corporations and has been subject to local income taxes. Income taxes shown on Lazard Group's historical consolidated statements of income are attributable to taxes incurred in non-U.S. entities and to UBT attributable to Lazard Group's operations apportioned to New York City. Subsequent to the initial public offering, the consolidated financial statements of Lazard Ltd will include U.S. federal income taxes on its allocable share of the results of operations of Lazard Group, giving effect to the post initial public offering structure.

As more fully described in the Registration Statement, the separated businesses were separated from Lazard Group in connection with Lazard Ltd's initial public offering of Class A common stock and Lazard Ltd's additional public offering of equity security units (the "ESU offering"), the private placement of senior unsecured notes of Lazard Group (the "debt offering") and the investment agreement with IXIS—Corporate & Investment Bank (the "IXIS investment agreement," together with the ESU offering and the debt offering, the "additional financing transactions," together with the initial public offering, the "recapitalization"). The initial public offering, the ESU offering and the debt offering were each completed on May 10, 2005. The separated businesses became a part of LFCM Holdings LLC effective as of May 10, 2005.

Initial Public Offering—On May 10, 2005, Lazard Ltd issued, at $25 per share, 34,183,162 shares of its Class A common stock in a registered public offering pursuant to the Registration Statement. The aggregate gross proceeds relating to the offering amounted to $854,579, and net proceeds to Lazard Ltd, after approximately $66,000 of expenses incurred by Lazard Ltd in connection with the issuance and distribution of the common stock (including underwriting discounts and commission, expenses paid to the underwriters and certain other expenses), was approximately $788,579. Lazard Ltd contributed all the net proceeds from this offering to Lazard Group in exchange for a controlling interest in Lazard Group.

Additional Financing Transactions—On May 10, 2005, Lazard also completed several additional financing transactions, which are described below.

ESU Offering—Concurrently with the initial public offering, Lazard Ltd issued, for $25 per unit, equity security units for an aggregate offering amount of $287,500 in the ESU offering. Each unit consists of (a) a contract which obligates holders to purchase, and Lazard Ltd to sell, on May 15, 2008, a number of newly-issued shares of Lazard Ltd Class A common stock equal to a settlement rate based on the trading price of Lazard Ltd Class A common stock during a period preceding that date and (b) a 1/40, or 2.5%, ownership interest in a senior note of an affiliate, Lazard Group Finance LLC ("Lazard Group Finance"), with a principal amount of $1 (the "senior notes").

Lazard Ltd will make quarterly contract adjustment payments on the purchase contracts at an annual rate of 0.505% commencing August 15, 2005, subject to its right to defer these payments. In general, during any period in which it defers contract adjustment payments, Lazard Ltd cannot declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of its capital stock.

The senior notes of Lazard Group Finance are senior obligations of Lazard Group Finance. The notes will mature on May 15, 2035, or on such earlier date as Lazard Ltd may elect in connection with the remarketing. In no event, however, will Lazard Ltd reset the maturity date to be prior to May 15, 2010. Lazard Group Finance used the net proceeds from the ESU offering to purchase senior notes from Lazard Group (the "Lazard Group notes"). The Lazard Group notes, which have substantially similar terms to the senior notes, are pledged to secure the obligations of Lazard Group Finance under the senior notes. The ability of Lazard Group Finance to pay its obligations under the senior notes depends on its ability to obtain interest and principal payments on the Lazard Group notes.

LAZARD GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)
(dollars in thousands, except per share amounts, unless otherwise noted)

Upon a remarketing of the senior notes, in which the applicable interest rate, payment dates and maturity date on the notes will be reset and the notes remarketed, the interest rate, payment dates and maturity date on the Lazard Group notes also will be reset on the same terms such that the interest rate, payment dates and maturity date on the Lazard Group notes are the same as those for the senior notes.

The equity security units will be reflected in Lazard Ltd's diluted net income per share using the treasury stock method, and would be dilutive when the weighted-average market price of Lazard Ltd Class A common stock is greater than or equal to $30 per share, the threshold appreciation price.

IXIS Investment Agreement—Under the IXIS investment agreement, IXIS—Corporate & Investment Bank ("IXIS"), which is a subsidiary of Caisse Nationale des Caisses d'Epargne, purchased an aggregate of $200,000 of Lazard Ltd securities on May 10, 2005, $150,000 of which were equity security units (the "IXIS ESU placement") and $50,000 of which were shares of Lazard Ltd Class A common stock. The terms of the equity security units issued in connection with the IXIS ESU placement are the same as the equity security units described above. The price per security paid by IXIS was equal, in the case of shares of Lazard Ltd Class A common stock, to the price per share in the initial public offering and, in the case of equity security units, the price per unit in the ESU offering. Lazard Group Finance used the net proceeds from the IXIS ESU placement to purchase Lazard Group notes. Lazard Ltd contributed the net proceeds from the sale of Lazard Ltd Class A Common Stock to Lazard Group.

Lazard Group Senior Notes—Concurrent with the initial public offering, Lazard Group issued, in a private placement, $550,000 aggregate principal amount of 7.125% senior notes due May 15, 2015. The notes were issued net of original issue discount of $435. Interest on the notes is due May 15 and November 15 of each year, commencing on November 15, 2005. The notes are unsecured.

The indenture governing the senior notes contains covenants that limit Lazard Group's ability and that of its subsidiaries, subject to important exceptions and qualifications, to, among other things, create a lien on any shares of capital stock of any designated subsidiary, and consolidate, merge or transfer all or substantially all of its assets and the assets of its subsidiaries. The indenture governing the senior notes also contains a customary make-whole provision in the event of early redemption.

In connection with the issuance of the senior notes, on April 1, 2005, Lazard Group entered into an interest rate forward agreement with a bank for a notional amount of $650,000. By entering into this interest rate forward agreement, Lazard Group was able to ensure that the base rate (excluding market-driven credit spreads) on Lazard Group's senior notes would be no greater than 4.5%. Lazard Group settled the interest rate forward agreement with the bank as of May 9, 2005, which required a payment by Lazard Group of approximately $13,000. Of this amount, approximately $11,000 was deemed to be the effective portion of the hedge and has been recorded as other comprehensive income and will be amortized as a charge to interest expense over the ten year term of the senior notes.

Recapitalization—In connection with the consummation of the initial public offering and additional financing transactions, Lazard Group used the net proceeds primarily to (a) redeem membership interests, including Lazard Group's mandatorily redeemable preferred stock, held by the historical partners for $1,616,411, (b) capitalize the separated businesses in the amount of $150,000, (c) repay the $50,000, 7.53% Senior Notes due 2011 in aggregate principal amount of $50,000 as well as a related "make-whole" payment of $7,650 and (d) pay transaction fees and expenses.

LAZARD GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)
(dollars in thousands, unless otherwise noted)

Lazard Alternative Investments—The business alliance agreement entered into between Lazard Group and LFCM Holdings, granted Lazard Group the option to acquire the North American and European fund management activities of Lazard Alternative Investments Holdings LLC ("LAI"), the subsidiary of LFCM Holdings that owns and operates LFCM Holdings' merchant banking activities, exercisable at any time prior to the ninth anniversary of the consummation of the initial public offering, for a total price of $10,000. The option may be exercised by Lazard Group in two parts, consisting of an $8,000 option to purchase the North American merchant banking activities and a $2,000 option to purchase the European merchant banking activities. LAI's merchant banking activities initially consist of the merchant banking management and general partner entities, together with Lazard Group's direct investments in related funds that were transferred to LFCM Holdings pursuant to or in anticipation of the separation.

On February 25, 2005, Lazard Group formed a new private equity fund, Corporate Partners II Limited, with $1,000,000 of institutional capital commitments and a $100,000 capital commitment from Lazard Group through 2010. Pursuant to the master separation and business alliance agreements entered into between Lazard Group and LFCM Holdings, following the completion of the separation, this fund is managed by a subsidiary of LFCM Holdings, and Lazard Group retained a capital commitment to the fund and is entitled to receive the carried interest distributions made by the fund (other than the carried interest distributions made to investment professionals who manage the fund).

The business alliance agreement provides Lazard Group with certain governance rights with respect to LAI and provides for support by LFCM Holdings of the business of LAI. With respect to historic investments and funds transferred to LFCM Holdings as part of the separation, profits realized prior to the option exercise are for the account of LFCM Holdings, whereas profits realized after the exercise of the option are for the account of Lazard Group. Lazard Group intends to invest capital in future funds to be managed by LFCM Holdings' subsidiaries and is entitled to receive incentive fee payments from such funds, as well as profits related to such investments, if any, irrespective of whether it exercises its purchase option.

Panmure Gordon—On April 26, 2005, Lazard Group completed the sale of Panmure Gordon & Co., Limited ("Panmure Gordon") to Durlacher Corporation PLC, a U.K. broking firm ("Durlacher"). Panmure Gordon, acquired in 2004 by Lazard Group, operated as part of Lazard Group's Capital Markets and Other segment in the U.K. As part of the April 2005 transaction, Lazard Group received an ownership interest of 32.8% in Durlacher, which was transferred to LFCM Holdings in connection with the separation. Lazard Group and LFCM Holdings have agreed to share any cash proceeds, to be derived prior to May 2013, from any subsequent sale by LFCM Holdings of the shares it owns in Durlacher.

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Item 1A. Unaudited Pro Forma Financial Information

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Unaudited Pro Forma Condensed Consolidated Statements of Income For The Three Month Periods Ended March 31, 2004 and 2005	20
Unaudited Pro Forma Condensed Consolidated Statement of Financial Condition As of March 31, 2005	25

The following unaudited pro forma condensed consolidated statements of income for the three month periods ended March 31, 2004 and 2005 and the unaudited pro forma condensed consolidated statement of financial condition at March 31, 2005 present the consolidated results of operations and financial position of Lazard Ltd and Lazard Group assuming that the separation and recapitalization transactions, including the initial public offering and the additional financing transactions, had been completed as of January 1, 2004 with respect to the unaudited pro forma condensed consolidated statements of income data, and at March 31, 2005 with respect to the unaudited pro forma condensed consolidated statement of financial condition data. The pro forma adjustments are based on available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of the separation and recapitalization transactions, including the initial public offering and the additional financing transactions, on the historical financial information of Lazard Group. The adjustments are described in the notes to unaudited pro forma condensed consolidated statements of income and the unaudited pro forma condensed consolidated statement of financial condition, and principally include the matters set forth below.

- The separation, which is described in more detail in “Notes to Condensed Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”
- Payment for services rendered by Lazard Group’s managing directors, which, as a result of Lazard Group operating as a limited liability company, historically has been accounted for as distributions from members’ capital, or in some cases as minority interest, rather than as employee compensation and benefits expense. As a result, Lazard Group’s operating income historically has not reflected payments for services rendered by its managing directors. As a result of the consummation of the initial public offering, Lazard Ltd now includes all payments for services rendered by our managing directors in employee compensation and benefits expense.
- U.S. corporate federal income taxes, since Lazard Group has operated in the U.S. as a limited liability company that was treated as a partnership for U.S. federal income tax purposes. As a result, Lazard Group’s income has not been subject to U.S. federal income taxes. Taxes related to income earned by partnerships represent obligations of the individual partners. Outside the U.S., Lazard Group historically has operated principally through subsidiary corporations and has been subject to local income taxes. Income taxes shown on Lazard Group’s historical consolidated statements of income are attributable to taxes incurred in non-U.S. entities and to New York City UBT attributable to Lazard Group’s operations apportioned to New York City.
- Minority interest expense reflecting ownership by LAZ-MD Holdings LLC (“LAZ-MD Holdings”), a Delaware limited liability company, of approximately 62.5% of the Lazard Group common membership interests outstanding immediately after the initial public offering and the separation and recapitalization transactions. LAZ-MD Holdings is a holding company that is owned by current and former managing directors of Lazard Group.
- The use of proceeds from the initial public offering and the additional financing transactions.
- The net incremental expense related to the additional financing transactions.

The unaudited pro forma financial information of Lazard Ltd should be read together with the Registration Statement and the accompanying “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Lazard Group’s historical unaudited condensed consolidated financial statements and the related

notes included elsewhere herein. The historical consolidated financial data reflected in the accompanying unaudited pro forma financial information represent historical consolidated financial data of Lazard Group. Such historical consolidated financial data of Lazard Group reflects the historical results of operations and financial position of Lazard Group, including the separated businesses.

The pro forma consolidated financial information are included for informational purposes only and do not purport to reflect the results of operations or financial position of Lazard Group or Lazard Ltd that would have occurred had they operated as separate, independent companies during the periods presented. Actual results might have differed from pro forma results if Lazard Group or Lazard Ltd had operated independently. The pro forma consolidated financial information should not be relied upon as being indicative of Lazard Group or Lazard Ltd's results of operations or financial condition had the transactions described in connection with the separation and recapitalization transactions, including the initial public offering and the additional financing transactions, been completed on the dates assumed. The pro forma consolidated financial information also does not project the results of operations or financial position for any future period or date.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Month Period Ended March 31, 2004								
		Pro Forma Adjustments							
	Historical	Separation (a)	Subtotal	Other	Total	Pro Forma Adjustments For The Additional Financing Transactions	Lazard Group Pro Forma, as Adjusted	Pro Forma Adjustments For The Initial Public Offering	Lazard Ltd Pro Forma, as Adjusted (m)
	($ in thousands, except per share data)								
Total revenues	$258,459	($44,780)	$213,679		$213,679		$213,679		$213,679
Interest expense	(12,870)(b)	2,646	(10,224)		(10,224)	$(13,943)(e)	(24,167)		(24,167)
Net revenues	245,589	(42,134)	203,455		203,455	(13,943)	189,512		189,512
Operating Expenses:									
Compensation and benefits	140,860	(28,812)	112,048	$8,113 (c)	120,161		120,161		120,161
Premises and occupancy costs	22,227	(3,954)	18,273		18,273		18,273		18,273
Professional fees	13,656	(3,102)	10,554		10,554		10,554		10,554
Travel and entertainment	13,839	(1,655)	12,184		12,184		12,184		12,184
Other	27,110	(4,992)	22,118		22,118		22,118		22,118
Operating expenses	217,692	(42,515)	175,177	8,113	183,290		183,290		183,290
Operating income or loss	27,897	381	28,278	(8,113)	20,165	(13,943)	6,222		6,222
Provision (benefit) for income taxes	(2,121)	(489)	(2,610)	(1,976)(d)	(4,586)	5,519 (f)	933	$303 (g)	1,236
Income allocable to members before minority interest	30,018	870	30,888	(6,137)	24,751	(19,462)	5,289	(303)	4,986
Minority interest	14,965	(1)	14,964	(18,688)(c)	(3,724)		(3,724)	5,634 (h)	1,910
Net income allocable to members	$15,053	$871	$15,924	$12,551	$28,475	($19,462)	$9,013	($5,937)	$3,076
Weighted average shares outstanding:									
Basic					100,000,000 (i)				37,500,000 (k)
Diluted					100,000,000 (i)				100,000,000 (k)
Net income per share:									
Basic					$0.28 (j)				$0.08 (l)
Diluted					$0.28 (j)				$0.08 (l)

See Notes to Unaudited Pro Forma Condensed Consolidated Statements of Income

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Month Period Ended March 31, 2005								
		Pro Forma Adjustments							
	Historical	Separation (a)	Subtotal	Other	Total	Pro Forma Adjustments For The Additional Financing Transactions	Lazard Group Pro Forma, as Adjusted	Pro Forma Adjustments For The Initial Public Offering	Lazard Ltd Pro Forma, as Adjusted (m)
	($ in thousands, except per share data)								
Total revenues	$314,128	($44,121)	$270,007		$270,007		$270,007		$270,007
Interest expense	(16,150)(b)	6,242	(9,908)		(9,908)	$(13,943)(e)	(23,851)		(23,851)
Net revenues	297,978	(37,879)	260,099		260,099	(13,943)	246,156		246,156
Operating Expenses:									
Compensation and benefits	127,487	(21,606)	105,881	$46,798(c)	152,679		152,679		152,679
Premises and occupancy costs	27,531	(11,148)	16,383		16,383		16,383		16,383
Professional fees	13,332	(4,474)	8,858		8,858		8,858		8,858
Travel and entertainment	10,501	(1,526)	8,975		8,975		8,975		8,975
Other	27,455	(5,722)	21,733		21,733		21,733		21,733
Operating expenses	206,306	(44,476)	161,830	46,798	208,628		208,628		208,628
Operating income or loss	91,672	6,597	98,269	(46,798)	51,471	(13,943)	37,528		37,528
Provision (benefit) for income taxes	8,056	(253)	7,803	(11)(d)	7,792	(2,163)(f)	5,629	$1,829 (g)	7,458
Income allocable to members before minority interest	83,616	6,850	90,466	(46,787)	43,679	(11,780)	31,899	(1,829)	30,070
Minority interest	10,260	(1)	10,259	(14,534)(c)	(4,275)		(4,275)	22,609 (h)	18,334
Net income allocable to members	$73,356	$6,851	$80,207	($32,253)	$47,954	($11,780)	$36,174	($24,438)	$11,736
Weighted average shares outstanding:									
Basic					100,000,000 (i)				37,500,000 (k)
Diluted					100,000,000 (i)				100,000,000 (k)
Net income per share:									
Basic					$0.48 (j)				$0.31 (l)
Diluted					$0.48 (j)				$0.31 (l)

See Notes to Unaudited Pro Forma Condensed Consolidated Statements of Income

Notes to Unaudited Pro Forma Condensed Consolidated Statements of Income ($ in thousands):

(a) Reflects adjustments necessary to remove the historical results of operations of Lazard Group's separated businesses.

(b) Interest expense includes accrued dividends relating to Lazard Group's mandatorily redeemable preferred stock issued in March 2001, which amounted to $2,000 and $2,000 for the three month periods ended March 31, 2004 and 2005, respectively.

(c) Prior to the initial public offering, payments for services rendered by Lazard Group's managing directors were accounted for as distributions from members' capital, or as minority interest expense in the case of payments to LAM managing directors and certain key LAM employee members during 2004 and 2005, rather than as employee compensation and benefits expense. As a result, Lazard Group's employee compensation and benefits expense and net income allocable to members did not reflect most payments for services rendered by Lazard Group's managing directors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures and Indicators—Net Income Allocable to Members."

The adjustment reflects the classification of these payments for services rendered as employee compensation and benefits expense and has been determined as if the new compensation policy described below had been in place during 2004 and 2005. Accordingly, the pro forma condensed consolidated statements of income data reflect compensation and benefits expense based on new retention agreements that are in effect.

Following the completion of the initial public offering, Lazard's policy is that its employee compensation and benefits expense, including that payable to its managing directors, will not exceed 57.5% of operating revenue each year (although Lazard retains the ability to change this policy in the future). Lazard Group's managing directors have been informed of this new policy. The new retention agreements with its managing directors generally provide for a fixed salary and discretionary bonus, which may include an equity-based compensation component. Lazard defines "operating revenue" for these purposes as consolidated total revenue less (i) total revenue attributable to the separated businesses and (ii) interest expense related to LFB, with such operating revenue being $208,976 and $265,529 for the three month periods ended March 31, 2004 and 2005, respectively.

The overall net adjustment to increase historical employee compensation and benefits expense (after eliminating the expenses related to the separated businesses) is $8,113 and $46,798 for the three month periods ended March 31, 2004 and 2005, respectively. The net adjustments are the result of (i) aggregating the distributions representing payments for services rendered by managing directors and employee members of LAM and, (ii) with respect to the 2004 period, the $8,113 adjustment represents the net addition for the portion of distributions representing payments for services rendered by managing directors and employee members of LAM of $92,335, and the reduction of $84,222 to reflect the new compensation arrangements with our managing directors to achieve a target compensation expense-to-operating revenue ratio of 57.5% from its historical ratio for that period of 97.8%. In the 2005 period, the new compensation arrangements were in effect, thus, Lazard Group's employee compensation and benefits expense to operating revenue ratio is 57.5% and no further adjustment is necessary.

(d) Reflects net tax benefit adjustments of $1,976 and $11 for the three month periods ended March 31, 2004 and 2005, respectively. The net adjustment includes (i) a tax benefit of $1,601 in the three month period ended March 31, 2004, which reflects the application of the historical effective Lazard Group income tax rates against the applicable pro forma adjustments (no similar adjustment applicable for the three month period ended March 31, 2005), and (ii) a tax benefit reclassified from LAM minority interest of $375 and $11 for the three month periods ended March 31, 2004 and 2005, respectively.

(e) Reflects net incremental interest expense related to the separation and recapitalization transactions, including the additional financing transactions and the amortization of capitalized costs associated with the

additional financing transactions, estimated to be $13,943 and $13,943 for the three month periods ended March 31, 2004 and 2005, respectively.

(f) Reflects the net income tax impact associated with the separation and recapitalization transactions.

(g) Represents an adjustment for Lazard Ltd entity-level taxes of $303 and $1,829 for the three month periods ended March 31, 2004 and 2005, respectively.

The difference between the U.S. federal statutory tax rate of 35% and Lazard Ltd's estimated effective tax rate of 28% is primarily due to the earnings attributable to Lazard Ltd's non-U.S. subsidiaries being taxable at rates lower than the U.S. federal statutory tax rate, partially offset by U.S. state and local taxes which are incremental to the U.S. federal statutory tax rate.

(h) Minority interest expense includes an adjustment for LAZ-MD Holdings' ownership of 62.5% of the Lazard Group common membership interests outstanding immediately after the initial public offering, with such minority interest being the result of multiplying LAZ-MD Holdings' ownership interests in Lazard Group by Lazard Group's pro forma, as adjusted, net income allocable to members. LAZ-MD Holdings' ownership interests in Lazard Group are exchangeable, on a one-for-one basis, into shares of Lazard Ltd's Class A common stock, and, on a fully exchanged basis, would amount to 62,500,000 shares or 62.5% of Lazard Ltd's shares outstanding.

(i) For purposes of presentation of basic and diluted net income per share, it was assumed that all Lazard Group common membership interests were exchanged into 100,000,000 shares of Lazard Ltd's Class A common stock.

(j) Calculated after considering the impact of the pro forma adjustments described in notes (a), (c) and (d) above and based on the weighted average basic and diluted shares outstanding, as applicable, as described in note (i) above. Net income per share is not comparable to Lazard Ltd pro forma as adjusted net income per share due to the effect of the recapitalization, including the initial public offering and the additional financing transactions, and because net income allocable to members does not reflect U.S. corporate federal income taxes since Lazard Group has operated in the U.S. as a limited liability company that was treated as a partnership for U.S. federal tax purposes, whereas Lazard Ltd net income includes a provision in respect of such taxes.

(k) For purposes of presentation of basic net income per share, the weighted average shares outstanding reflects the 37,500,000 shares of Lazard Ltd's Class A common stock outstanding immediately following the initial public offering. For purposes of presentation of diluted net income per share, LAZ-MD Holdings exchangeable interests are included on an as-if-exchanged basis. Shares issuable with respect to the exercise of the purchase contracts associated with the equity security units offered in the ESU offering and the IXIS ESU placement are not included because, under the treasury stock method of accounting, such securities currently are not dilutive.

(l) Calculated after considering the impact of all the pro forma adjustments described above and based on the weighted average basic and diluted shares outstanding, as applicable, as described in note (k) above. See the table below for a detailed reconciliation of basic to diluted net income per share.

	Three Months Ended March 31, 2004			Three Months Ended March 31, 2005		
	Weighted Average Shares Outstanding	Net Income	Net Income Per Share	Weighted Average Shares Outstanding	Net Income	Net Income Per Share
			($ in thousands, except per share data)			
Amounts as reported for Basic net income per share	37,500,000	$3,076	$0.08	37,500,000	$11,736	$0.31
Amounts applicable to LAZ-MD exchangeable interests:						
Share of Lazard Group net income		5,634 (*)			22,609 (*)	
Additional Corporate tax		(506)(**)			(3,050)(**)	
Shares issuable	62,500,000			62,500,000		
Amounts as reported for Diluted net income per share	100,000,000	$8,204	$0.08	100,000,000	$31,295	$0.31

* 62.5% of pro forma Lazard Group net income of $9,013 and $36,174 in the 2004 and 2005 period, respectively.

** Based on pro forma Lazard Group operating income of $6,222 and $37,528 in the 2004 and 2005 period, respectively.

(m) Captions relating to “income allocable to members” means “income” with respect to the Lazard Ltd amounts.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

	As of March 31, 2005								
		Pro Forma Adjustments							
	Historical	Separation (a)	Subtotal	Other	Total	Pro Forma Adjustments for the Capital Contribution Relating to the Initial Public Offering and the Additional Financing Transactions	Lazard Group Pro Forma, as Adjusted	Pro Forma Adjustments for the Initial Public Offering	Lazard Ltd Consolidated Pro Forma, as Adjusted
	($ in thousands)								
ASSETS									
Cash and cash equivalents	$234,227	($43,960)	$190,267	($84,000)(b)	$106,267(e)	$53,278(f)	$159,545		$159,545
Cash and securities segregated for regulatory purposes	39,650	(23,500)	16,150		16,150		16,150		16,150
Marketable investments	95,281		95,281		95,281(e)		95,281		95,281
Securities owned	635,692	(275,559)	360,133		360,133		360,133		360,133
Securities borrowed	1,194,668	(1,194,668)							
Receivables	996,079	(301,784)	694,295		694,295		694,295		694,295
Other assets	654,744	(197,847)	456,897		456,897	(39,774)(f)		$261,000 (h)	
						9,070(f)		(261,000)(h)	
						435(f)	426,628		426,628
Total assets	$3,850,341	($2,037,318)	$1,813,023	($84,000)	$1,729,023	$23,009	$1,752,032	$—	$1,752,032
LIABILITIES, MEMBERS' EQUITY AND STOCKHOLDERS' EQUITY									
Notes payable	$55,496	($1,382)	$54,114		$54,114	($50,000)(f)	$4,114		$4,114
Securities loaned	1,123,507	(1,123,507)							
Payables	818,099	(197,415)	620,684		620,684		620,684		620,684
Accrued employee compensation	67,721	(20,878)	46,843	$20,493(c)					
				76,630(d)	143,966(e)		143,966		143,966
Miscellaneous other liabilities	1,056,942	(439,522)	617,420		617,420	6,013(g)	623,433	$—(h)	623,433
Lazard Group senior notes						550,000 (f)	550,000		550,000
Lazard Group Finance senior notes underlying equity security units						437,500 (f)	437,500		437,500
Subordinated loans	200,000		200,000		200,000		200,000		200,000
Mandatorily redeemable preferred stock	100,000		100,000		100,000	(100,000)(f)			—
Minority interest	141,308	(18,748)	122,560	(20,493)(c)	102,067		102,067	—(i)	102,067
Members' equity	287,268	(235,866)	51,402	(84,000)(b)	(109,228)	859,570 (f)			
				(76,630)(d)		(1,516,411)(f)			
						(150,000)(f)			
						(7,650)(f)			
						(6,013)(g)	(929,732)	929,732 (i)	—
Stockholders' equity (deficiency):									
Common stock, par value $.01 per share								375(i)	375
Additional paid-in capital								(930,107)(g)(i)	(930,107)
Total members' equity and stockholders' equity (deficiency)	287,268	(235,866)	51,402	(160,630)	(109,228)	(820,504)	(929,732)	—	(929,732)
Total liabilities, members' equity and stockholders' equity (deficiency)	$3,850,341	($2,037,318)	$1,813,023	($84,000)	$1,729,023	$23,009	$1,752,032	$—	$1,752,032

See Notes to Unaudited Pro Forma Condensed Consolidated Statement of Financial Condition

Notes to Unaudited Pro Forma Condensed Consolidated Statement of Financial Condition ($ in thousands):

(a) Reflects adjustments necessary to remove the historical balances relating to Lazard Group's separated businesses. Subsequent to March 31, 2005, the separated businesses' members' equity as reflected in the pro forma condensed consolidated statement of financial condition will be reduced by approximately $126,000 related to the repurchase of working member interests and capital redemptions in connection with the consummation of the initial public offering, all of which has been paid as of May 9, 2005.

(b) Reflects cash contribution in recognition of indemnities made by the separated businesses in favor of Lazard Group.

(c) Reclassifies minority interest relating to services rendered by managing directors and employee members associated with Lazard Group's controlled affiliate, LAM, to accrued compensation.

(d) Prior to the initial public offering, payment for services rendered by managing directors were accounted for as distributions to members' capital (and subsequent to January 1, 2003, minority interest for LAM) rather than as compensation expense. As a result, the accrued compensation liability account did not reflect a liability for most services rendered by managing directors. As a result of the consummation of the initial public offering, Lazard now includes all payments for services rendered by Lazard Group's managing directors in compensation and benefits expense. The pro forma adjustment reflects the compensation payable to managing directors (excluding LAM and the separated businesses).

(e) Historically, employee bonuses have generally been paid in January following the end of each fiscal year. Payments to managing directors for services rendered have generally been made in three monthly installments, as soon as practicable, after the end of each fiscal year. Such payments usually begin in February and end in April. Accordingly, the cash and marketable investments balances shown do not reflect the final payment made in April, to Lazard Group's managing directors for services rendered.

(f) Reflects the net impact of the initial public offering, the additional financing transactions and the recapitalization representing (1) a net increase in members' equity of $859,570, consisting of the issuance of $937,500 of Lazard Ltd's Class A common stock, which includes $50,000 in value of shares issued to IXIS pursuant to the IXIS investment agreement and $32,921 related to the cashless exchange of historical partner interests of Lazard Ltd's Chief Executive Officer for shares of Lazard Ltd's Class A common stock at the initial public offering price, less estimated transaction fees and expenses attributable to these equity offerings of $77,930 (which represents the estimated total transaction fees of $87,000 less $9,070 of capitalized debt issuance costs), (2) the issuance of $550,000 principal amount of Lazard Group senior notes and (3) the issuance of $437,500 of equity security units, $150,000 of which were issued to IXIS pursuant to the IXIS investment agreement. The aggregate proceeds of $1,925,000, prior to estimated transaction fees and expenses, which, combined with $39,774 in certain Lazard Group long-term investments (which were used to satisfy a portion of the historical partner redemption consideration), were used to (a) redeem $1,616,411 in historical partner interests, which included $100,000 in Mandatorily Redeemable Preferred Stock and $32,921 in the cashless exchange of Lazard Ltd's Chief Executive Officer's historical partner interests for shares of Lazard Ltd's Class A common stock, (b) repay $50,000 in principal amount of 7.53% Senior Notes due 2011, including a make-whole amount of $7,650, (c) distribute an aggregate of $150,000 to LAZ-MD Holdings and LFCM Holdings and (d) pay estimated transaction fees and expenses of $87,000. The estimated net proceeds from the initial public offering and the additional financings exceeded the identified use of proceeds described above by $53,278, which resulted in an equivalent increase in cash and cash equivalents. Further, other assets reflect a net reduction of $30,269 related to the utilization of $39,774 in long-term investments, as mentioned above, as well as the original issue discount of $435 related to the issuance of $550,000 principal amount of Lazard Group senior notes and an increase related to the capitalization of $9,070 in debt issuance costs.

(g) Reflects an adjustment of $6,013 to record a liability for the present value of the quarterly contract adjustment payments related to the purchase contracts associated with the equity security units, including those issued pursuant to the IXIS ESU placement, with a corresponding charge to additional paid-in-capital. This adjustment is calculated based upon contract adjustment payments equal to 0.505% of the principal

amount of the equity security units, discounted to present value at an annual rate of 6.12% over the three-year life of the purchase contracts.

(h) In accordance with Statement of Financial Accounting Standards No. 109, and in connection with the consolidation of Lazard Group into Lazard Ltd, Lazard recorded a deferred tax asset of approximately $30,000, with such amount fully offset by a valuation allowance. In addition, in connection with the redemption of the historical partner interests and preferred interests, Lazard also recorded a deferred tax asset of approximately $231,000, with such amount also fully offset by a valuation allowance. The valuation allowances have been recorded because it is more likely than not that these deferred tax assets will not be realized. The realization of the deferred tax assets depends, among other factors, on the future geographic mix of the earnings of Lazard Group and on Lazard Group meeting certain statutory limitations on amortization deductions.

(i) Reflects the issuance of shares of Lazard Ltd's Class A common stock pursuant to the initial public offering, net of applicable costs with respect thereto, and the net effect of the consolidation by Lazard Ltd of Lazard Group, including the classification of LAZ-MD Holdings' approximate 62.5% ownership of Lazard Group's common membership interests as of March 31, 2005 as a reduction of Lazard Ltd's additional paid-in capital rather than minority interest, since such minority interest would be negative.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements and Certain Factors that May Affect Our Business

We have included in Parts I and II of this Quarterly Report on Form 10-Q statements that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. These factors include, but are not limited to, those discussed in our Registration Statements on Form S-1 (File Nos. 333-121407 and 333-123463) (collectively, the "Registration Statements") under the caption "Risk Factors," including the following:

- a decline in general economic conditions or the global financial markets;
- losses caused by financial or other problems experienced by third parties;
- losses due to unidentified or unanticipated risks;
- a lack of liquidity, *i.e.*, ready access to funds, for use in our businesses;
- competitive pressure.

Lazard Group operates in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q to conform our prior statements to actual results or revised expectations and we do not intend to do so.

Forward-looking statements include, but are not limited to, statements about Lazard Group's:

- business' possible or assumed future results of operations and operating cash flows,
- business' strategies and investment policies,
- business' financing plans and the availability of short-term borrowing,
- business' competitive position,
- potential growth opportunities available to its business,
- the recruitment and retention of its managing directors and employees,
- target levels of compensation,
- business' potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts,
- likelihood of success and impact of litigation,
- expected tax rate,

- changes in interest and tax rates,
- expectation with respect to the economy, securities markets, the market for mergers and acquisitions activity, the market for asset management activity and other industry trends,
- the benefits to its business resulting from the effects of the separation and recapitalization transactions, including the initial public offering and the additional financing transactions,
- the effects of competition on its business, and
- the impact of future legislation and regulation on its business.

Completion of Separation and Recapitalization Transactions

For presentation purposes, the information presented below reflects the historical results of operations and financial position of Lazard Group prior to the separation. The separation and recapitalization transactions were completed as of May 10, 2005, at which time the separated business became part of LFCM Holdings.

Except as otherwise expressly noted, this quarterly report, including this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial data of Lazard Group, reflect the historical results of operations and financial position of Lazard Group, including the separated businesses. In addition to other adjustments, the pro forma financial data included in this Form 10-Q reflect financial data for Lazard Group and Lazard Ltd giving effect to the separation, as well as other adjustments made as a result of the initial public offering and the additional financing transactions and the recapitalization.

Business Summary

Lazard Group's principal sources of revenue are derived from activities in the following business segments:

- Financial Advisory, which includes providing advice on mergers, acquisitions, restructurings and other financial matters,
- Asset Management, which includes the management of equity and fixed income securities and merchant banking funds, and
- Capital Markets and Other, which consists of equity, fixed income and convertibles sales and trading, broking, research and underwriting services, merchant banking fund management activities outside of France and specified non-operating assets and liabilities. In connection with the separation, Lazard Group transferred its Capital Markets and Other segment to LFCM Holdings on May 10, 2005.

In addition, Lazard Group records selected other activities in Corporate, including cash and marketable investments, certain long-term investments and the commercial banking activities of our Paris-based LFB. LFB is a registered bank regulated by the Banque de France. LFB's primary operations include the management of the treasury positions of Lazard's Paris House through its money market desk and, to a lesser extent, credit activities relating to securing loans granted to clients of LFG and custodial oversight over assets of various clients. In addition, LFB also operates many support functions of the Paris House. Lazard Group also allocates outstanding indebtedness to Corporate. Following the initial public offering, the indebtedness and interest expense related to the additional financing transactions will be accounted for as part of Corporate.

For the three month period ended March 31, 2005, Financial Advisory, Asset Management, Capital Markets and Other and Corporate contributed approximately 53%, 36%, 12% and (1)% of Lazard Group's net revenue, respectively.

Business Environment

Economic and market conditions, particularly global mergers and acquisitions ("M&A") activity, can significantly affect our financial performance. Lazard operates in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for Lazard's management to predict all risks and uncertainties, nor can Lazard assess the impact of all factors on Lazard's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. See the section entitled "Risk Factors" in the Registration Statement. Net income and revenues in any period may not be indicative of full-year results or the results of any other period and may vary significantly from year to year and quarter to quarter.

The respective source for the data contained herein relating to (i) the volume of global and trans-Atlantic completed and announced merger and acquisition transactions is Thomson Financial as of April 11, 2005, (ii) the amount of corporate debt defaults is Moody's Investors Service, Inc., all rights reserved, (iii) the amount of hedge fund assets is from Van Hedge Fund Advisors, and (iv) funds raised for global private capital, including private equity and venture capital investment funds, is Thomson Venture Economics/National Venture Capital, March 2005.

Financial Advisory

For the three month period ended March 31, 2005, the volume of global completed M&A transactions increased 41% versus the corresponding period ended March 31, 2004, increasing to $343 billion from $244 billion, respectively, with the volume of trans-Atlantic completed M&A transactions experiencing a 49% increase. Over the same period, the volume of global announced M&A transactions increased by 18% in 2005, from $499 billion to $589 billion, and the volume of trans-Atlantic announced M&A transactions increased by 6% from $16 billion to $17 billion, reflecting growing industry-wide activity. Over the same time frame, financial restructuring activity continued to decline, with the amount of corporate debt defaults falling from $4 billion to $2 billion, or by 49%. Lazard believes that its Financial Advisory business would benefit from any sustained increase in M&A volume.

For the three month period ended March 31, 2005, Lazard Group's Mergers and Acquisitions net revenue increased to $122 million from $74 million, or 66%, for the corresponding period in 2004 as M&A activity rebounded. At the same time, Financial Restructuring net revenue also increased to $24 million from $18 million, or 33%, over the same time period, reflecting increased restructuring activity despite declining levels of global corporate debt defaults.

Asset Management

While global stock markets experienced substantial appreciation in 2004, markets in the first quarter of 2005 experienced some volatility. In the first quarter of 2005, global markets softened as evidenced by the MSCI World Index declining by 2%. European markets, however, showed modest gains with the FTSE 100, CAC 40 and DAX indices gaining 2%, 7% and 2%, respectively. In the U.S., the Dow Jones Industrial, S&P 500 and NASDAQ indices declined 3%, 3% and 8%, respectively, during the same period. Despite the recent softness, global stock markets over the last twelve months remained on the positive side. From April 1, 2004 until March 31, 2005, the MSCI World Index rose by 9%, and the FTSE 100, CAC 40 and DAX indices rose by 12%, 12% and 13%, respectively. In the U.S., the Dow Jones Industrial, S&P 500 and NASDAQ indices remained slightly positive with gains of 1%, 5% and 0.3%, respectively, during the same twelve month period. The changes in global market indices correspond with Lazard Group's market-related changes in its Assets Under Management ("AUM").

Recent Developments

As described in more detail in Note 9 to the accompanying Notes to Condensed Consolidated Financial Statements, on May 10, 2005 the initial public offering, the additional financing transactions, the separation and the recapitalization were consummated.

On April 26, 2005, Lazard Group completed the sale of its U.K. capital markets business, Panmure Gordon & Co., Limited, to Durlacher. As part of the transaction, Lazard Group received an ownership interest of approximately 32.8% in Durlacher, which was transferred to LFCM Holdings in connection with the separation.

Key Financial Measures and Indicators

Net Revenue

The majority of Lazard Group's Financial Advisory net revenue is earned from the successful completion of mergers, acquisitions, restructurings or similar transactions. In some client engagements, often those involving financially distressed companies, revenue is earned in the form of retainers and similar fees that are contractually agreed upon with each client for each assignment and are not necessarily linked to the completion of a transaction. In addition, Lazard also earns fees from providing strategic advice to a client, with such fees not being dependent on a specific transaction. Lazard Group's Financial Advisory segment also earns revenue from public and private securities offerings in conjunction with activities of the Capital Markets and Other segment. In general, such fees are shared equally between Lazard Group's Financial Advisory and Capital Markets and Other segments. As a result of the consummation of the initial public offering, Lazard Group now has an arrangement with LFCM Holdings under which the separated Capital Markets business will continue to distribute securities in public offerings originated by Lazard Group's Financial Advisory business in a manner similar to its practice prior to the initial public offering. The main driver of Financial Advisory net revenue is overall M&A and restructuring volume, particularly in the industries and geographic markets in which Lazard Group focuses.

Lazard Group's Asset Management segment includes LAM, LFG and merchant banking operations. Asset Management net revenue is derived from fees for investment management and advisory services provided to institutional and private clients. The main driver of Asset Management net revenue is the level of AUM, which is influenced in large part by Lazard's investment performance and by Lazard's ability to successfully attract and retain assets, as well as the broader performance of the global equity markets and, to a lesser extent, fixed income markets. As a result, fluctuations in financial markets and client asset inflows and outflows have a direct effect on Asset Management net revenue and operating income. In addition, as Lazard Group's AUM include significant assets that are denominated in currencies other than U.S. dollars, changes in the value of the U.S. dollar relative to non-U.S. currencies will impact the value of Lazard Group's AUM. Fees vary with the type of assets managed, with higher fees earned on actively managed equity assets, alternative investments (such as hedge funds) and merchant banking products, and lower fees earned on fixed income and cash management products. Lazard Group also earns performance-based incentive fees on some investment products, such as hedge funds, merchant banking funds and other investment products. Incentive fees on hedge funds are typically calculated based on a specified percentage of a fund's net appreciation during a fiscal period and can be subject to loss carry-forward provisions in which losses incurred in the current period are applied against future period net appreciation. Incentive fees on merchant banking funds also may be earned in the form of a carried interest when profits from merchant banking investments exceed a specified threshold. Lazard Group's Asset Management net revenue during the three month periods ended March 31, 2004 and 2005 demonstrate the volatility that incentive fees have on total net revenue.

Capital Markets and Other net revenue largely consists of primary revenue earned from underwriting fees from securities offerings and secondary revenue earned in the form of commissions and trading profits from principal transactions in Lazard Group's equity, fixed income and convertibles businesses and underwriting and other fee revenue from corporate broking in the U.K. Lazard Group also earns fund management fees and, if applicable, carried interest incentive fees related to merchant banking funds managed as part of this segment. Such carried interest incentive fees are earned when profits from merchant banking investments exceed a specified threshold. In addition, Lazard Group generates investment income and net interest income principally from long-term investments, cash balances and securities financing transactions. In connection with the separation, Lazard Group transferred the Capital Markets and Other segment to LFCM Holdings as of May 10, 2005.

Corporate net revenue consists primarily of investment income generated from long-term investments, including principal investments that Lazard Group has made in merchant banking and alternative investment funds managed by the Asset Management segment, net interest income generated by LFB, interest income related to cash and marketable investments and interest expense related to outstanding borrowings. As a result of the consummation of the initial public offering, interest expense related to the additional financing transactions is now included as part of Corporate. Corporate net revenue can fluctuate due to mark-to-market adjustments on long-term and marketable investments, changes in interest rates and in interest rate spreads earned by LFB and changes in the levels of Lazard's cash, marketable investments, long-term investments and indebtedness. Although Corporate net revenue in the first quarter of 2005 represented (1)% of Lazard Group's net revenue, total assets in this segment represented 32% of Lazard Group's consolidated total assets as of March 31, 2005 (or 69% excluding the Capital Markets and Other segment), principally attributable to the relatively significant amounts of assets associated with LFB, and, to a lesser extent, cash, marketable investments and long-term investment balances.

Lazard expects to experience significant fluctuations in net revenue and operating income during the course of any given year. These fluctuations arise because a significant portion of Financial Advisory net revenue is earned upon the successful completion of a transaction or financial restructuring, the timing of which is uncertain and is not subject to Lazard's control. Asset Management net revenue is also subject to periodic fluctuations. Asset Management fees are generally based on AUM measured as of the end of a quarter or month, and an increase or reduction in AUM at such dates, due to market price fluctuations, currency fluctuations, net client asset flows or otherwise, will result in a corresponding increase or decrease in management fees. In addition, incentive fees earned on AUM are generally not recorded until the fourth quarter of Lazard Group's fiscal year, when potential uncertainties regarding the ultimate realizable amounts have been determined.

Operating Expenses

The majority of Lazard Group's operating expenses relate to employee compensation and benefits. As a limited liability company, payments for services rendered by the majority of Lazard Group's managing directors were accounted for as distributions of members' capital. In addition, subsequent to January 1, 2003, payments for services rendered by managing directors of LAM (and employee members of LAM) have been accounted for as minority interest expense. See "—Minority Interest." As a result, Lazard Group's employee compensation and benefits expense and operating income, including for the quarter ended March 31, 2005, have not reflected most payments for services rendered by Lazard Group's managing directors. As a result of the consummation of the initial public offering, Lazard Group now includes all payments for services rendered by its managing directors, including the managing directors of LAM, in employee compensation and benefits expense.

The balance of Lazard Group's operating expenses is referred to below as "non-compensation expense," which includes costs for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment, depreciation and amortization and other expenses.

The operating expenses set forth in "—Consolidated Results of Operations" do not reflect the added costs Lazard expects to incur as a result of the initial public offering. Lazard expects that it will incur additional expenses for, among other things, directors' fees, SEC reporting and compliance, investor relations, legal, accounting and other costs associated with being a public company.

Provision for Income Taxes

Lazard Group has historically operated in the U.S. as a limited liability company that was treated as a partnership for U.S. federal income tax purposes. As a result, Lazard Group's income has not been subject to U.S. federal income taxes. Taxes related to income earned by partnerships represent obligations of the individual partners. Outside the U.S., Lazard Group historically has operated principally through corporations and has been subject to local income taxes. Income taxes shown on Lazard Group's historical consolidated statements of income are attributable to taxes incurred in non-U.S. entities and to UBT attributable to Lazard Group's operations apportioned to New York City.

Following the initial public offering Lazard Group is continuing to operate in the U.S. as a limited liability company treated as a partnership for U.S. federal income tax purposes and remain subject to local income taxes outside the U.S. and to UBT. In addition, Lazard Ltd will be subject to additional income taxes which taxes will be reflected in its consolidated financial statements as described in Note (g) in the "Unaudited Pro Forma Financial Information—Notes to Unaudited Pro Forma Condensed Consolidated Statements of Income."

Minority Interest

Minority interest consists of a number of components, as described in more detail in the Registration Statement. The table below summarizes minority interest expense and liability in Lazard Group's consolidated financial statements:

	Three Months Ended March 31,	
	2004	2005
	($ in thousands)	
Minority Interest Expense:		
LAM Members	$18,734	$15,004
LAM General Partnerships	(123)	(387)
Italian Strategic Alliance	(3,502)	(4,357)
Merchant Banking General Partnership Interests	—	—
Other	(144)	—
Total	$14,965	$10,260

	As of	
	December 31, 2004	March 31, 2005
	($ in thousands)	
Minority Interest Liability:		
LAM Members	$57,351	$38,263
LAM General Partnerships	43,186	32,649
Italian Strategic Alliance	51,902	46,281
Merchant Banking General Partnership Interests	20,655	22,523
Other	1,626	1,592
Total	$174,720	$141,308

Net Income Allocable to Members

Prior to the initial public offering, payments for services rendered by Lazard Group's managing directors were accounted for as distributions from members' capital, or as minority interest expense in the case of payments to LAM managing directors and certain key LAM employee members, rather than as compensation and benefits expense. As a result, Lazard Group's compensation and benefits expense and net income allocable to members, including for the quarter ended March 31, 2005, did not reflect most payments for services rendered by its managing directors. As a result of the consummation of the initial public offering and additional financing transactions, as described in Note 9 of the accompanying Notes to Unaudited Condensed Consolidated Financial Statements, Lazard Ltd now includes all payments for services rendered by its managing directors in employee compensation and benefits expense.

Results of Operations

Lazard Group's consolidated financial statements are presented in U.S. dollars. Many of Lazard Group's non-U.S. subsidiaries have a functional currency (*i.e.*, the currency in which operational activities are primarily conducted) that is other than the U.S. dollar, generally the currency of the country in which the subsidiaries are domiciled. Such subsidiaries' assets and liabilities are translated into U.S. dollars at year end exchange rates, while revenue and expenses are translated at average exchange rates during the year. Adjustments that result from translating amounts from a subsidiary's functional currency are reported as a component of members' equity. Foreign currency remeasurement gains and losses on transactions in non-functional currencies are included in the consolidated statements of income.

The consolidated results of operations for the three month periods ended March 31, 2004 and 2005 are set forth below:

	Three Months Ended March 31,	
	2004	2005
	($ in thousands)	
Net Revenue:		
Financial Advisory	$105,494	$157,259
Asset Management	96,826	106,863
Capital Markets and Other(a)	42,134	37,879
Corporate	1,135	(4,023)
Net revenue	245,589	297,978
Operating Expenses:		
Employee compensation and benefits	140,860	127,487
Non-compensation expense	76,832	78,819
Total operating expenses	217,692	206,306
Operating Income	27,897	91,672
Provision (benefit) for income taxes	(2,121)	8,056
Income Allocable to Members Before Minority Interest	30,018	83,616
Minority Interest	14,965	10,260
Net Income Allocable to Members	$15,053	$73,356

(a) As described above, in the separation Lazard Group transferred the business comprising its Capital Markets and Other business segment to LFCM Holdings as of May 10, 2005.

The key ratios, statistics and headcount information for the three months periods ended March 31, 2004 and March 31, 2005 are set forth below:

	Three Months Ended March 31,	
	2004	2005
As a % of Net Revenue:		
Financial Advisory	43 %	53 %
Asset Management	39 %	36 %
Capital Markets and Other(a)	17 %	12 %
Corporate	1 %	(1) %
Net Revenue	100 %	100 %
As a % of Net Revenue:		
Operating Income	11%	31%
Headcount, as of the end of each period, prior to the separation:		
Managing Directors:		
Financial Advisory	128	131
Asset Management	34	39
Capital Markets and Other(a)	19	19
Corporate	6	6
Limited Managing Directors	20	20
All Other Employees	2,409	2,279
Total	2,616	2,494
Headcount, as of the end of each period, after the separation:		
Managing Directors:		
Financial Advisory	128	131
Asset Management	34	39
Corporate	6	6
Limited Managing Directors	19	19
All Other Employees	2,142	2,035
Total	2,329	2,230

(a) As described above, in the separation Lazard Group transferred the business comparing its Capital Markets and Other business segment to LFCM Holdings as of May 10, 2005.

Consolidated Results of Operations

A discussion of Lazard Group's consolidated results of operations is set forth below, followed by a more detailed discussion of business segment results.

Three Months Ended March 31, 2005 versus March 31, 2004. Net revenue was $298 million for the three month period ended March 31, 2005, up $52 million, or 21%, versus net revenue of $246 million for the corresponding period in 2004. During the 2005 period, M&A net revenue increased by 66%, Financial Restructuring net revenue increased by 33%, Asset Management net revenue increased by 10%, while Capital Markets and Other net revenue decreased by 10%.

Employee compensation and benefits expense was $127 million for the 2005 period, a decrease of $14 million, or 9%, versus expense of $141 million for the corresponding period in 2004. The expense decrease was primarily due to the adoption of Lazard's policy to manage its overall business, excluding the separated businesses, at a compensation-to-operating revenue ratio of 57.5%, a 5% decrease in employee headcount and

reductions in pension and post-retirement health benefit costs. The decrease in headcount was primarily a result of a reassessment of staffing needs, principally in the Financial Advisory, Corporate and Capital Markets and Other segments.

Non-compensation expense was $79 million for the 2005 period, up $2 million or 3% versus expense of $77 million for the corresponding period in 2004. Premises and occupancy expenses in the 2005 period were $28 million, an increase of $5 million, or 24%, due primarily to a provision for abandoned leased space in London. Professional fees in the 2005 period were $13 million, essentially flat versus the 2004 period. Travel and entertainment expenses in the 2005 period were $11 million, a decrease of $3 million, or 24%, versus $14 million for the 2004 period primarily due to lower travel expense in the first quarter of 2005. Communication and information services and equipment costs in the 2005 period, in the aggregate, were $16 million, an increase of $1 million, or 9%, versus $15 million for the 2004 period. Other expenses were $11 million, a decrease of $1 million, or 9%, versus $12 million for the 2004 period.

Operating income was $92 million for the 2005 period, an increase of $64 million, or 229% greater than operating income of $28 million for the corresponding period in 2004. Operating income as a percentage of net revenue was 31% for the first three months in 2005 versus 11% for the corresponding period in 2004.

Provision for income taxes was $8 million for the 2005 period, an increase of $10 million versus a $2 million tax benefit for the corresponding period in 2004, primarily due to increased profitability in locations that are subject to corporate income taxes.

Minority interest was $10 million for the 2005 period, a decrease of $5 million versus $15 million for the corresponding period in 2004, principally due to a decrease in performance-based compensation for LAM members and, to a lesser extent, a decrease in minority interest associated with the Strategic Alliance with Intesa in Italy.

Net income allocable to members was $73 million for the 2005 period, an increase of $58 million from the $15 million for the corresponding period in 2004.

Business Segments

The following data discusses net revenue and operating income by business segment. The operating results exclude a discussion of Corporate, due to its relatively minor contribution to operating results. Each segment’s operating expenses include (i) employee compensation and benefits expenses that are incurred directly in support of the businesses and (ii) other operating expenses, which include directly incurred expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment, and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, legal, facilities management and senior management activities. Such support costs are allocated to the relevant segments based on various statistical drivers such as, among other items, headcount, square footage and transactional volume.

Financial Advisory

The following table summarizes the operating results of the Financial Advisory segment:

	Three Months Ended March 31,	
	2004	2005
	($ in thousands)	
M&A	$73,835	$122,311
Financial Restructuring	18,200	24,148
Corporate Finance and Other	13,459	10,800
Net Revenue	105,494	157,259
Direct Employee Compensation and Benefits	59,387	49,885
Other Operating Expenses(a)	53,214	47,512
Total Operating Expenses	112,601	97,397
Operating Income	$(7,107)	$59,862
Operating Income as a Percentage of Net Revenue	(7)%	38%
Headcount as of the end of each period(b):		
Managing Directors	128	131
Limited Managing Directors	4	5
Other Employees	838	791
Total	970	927

(a) Includes indirect support costs (including compensation and other operating expenses related thereto).
(b) Excludes headcount related to support functions. Such headcount is included in the Corporate headcount.

Net revenue trends in Financial Advisory for M&A and Financial Restructuring generally are correlated to the volume of completed industry-wide mergers and acquisitions activity and restructurings occurring subsequent to corporate debt defaults, respectively. However, deviations from this relationship can occur in any given year for a number of reasons. For instance, material variances in the level of mergers and acquisitions activity in a particular geography where Lazard Group has significant market share or the number of its advisory engagements with respect to larger-sized transactions can cause its results to diverge from industry-wide activity. Lazard Group client statistics and global industry statistics are set forth below:

	Three Months Ended March 31,	
	2004	2005
Lazard Statistics:		
Number of Clients:		
Total	148	159
With Fees Greater than $1 million	26	37
Percentage of Total Fees from Top 10 Clients	46%	48%
Number of M&A Transactions Completed Greater than $1 billion	4	4
Industry Statistics ($ in billions):		
Volume of Completed M&A Transactions:		
Global	$244	$343
Trans-Atlantic	24	36
Global Corporate Debt Defaults	4	2

The geographical distribution of Financial Advisory net revenue is set forth below in percentage terms. The offices that generate Financial Advisory net revenue are located in North America, Europe (principally in the U.K., France, Italy and Germany) and the rest of the world (principally in Asia).

	Three Months Ended March 31,	
	2004	2005
North America	55%	44%
Europe	45%	52%
Rest of World	—%	4%
Total	100%	100%

Lazard Group's managing directors and many of its professionals have significant experience, and many of them are able to use this experience to advise on both mergers and acquisitions and restructuring transactions, depending on clients' needs. This flexibility allows Lazard Group to better match its professional staff with the counter-cyclical business cycles of mergers and acquisitions and financial restructurings. While Lazard Group measures revenue by practice area, Lazard Group does not separately measure the separate costs or profitability of mergers and acquisitions services as compared to financial restructuring services. Accordingly, Lazard Group measures performance in its Financial Advisory segment based on overall segment net revenue and operating income margins.

Financial Advisory Results of Operations

Three Months Ended March 31, 2005 versus March 31, 2004. In the 2005 period, M&A net revenue increased by $48 million, or 66%, driven by the improved environment for mergers and acquisitions activity. The increase in M&A net revenue was also accompanied by a $6 million, or 33%, increase in Financial Restructuring net revenue versus the corresponding period in 2004. Other Financial Advisory net revenue decreased by $3 million primarily from decreased underwriting activity, partially offset by increases in private equity fund raising.

Clients with whom Lazard Group transacted significant business in the first three months of 2005 included Alcan, Bekaert, Clayton, Dubilier & Rice, Debenhams, National Australia Bank, National Energy & Gas, Protein Design Labs, Serco Group, Telesystem International Wireless and USGen New England. In addition, Lazard Group has represented MCI in its evaluation of its strategic alternatives, SunGard Data Systems Inc. in its sale to various private equity firms and Tower Automotive, Inc. on its Chapter 11 bankruptcy reorganization.

Financial Advisory net revenue for the 2005 period was earned from 159 clients, compared to 148 in 2004. Advisory fees of $1 million or more were earned from 37 of Lazard Group's clients for the three months ended March 31, 2005, compared to 26 in the corresponding three months in 2004.

Operating expenses were $97 million for the 2005 period, a decrease of $16 million, or 14%, versus operating expenses of $113 million in the corresponding period in 2004. Employee compensation and benefits expense decreased by $10 million, or 16%, primarily due to a 6% decrease in employee headcount, lower pension and post-retirement health benefit costs, and the adoption of Lazard's policy to manage its overall business, excluding the separated businesses, at a compensation-to-operating revenue ratio of 57.5%. Other operating expenses decreased by $6 million, or 11%. The principal reasons for this decrease related to (i) professional fees, which decreased by $2 million due to lower consulting and legal fees, (ii) travel and entertainment expense, which decreased by $3 million, and (iii) premises and occupancy expense, which decreased by approximately $1 million due to less occupied space in London for this segment.

Financial Advisory operating income was $60 million for the 2005 period, an increase of $67 million, versus operating losses of $7 million for the corresponding period in 2004. Operating income as a percentage of segment net revenue was 38% for the 2005 period versus a loss of 7% for the corresponding period in 2004.

Asset Management

The following table shows the composition of AUM mandates for the Asset Management segment:

	As of	
	December 31, 2004	March 31, 2005
	($ in millions)	
AUM:		
International Equities	$39,267	$39,544
Global Equities	17,762	17,827
U.S. Equities	12,716	12,353
Total Equities	69,745	69,724
International Fixed Income	6,226	6,477
Global Fixed Income	2,008	1,982
U.S. Fixed Income	2,970	2,855
Total Fixed Income	11,204	11,314
Alternative Investments	2,800	2,921
Merchant Banking	551	523
Cash Management	2,135	1,775
Total AUM	$86,435	$86,257

The following is a summary of changes in Asset Management's AUM and average AUM during the year ended December 31, 2004 and the quarter ended March 31, 2005. Average AUM is based on an average of quarterly ending balances for the respective periods.

	Year Ended December 31, 2004	Three Month Period Ended March 31, 2005
	($ in millions)	
AUM—Beginning of Period	$78,371	$86,435
Net Flows	(3,489)	346
Market Appreciation (Depreciation)	10,793	(43)
Foreign Currency Adjustments	760	(481)
AUM—End of Period	$86,435	$86,257
Average AUM	$80,261	$86,346

The following table summarizes the operating results of the Asset Management segment:

	Three Months Ended March 31,	
	2004	2005
	($ in thousands)	
Management and Other Fees	$96,796	$102,043
Incentive Fees	30	4,820
Net Revenue	96,826	106,863
Direct Employee Compensation and Benefits	29,983	33,740
Other Operating Expenses(a)	34,919	36,242
Total Operating Expenses	64,902	69,982
Operating Income	$31,924	$36,881
Operating Income as a Percentage of Net Revenue	33%	35%
Headcount as of the end of each period(b):		
Managing Directors	34	39
Limited Managing Directors	2	2
Other Employees	567	581
Total	603	622

(a) Includes indirect support costs (including compensation and other operating expenses related thereto).
(b) Excludes headcount related to support functions. Such headcount is included in the Corporate headcount.

The geographical distribution of Asset Management net revenue is set forth below in percentage terms:

	Three Months Ended March 31,	
	2004	2005
North America	59%	60%
Europe	33%	32%
Rest of World	8%	8%
Total	100%	100%

Asset Management Results of Operations

Three Months Ended March 31, 2005 versus March 31, 2004. Asset Management net revenue was $107 million in the 2005 period, an increase of $10 million, or 10%, versus net revenue of $97 million in the corresponding period in 2004. Management and Other fees for the 2005 period were $102 million, up $5 million, or 5%, versus the corresponding period in 2004. Incentive fees earned in the 2005 period were approximately $5 million, versus $30 thousand recorded in the corresponding period in 2004 primarily due to higher performance versus benchmarks in certain investment funds.

For the 2005 period, average AUM was $86.3 billion, an increase of approximately $7.2 billion, or 9%, versus $79.1 billion in the corresponding period in 2004. Net revenue grew at a faster rate than average AUM primarily due to the incentive fees earned in the 2005 period.

AUM as of March 31, 2005 was $86.3 billion, just slightly lower than AUM of $86.4 billion as of December 31, 2004. During the three month period ended March 31, 2005, AUM decreased $0.1 billion primarily due to decreases related to changes in foreign currency exchange rates of $0.5 billion, partially offset by net inflows of $0.4 billion.

Operating expenses were $70 million for the 2005 period, an increase of $5 million, or 8%, versus operating expenses of $65 million in the corresponding period in 2004. Employee compensation and benefits expense increased by $4 million, or 13% versus the corresponding period in 2004, primarily due to headcount increases in certain product groups and offices as well as increases in performance-based bonus accruals. Other operating expenses increased by $1 million, or 4%, versus the corresponding period in 2004.

Asset Management operating income was $37 million in the 2005 period, an increase of $5 million, or 16%, versus operating income of $32 million for the corresponding period in 2004. Operating income as a percentage of segment net revenue was 35% for the 2005 period versus 33% for the corresponding period in 2004.

Capital Markets and Other

The following table summarizes the operating results of the Capital Markets and Other segment:

	Three Months Ended March 31,	
	2004	2005
	($ in thousands)	
Revenue:		
Capital Markets advisory fees	$8,633	$3,100
Money management fees	6,189	5,182
Commissions	14,519	12,552
Trading gains and losses-net	6,422	9,545
Underwriting	5,440	2,086
Investment gains (losses), non-trading-net	(759)	4,301
Interest income	4,049	7,518
Other	287	(163)
Total revenue	44,780	44,121
Interest expense	(2,646)	(6,242)
Net Revenue	42,134	37,879
Direct Employee Compensation and Benefits	25,579	19,586
Other Operating Expenses(a)	16,936	24,890
Total Operating Expenses	42,515	44,476
Operating Income (Loss)	$(381)	$(6,597)
Operating Income (Loss) as a Percentage of Net Revenue	(1)%	(17)%
Headcount as of the end of each period(b):		
Managing Directors	19	19
Limited Managing Directors	1	1
Other Employees	267	244
Total	287	264

(a) Includes indirect support costs (including compensation and other operating expenses related thereto).
(b) Excludes headcount related to support functions. Such headcount is included in the Corporate headcount.

Capital Markets and Other Results of Operations

The net revenue included in the Capital Markets and Other segment is related primarily to revenue earned from underwriting fees from securities offerings and secondary trading revenue earned in the form of commissions and trading profits from principal transactions in equity, fixed income and convertibles businesses. In addition, this segment earned underwriting and other fee revenue from corporate broking in the U.K. related to the January 2004 acquisition of the assets of Panmure Gordon. Also included in this segment are fund

management fees and, if applicable, carried interest incentive fees related to merchant banking funds managed as part of this segment. Carried interest fees are earned when profits from merchant banking investments exceed a certain threshold. In addition, investment income and net interest income from long-term investments, cash balances and securities financing transactions also are included in the Capital Markets and Other segment. These capital market activities are part of the businesses that were separated from the operations of Lazard Group on May 10, 2005 in the separation. The results of the operations of the Capital Markets and Other segment are included in Lazard Group's historical financial statements. However, for periods after the completion of the separation, Lazard Group no longer owns the Capital Markets and Other segment and will report the segment as a discontinued operation. Under the business alliance agreement entered into in connection with the separation, Lazard Group has an option to acquire the merchant banking business from LFCM Holdings.

Three Months Ended March 31, 2005 versus March 31, 2004. Capital Markets and Other net revenue was $38 million in the 2005 period, a decrease of $4 million, or 10%, versus net revenue of $42 million in the corresponding period in 2004. Lower net revenue in sales, trading and broking were the principal contributors to the decrease.

Operating expenses were $44 million for the 2005 period, up $2 million or 5% versus operating expenses of $43 million in the corresponding period in 2004. Employee compensation and benefits expense in the 2005 period decreased by $6 million, or 23%, primarily relating to the salaries and termination costs associated with the closing of certain departments in the 2004 period, as well as lower pension and post-retirement health benefit costs in the 2005 period. Other operating expenses increased by $8 million or 47%. Premises and occupancy costs increased by $8 million in the 2005 period, primarily due to a one-time charge related to abandoned leased space in London. Professional fees increased by approximately $2 million due to increased legal fees. All other operating expenses decreased by $2 million primarily due to lower support group charges in connection with the sale of Panmure Gordon.

Capital Markets and Other operating loss was approximately $7 million in the 2005 period, versus a loss of $0.4 million in the corresponding period in 2004. Operating loss as a percentage of segment net revenue was 17% for the 2005 period, versus a loss of 1% in the corresponding period in 2004.

Cash Flows

Historically, Lazard Group's cash flows have been influenced primarily by the timing of receipt of Financial Advisory and Asset Management fees, the timing of distributions to members and payment of bonuses to employees. In general, we collect our accounts receivable within 60 days. In restructuring transactions, particularly restructurings involving bankruptcies, receivables sometimes take longer to collect than 60 days due to issues such as court-ordered holdbacks.

Cash and cash equivalents were $234 million at March 31, 2005, a decrease of $80 million versus cash and cash equivalents of $314 million at December 31, 2004. During the three month period ended March 31, 2005, cash of $141 million was provided by operating activities, including $73 million from net income allocable to members, $14 million of noncash charges, principally consisting of depreciation and amortization of $4 million and minority interest of $10 million and $54 million being provided by net changes in other operating assets and operating liabilities. Cash of $0.1 million was used in investing activities. Financing activities during this period used $220 million of cash, primarily for distributions to members and minority interest holders of $201 million. Lazard Group traditionally makes payments for employee bonuses and distributions to members and minority interest holders primarily in the first quarter with respect to the prior year's results.

Liquidity and Capital Resources

Historically, Lazard Group's source of liquidity has been cash provided by operations, with a traditional seasonal pattern of cash flow. While employee salaries are paid throughout the year, annual discretionary bonuses have historically been paid to employees in January relating to the prior year. Lazard Group's managing directors are paid a salary during the year, but a majority of their annual cash distributions with respect to the prior year have historically been paid to them in three monthly installments in February, March and April. In

addition, and to a lesser extent, during the year we pay certain tax advances on behalf of our managing directors, and these advances serve to reduce the amounts due to the managing directors in the three installments described above. As a consequence, our level of cash on hand decreases significantly during the first quarter of the year and gradually builds up over the remaining three quarters of the year. We expect this seasonal pattern of cash flow to continue.

We regularly monitor our liquidity position, including cash levels, credit lines, principal investment commitments, interest and principal payments on debt, capital expenditures and matters relating to liquidity and to compliance with regulatory net capital requirements. We maintain senior and subordinated lines of credit in excess of anticipated liquidity requirements. As of March 31, 2005, Lazard Group had $225 million in unused lines of credit available to it, including $150 million related to the separated businesses which expired pursuant to the separation.

Lazard Group's cash flow generated from operations historically has been sufficient to enable it to meet its obligations. We believe that our cash flows from operating activities, after giving effect to the separation, should be sufficient for us to fund our current obligations for the next 12 months and beyond. In addition, we intend to maintain lines of credit that can be utilized should the need arise. Concurrent with the initial public offering, Lazard Group entered into a five year, $125 million senior revolving credit facility with a group of lenders. In addition, Lazard Group entered into a commitment letter dated April 14, 2005 that provides that, subject to customary conditions precedent for transactions of this nature, including regulatory approval, a group of lenders will provide a separate $25 million subordinated credit facility for Lazard Frères & Co. LLC, our U.S. broker dealer subsidiary. The Lazard Frères & Co. LLC facility will be a four-year revolving credit facility, and then will continue as a term loan facility for an additional year. This commitment letter expires July 31, 2005. The senior revolving credit facility contains customary affirmative and negative covenants and events of default for facilities of this type, and we expect that the Lazard Frères & Co. LLC facility will as well. The senior revolving credit facility, among other things, limits the ability of the borrower to incur debt, grant liens, pay dividends, enter into mergers or to sell all or substantially all of its assets and contains financial covenants that must be maintained. We expect that the Lazard Frères & Co. LLC facility will contain similar restrictions and covenants for a facility of its type. The Lazard Frères & Co. LLC facility is intended to qualify as a satisfactory subordination agreement in accordance with the applicable NASD rules and regulations. We may, to the extent required and subject to restrictions contained in our financing arrangements, use other financing sources in addition to any new credit facilities.

As of March 31, 2005, Lazard Group was in compliance with all of its obligations under its various borrowing arrangements.

We actively monitor our regulatory capital base. Our principal subsidiaries are subject to regulatory requirements in their respective jurisdictions to ensure their general financial soundness and liquidity, which require, among other things, that we comply with certain minimum capital requirements, record-keeping, reporting procedures, relationships with customers, experience and training requirements for employees and certain other requirements and procedures. These regulatory requirements may restrict the flow of funds to affiliates. Regulatory approval is generally required for paying dividends in excess of certain established levels. See Note 7 of Notes to Condensed Consolidated Financial Statements for further information. These regulations differ in the U.S., the U.K., France, and other countries that we operate in. Our capital structure is designed to provide each of our subsidiaries with capital and liquidity consistent with its business and regulatory requirements. For a discussion of regulations relating to us, see "Business—Regulation" included in the Registration Statements.

Substantially all of the net proceeds received from the initial public offering and the additional financing transactions were used in connection with the recapitalization, and, to a lesser extent, to capitalize LFCM Holdings and LAZ-MD Holdings. See Note 9 of Notes to Condensed Consolidated Financial Statements. We expect that the net incremental interest cost related to the additional financing transactions will be approximately $56 million per year. We expect to service the resultant incremental debt with operating cash flow and the utilization of credit facilities and, to the extent required, other financing sources.

Net revenue and operating income historically have fluctuated significantly between quarters. This variability arises from the fact that transaction completion fees comprise the majority of our net revenue, with the billing and recognition of such fees being dependent upon the successful completion of client transactions, the occurrence and timing of which is irregular and not subject to Lazard's control. In addition, incentive fees earned on AUM and compensation related thereto are generally not recorded until the fourth quarter of Lazard Group's fiscal year, when potential uncertainties regarding the ultimate realizable amounts have been determined.

Contractual Obligations

The following table sets forth information relating to Lazard Group's contractual obligations as of December 31, 2004:

	Contractual Obligations Payment Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			($ in thousands)		
Operating Leases	$542,124	$50,145	$94,356	$88,414	$309,209
Capital Leases	66,554	26,558	5,770	5,770	28,456
Notes Payable and Subordinated Loans (a)	270,777	20,777	—	—	250,000
Mandatorily Redeemable Preferred Stock (a)	100,000	—	—	—	100,000
Merchant Banking Commitments (b)	14,031	2,526	11,505	—	—
Contractual Commitments to Managing Directors, Senior Advisors and Employees (c)	72,573	38,008	33,583	982	—
Total (d)	$1,066,059	$138,014	$145,214	$95,166	$687,665

(a) In May 2005, the $50 million in aggregate principal amount of 7.53% Senior Notes due 2011 was prepaid and the Mandatorily Redeemable Preferred Stock were redeemed in connection with the separation and recapitalization transactions.

(b) Lazard Group may be required to fund its merchant banking commitments at any time through 2006, depending on the timing and level of investments by its merchant banking funds.

(c) During 2002, 2003 and 2004, following the hiring of new senior management, Lazard Group invested significant amounts in the recruitment and retention of senior professionals in an effort to reinvest in the intellectual capital of Lazard Group's business. The majority of these commitments expired on December 31, 2004. The nature of the commitments to managing directors and employees, which represent most of the future commitments, is related primarily to guaranteed payments for services of managing directors and guaranteed compensation for employees. These payments and compensation were guaranteed to recruit and retain the professional talent needed to promote growth in our business. As a result, while payments for services rendered by Lazard Group's managing directors prior to 2002 generally did not exceed net income allocable to members, in 2002, 2003 and 2004 distributions to Lazard Group's managing directors exceeded our net income allocable to members.

(d) The table above does not include any potential obligations relating to the LAM equity rights.

The contractual obligations table above does not include the following developments since December 31, 2004: (1) obligations related to Corporate Partners II Limited, a new private equity fund formed on February 25, 2005, with $1 billion of institutional capital commitments and a $100 million capital commitment from us, which may require funding at any time through 2010, and (2) any potential payment related to the IXIS cooperation arrangement as described in more detail in the Registration Statement. The level of this potential payment to IXIS would depend, among other things, on the level of revenue generated by the cooperation activities. The potential payment is limited to a maximum of approximately €16.5 million (subject to reduction in certain circumstances) which would only occur if the cooperation activities generate no revenue over the course of the

three-year initial period of such activities, the cooperation agreement is not renewed and our stock price fails to sustain certain price levels. Lazard Group has held various discussions with Intesa in connection with the separation and recapitalization transactions, and Intesa has notified Lazard Group of its intention not to extend the term of the joint venture relationship beyond the expiration date of December 31, 2007. As a result, under the terms of the strategic alliance, unless Lazard Group and Intesa otherwise agree, in 2008 Lazard Group will repurchase its 40% interest in our business in Italy and repay the $50 million subordinated promissory note included within notes payable and subordinated debt in the table above for an aggregate amount not to exceed $150 million, less certain distributions received by Intesa in connection with the joint venture, on or prior to February 4, 2008. In addition, the table above does not include the debt obligations incurred in May 2005 concurrent with the additional financing transactions, as described in more detail in Note 9 of Notes to Condensed Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our consolidated financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in conformity with U.S. GAAP. The preparation of Lazard Group's consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, Lazard evaluates its estimates, including those related to revenue recognition, compensation liabilities, income taxes, investing activities and goodwill. Lazard bases these estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Lazard believes that the critical accounting policies set forth below comprise the most significant estimates and judgments used in the preparation of its consolidated financial statements.

Revenue Recognition

Lazard Group generates substantially all of its net revenue from providing financial advisory, asset management and capital markets services to clients. Lazard recognizes revenue when the following criteria are met:

- there is persuasive evidence of an arrangement with a client,
- the agreed-upon services have been provided,
- fees are fixed or determinable, and
- collection is probable.

Lazard's clients generally enter into agreements with Lazard that vary in duration depending on the nature of the service provided. Lazard typically bills clients for the full amounts due under the applicable agreements on or after the dates on which the specified service has been provided. Generally, payments are due within 60 days of billing. Lazard assesses whether collection is probable based on a number of factors, including past transaction history with the client and an assessment of the client's current creditworthiness. If, in Lazard's judgment, collection of a fee is not probable, Lazard will not recognize revenue until the uncertainty is removed. In rare cases, an allowance for doubtful collection may be established, for example, if a fee is in dispute or litigation has commenced.

Income Taxes

As part of the process of preparing its consolidated financial statements, Lazard Group is required to estimate its income taxes in each of the jurisdictions in which it operates. This process requires Lazard Group to

estimate its actual current tax liability and to assess temporary differences resulting from differing book versus tax treatment of items, such as deferred revenue, compensation and benefits expense, unrealized gains on long-term investments and depreciation. These temporary differences result in deferred tax assets and liabilities, which are included within Lazard Group's consolidated statements of financial condition. Lazard Group must then assess the likelihood that its deferred tax assets will be recovered from future taxable income, and, to the extent it believes that recovery is not likely, Lazard Group must establish a valuation allowance. Significant management judgment is required in determining Lazard Group's provision for income taxes, its deferred tax assets and liabilities and any valuation allowance recorded against its net deferred tax assets. Lazard Group has recorded gross deferred tax assets of $88 million as of December 31, 2004, which are fully offset by a valuation allowance due to uncertainties related to its ability to utilize such deferred tax assets, which principally consist of certain foreign net operating loss carryforwards, before they expire. Lazard Group's determination of the need for a valuation allowance is based on its estimates of future taxable income by jurisdiction, and the period over which its corresponding deferred tax assets will be recoverable. If actual results differ from these estimates or Lazard Group adjusts these estimates in future periods, Lazard Group may need to adjust its valuation allowance, which could materially impact Lazard Group's consolidated financial position and results of operations.

In addition, in order to determine the quarterly tax rate, Lazard Group is required to estimate full year pre-tax income and the related annual income tax expense in each jurisdiction. Tax exposures can involve complex issues and may require an extended period of time to resolve. Changes in the geographic mix or estimated level of annual pre-tax income can affect Lazard Group's overall effective tax rate. Significant management judgment is required in determining Lazard Group's provision for income taxes, its deferred tax assets and liabilities and any valuation allowance recorded against its net deferred tax assets. Furthermore, Lazard Group's interpretation of complex tax laws may impact its measurement of current and deferred income taxes.

Valuation of Investments

"Marketable investments" and "long-term investments" consist principally of investments in exchange traded funds, merchant banking and alternative investment funds, and other privately managed investments. Gains and losses on marketable investments and long-term investments, which arise from changes in the fair value of the investments, are not predictable and can cause periodic fluctuations in net income allocable to members.

In determining fair value, Lazard Group separates its investments into two categories. The first category consists of those investments that are publicly-traded, which, as of March 31, 2005, were approximately 44% of Lazard Group's marketable investments and long-term investments. For these investments, we determine value by quoted market prices. The second category consists of those that are not publicly-traded. For these investments, Lazard Group determines value based upon its best estimate of fair value. As of March 31, 2005, this second category of investments comprises the remaining 56% of Lazard Group's marketable investments and long-term investments.

The fair value of those investments that are not publicly traded is based upon an analysis of the investee's financial results, condition, cash flows and prospects. Adjustments to the carrying value of such investments are made if there are third-party transactions evidencing a change in value. Adjustments also are made, in the absence of third-party transactions, if Lazard Group determines that the expected realizable value of the investment differs from its carrying value. In reaching that determination, Lazard Group considers many factors, including, but not limited to, the operating cash flows and financial performance of the investee, expected exit timing and strategy, and any specific rights or terms associated with the investment, such as conversion features and liquidation preferences. Partnership interests, including general partnership and limited partnership interests in real estate funds, are recorded at fair value based on changes in the fair value of the partnership's underlying net assets.

Because of the inherent uncertainty in the valuation of investments that are not readily marketable, estimated values may differ significantly from the values that would have been reported had a ready market for

such investments existed. Lazard Group seeks to maintain the necessary resources, with the appropriate experience and training, to ensure that control and independent price verification functions are adequately performed.

Goodwill

In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, goodwill is tested for impairment annually or more frequently if circumstances indicate impairment may have occurred. In this process, Lazard Group makes estimates and assumptions in order to determine the fair value of its assets and liabilities and to project future earnings using valuation techniques, including a discounted cash flow model. Lazard Group uses its best judgment and information available to it at the time to perform this review. Because Lazard Group's assumptions and estimates are used in projecting future earnings as part of the valuation, actual results could differ.

Consolidation of VIEs

The consolidated financial statements include the accounts of Lazard Group and all other entities in which we are the primary beneficiary or control. Lazard Group determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity ("VIE") under U.S. GAAP.

- **Voting Interest Entities.** Voting interest entities are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance itself independently and (ii) the equity holders have the obligation to absorb losses, the right to receive residual returns and the right to make decisions about the entity's activities. Voting interest entities are consolidated in accordance with Accounting Research Bulletin ("ARB") No. 51, "Consolidated Financial Statements," as amended. ARB No. 51 states that the usual condition for a controlling financial interest in an entity is ownership of a majority voting interest. Accordingly, Lazard Group consolidates voting interest entities in which it has the majority of the voting interest.
- **Variable Interest Entities.** VIEs are entities that lack one or more of the characteristics of a voting interest entity. A controlling financial interest in a VIE is present when an enterprise has a variable interest, or a combination of variable interests, that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both.

The enterprise with a controlling financial interest, known as the primary beneficiary, consolidates the VIE.

Lazard Group determines whether it is the primary beneficiary of a VIE by first performing a qualitative analysis of the VIE that includes, among other factors, its capital structure, contractual terms, and related party relationships. Where qualitative analysis is not conclusive, Lazard Group performs a quantitative analysis. For purposes of allocating a VIE's expected losses and expected residual returns to the VIE's variable interest holders, Lazard Group calculates its share of the VIE's expected losses and expected residual returns using a cash flows model that allocates those expected losses and residual returns to it, based on contractual arrangements and/or Lazard Group's position in the capital structure of the VIE under various scenarios. Lazard Group would reconsider its assessment of whether it is the primary beneficiary if there are changes to any of the variables used in determining the primary beneficiary. Those variables may include changes to financial arrangements, contractual terms, capital structure and related party relationships.

In accordance with FASB Interpretation No. 46R the assets, liabilities and results of operations of the VIE are included in the consolidated financial statements of Lazard Group if it is determined that we are the primary beneficiary. Any third party interest in these consolidated entities is reflected as minority interest in our consolidated financial statements.

Risk Management

Risk management is an important part of our business, but is focused primarily on the activities of the Capital Markets and Other segment, which was transferred to LCFM Holdings on May 10, 2005. As a result, Lazard Group has separately summarized the discussion of risk management for its Financial Advisory and Asset Management, Corporate and Capital Markets and Other segments.

Financial Advisory and Asset Management

Lazard Group believes that, due to the nature of the businesses and the manner in which it conducts our operations, the Financial Advisory and Asset Management segments are not subject to material market risks such as equity price risk, but are subject to foreign currency exchange rate risks which are summarized below.

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk arises from the possibility that our revenue and expenses may be affected by movements in the rate of exchange between non-U.S. dollar denominated balances (primarily euros and British pounds) and the U.S. dollar, the currency in which our financial statements are presented. For the three month period ended March 31, 2005, approximately 26% of Lazard Group's operating income was generated in non-U.S. dollar currencies.

Lazard Group generally does not hedge non-dollar foreign exchange exposure, as described above, arising in its operations outside the U.S. These foreign operations manage their individual foreign currency exposures with reference to their own base currency. However, Lazard Group does track and control the foreign currency exchange rate risks arising in each principal operation and has established limits for such exposures. In certain cases, Lazard Group may take open foreign exchange positions with a view to profit within internally defined limits, but Lazard Group does not utilize foreign exchange options in this context.

Corporate

Lazard Group's Corporate activities are exposed to risks arising from transactions in trading and non-trading derivatives and to interest rate risk arising from short-term assets and third party loans.

Trading and Non-Trading Derivatives

We enter into forward foreign exchange contracts, interest rate swaps and other contracts for trading purposes, and non-trading derivative contracts, including forward foreign exchange contracts, interest rate swaps, cross-currency interest rate swaps and other derivative contracts to hedge exposures to interest rate and currency fluctuations. These trading and non-trading contracts are recorded at their fair values on our statements of financial condition and the related gains and losses on trading contracts are included in "trading gains and losses—net" on our consolidated statements of income. Lazard Group's hedging strategy is an integral part of its trading strategy and therefore the related gains and losses on Lazard Group's hedging activities also are recorded in "trading gains and losses-net" on the consolidated statements of income.

The table below presents the fair values of Lazard Group's trading and non-trading derivatives as of December 31, 2004 and March 31, 2005:

	December 31, 2004	March 31, 2005
	($ in thousands)	
Assets:		
Trading Derivatives:		
Interest rate swap contracts	$377	$—
Exchange rate contracts	289	—
Total	$666	$—

	December 31, 2004	March 31, 2005
	($ in thousands)	
Liabilities:		
Trading Derivatives:		
Interest rate swap contracts	$1,124	$662
Exchange rate contracts	291	—
Total trading derivatives	1,415	662
Non-Trading Derivatives:		
Interest rate swap contracts	3,204	2,914
Total	$4,619	$3,576

Interest Rate and Foreign Currency Risk—Trading, Non-Trading and Securities Owned

The risk management strategies that we employ use various stress tests to measure the risks of trading, non-trading and securities owned activities. Based on balances of securities owned, Lazard Group's interest rate risk as measured by a 0.25% +/- movement in interest rates totaled $175 thousand as of December 31, 2004 and $50 thousand as of March 31, 2005. Foreign currency risk, on those same balances, measured by a 2% +/- movement against the U.S. dollar totaled $23 thousand as of December 31, 2004 and $6 thousand as of March 31, 2005.

Interest Rate Risk—Short Term Investments and Corporate Indebtedness

A significant portion of Lazard's liabilities have fixed interest rates or maximum interest rates, while its cash and short-term investments generally have floating interest rates. Lazard Group estimates that operating income relating to cash and short-term investments and corporate indebtedness would change by approximately $4 million, on an annual basis, in the event interest rates were to increase or decrease by 1%.

Capital Markets and Other

Risk management is an important part of the operation of the Capital Markets and Other segment since the business is exposed to a variety of risks including market, credit, settlement and other risks that are material and require comprehensive controls and ongoing management. The information below describes areas of risk, and how Lazard manages risk of the Capital Markets and Other business segment, which was separated on May 10, 2005.

Lazard utilizes a Global Capital Markets Risk Committee to assess risk management practices, particularly as these practices relate to regulatory requirements. In addition, Lazard utilizes an independent Risk Management Group, which reports to Lazard's chief financial officer and is responsible for analyzing risks and for coordinating and monitoring the risk management process. Further, the Risk Management Group supports the Global Capital Markets Risk Committee by providing risk profiles and analyses to the committee.

The Global Capital Markets Risk Committee and the Risk Management Group are responsible for the maintenance of a comprehensive risk management practice and process including:

- a formal risk governance organization that defines the oversight process and its components,
- clearly defined risk management policies and procedures supported by a specific framework,
- communication and coordination among the business executives and risk functions, while maintaining strict segregation of responsibilities, controls, and oversight, and
- clearly defined risk tolerance levels, which are regularly reviewed to ensure that our risk-taking is consistent with our business strategy, capital structure, and current and anticipated market conditions.

Risks inherent in the Capital Markets business are summarized below.

Market Risk

Market risk is the potential change in a financial instrument's value caused by fluctuations in interest and currency exchange rates, equity prices or other risks. The level of market risk is influenced by the volatility and the liquidity in the markets in which financial instruments are traded.

Historically, Lazard Group has sought to mitigate market risk associated with trading inventories by employing hedging strategies that correlate rate, price, and spread movements of trading inventories and related financing and hedging activities. Lazard Group has employed a combination of cash instruments and derivatives to hedge market exposure. The following discussion describes the types of market risk faced in the Capital Markets and Other segment.

Interest Rate Risk. Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments, primarily securities owned and securities sold but not yet purchased. Lazard Group typically uses U.S. Treasury securities in the Capital Markets and Other segment to manage interest rate risk relating to interest bearing deposits of non-U.S. banking operations as well as certain non-U.S. securities owned. Lazard Group historically hedged its interest rate risk by using interest rate swaps and forward rate agreements. Interest rate swaps generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts. Forward rate agreements are contracts under which two counterparties agree on the interest to be paid on a notional deposit of a specified maturity at a specific future settlement date with no exchange of principal.

Currency Risk. Currency risk arises from the possibility that fluctuations in foreign exchange rates will impact the value of financial instruments. Lazard Group has used currency forwards and options in the Capital Markets and Other segment to manage currency risk. Exchange rate contracts include cross-currency swaps and foreign exchange forwards. Currency swaps are agreements to exchange future payments in one currency for payments in another currency. These agreements are used to transform the assets or liabilities denominated in different currencies. Foreign exchange forwards are contracts for delayed delivery of currency at a specified future date.

Equity Price Risk. Equity price risk arises from the possibility that equity security prices will fluctuate, affecting the value of equity securities. The Capital Markets and Other segment is subject to equity price risk primarily in securities owned and securities sold but not yet purchased as well as for equity swap contracts entered into for trading purposes.

Credit Risk

The Capital Markets and Other segment is exposed to the risk of loss if an issuer or counterparty fails to perform its obligations under contractual terms and the collateral held, if any, is insufficient or worthless. Both cash instruments and derivatives expose the business to this type of credit risk. Lazard Group has established policies and procedures for mitigating credit risk on principal transactions, including reviewing and establishing limits for credit exposure, maintaining collateral and continually assessing the creditworthiness of counterparties.

In the normal course of business, the Capital Markets and Other segment executes, settles and finances various customer securities transactions. Execution of securities transactions includes the purchase and sale of securities that expose us to default risk arising from the potential that customers or counterparties may fail to satisfy their obligations. In these situations, the Capital Markets and Other segment may be required to purchase or sell financial instruments at unfavorable market prices to satisfy obligations to other customers or counterparties. Lazard Group has historically sought to control the risks associated with customer margin activities by requiring customers to maintain collateral in compliance with regulatory and internal guidelines.

Liabilities to other brokers and dealers related to unsettled transactions (*i.e.*, securities failed-to-receive) are recorded at the amount for which the securities were acquired and are paid upon receipt of the securities from other brokers or dealers. In the case of aged securities failed-to-receive, Lazard Group may purchase the underlying security in the market and seek reimbursement for losses from the counterparty.

Concentrations of Credit Risk

The exposure to credit risk associated with the Capital Markets and Other trading and other activities is measured on an individual counterparty basis, as well as by groups of counterparties that share similar attributes. To reduce the potential for risk concentration, credit limits are established and monitored in light of changing counterparty and market conditions.

At March 31, 2005, Lazard Group's most significant concentration of credit risk was with the U.S. Government and its agencies. This concentration consists of both direct and indirect exposures. Direct exposure primarily results from securities owned that are issued by the U.S. Government and its agencies. Indirect exposure results from maintaining U.S. Government and agency securities as collateral for resale agreements and securities borrowed transactions. The direct exposure on these transactions is with the counterparty; thus, the Capital Markets and Other segment has credit exposure to the U.S. Government and its agencies only in the event of the counterparty's default.

Off-Balance Sheet Risks

The Capital Markets and Other segment may be exposed to a risk of loss not reflected on the consolidated financial statements for securities sold but not yet purchased, should the value of such securities rise.

For transactions in which credit is extended to others, the Capital Markets and Other segment seeks to control the risks associated with these activities by requiring the counterparty to maintain margin collateral in compliance with various regulatory and internal guidelines. Counterparties include customers who are generally institutional investors and brokers and dealers that are members of major exchanges. Required margin levels are monitored daily and, pursuant to such guidelines, counterparties are required to deposit additional collateral or reduce securities positions when necessary.

It is the policy of the Capital Markets and Other segment to take possession of securities purchased under agreements to resell. The market value of the assets acquired are monitored to ensure their adequacy as compared to the amount at which the securities will be subsequently resold, as specified in the respective agreements. The agreements provide that, where appropriate, the delivery of additional collateral may be required.

In connection with securities sold under agreements to repurchase, the Capital Markets and Other segment monitors the market value of assets delivered to ensure that the collateral value is not excessive as compared to the amount at which the securities will be subsequently repurchased.

Operational Risk

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people, systems or external events excluding credit, liquidity, market and insurance risk. It arises from various sources such as organization, compliance, operational risk assessment and control, employees and agents, process and systems, external events and outsourcing. Lazard Group has developed a risk management framework to ensure compliance with applicable regulatory requirements. The securities operations area prepares various daily, weekly and monthly reports to monitor these risks.

Risk Management Framework

The risk management framework utilized in addressing the risks associated with the Capital Markets and Other segment of Lazard Group's business is described below.

Market Risk

Based on the balances of securities owned, at the applicable dates, Lazard Group quantifies the sensitivities of its current portfolios to changes in market variables. These sensitivities are then utilized in the context of historical data to estimate earnings and loss distributions that current portfolios could have incurred throughout the historical period. From these distributions, Lazard Group derives a number of useful risk statistics, including a statistic it refers to as Value at Risk, or "VaR." The disclosed VaR is an estimate of the maximum amount current portfolios could lose with 99% confidence, over a given time interval. The VaR for our overall portfolios is less than the sum of the VaRs for individual risk categories because movements in different risk categories occur at different times and, historically, extreme movements have not occurred in all risk categories simultaneously. The difference between the sum of the VaRs for individual risk categories and the VaR calculated for all risk categories is shown in the following tables and may be viewed as a measure of the diversification within our portfolios.

In Lazard Group's VaR system, it uses a historical simulation for two years to estimate VaR using a 99% confidence level and a one-day holding period for trading instruments.

In addition to the VaR risk measurement, the risk framework applies various stress tests to test the portfolios under stressful situations as follows:

Interest Rate Risk:	Parallel moves of treasury yield curves of +/- 0.25%.
Curve Risk:	Non-parallel moves of treasury yield curves within +/- 0.25%.
Spread Risk:	For corporate bonds only, +/- 0.50% moves in yield curve.
Equity Price Risk:	+/- 10% move in equity prices.
Currency Risk:	+/- 2% move in foreign exchange rates against U.S. dollars.

The following table summarizes Lazard Group's risk exposure according to the categories described above as of December 31, 2004 and March 31, 2005.

	Risk Measures		
	As of		
	December 31, 2004	March 31, 2005	Average(1)
	($ in thousands)		
Interest Rate Risk	$206	$398	$491
Curve Risk	127	598	837
Spread Risk	927	653	901
Equity Price Risk	539	1,614	1,542
Currency Risk	29	17	108
VaR	547	861	879

(1) Average is based on an average of monthly ending amounts from April 1, 2004 through March 31, 2005.

Credit Risk

Lazard Group monitors its credit risk and exposure that originates from Lazard's business. Credit risk against each issuer is measured by calculating the risk-adjusted exposure. The risk adjustment is based on rating of the issuer, and this risk is netted for all positions with the same issuer.

The credit risk framework determines two types of credit risks:

Credit Risk of the Issuer. The framework analyzes current positions in each issuer to determine the risk adjusted exposure, which is the estimated maximum potential exposure to the issuer in the future. Each issuer has a limit based on its rating. The portfolio's aggregate risk-adjusted exposure is monitored on a daily basis. The levels of risk-adjusted exposures in the U.S. bond and convertible desks are set forth below:

	Credit Risk of the Issuer		
	As of		
	December 31, 2004	March 31, 2005	Average(1)
	($ in thousands)		
Risk Adjusted Exposure	$8,998	$19,415	$24,437

(1) Average is based on an average of monthly ending amounts from April 1, 2004 through March 31, 2005.

Credit Risk of the Trading Counterparty. Lazard Group utilizes a report indicating the gross counterparty exposure and settlement risk. The settlement risk indicates the risk if the counterparty reneges on a trade. In that case, Lazard Group may have to buy or sell the security at additional cost. The framework has established limits for counterparties based on ratings.

Limit Monitoring Process

Lazard Group has established policies and procedures for mitigating credit risk on principal transactions, including reviewing and establishing limits for credit exposure, maintaining collateral and continually assessing the creditworthiness of counterparties.

The risk framework has developed a portfolio approach for risk measurements. This helps senior management assign limits at various levels such as location, trading desks and issuers. Senior management establishes policy limits representing the maximum risk it is willing to take on a normal day.

Credit risk limits take into account measures of both current and potential exposures and are set and monitored by broad risk type, product type and tenor to maturity. Credit risk mitigation techniques include, where appropriate, the right to require initial collateral or margin, the right to terminate transactions or to obtain collateral should unfavorable events occur, the right to call for collateral when certain exposure thresholds are exceeded, and the purchase of credit default protection.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Risk Management

Quantitative and qualitative disclosures about market risk are included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk Management". The Capital Markets and Other segment was separated from the operations of Lazard Group in connection with the separation effective May 10, 2005. Commencing May 10, 2005, disclosures about market risk specific to the Capital Markets and Other segment will not be applicable to Lazard Group.

Item 4. Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective, in all material

respects, to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during our most recent fiscal quarter that has materially affected, or is likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Our businesses, as well as the financial services industry generally, are subject to extensive regulation throughout the world. Lazard is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Lazard believes, based on currently available information, that the results of such proceedings, in the aggregate, will not have a material adverse effect on its financial condition but might be material to its operating results for any particular period, depending, in part, upon the operating results for such period.

Lazard has received a request for information from the NASD as part of what it understands to be an industry investigation relating to gifts and gratuities, which is focused primarily on the Capital Markets business that is a part of the separated businesses now owned and operated by LFCM Holdings. In addition, Lazard has received requests for information from the SEC and the U.S. Attorney's Office for the District of Massachusetts seeking information concerning gifts and entertainment involving an unaffiliated mutual fund company, which are also focused on the Capital Markets business that is part of the separated businesses. Lazard believes that other broker-dealers have also received requests for information. These investigations are continuing and we cannot predict their potential outcomes, if any, which outcomes, could include regulatory consequences. Lazard intends to continue to fully cooperate in these inquiries. In the course of an internal review of these matters, there have been personnel changes in the Capital Markets business that is a part of the separated businesses, including resignations by individuals who were formerly associated with such separated businesses.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On May 10, 2005, we issued 34,183,162 shares of our Class A common stock, par value $.01 per share ("Class A common stock"), in a registered public offering pursuant to the Registration Statement and pursuant to an additional registration statement (the "462(b) Registration Statement") filed pursuant to Rule 462(b) of the Securities Act of 1933, as amended (the "Securities Act"). The offering has terminated, and all securities registered pursuant to the Registration Statement and the 462(b) Registration Statement have been sold. The managing underwriter for the offering was Goldman, Sachs & Co. An aggregate of 35,034,265 shares of Class A Common Stock were registered pursuant to the Registration Statement at an aggregate estimated offering price of $945,925,155 (based upon the estimated maximum price of $27.00 per share that was estimated by Lazard Ltd in accordance with Rule 457(a) of the Securities Act, prior to the pricing of the initial public offering). Another 4,276,371 shares of Class A common stock were registered pursuant to the 462(b) Registration Statement at an aggregate offering price of $106,909,275. A total of 34,183,162 shares of Class A common stock were sold at an aggregate actual offering price of $854,579,050 (based upon the price of $25.00 per share at which the shares actually sold). An aggregate of 5,127,474 shares of Class A common stock were registered and were available to cover over-allotments, but such shares were not issued. The amount of expenses incurred by us in connection with the issuance and distribution of the Class A common stock (including underwriting discounts and commission, expenses paid to the underwriters and certain other expenses) was approximately $66 million. The net offering proceeds to us from the initial public offering after subtracting these expenses was approximately $789 million.

On May 10, 2005, we issued 11,500,000 equity security units ("ESUs"), in a registered public offering pursuant to a Registration Statement on Form S-1, which was declared effective by the SEC on May 4, 2005 (Commission file number 333-123463). The offering has terminated, and all securities registered pursuant to this Registration Statement have been sold. The managing underwriter for the offering was Goldman, Sachs & Co. An aggregate of 11,500,000 units of ESUs were registered pursuant to the Registration Statement at an aggregate estimated offering price of $287,500,000 (based upon the estimated maximum price of $25.00 per unit that was estimated by us in accordance with Rule 457(a) of the Securities Act prior to the pricing of the public offering). A total of 11,500,000 units of ESUs were sold at an aggregate actual offering price of $287,500,000 (based upon the price of $25.00 per share at which the securities actually sold). The amount of expenses incurred by us in connection with the issuance and distribution of the ESUs (including underwriting discounts and commission, expenses paid to the underwriters and certain other expenses) was approximately $11 million. The net offering proceeds to us from the ESU offering after subtracting these expenses was approximately $276.5 million.

On May 10, 2005, pursuant to an investment agreement, we issued to IXIS—Corporate & Investment Bank ("IXIS"), which is a subsidiary of Caisse Nationale des Caisses d'Epargne an aggregate of $200,000,000 of our securities, $150,000,000 of which were ESUs and $50,000,000 of which were shares of our Class A common stock. The ESUs and the Class A common stock were issued to IXIS in a private placement under Section 4(2) of the Securities Act and Regulation S promulgated thereunder. IXIS purchased 6,000,000 ESUs at $25.00 per unit, and purchased 2,000,000 shares of our Class A common stock at $25.00 per share. With respect to the ESUs, IXIS received a payment from us equal in percentage terms to those paid to the underwriters for the public offering of the ESUs. The aggregate payment that IXIS received in respect of the sale of the ESUs was approximately $4,875,000. The ESUs have the same features of the ESUs sold to the public in the registered public offering. For additional description of the terms and conditions of the investment agreement and the securities purchased by IXIS, see "Description of Capital Stock—IXIS Investment in Our Common Stock" and "Description of Indebtedness—IXIS Investment in Exchangeable Debt Securities" in the Registration Statement, which description is incorporated herein by reference.

The following table illustrates our sources and uses of proceeds relating to the initial public offering of the Class A common stock, the offering of the ESUs and the other additional financing transactions described above:

Sources of Proceeds		Uses of Proceeds	
	($ in thousands)		
Common stock issued pursuant to the initial public offering	$ 854,579	Redemption of historical interests (b)	$1,616,411
Common stock issued pursuant to the IXIS investment agreement	50,000	Repay 7.53% Senior Notes due 2011 (c)	57,650
Cashless exchange of historical interests for common stock (a)	32,921	Capitalization of LAZ-MD Holdings and LFCM Holdings	150,000
Equity security units issued pursuant to the ESU offering	287,500	Estimated transaction fees and expenses	87,000
Equity security units issued in the IXIS ESU placement	150,000	Retained cash	53,278
Lazard Group senior notes, net of original issue discount of $435	549,565		
Exchange of long-term investments as a portion of redemption consideration	39,774		
Total	$1,964,339	Total	$1,964,339

(a) For a description of this exchange, see "The Separation and Recapitalization Transactions and the Lazard Organizational Structure—The Separation and Recapitalization Transactions—The Redemption of Historical Partners' Interests" in the Registration Statement which description is incorporated herein by reference.

(b) Includes exchange of certain long-term investments as a portion of redemption consideration and the cashless exchange of the historical partner interests of our Chief Executive Officer for Class A common stock.
(c) Includes "make-whole" amount of $7.65 million.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

2.1 Master Separation Agreement, dated as of May 10, 2005, by and among the Registrant, Lazard Group LLC, LAZ-MD Holdings LLC and LFCM Holdings LLC.

2.2 Class B-1 and Class C Members Transaction Agreement (incorporated by reference to Exhibit 2.2 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1 filed on December 17, 2004).

3.1 Certificate of Incorporation and Memorandum of Association of Lazard Ltd (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).

3.2 Certificate of Incorporation in Change of Name of Lazard Ltd (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).

3.3 Amended and Restated Bye-laws of Lazard Ltd.

4.1 Form of Specimen Certificate for Class A common stock (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on April 11, 2005).

4.2 Indenture, dated as of May 10, 2005, by and between Lazard Group Finance LLC and The Bank of New York, as Trustee.

4.3 First Supplemental Indenture, dated as of May 10, 2005, by and between Lazard Group Finance LLC and The Bank of New York, as Trustee.

4.4 Purchase Contract Agreement, dated as of May 10, 2005, by and between the Registrant and The Bank of New York, as Purchase Contract Agent.

4.5 Pledge Agreement, dated as of May 10, 2005, by and among Lazard Ltd, The Bank of New York, as Collateral Agent, Custodial Agent and Securities Intermediary and The Bank of New York, as Purchase Contract Agent.

4.6 Pledge Agreement, dated as of May 10, 2005, by and among Lazard Group Finance LLC, The Bank of New York, as Collateral Agent, Custodial Agent and Securities Intermediary and The Bank of New York, as Trustee.

4.7	Form of Normal Equity Security Units Certificate (included in Exhibit 4.4).
4.8	Form of Stripped Equity Security Units Certificate (included in Exhibit 4.4).
4.9	Form of Senior Note (included in Exhibit 4.3).
10.1	Stockholders' Agreement, dated as of May 10, 2005, by and among LAZ-MD Holdings LLC, the Registrant and certain members of LAZ-MD Holdings LLC.
10.2	Operating Agreement of Lazard Group LLC, dated as of May 10, 2005.
10.3	Tax Receivable Agreement, dated as of May 10, 2005, by and among Ltd Sub A, Ltd Sub B and LFCM Holdings LLC.
10.4	Employee Benefits Agreement, dated as of May 10, 2005, by and among the Registrant, Lazard Group LLC, LAZ-MD Holdings LLC and LFCM Holdings LLC.
10.5	Insurance Matters Agreement, dated as of May 10, 2005, by and between Lazard Group LLC and LFCM Holdings LLC.
10.6	License Agreement, dated as of May 10, 2005, by and among Lazard Strategic Coordination Company, LLC, Lazard Frères & Co. LLC, Lazard Frères S.A.S., Lazard & Co. Holdings Limited and LFCM Holdings LLC.
10.7	Administrative Services Agreement, dated as of May 10, 2005, by and among LAZ-MD Holdings LLC, LFCM Holdings LLC and Lazard Group LLC.
10.8	Business Alliance Agreement, dated as of May 10, 2005, by and between Lazard Group LLC and LFCM Holdings LLC.
10.9	First Amended and Restated Limited Liability Company Agreement of Lazard Asset Management LLC, dated as of January 10, 2003 (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.10	Master Transaction and Relationship Agreement, dated as of March 26, 2003, by and among Banca Intesa S.p.A., Lazard LLC and Lazard & Co. S.r.l. (incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.11	Note Purchase Agreement, dated as of March 26, 2003, by and among Lazard Funding LLC, Lazard LLC and Banca Intesa S.p.A. (incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.12	$150 Million Subordinated Convertible Promissory Note due 2018, issued by Lazard Funding LLC to Banca Intesa S.p.A. (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.13	$50 Million Subordinated Non-Transferable Promissory Note due 2078, issued by Lazard & Co. S.r.l. to Banca Intesa S.p.A. (incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.14	Guaranty of Lazard LLC to Banca Intesa S.p.A., dated as of March 26, 2003 (incorporated by reference to Exhibit 10.15 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).

10.15	Amended and Restated Operating Agreement of Lazard Strategic Coordination Company LLC, dated as of January 1, 2002 (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.16	Note Purchase Agreement, dated as of May 11, 2001, by and between Lazard Funding Limited LLC, Lazard LLC, and the purchasers thereto (incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.17	Amendment No. 1, dated as of August 27, 2003, to the Note Purchase Agreement, dated as of May 11, 2001, by and between Lazard Funding Limited LLC, Lazard LLC and the purchasers thereto (incorporated by reference to Exhibit 10.18 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.18	Lease, dated as of January 27, 1994, by and between Rockefeller Center Properties and Lazard Frères & Co. LLC (incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.19	Lease with an Option to Purchase, dated as of July 11, 1990, by and between Sicomibail and Finabail and SCI du 121 Boulevard Hausmann (English translation) (incorporated by reference to Exhibit 10.20 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.20	Occupational Lease, dated as of August 9, 2002, Burford (Stratton) Nominee 1 Limited, Burford (Stratton) Nominee 2 Limited, Burford (Stratton) Limited, Lazard & Co., Limited and Lazard LLC (incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.21	2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on May 2, 2005).
10.22	2005 Bonus Plan (incorporated by reference to Exhibit 10.23 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).
10.23	Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005, by and among Lazard Ltd, Lazard Group LLC and Bruce Wasserstein.
10.24	Agreement Relating to Reorganization of Lazard, dated as of May 10, 2005, by and among Lazard LLC and Bruce Wasserstein.
10.25	Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005, by and among Lazard Ltd, Lazard Group LLC and Steven J. Golub.
10.26	Form of Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005, applicable to, and related Schedule I for, each of Michael J. Castellano, Scott D. Hoffman and Charles G. Ward III.
10.27	Agreements Relating to Retention and Noncompetition and Other Covenants (incorporated by reference to Exhibit 10.27 to the Registrant's Registration Statement on Form S-1/A (File No. 333-121407) filed on April 11, 2005).
10.28	Amended and Restated Letter Agreement, effective as of January 1, 2004, between Vernon E. Jordan, Jr. and Lazard Frères & Co. LLC.
10.29	Letter Agreement, dated as of March 15, 2005, from IXIS Corporate and Investment Bank to Lazard LLC and Lazard Ltd. (incorporated by reference to Exhibit 10.27 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).

10.30	Registration Rights Agreement, dated as of May 10, 2005 by and among Lazard Group Finance LLC, the Registrant, Lazard LLC and IXIS Corporate and Investment Bank.
10.31	Letter Agreement, dated as of May 10, 2005, with Bruce Wasserstein family trusts.
10.32	Senior Revolving Credit Agreement, dated as of May 10, 2005, among Lazard Group LLC, the Banks from time to time parties thereto, Citibank, N.A., The Bank of New York, New York Branch, JP Morgan Chase Bank, N.A. and JP Morgan Chase Bank, N.A., as Administrative Agent.
31.1	Rule 13a-14(a) Certification of Bruce Wasserstein.
31.2	Rule 13a-14(a) Certification of Michael J. Castellano.
32.1	Section 1350 Certification for Bruce Wasserstein.
32.2	Section 1350 Certification for Michael J. Castellano.

(b) No Reports on Form 8-K were filed during the period from January 1, 2005 to March 31, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: June 16, 2005

LAZARD LTD

By: /s/ Bruce Wasserstein
Name: Bruce Wasserstein
Title: Chairman and Chief Executive Officer

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Chief Financial Officer

EXHIBIT 2.1

MASTER SEPARATION AGREEMENT

by and among

LAZARD LTD,

LAZARD LLC,

LAZ-MD HOLDINGS LLC

and

LFCM HOLDINGS LLC

Dated as of May 10, 2005

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Exhibit I	Form of Operating Agreement of LAZ-MD Holdings LLC
Exhibit J	Form of Operating Agreement of Lazard Group LLC
Exhibit K	Form of Operating Agreement of LFCM Holdings LLC
Exhibit L	Forms of Retention Agreements
Exhibit M	Form of Tax Receivable Agreement

MASTER SEPARATION AGREEMENT

This MASTER SEPARATION AGREEMENT (including the schedules hereto, this "Agreement"), dated as of May 10, 2005, by and among Lazard Ltd, a Bermuda exempted company ("Lazard Ltd"), Lazard LLC, a Delaware limited liability company that will be renamed "Lazard Group LLC" ("Lazard Group"), LAZ-MD Holdings LLC, a Delaware limited liability company (formerly known as LF Holdings LLC) ("LAZ-MD"), and LFCM Holdings LLC, a Delaware limited liability company and currently a wholly owned subsidiary of Lazard Group ("LFCM," and together with Lazard Ltd, Lazard Group and LAZ-MD, the "Parties" and each a "Party").

RECITALS

WHEREAS, on December 16, 2004, Lazard Ltd, Lazard Group and LAZ-MD Holdings entered into that certain Class B-1 and Class C Members Transaction Agreement relating to Lazard LLC (the "Transaction Agreement"); and

WHEREAS, on the date hereof, the Board of Directors of Lazard Group has determined that it is in the best interests of Lazard Group and its members to separate Lazard Group's businesses into two separate companies (the "Separation") and to recapitalize Lazard Group through the Financing Transactions (as defined below) and the First Redemption (as defined below) and Second Redemption (as defined below) and related transactions (the "Recapitalization"), each on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Parties are entering into this Agreement to set forth the principal corporate transactions required to effect, and the principal terms and conditions of, the Separation and Recapitalization and related transactions and the relationship among the Parties and their respective Subsidiaries (as defined below) after the consummation of the Separation, the Recapitalization and such related transactions; and

WHEREAS, to effect the Separation and Recapitalization, pursuant to the Transaction Agreement and this Agreement, on the date hereof, certain members of Lazard Group shall transfer all of their limited liability company interests in Lazard Group to LAZ-MD in exchange for limited liability company interests in LAZ-MD (the "Exchange"), and simultaneously therewith pursuant to Section 6.02(b) of the Third Amended and Restated Operating Agreement of Lazard LLC, dated as of January 1, 2002, as amended (the "Old Lazard Group Operating Agreement"), all other limited liability company interests in Lazard Group shall be transferred to LAZ-MD in exchange for limited liability company interests in LAZ-MD and the admission of LAZ-MD as the sole member of Lazard Group, on the terms and subject to the conditions set forth in this Agreement (the "Forced Sale"); and

WHEREAS, on the date hereof after consummation of the Forced Sale, the Old Lazard Group Operating Agreement shall be amended and restated in accordance with the terms thereof to read in its entirety as the New Lazard Group Operating Agreement (as defined below), effective immediately upon execution thereof; and

WHEREAS, on the date hereof after the consummation of the Forced Sale and effectiveness of the New Lazard Group Operating Agreement, Lazard Group is filing a Certificate of Amendment with the Secretary of State of the State of Delaware to reflect the change in Lazard Group's name from "Lazard LLC" to "Lazard Group LLC"; and

WHEREAS, to effect the Recapitalization, on the date hereof immediately after the effectiveness of the New Lazard Group Operating Agreement, LAZ-MD shall redeem the LAZ-MD Redeemable Interests (as defined below) in full in exchange for the Lazard Group Redeemable Interests (as defined below), on the terms and subject to the conditions set forth in this Agreement (the "First Redemption"); and

WHEREAS, to effect the Separation, on the date hereof immediately after the First Redemption, Lazard Group shall cause, on the terms and subject to the conditions set forth herein, certain of its Subsidiaries to transfer and contribute to LFCM (or one of its designated Subsidiaries) all of the issued and outstanding capital stock of certain Subsidiaries of Lazard Group and certain other assets of Subsidiaries of Lazard Group relating to the LFCM Businesses (as defined below), and in exchange therefor LFCM shall assume certain liabilities of Lazard Group and its Subsidiaries related to the LFCM Businesses and issue the LFCM Common Interest (as defined below) to Lazard Group, each on the terms and subject to the conditions set forth in this Agreement (such transactions, collectively, the "Contribution"); and

WHEREAS, to effect the Separation, on the date hereof immediately after the consummation of the Contribution, Lazard Group shall distribute to LAZ-MD as the sole Lazard Group Common Member the entire LFCM Common Interest beneficially owned by Lazard Group, on the terms and subject to the conditions set forth in this Agreement (the "First Distribution"); and

WHEREAS, to effect the Recapitalization, on the date hereof immediately after the First Distribution, (1) Lazard Ltd shall consummate the initial public offering (the "Common Stock IPO") of shares of Class A common stock, par value $.01 per share, of Lazard Ltd ("Lazard Ltd Common Stock"), (2) Lazard Ltd shall cause the contribution to Lazard Group of an amount equal to the net proceeds of the Common Stock IPO (the "Lazard Ltd Contribution"), (3) in exchange therefor, Lazard Group shall issue to each Subsidiary of Lazard Ltd that shall contribute such amounts to Lazard Group a Lazard Group Common Interest (as defined herein) and shall admit such Subsidiaries to Lazard Group as Lazard Group Common Members, and (4) Lazard Group shall admit Lazard Group Finance LLC, a Delaware limited liability company ("FinanceCo"), to Lazard Group as the Lazard Group Managing Member, in the case of clauses (3) and (4), effective immediately upon consummation of the Lazard Ltd Contribution, on the terms and subject to the conditions set forth in this Agreement (the "Common Stock IPO Transaction"); and

WHEREAS, to effect the Recapitalization, on the date hereof immediately after the First Distribution, (1) Lazard Ltd and FinanceCo shall consummate the initial public offering of the Exchangeable Securities (as defined herein) (the "Exchangeable Securities IPO") and FinanceCo shall purchase, and Lazard Group shall sell, debt securities of Lazard Group in exchange for the net proceeds from such offering, on the terms and subject to the conditions set forth in this Agreement (the "Exchangeable Securities IPO Transaction"), (2) Lazard Group shall

consummate the offering of the Debt Securities (as defined herein), on the terms and subject to the conditions set forth in this Agreement (the "Debt Securities Offering"), and (3) each of Lazard Ltd and FinanceCo shall consummate the sale of Lazard Ltd Common Stock and Exchangeable Securities to IXIS-Corporate & Investment Bank, an entity organized under the laws of France (the "Investor", and such transaction, the "Third Party Investment"; together with the Common Stock IPO Transaction, the Exchange Securities IPO Transaction and the Debt Securities Offering, the "Financing Transactions"); and

WHEREAS, to effect the Recapitalization, immediately after consummation of the Financing Transactions, Lazard Group shall redeem the Lazard Group Redeemable Interests for the Redemption Consideration (each as defined herein), in each case on the terms and subject to the conditions set forth in this Agreement (the "Second Redemption"); and

WHEREAS, to effect the Recapitalization and Separation, pursuant to this Agreement, immediately after the Second Redemption on the date hereof, LAZ-MD shall distribute or otherwise transfer to LAZ-MD Members the entire LFCM Common Interest held by LAZ-MD, on the terms and subject to the conditions set forth in this Agreement (the "Second Distribution," and together with the First Distribution, the "Distributions"); and

WHEREAS, the Board of Directors or Member(s) or Managing Member, as applicable, of each Party has determined that the Separation, the Recapitalization and the other transactions contemplated by this Agreement and the Ancillary Agreements (as defined below) are in furtherance of and consistent with their respective business strategies and are in the best interests of their respective companies.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Accelerated Exchange Date" has the meaning assigned to such term in Section 8.2(a)(ii).

"Action" means any demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any arbitration or mediation tribunal or authority.

"Administrative Services Agreement" means the Administrative Services Agreement to be entered into by and among Lazard Group, LFCM and LAZ-MD, substantially in the form of Exhibit A hereto, with such changes as may be determined by the parties thereto.

"Affiliate" means, with respect to any specified person, a person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified person; provided, however, that, for purposes of this Agreement, no member of a Group shall be deemed to be an Affiliate of any member of the other Group.

"Agreement" has the meaning assigned to such term in the preamble to this Agreement, and includes any amendments or modifications to this Agreement after the date hereof.

"Alternative Investments Assets" means all of the Assets of Lazard Group and the Lazard Group Companies that are set forth below:

(a) all rights and incidents of Lazard Group and the Lazard Group Companies as of the Contribution Effective Time in, to and under all contracts and agreements set forth on Schedule 1.1(a);

(b) all equipment, furniture, tools and other tangible personal property owned by Lazard Group and the Lazard Group Companies listed on Schedule 1.1(a);

(c) all accounts and notes receivable and other receivables of Lazard Group and the Lazard Group Companies as of the Contribution Effective Time to the extent primarily related to the Alternative Investments Business;

(d) the intellectual property of Lazard Group and the Lazard Group Companies set forth on Schedule 1.1(a);

(e) all books and records (other than Tax Returns), files, papers, tapes, disks, manuals, keys, reports, plans, catalogs, sales and promotional materials, and all other printed and written materials, to the extent available and primarily related to the Alternative Investments Business;

(f) all permits or licenses issued by any Governmental Authority to the extent primarily related to the Alternative Investments Business and permitted by applicable law to be transferred; and

(g) all other Assets primarily relating to the Alternative Investments Business set forth on Schedule 1.1(a).

"Alternative Investments Business" means (a) the management, sponsorship or formation of alternative investment Funds (including related joint ventures and alliances and including management, general partner and investment activities) whose primary objective is to make privately negotiated investments in (i) companies or other entities (x) primarily doing business in North America or headquartered in North America with substantial business in North America or (y) primarily doing business in Europe or headquartered in Europe with substantial business in Europe, (ii) real estate located in North America or Europe or (iii) loans relating to real estate located in North America or Europe and (b) any and all private investment activities (including related joint ventures and alliances, and including management, general partner and investment activities) conducted by or on behalf of Lazard Frères & Co. LLC, Lazard & Co.,

Holdings Ltd, Lazard Group or any of their respective Subsidiaries (including, for the avoidance of doubt, any LFCM Company) or any predecessor companies, whether conducted at any time prior to or at the Distribution Time, including the activities operated under the names Lazard Technology Partners, Lazard Capital Partners, Corporate Partners, Lazard Frères Real Estate Investors, Lazard Frères Real Estate Fund, Lazard Alternative Asset Advisors, Lazard European Private Equity Partners, Lazard Private Equity, LF Strategic Realty Investors and Lazard Structured Finance Investors; provided, however, that, for the avoidance of doubt, any activities currently conducted by (1) Lazard Frères S.A.S., Lazard Frères Gestion S.A.S., Lazard Asset Management LLC or any of their respective Subsidiaries or (2) the private fund advisory group, as currently conducted by or within Lazard & Co., Limited or Lazard Frères & Co. LLC, shall not be included in the Alternative Investments Business.

"Ancillary Agreements" means the Administrative Services Agreement, the Benefits Agreement, the Business Alliance Agreement, the Insurance Matters Agreement, the License Agreement, the Tax Receivable Agreement, the LAZ-MD Stockholders' Agreement, the Retention Agreements, the Rollover Option Agreement, the LFCM Note, the Lazard Group I Note, the Lazard Group II Note, the Financing Documents and the other agreements to be entered into pursuant to this Agreement and the transactions contemplated hereby or in connection with the Separation pursuant to Section 2.4, including any amendments or supplements thereto from time to time.

"Applicable Exchange Date" has the meaning assigned to such term in Section 8.2(a)(ii).

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

"Benefits Agreement" means the Employee Benefits Agreement to be entered into by and between Lazard Group and LFCM, substantially in the form of Exhibit D hereto, with such changes as may be agreed to by the parties thereto.

"Business" means any of the LFCM Businesses or the Lazard Group Businesses.

"Business Alliance Agreement" means the Business Alliance Agreement to be entered into by and between Lazard Group and LFCM, substantially in the form of Exhibit C hereto, with such changes as may be agreed to by the parties thereto.

"Capital Markets Assets" means all of the Assets of Lazard Group and the Lazard Group Companies that are set forth below:

(a) all rights and incidents of Lazard Group and the Lazard Group Companies as of the Contribution Effective Time in, to and under all contracts and agreements set forth on Schedule 1.1(b);

(b) all equipment, furniture, tools and other tangible personal property owned by Lazard Group and the Lazard Group Companies listed on Schedule 1.1(b);

(c) all accounts and notes receivable and other receivables of Lazard Group and the Lazard Group Companies as of the Contribution Effective Time to the extent primarily related to the Capital Markets Business;

(d) the intellectual property of Lazard Group and the Lazard Group Companies set forth on Schedule 1.1(b);

(e) all books and records (other than Tax Returns), files, papers, tapes, disks, manuals, keys, reports, plans, catalogs, sales and promotional materials, and all other printed and written materials, to the extent available and primarily related to the Capital Markets Business;

(f) all permits or licenses issued by any Governmental Authority to the extent primarily related to the Capital Markets Business and permitted by applicable law to be transferred; and

(g) all other Assets primarily relating to the Capital Markets Business set forth on Schedule 1.1(b).

"Capital Markets Business" means any and all sales and trading, proprietary trading, brokerage, research, underwriting and distribution services (including related joint ventures and alliances but excluding private placement group and private fund advisory group), or private investments in public equities (or PIPEs) or Rule 144A offerings of equity, debt or convertible securities, provided by or on behalf of Lazard Group or any of its Subsidiaries (including, for the avoidance of doubt, any LFCM Company) or any predecessor companies, in each case in the United States and in the United Kingdom and whether provided at any time prior to or at the Distribution Time and includes the formation of Funds described in Schedule 1.1(c)attached hereto; provided, however, that, for the avoidance of doubt, any activities currently conducted by (a) Lazard Frères S.A.S. or any of its Subsidiaries (other than any interest held by Lazard Frères S.A.S. in Three Houses Investment Company Limited), by Lazard Italy Limited or any of its Subsidiaries or (b) the equity capital markets group of Lazard & Co., Limited, shall not be included in the Capital Markets Business.

"Cash Contribution" means an amount in cash equal to $15,000,000.

"Change in Control" means a "Change in Control" as defined in the Lazard Ltd 2005 Equity Incentive Plan, as it may be amended from time to time, consummated after the first anniversary of the date hereof.

"Closing Balance Sheet" has the meaning assigned to such term in Section 2.9(a).

"Closing Members' Equity" has the meaning assigned to such term in Section 2.9(a).

"Common Stock IPO" has the meaning set forth in the recitals to this Agreement.

"Common Stock IPO Price" means the price per share of Lazard Ltd Common Stock to the public in the Common Stock IPO.

"Common Stock IPO Transaction" has the meaning set forth in the recitals to this Agreement.

"Consents" means any consents, waivers or approvals from, or notification or filing requirements to or with, or any authorization or permits from, any third parties.

"Contributed Interests" means the equity interests listed on Schedule 1.1(d).

"Contributing Subsidiaries" has the meaning assigned to such term in Section 3.4(a)(iii)(B).

"Contribution" has the meaning assigned to such term in the recitals to this Agreement.

"Contribution Effective Time" means the effective time of the Contribution pursuant to Section 2.5(a).

"Covered Information" has the meaning assigned to such term in Section 6.8(a).

"Current Market Price" has the meaning assigned to such term in Section 8.9(b).

"Debt Securities" has the meaning assigned to such term in Section 3.4(c).

"Debt Securities Offering" has the meaning set forth in the recitals to this Agreement.

"Debt Securities Prospectus" means the offering memorandum of Lazard Group relating to the Debt Securities to be issued in the Debt Securities Offering under Rule 144A promulgated under the Securities Act.

"Dispute Notice" has the meaning assigned to such term in Section 2.9(b).

"Distribution Time" means the time at which the First Distribution shall be effected, to be determined by, or under the authority of, the Board of Directors of Lazard Group consistent with this Agreement.

"Distributions" has the meaning assigned to such term in the recitals to this Agreement.

"Electing Member" has the meaning set forth in Section 8.2(b)(ii).

"Elective Exchange" has the meaning set forth in Section 8.2(a).

"Elective Exchange Effective Time" has the meaning set forth in Section 8.2(b)(iii).

"Exchange" has the meaning assigned to such term in the recitals to this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Exchange Effective Date" has the meaning set forth in Section 8.2(b)(ii)(B).

"Exchange Request" has the meaning set forth in Section 8.2(b)(ii)(C).

"Exchangeable Interest" means a LAZ-MD Class II Interest or a Lazard Group MD Common Interest, in each case that is entitled to the rights set forth in Article VIII of this Agreement.

"Exchangeable MD Member" means a LAZ-MD Class II Member or a Lazard Group MD Common Member, as applicable.

"Exchangeable Securities" has the meaning assigned to such term in Section 3.4(b)(ii).

"Exchangeable Securities IPO" has the meaning assigned to such term in the recitals to this Agreement.

"Exchangeable Securities IPO Transaction" has the meaning assigned to such term in the recitals to this Agreement.

"Exchangeable Securities Over-allotment Option" has the meaning assigned to such term in Section 3.4(b)(iv).

"Exchanging Members" has the meaning set forth in Section 8.3(a).

"Excluded Assets" means (1) all of the Lazard Names and Lazard Marks and any goodwill associated with, or any rights to use, or other rights in, to or under, such Lazard Names and Lazard Marks, and (2) the Assets set forth on Schedule 1.1(e) hereto.

"Excluded Liability" means (1) the Liabilities expressly retained by Lazard Group pursuant to the Benefits Agreement, (2) obligations of Lazard Group described in Section 9.3, (3) the Liabilities set forth on Schedule 1.1(f) hereto, (4) if the North America Closing (as defined in the Business Alliance Agreement) shall have occurred, any Liabilities expressly assumed by Lazard Group pursuant to the agreement executed between LFCM and Lazard Group and referenced in Section 3.2(c) of the Business Alliance Agreement, effective immediately upon consummation of the North America Closing, and (5) if the Europe Closing (as defined in the Business Alliance Agreement) shall have occurred, any Liabilities expressly assumed by Lazard Group pursuant to the agreement executed between LFCM and Lazard Group and referenced in Section 3.4(c) of the Business Alliance Agreement, effective immediately upon consummation of the Europe Closing.

"FinanceCo" has the meaning assigned to such term in the recitals to this Agreement.

"Financing Documents" means the agreements to be entered into in connection with the Financing Transactions by the parties hereto or their affiliates, including (1) the Underwriting Agreement, dated as of May 4, 2005, by and among Lazard Ltd, Lazard Group and Goldman, Sachs & Co., as representative of the underwriters, with respect to the Common Stock IPO Transaction, (2) the Underwriting Agreement, dated as of May 4, 2005, by and among Lazard Ltd, Lazard Group, FinanceCo and Goldman, Sachs & Co., as representative of the underwriters, with respect to the Exchangeable Debt Securities IPO Transaction, (3) the purchase agreement, dated as of May 4, 2005, by and between Lazard Group and Citigroup Global Markets, Inc. and J.P. Morgan Securities Inc., as representatives of the initial purchasers, with respect to the offering of the Debt Securities, (4) the registration rights agreement, dated as of the date hereof, by and between the Company and Citigroup Global Markets, Inc. and J.P. Morgan Securities Inc., as representatives of the initial purchasers, with respect to the Debt Securities, (5) the Indenture for FinanceCo, with The Bank of New York as Trustee, dated as of the date hereof, (6) the First Supplemental Indenture for FinanceCo, with The Bank of New York as Trustee, dated as of the date hereof, with respect to the Exchangeable Debt Securities, (7) the Indenture for Lazard Group, with The Bank of New York as Trustee, dated as of the date hereof, (8) the First Supplemental Indenture for Lazard Group, with The Bank of New York as Trustee, dated as of the date hereof, with respect to the Debt Securities, (9) the Second Supplemental Indenture for Lazard Group, with The Bank of New York as Trustee, dated as of the date hereof, with respect to the Exchangeable Debt Securities, (10) the Investment Letter, dated as of March 15, 2005, by and among Lazard Group, Lazard Ltd and the Investor, (11) the Registration Rights Agreement to be entered into by and among FinanceCo, Lazard Group and the Investor, (12) the Senior Revolving Credit Agreement to be entered into among Lazard Group, JPMorgan Chase Bank, N.A., Citibank, N.A., The Bank of New York and JPMorgan Chase Bank, N.A., as Administrative Agent, (13) each of the Revolving Subordination Loan Agreements to be entered into by and between LFNY and each of JPMorgan Chase Bank, N.A., Citibank, N.A. and The Bank of New York, (14) the Intercreditor Agreement to be entered into among the Lenders time to time parties thereto, Citibank, N.A., The Bank of New York, JPMorgan Chase Bank, N.A., as a lender and as Administrative Agent, and LFNY, (15) the Guarantee Agreement made by Lazard Group in favor of JPMorgan Chase Bank, N.A., as Administrative Agent and (16) each other agreement to be entered to pursuant to the foregoing.

"Financing Transactions" has the meaning assigned to such term in the recitals to this Agreement.

"First Distribution" has the meaning assigned to such term in the recitals to this Agreement.

"First Redemption" has the meaning assigned to such term in the recitals to this Agreement.

"Forced Sale" has the meaning assigned to such term in the recitals to this Agreement.

"Fund" means any fund or similar investment vehicle through which commingled capital is managed, including any co-investment vehicle, alternative investment vehicle, side-by-side vehicle or managed accounts incidental thereto.

"General Exchange Date" has the meaning assigned to such term in Section 8.2(a)(i).

"Governmental Approvals" means any notices, reports or other filings to be made, or any consents, registrations, approvals, licenses, permits or authorizations to be obtained from, any Governmental Authority.

"Governmental Authority" means any national, local or foreign (including U.S. federal, state or local) or supranational (including European Union) governmental, judicial, administrative or regulatory (including self-regulatory) agency, commission, department, board, bureau, entity or authority of competent jurisdiction.

"Group" means the Lazard Group Companies or the LFCM Companies, as applicable.

"Incumbent Lazard Ltd Board" means the members of the Lazard Ltd Board who were members of the Lazard Ltd Board immediately after the consummation of the Common Stock IPO; provided, however, that any individual becoming a director subsequent to the consummation of the Common Stock IPO whose election, or nomination for election by Lazard Ltd's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Lazard Ltd Board shall be considered as though such individual were a member of the Incumbent Lazard Ltd Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Lazard Ltd Board.

"Indemnifiable Losses" means all out-of-pocket Liabilities suffered or incurred by an Indemnitee, including any reasonable fees, costs or expenses of enforcing any indemnity hereunder; provided that "Indemnifiable Losses" shall not include any Special Damages except if and to the extent awarded in an Action involving a Third Party Claim against such Indemnitee.

"Indemnifying Party" has the meaning assigned to such term in Section 4.5(a)(i).

"Indemnitee" has the meaning assigned to such term in Section 4.5(a)(i).

"Indemnity Payment" has the meaning assigned to such term in Section 4.5(a)(ii).

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

"Initial Grant" has the meaning set forth in Section 2.4(b).

"Insurance Matters Agreement" means the Insurance Matters Agreement to be entered into by and between Lazard Group and LFCM on the date hereof, substantially in the form of Exhibit E hereto, with such changes as may be agreed by the parties thereto.

"Insurance Proceeds" means amounts:

(a) received by an insured from an insurance carrier;

(b) paid by an insurance carrier on behalf of the insured; or

(c) received (including by way of set-off) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Intellectual Property Rights" means any domestic and foreign patents and applications therefor, statutory, common law and registered copyrights and registrations therefor, trademarks and registrations and applications therefor, service marks and registrations and applications therefor, trade names and registrations and applications therefor, service names and registrations and applications therefor, trade styles and registrations and applications therefor, product registrations and licenses and applications therefor, and translations, adaptations, derivations and combinations of the foregoing; any mask works, inventions, discoveries, trade secrets, confidential information, know-how, data, proprietary processes and formulae (including any registrations, licenses and similar agreements and research, analysis and supporting documentation in respect of the foregoing); any unregistered trademarks, service marks, trade names, service names and trade styles; any goodwill associated with any of the foregoing; and any rights to use the foregoing and other rights in, to and under the foregoing; provided, however, that the term "Intellectual Property Rights" shall exclude all of the Lazard Names and Lazard Marks (and any goodwill associated with, or any rights to use, or other rights in, to or under, such Lazard Names and Lazard Marks).

"Investor" has the meaning assigned to such term in the recitals to this Agreement.

"IPO Date" means the date of the closing of the Common Stock IPO (ignoring for this purpose the date of closing of any Over-allotment Option granted in connection with the Common Stock IPO).

"Lazard Group" has the meaning assigned to such term in the preamble to this Agreement.

"Lazard Group I Note" means the promissory note of Lazard Group to be issued to LAZ-MD and repaid on the date hereof in the aggregate principal amount of $83,000,000.

"Lazard Group II Note" means the promissory note of Lazard Group to be issued to LFCM and repaid on the date hereof in the aggregate principal amount of $67,000,000.

"Lazard Group Assets" means all Assets of Lazard Group and the Lazard Group Companies other than the LFCM Assets.

"Lazard Group Businesses" means all businesses and operations (including related joint ventures and alliances) of Lazard Group and the Lazard Group Companies, other than the LFCM Businesses.

"Lazard Group Class B-1 Interest" means a "Class B-1 Interest" as defined in the Old Lazard Operating Agreement.

"Lazard Group Common Capital" means "Common Capital" as defined in the New Lazard Group Operating Agreement.

"Lazard Group Common Capital Account" means a "Common Capital Account" as defined in the New Lazard Group Operating Agreement.

"Lazard Group Common Interest" means a "Common Interest" as defined in the New Lazard Group Operating Agreement.

"Lazard Group Common Member" means a "Common Member" as defined in the New Lazard Group Operating Agreement.

"Lazard Group Common Unit" means a "Common Unit" as defined in the New Lazard Group Operating Agreement.

"Lazard Group Companies" means Lazard Group, Lazard Ltd and their respective Subsidiaries other than any LFCM Company.

"Lazard Group Exchange" has the meaning set forth in Section 8.1(a).

"Lazard Group Exchange Ratio" means, with respect to each Lazard Group Exchange, one (1) Lazard Group Common Unit shall be exchangeable for one (1) share of Lazard Ltd Common Stock, subject to adjustment as provided in Section 8.9.

"Lazard Group Exchangeable Debt Securities" has the meaning assigned to such term in Section 3.4(b)(iii).

"Lazard Group Indemnitees" has the meaning assigned to such term in Section 4.2.

"Lazard Group Liabilities" means all of the Liabilities of the Lazard Group Companies other than the LFCM Liabilities.

"Lazard Group Managing Member" means the "Managing Member" as defined in the New Lazard Group Operating Agreement

"Lazard Group MD Common Interest" means a Lazard Group Common Interest received by a LAZ-MD Class II Member in exchange for a LAZ-MD Class II Interest pursuant to a LAZ-MD Exchange.

"Lazard Group MD Common Member" means a Lazard Group Common Member who holds a Lazard Group MD Common Interest.

"Lazard Group Profit Participation Interest" means a "Profit Participation Interest" as defined in the New Lazard Group Operating Agreement.

"Lazard Group Redeemable Interest" means a "Redeemable Interest" as defined in the New Lazard Group Operating Agreement.

"Lazard Group Subsidiaries" means all Subsidiaries of Lazard Group other than LFCM and the LFCM Subsidiaries.

"Lazard Ltd" has the meaning assigned to such term in the preamble to this Agreement.

"Lazard Ltd Board" means the board of directors of Lazard Ltd.

"Lazard Ltd Bye-laws" means the Amended and Restated Bye-Laws of Lazard Ltd, dated as of the date hereof, which are attached hereto as Exhibit B.

"Lazard Ltd Common Stock" has the meaning assigned to such term in the recitals to this Agreement.

"Lazard Ltd Contribution" has the meaning assigned to such term in the recitals to this Agreement.

"Lazard Ltd Sub A" means "Lazard Ltd Sub A" as defined in the New Lazard Group Operating Agreement.

"Lazard Ltd Sub A Common Stock" has the meaning assigned to such term in Section 2.2(b).

"Lazard Ltd Sub A Share Transfer Agreement" means the Stock Exchange Agreement dated as of the date hereof by and among Bruce Wasserstein and Lazard Ltd Sub A or the Stock Exchange Agreement dated as of the date hereof by and among Bruce Wasserstein and Lazard Ltd, as applicable.

"Lazard Ltd Sub B" means "Lazard Ltd Sub B" as defined in the New Lazard Group Operating Agreement.

"Lazard Mark" means a "Lazard Mark" as defined in the New Lazard Group Operating Agreement.

"Lazard Name" means a "Lazard Name" as defined in the New Lazard Group Operating Agreement.

"LAZ-MD" has the meaning assigned to such term in the preamble to this Agreement.

"LAZ-MD Class I Interest" means a "Class I Interest" as defined in the LAZ-MD Operating Agreement.

"LAZ-MD Class II Interest" means a "Class II Interest" as defined in the LAZ-MD Operating Agreement.

"LAZ-MD Class II Member" means a "Class II Member" as defined in the LAZ-MD Operating Agreement.

"LAZ-MD Class II Unit" means a "Class II Unit" as defined in the LAZ-MD Operating Agreement.

"LAZ-MD Exchange" has the meaning assigned to such term in Section 8.1(a).

"LAZ-MD Exchange Ratio" means, with respect to each LAZ-MD Exchange, one (1) LAZ-MD Class II Unit shall be exchangeable for one (1) Lazard Group Common Unit, subject to adjustment as provided in Section 8.8.

"LAZ-MD Indemnitees" has the meaning assigned to such term in Section 4.2.

"LAZ-MD Operating Agreement" means the Operating Agreement of LAZ-MD Holdings LLC, as amended and restated and dated as of the date hereof, which is set forth on Exhibit I, and as it may be amended from time to time after the date hereof.

"LAZ-MD Redeemable Interest" means a "Class III Redeemable Interest" or a "Class IV Redeemable Interest" as defined in the LAZ-MD Operating Agreement.

"LAZ-MD Stockholders' Agreement" means the Stockholders' Agreement of LAZ-MD Holdings LLC to be entered into on the date hereof in the form set forth on Exhibit F, and as it may be amended from time to time after the date hereof.

"LEPEP" means Lazard European Private Equity Partners LLP, a limited liability partnership formed and registered in England and Wales.

"LFCM" has the meaning assigned to such term in the preamble to this Agreement.

"LFCM Assets" means (without duplication) (1) the Assets of Lazard Group and its Subsidiaries set forth on Schedule 1.1(g) hereto, (2) the Capital Markets Assets, (3) the Alternative Investments Assets, (4) the Contributed Interests, (5) the Cash Contribution, and (6) LFCM's rights under this Agreement and each of the Ancillary Agreements to which it or any

other LFCM Company is a party; provided that the LFCM Assets shall not include any Excluded Asset.

"LFCM Businesses" means (1) the Capital Markets Business, (2) the Alternative Investments Business, (3) the holding and management of the investments to be transferred to LFCM that shall not be Capital Markets Business or Alternative Investments Business, and (4) any and all activities, services, businesses and operations (including related joint ventures and alliances) of any LFCM Companies to the extent conducted or provided at any time on or after the Contribution Effective Time.

"LFCM Common Capital Account" means a "Common Capital Account" as defined in the LFCM Operating Agreement.

"LFCM Common Interest" means a "Common Interest" as defined in the LFCM Operating Agreement.

"LFCM Common Unit" means a "Common Unit" as defined in the LFCM Operating Agreement.

"LFCM Companies" means LFCM and the LFCM Subsidiaries.

"LFCM Entities" means the following entities and each of their Subsidiaries: (1) Lazard Alternative Investments Holdings LLC, a Delaware limited liability company and a wholly owned subsidiary of LFCM; (2) Lazard Alternative Investments LLC, a Delaware limited liability company and a wholly owned subsidiary of Lazard Alternative Investments Holdings LLC; (3) Lazard Alternative Investments (Europe) Limited, a limited company formed under the laws of England and Wales and a wholly owned subsidiary of Lazard Alternative Investments Holdings LLC; (4) Lazard Capital Markets LLC, a Delaware limited liability company and a wholly owned subsidiary of LFCM; (5) UKPG Holdings LLC, a Delaware limited liability company; and (6) LEPEP.

"LFCM Indemnitees" has the meaning assigned to such term in Section 4.3.

"LFCM Liabilities" means (1) all Liabilities that are contemplated by this Agreement or any Ancillary Agreement to which LFCM or any other LFCM Company is or will be a party or by which LFCM or any other LFCM Company is or will be bound (or the Schedules hereto or thereto) to be Liabilities of, or to be assumed by, LFCM or any other LFCM Company, and all agreements, obligations and Liabilities of any LFCM Company under this Agreement or any such Ancillary Agreement, regardless of whether such Liabilities arise prior to, on or after the Contribution Effective Time or the Distribution Time; (2) all Liabilities relating to, arising out of or resulting from any LFCM Asset regardless of whether such Liabilities arise prior to, on or after the Contribution Effective Time or the Distribution Time; (3) all Liabilities relating to, arising out of or resulting from any LFCM Business, including, for the avoidance of doubt, any Liabilities relating to, arising out of or resulting from the offering or provision of any services or products of an LFCM Business regardless of whether such Liabilities arise prior to, on or after the Contribution Effective Time or the Distribution Time; (4) all Liabilities relating to, arising out of or resulting from any of the terminated, divested or discontinued businesses and operations that were part of any LFCM Business prior to such

termination, divestiture or discontinuation, or otherwise regardless of whether such Liabilities arise prior to, on or after the Contribution Effective Time or the Distribution Time; (5) all Liabilities relating to, arising out of or resulting from the business or operations of any LFCM Company, regardless of whether such Liabilities arise prior to, on or after the Contribution Effective Time or the Distribution Time; (6) all Liabilities relating to, arising out of or resulting from the matters described on Schedule 1.1(h) and (7) all Liabilities relating to, arising out of or resulting from the investment or management activities of any Fund (including any such activities conducted on behalf of any Fund and including any such activities relating to any portfolio company or portfolio investment of any such Fund) formed, sponsored or managed by (A) any Lazard Group Company (or any predecessors thereto) on or prior to the date hereof or (B) any LFCM Company (or any predecessor or successors thereto); provided that the LFCM Liabilities shall not include (i) any Excluded Liability, (ii) if the North America Closing (as defined in the Business Alliance Agreement) shall have occurred, any Liabilities expressly assumed by Lazard Group pursuant to the agreement executed between LFCM and Lazard Group and referenced in Section 3.2(c) of the Business Alliance Agreement, or (iii) if the Europe Closing (as defined in the Business Alliance Agreement) shall have occurred, any Liabilities expressly assumed by Lazard Group pursuant to the agreement executed between LFCM and Lazard Group and referenced in Section 3.4(c) of the Business Alliance Agreement.

"LFCM Member" means a "Member" as defined in the LFCM Operating Agreement.

"LFCM Note" means the promissory note of LFCM in the aggregate principal amount of $132,000,000 in the form attached hereto as Exhibit G.

"LFCM Operating Agreement" means the Operating Agreement of LFCM, dated as of the date hereof, which is set forth on Exhibit K, and as it may be amended from time to time after the date hereof.

"LFCM Subsidiaries" means all direct and indirect Subsidiaries of LFCM, including the LFCM Entities and other Subsidiaries to be transferred (including by transfer of the Contributed Interests) to or formed by LFCM in connection with the Separation.

"Liabilities" means any and all losses, liabilities, claims, charges, debts, demands, actions, causes of action, suits, damages, fines, penalties, offsets, obligations, payments, costs and expenses, sums of money, bonds, indemnities and similar obligations, covenants, contracts, controversies, agreements, promises, omissions, guarantees, make whole agreements and similar obligations, and other liabilities, including all contractual obligations, whether absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any law, rule, regulation, Action or threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys' fees and any and all costs and expenses (including allocated costs of in-house counsel and other personnel) reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions), order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, including those arising under this

Agreement or any Ancillary Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any person.

"License Agreement" means the License Agreement to be entered into on the date hereof in the form set forth on Exhibit H, and as it may be amended from time to time after the date hereof.

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

"Mandatory Exchange" has the meaning assigned to such term in Section 8.3(a).

"Mandatory Exchange Members" has the meaning assigned to such term in Section 8.3(a).

"Mandatory Lazard Group Exchange" means a "Mandatory Lazard Group Exchange" as defined in the New Lazard Group Operating Agreement.

"Market Price" has the meaning assigned to such term in Section 8.9(b).

"MD Exchanges" has the meaning assigned to such term in Section 8.1(a).

"Members' Equity" shall mean, as of any applicable date, the sum of (i) the principal amount of the LFCM Note and (ii) the members' equity of LFCM, on a consolidated basis, as prepared in accordance with United States generally accepted accounting principles and consistent with past practice; provided, however, that, in calculating such members' equity: (a) employee compensation and benefits expense in respect of the period beginning on January 1, 2005 and ending on such applicable date shall be assumed to have accrued at an amount equal to 57.5% of the aggregate "operating revenues" (as defined in the Registration Statement on Form S-1 for the issuance of shares of Lazard Ltd Common Stock) of LFCM, on a pro forma basis as if the Separation had occurred, for such period, and all LFCM managing directors' payment for services rendered during such period shall be assumed to have been included within the foregoing accrued employee compensation and benefits expense (rather than as a distribution to members or minority interest expense); (b) no reserves or write-offs shall be booked in respect of indemnities that LFCM provides to Lazard Group under this Agreement, including in respect of potential lease and pension reimbursements; (c) all costs and expenses in connection with the IPO and Recapitalization shall be accounted for as expenses incurred after the Distribution; and (d) the Lazard Group II Note shall be disregarded.

"New Lazard Group Operating Agreement" means the Operating Agreement of Lazard Group LLC, to be entered into on the date hereof in the form set forth on Exhibit J, and as it may be amended from time to time after the date hereof.

"NYSE" means the New York Stock Exchange, Inc.

"Offering Document" means any of the Registration Statements, the Debt Securities Prospectus or any other registration statement, prospectus, offering memorandum or other document pursuant to which Lazard Ltd Common Stock, Exchangeable Securities or Debt Securities are being offered in connection with the Financing Transactions.

"Old Lazard Group Operating Agreement" has the meaning assigned to such term in the recitals to this Agreement.

"Operating Agreement" means the New Lazard Group Operating Agreement or the LAZ-MD Operating Agreement, as applicable.

"Over-allotment Option" has the meaning assigned to such term in Section 3.4(a)(iv).

"Partial LAZ-MD Mandatory Exchange" has the meaning assigned to such term in Section 8.3(a)(iii).

"Party" or "Parties" has the meaning assigned to such term in the preamble to this Agreement, and shall include each of Lazard Ltd Sub A and Lazard Ltd Sub B for the purposes of Article VIII and Article XI hereto in the event such persons are added as parties to this Agreement pursuant to Section 11.14.

"Recapitalization" has the meaning assigned to such term in the recitals to this Agreement.

"Redemption Consideration" means the "Redemption Consideration" as defined in the New Lazard Group Operating Agreement.

"Registration Exchange Date" has the meaning set forth in Section 8.2(b)(ii)(B).

"Registration Statement" means, as applicable, (1) the registration statement on Form S-1 of Lazard Ltd under the Securities Act relating to the Lazard Ltd Common Stock to be issued in the Common Stock IPO or (2) the registration statement on Form S-1 of FinanceCo and Lazard Ltd under the Securities Act relating to the Exchangeable Securities to be issued in the Exchangeable Securities IPO, in each case as amended or supplemented from time to time.

"Representative" has the meaning assigned to such term in Section 6.8(a).

"Resolution Date" has the meaning assigned to such term in Section 2.9(d).

"Resolution Period" has the meaning assigned to such term in Section 2.9(b).

"Retention Agreement" means the retention agreements and reorganization agreements, as the case may be, entered into on or prior to the date hereof substantially in the forms set forth on Exhibit L, and any other written agreement entered into on or prior to the date hereof between Lazard Group and any person who shall become an Exchangeable MD Member on the date hereof (including any trust or other entity) pursuant to which accelerated exchange

rights are provided with respect to such Exchangeable MD Member's Exchangeable Interest (or applicable portion thereof), in each case, as such agreements may be amended from time to time.

"Review Period" has the meaning assigned to such term in Section 2.9(b).

"Rollover Option Agreement" means the "Rollover Option Agreement" as defined in the LAZ-MD Operating Agreement.

"SEC" means the Securities and Exchange Commission.

"Second Distribution" has the meaning assigned to such term in the recitals to this Agreement.

"Second Redemption" has the meaning assigned to such term in the recitals to this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Separation" has the meaning assigned to such term in the recitals to this Agreement.

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

"Subsidiary" means, with respect to any person, any corporation, limited liability company, company, partnership, trust, association or other legal entity or organization of which such person (either directly or through one or more Subsidiaries of such person) (a) owns, directly or indirectly, a majority of the capital stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation, limited liability company, company, partnership, trust, association or other legal entity or organization, or (b) is otherwise entitled to exercise (1) a majority of the voting power generally in the election of the board of directors or other governing body of such corporation, limited liability company, company, partnership, trust, association or other legal entity or organization or (2) control of such corporation, limited liability company, company, partnership, trust, association or other legal entity or organization; provided, however, that the term "Subsidiary" shall not include any portfolio company or portfolio investment of any Fund formed, sponsored or managed by such person or such person's Subsidiaries.

"Target Closing Members' Equity" shall mean $245,600,000.

"Tax Receivable Agreement" means the Tax Receivable Agreement to be entered into by and among LFCM, Lazard Ltd Sub A and Lazard Ltd Sub B, substantially in the form of Exhibit M hereto, with such changes as may be determined by the parties thereto.

"Third Party" has the meaning assigned to such term in Section 4.6(a).

"Third Party Claim" has the meaning assigned to such term in Section 4.6(a).

"Third Party Investment" has the meaning assigned to such term in the recitals to this Agreement.

"Third Party Investment Agreement" means the Letter Agreement, dated as of March 14, 2005, by and among the Investor, Lazard Group and Lazard Ltd, as amended from time to time.

"Time of Determination" has the meaning assigned to such term in Section 8.9(b).

"Transaction Agreement" has the meaning set forth in the recitals of this Agreement.

"UK DC Obligations" means the deferred compensation obligations of Lazard & Co., Services Limited pursuant to the letter agreements, dated as of the date hereof, from such person to the applicable Managing Director.

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

(a) the word "or" is not exclusive;

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

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

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

(e) the word "person" means any individual, corporation, limited liability company, trust, joint venture, association, company, partnership or other legal entity or a Governmental Authority; and

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

SECTION 1.3 References to Time. All references in this Agreement to times of day shall be to New York City time.

ARTICLE II

THE SEPARATION

SECTION 2.1 The Separation. On the date hereof and subject to the satisfaction or waiver of the conditions set forth in Section 3.9, the Parties shall effect the Separation by consummating the Exchange, the Forced Sale, the Contribution and the First Distribution in the order, on the terms, and subject to the conditions, set forth in this Article II.

SECTION 2.2 Actions Prior to the Forced Sale. (a) On the date hereof, immediately prior to the approval of the Lazard Board (as defined in the Old Lazard Group Operating Agreement) of the Exchange, certain Class A-2 Members (as defined in the Old Lazard Group Operating Agreement) shall forfeit and surrender their options to acquire Class A-2 Shares (as defined in the Old Lazard Group Operating Agreement) in full pursuant to the Rollover Option Agreement in effect on the date hereof.

(b) On the date hereof, the Parties shall use their commercially reasonable efforts to ensure that, immediately prior to the Exchange and the Forced Sale, the Lazard Group Class B-1 Interest held by Bruce Wasserstein shall be transferred to Lazard Ltd Sub A, in exchange for all of the shares of common stock, par value $.01 per share, of Lazard Ltd Sub A (the "Lazard Ltd Sub A Common Stock") pursuant to the Lazard Ltd Sub A Share Transfer Agreement, in order to permit Bruce Wasserstein to exchange such Lazard Ltd Sub A Common Stock for shares of Lazard Ltd Common Stock in lieu of being redeemed for cash pursuant to the Second Redemption.

SECTION 2.3 The Exchange and the Forced Sale. On the date hereof immediately after the effectiveness of this Agreement, the Exchange and the Forced Sale shall be effected as follows: the members of Lazard Group who are party to the Transaction Agreement shall transfer limited liability company interests in Lazard Group to LAZ-MD in exchange for limited liability company interests in LAZ-MD, in the classes and in the amounts set forth in the LAZ-MD Operating Agreement in accordance with the terms and conditions of the Transaction Agreement. Simultaneously therewith pursuant to Section 6.02(b) of the Old Lazard Group Operating Agreement, (a) all other limited liability company interests in Lazard Group shall be transferred to LAZ-MD in exchange for limited liability company interests in LAZ-MD, in the classes and in the amounts set forth in the LAZ-MD Operating Agreement, and all of the persons whose Lazard Group limited liability company interests are transferred pursuant to the Exchange and the Forced Sale shall be admitted as members of LAZ-MD and (b) Lazard Group shall admit LAZ-MD as the sole member of Lazard Group (and LAZ-MD hereby agrees to become the member of Lazard Group and abide by the terms of the Old Lazard Group Operating Agreement), in each case in accordance with the Transaction Agreement and the LAZ-MD Operating Agreement.

SECTION 2.4 Actions Prior to the Contribution. (a) The Parties acknowledge and agree that the transactions involving the initial transfers of certain assets and

businesses in furtherance of the Separation set forth on Schedule 2.4(a) were consummated prior to the date hereof.

(b) On the date hereof and immediately after completion of the Exchange and the Forced Sale and prior to the Contribution, LAZ-MD shall grant the LAZ-MD Class II Interests pursuant to, and subject to the terms and conditions set forth in, the Rollover Option Agreement (the "Initial Grant").

(c) On the date hereof and immediately after completion of the Forced Sale and prior to the Contribution, LAZ-MD and Lazard Group shall amend and restate the Old Lazard Group Operating Agreement to read in its entirety as the New Lazard Group Operating Agreement, effective immediately upon execution thereof, and an authorized person of Lazard Group shall file a Certificate of Amendment with the Secretary of State of the State of Delaware to reflect the change in Lazard Group's name from "Lazard LLC" to "Lazard Group LLC." Immediately after the effectiveness of the New Lazard Group Operating Agreement, LAZ-MD shall hold, *inter alia*, a Lazard Group Common Interest consisting of 62,500,000 Lazard Group Common Units.

(d) On the date hereof and immediately after the actions set forth in Section 2.4(c) and prior to the First Redemption, Lazard Group shall issue and distribute the Lazard Group I Note to LAZ-MD.

(e) On the date hereof and simultaneously with the consummation of the Forced Sale and the Exchange, Lazard Group shall transfer and assign to LAZ-MD, and LAZ-MD shall assume and agree faithfully to perform and discharge in due course in full in all respects, all of the rights and obligations of Lazard Group with respect to memorandum capital of Lazard Group. LAZ-MD agrees (i) to comply fully with the terms of such memorandum capital, including with respect to the timing of payment thereof as provided in the Old Lazard Group Operating Agreement, as modified by the Retention Agreements and (ii) to reimburse Lazard Group for any and all UK DC Obligations actually paid by Lazard Group or one of its Subsidiaries.

SECTION 2.5 The Contribution. (a) On the date hereof and subject to Section 2.5(d) and Section 2.5(e), immediately after the effectiveness of the New Lazard Group Operating Agreement pursuant to Section 2.4(c) and completion of the issuance of the Lazard Group I Note and consummation of the First Redemption (such time, the "Contribution Effective Time"), Lazard Group shall effect and consummate the Contribution by (i) contributing, assigning, transferring, conveying and delivering, or causing another Lazard Group Company to contribute, assign, transfer, convey and deliver to LFCM or to another LFCM Company all of Lazard Group's (or, as the case may be, the applicable Lazard Group Company's) right, title and interest in, to and under the LFCM Assets and (ii) issuing and contributing the Lazard Group II Note to LFCM. In consideration therefor, LFCM shall simultaneously therewith (i) assume and agree faithfully to perform and discharge in due course in full all of the LFCM Liabilities in accordance with their respective terms and (ii) issue and deliver to Lazard Group (A) an LFCM Common Interest consisting of 62,500,000 LFCM Common Units and having an LFCM Common Capital Account of $113,600,000, which LFCM Common Interest will constitute all of

the issued and outstanding limited liability company interests of LFCM immediately after the Contribution Effective Time, and (B) the LFCM Note.

(b) The contribution, assignment, transfer, conveyance and delivery of the LFCM Assets and the assignment and assumption in full of the LFCM Liabilities pursuant to Section 2.5(a) shall be effected pursuant to the transactions set forth on, and transfer and assumption agreements attached to, Schedule 2.5(b) (it being understood that the failure to (i) contribute, assign, transfer, convey or deliver any LFCM Asset pursuant to any such transaction or agreement or (ii) assign, delegate or assume in full any LFCM Liability pursuant to any such transaction or agreement, shall not affect the obligations of Lazard Group and LFCM pursuant to Section 2.5(a) (including LFCM's obligation to assume and agree faithfully to perform and discharge in due course in full all of the LFCM Liabilities in accordance with their respective terms) and in the event of any conflict between this Agreement and any such transfer and assumption agreements, this Agreement shall control).

(c) From and after the Contribution Effective Time, LFCM shall be responsible for all LFCM Liabilities, regardless of when or where such LFCM Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the date hereof, regardless of where or against whom such LFCM Liabilities are asserted or determined (including any LFCM Liabilities arising out of claims made by any Lazard Group Company's or LFCM Company's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Lazard Group Companies or the LFCM Companies) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of law, fraud or misrepresentation by any member of the Lazard Group Companies or the LFCM Companies or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(d) Nothing herein shall be deemed to require the contribution, assignment, transfer, conveyance or delivery of any LFCM Assets or the assumption of any LFCM Liabilities that by their terms or operation of law cannot be contributed, assigned, transferred, conveyed, delivered or assumed; provided, however, that Lazard Group and LFCM shall, and shall cause the respective members of their Groups to, use their commercially reasonable efforts and cooperate to obtain any necessary consents, approvals or waivers for, and to resolve any impediments to, the contribution, assignment, transfer, conveyance or delivery of such LFCM Assets or assumption of such LFCM Liabilities contemplated to be contributed, assigned, transferred, conveyed, delivered or assumed pursuant to this Section 2.5; provided further, however, that Lazard Group shall not be obligated to pay any consideration therefor to the party from whom any such consent, approval or waiver is necessary in order to obtain any such consent, approval or waiver.

(e) To the extent that any contribution, assignment, transfer, conveyance, delivery or assumption referred to in Section 2.5(a) shall not have been consummated at or prior to the Contribution Effective Time, (i) Lazard Group and LFCM shall, and shall cause the respective members of their Groups to, use reasonable best efforts and cooperate to effect such contribution, assignment, transfer, conveyance, delivery or assumption as promptly following the Contribution Effective Time as shall be practicable; and (ii) Lazard Group shall thereafter, with respect to any such LFCM Asset, use reasonable best efforts, with the costs of Lazard Group

related thereto to be promptly reimbursed by LFCM, to hold such Asset in trust for the use and benefit of LFCM and, with respect to any such LFCM Liability, retain such LFCM Liability for the account of LFCM, and to take such other action, including as may be reasonably requested by LFCM, in order to place each Party, insofar as reasonably possible, in the same position as would have existed had such LFCM Asset or LFCM Liability been contributed, assigned, transferred, conveyed, delivered or assumed as contemplated hereby (it being understood that Lazard Group shall not be required to take any action pursuant to this sentence that would, or could reasonably be expected to, result in a material financial obligation, or restriction on the business or operations, of Lazard Group). To the extent that LFCM is provided the use or benefits of any LFCM Asset or has any LFCM Liability held for its account pursuant to this Section 2.5(e), LFCM shall perform at the direction of Lazard Group and for the benefit of any third person the obligations of Lazard Group thereunder or in connection therewith; provided, that if LFCM shall fail to perform to the extent required herein, LFCM shall hold Lazard Group harmless and indemnify Lazard Group therefor. As and when any such LFCM Asset or LFCM Liability becomes contributable, assignable, transferable, conveyable, deliverable or assumable, such contribution, assignment, transfer, conveyance, delivery or assumption, as applicable, shall be effected as promptly as practicable thereafter.

(f) The Parties agree that, notwithstanding anything in Section 2.5 to the contrary, LFCM shall be deemed to have acquired all of Lazard Group's right, title and interest in and to the LFCM Assets, and shall be deemed to have assumed in full in accordance with the terms of this Agreement all of the LFCM Liabilities, in each case effective as of the Contribution Effective Time.

(g) Lazard Group and LFCM hereby agree to the matters set forth on Schedule 2.5(g).

SECTION 2.6 Actions Prior to the First Distribution. (a) On the date hereof, after the consummation of the Contribution and prior to the First Distribution, each of Lazard Group and LFCM shall, or shall cause the appropriate members of such Party's Group to, enter into each of the Administrative Services Agreement, the Benefits Agreement, the Business Alliance Agreement, the Insurance Matters Agreement, the License Agreement and the Tax Receivable Agreement.

(b) On the date hereof, after the consummation of the Contribution and prior to the First Distribution, Lazard Group and LFCM shall, or shall cause the appropriate member of such Party's Group to, enter into the subleases, deeds of indemnity and other agreements attached hereto as Schedule 2.6(b) relating to LFCM's use of real property of Lazard Group. If the approval or consents necessary for such subleases shall not have been obtained on or prior to the consummation of the Contribution, or Lazard Group and LFCM shall be unable to enter into a license or alternative arrangement, including the arrangement described on Schedule 2.6(b), for the subject premises of the sublease on or prior to the consummation of the Contribution, then LFCM shall cause the appropriate member of the LFCM Companies to vacate the subject premises of the sublease on the date of the consummation of the Contribution.

SECTION 2.7 The First Distribution. On the date hereof immediately after the consummation of the Contribution, the First Redemption and the actions set forth in Section

2.6, Lazard Group shall effect the First Distribution by distributing to LAZ-MD as the sole Lazard Group Common Member (a) the entire LFCM Common Interest held by Lazard Group in accordance with the New Lazard Group Operating Agreement and (b) the LFCM Note. Immediately after the First Distribution, Lazard Group shall cease to be a member of LFCM and bound by the LFCM Operating Agreement and LAZ-MD shall simultaneously be admitted to LFCM as a member and bound by the LFCM Operating Agreement.

SECTION 2.8 Ancillary Agreements. (a) On or prior to the Contribution Effective Time, each of Lazard Group and LFCM shall, or shall cause the appropriate members of such Party's Group to, enter into (i) such bills of sale, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment requested by Lazard Group or LFCM that are necessary or advisable to evidence the contribution, transfer, conveyance and assignment of all of Lazard Group's right, title and interest in and to the LFCM Assets to LFCM or the applicable LFCM Company pursuant to Section 2.5(a); (ii) such bills of sale, stock powers, certificates of title, assumptions of contracts and other instruments of transfer, conveyance, assignment and assumption requested by Lazard Group or LFCM that are necessary or advisable to evidence the assumption in full of the LFCM Liabilities by LFCM pursuant to Section 2.5(a); (iii) such bills of sale, stock powers, certificates of title, assumptions of contracts and other instruments of transfer, conveyance, assignment and assumption requested by Lazard Group that are necessary or advisable to evidence the valid and effective issuance and delivery of the LFCM Common Interest to Lazard Group pursuant to Section 2.5(a); and (iv) such other agreements, certificates and other documents as may be deemed to be advisable by Lazard Group in connection with the Separation.

(b) Notwithstanding anything to the contrary in the Benefits Agreement, LFCM hereby agrees, effective upon consummation of the First Distribution, to satisfy the funding and guarantee obligations of LFCM set forth on Schedule 2.8(b) with respect to the pension funds set forth on such Schedule. LAZ-MD agrees, effective upon the First Distribution, to satisfy the support obligations of LAZ-MD set forth on Schedule 2.8(b) with respect to the pension funds set forth on such Schedule.

SECTION 2.9 Post-Contribution Adjustment. (a) As promptly as practicable, but no later than ninety (90) days after the Contribution Effective Date, Lazard Group shall, at Lazard Group's expense, prepare, or cause to be prepared, in good faith and deliver to LFCM (i) a balance sheet of LFCM (the "Closing Balance Sheet") prepared in accordance with United States generally accepted accounting principles and (ii) a calculation in reasonable detail based upon the Closing Balance Sheet setting forth the amounts of Members' Equity as of immediately after the Contribution Effective Time (the "Closing Members' Equity"). Lazard Group and its accountants and advisers shall be provided with reasonable access to the work papers of LFCM and its accountants to prepare the Closing Balance Sheet and the calculation of Closing Members' Equity.

(b) LFCM shall have sixty (60) days from the date on which the Closing Balance Sheet and the calculation of Closing Members' Equity are delivered to it to assess the Closing Balance Sheet and such calculation of Closing Members' Equity (the "Review Period"). If LFCM believes that the Closing Balance Sheet or that Lazard Group's calculation of Closing Members' Equity was incorrect, LFCM may, on or prior to the last day of the Review Period,

deliver a notice to Lazard Group setting forth, in reasonable detail, each disputed item or amount and the basis for LFCM's disagreement therewith, together with supporting calculations (the "Dispute Notice"). Following delivery of a Dispute Notice to Lazard Group, Lazard Group and its accountants and advisers shall be provided with reasonable access to the work papers of LFCM and its accountants relating to the calculation of the amounts of Closing Members' Equity as set forth in such Dispute Notice. If no Dispute Notice is received by Lazard Group on or prior to the last day of the Review Period, the Closing Balance Sheet and the amount of Closing Members' Equity, as delivered by Lazard Group to LFCM, shall be deemed accepted by LFCM and shall be final and binding on LFCM. If a Dispute Notice is received by Lazard Group on or prior to the last day of the Review Period, Lazard Group and LFCM shall, during the thirty (30)-day period following the date of such notice (the "Resolution Period"), attempt to resolve their differences in good faith, and any resolution by them as to any disputed amounts shall be final, binding and conclusive.

(c) If, at the conclusion of the Resolution Period, there are amounts remaining in dispute with respect to the calculation of Closing Members' Equity as to which a valid Dispute Notice has been timely delivered to Lazard Group, Lazard Group's good-faith determination of Closing Members' Equity shall be final, binding and conclusive upon Lazard Group and LFCM, and shall be deemed a final arbitration award that is enforceable in any court having jurisdiction.

(d) Effective upon (i) the end of the Review Period (if a timely Dispute Notice is not delivered), (ii) the resolution of all matters set forth in the Dispute Notice by agreement of the parties (if a timely Dispute Notice is delivered) or (iii) the conclusion of the Review Period (the "Resolution Date"), the Closing Balance Sheet and the amounts of Closing Members' Equity shall be adjusted if and to the extent necessary to reflect the final resolution of any disputed items and shall be final, binding and conclusive on Lazard Group and LFCM. Promptly and, in any event, no later than three (3) Business Days following the Resolution Date, (i) if the Closing Members' Equity (as finally determined under this Section 2.9) is greater than the Target Closing Members' Equity, LFCM shall pay to Lazard Group an amount of cash equal to such difference, and (ii) if Target Closing Members' Equity is greater than the Closing Members' Equity (as finally determined under this Section 2.9), Lazard Group shall pay to LFCM an amount of cash equal to such difference.

ARTICLE III

THE RECAPITALIZATION

SECTION 3.1 The Recapitalization. On the date hereof and subject to Section 3.9, the Parties shall effect the Recapitalization by consummating the First Redemption, the Financing Transactions, the Second Redemption and the Second Distribution in the order, on the terms, and subject to the conditions, set forth in this Article III.

SECTION 3.2 The First Redemption. On the date hereof immediately after the effectiveness of the New Lazard Group Operating Agreement, LAZ-MD shall effect the First Redemption by redeeming the LAZ-MD Redeemable Interests in full in exchange for the Lazard Group Redeemable Interests pursuant to, and in accordance with, the LAZ-MD Operating Agreement and the New Lazard Operating Agreement and the Transaction Agreement.

SECTION 3.3 Actions Prior to the Financing Transactions. (a) Effective on or prior to the date hereof and prior to the consummation of the Common Stock IPO Transaction, the bye-laws of Lazard Ltd shall be amended and restated to read in their entirety as the Lazard Ltd Bye-laws.

(b) Lazard Ltd and Lazard Group shall use their respective commercially reasonable efforts to cause the Registration Statements with respect to each of the Common Stock IPO and the Exchangeable Securities IPO to become effective under the Securities Act and the Exchange Act and to keep the applicable Registration Statement effective as long as is necessary to consummate the Common Stock IPO and Exchangeable Securities IPO, as applicable.

(c) Lazard Group shall take all such action as Lazard Group may determine necessary or appropriate under federal or state securities or blue sky laws of the United States (and any comparable laws under any foreign jurisdiction) in connection with the Financing Transactions.

SECTION 3.4 The Financing Transactions. On the date hereof immediately after the consummation of the First Redemption and the First Distribution and the actions set forth in Section 3.3, the Parties shall effect the Financing Transactions as follows:

(a) Common Stock IPO Transaction. (i) Common Stock IPO. Lazard Ltd shall use its commercially reasonable efforts to take all actions necessary to consummate the Common Stock IPO.

(ii) Use of Proceeds. The Common Stock IPO will be a primary offering of Lazard Ltd Common Stock. The net proceeds of the Common Stock IPO (including from the exercise of any Over-allotment Option) will primarily be used by Lazard Ltd for the Lazard Ltd Contribution.

(iii) The Common Stock Contributions. Immediately after the consummation of the Common Stock IPO and receipt of the proceeds thereof:

(A) Lazard Ltd shall effect the Lazard Ltd Contribution by causing the contribution to Lazard Group of an amount in cash equal to the net proceeds of the Common Stock IPO through the contribution transaction described on Schedule 3.4(a)(iii); and

(B) in exchange therefor, simultaneously with such cash contributions to Lazard Group, Lazard Group shall (1) issue to the direct or indirect wholly-owned Subsidiaries of Lazard Ltd that shall directly contribute cash to Lazard Group pursuant to the Lazard Ltd Contribution as described on Schedule 3.4(a)(iii) (the "Contributing Subsidiaries") Lazard Group Common Interests consisting of an aggregate number of Lazard Group Common Units equal to the number of shares of Lazard Ltd Common Stock sold pursuant to the Common Stock IPO and an aggregate amount of Lazard Group Common Capital equal to the net proceeds of the Common Stock IPO so contributed, with such units and capital allocated among the Contributing Subsidiaries as set forth on Schedule

3.4(a)(iii), and (2) admit each Contributing Subsidiary to Lazard Group as a Lazard Group Common Member and admit FinanceCo as the Lazard Group Managing Member.

(iv) Over-allotment Option. In the event that the underwriters' over-allotment option (the "Over-allotment Option") shall be exercised in whole or in part in the Common Stock IPO, immediately after the closing of the Over-allotment Option and receipt of the proceeds thereof:

(A) Lazard Ltd shall cause the contribution to Lazard Group by the Contributing Subsidiaries of an amount in cash equal to the net proceeds of such Over-allotment Option through the transactions described on Schedule 3.4(a)(iii); and

(B) in exchange therefor, simultaneously with such cash contributions to Lazard Group, Lazard Group shall issue to the Contributing Subsidiaries an aggregate number of additional Lazard Group Common Units equal to the number of shares of Lazard Ltd Common Stock sold pursuant to the Over-allotment Option, and shall credit the Contributing Subsidiaries' Lazard Group Common Capital Accounts by an aggregate amount equal to net proceeds of the Over-allotment Option so contributed by such Contributing Subsidiaries, with such units and capital allocated among the Contributing Subsidiaries as set forth on Schedule 3.4(a)(iii).

(b) Exchangeable Securities IPO Transaction. (i) Exchangeable Securities IPO. Lazard Ltd shall, and shall cause FinanceCo to, use its commercially reasonable efforts to take all actions necessary to consummate the Exchangeable Securities IPO.

(ii) Use of Proceeds. The Exchangeable Securities IPO will be a primary offering of 6.625% Equity Security Units (the "Exchangeable Securities") by Lazard Ltd and FinanceCo. The net proceeds of the Exchangeable Securities IPO (including from the exercise of any Exchangeable Securities Over-allotment Option) will be used by FinanceCo to purchase the Lazard Group Exchangeable Debt Securities.

(iii) Purchase of the Lazard Group Debt Securities. Immediately after the consummation of the Exchangeable Securities IPO and receipt of the proceeds thereof, FinanceCo shall purchase, and Lazard Group shall sell, 6.120% Senior Notes Due 2035 in principal amount equal to the aggregate principal amount of the senior notes of FinanceCo included in the Exchangeable Securities issued pursuant to the Exchangeable Securities IPO (the "Lazard Group Exchangeable Debt Securities") for the aggregate consideration equal to the net proceeds of the Exchangeable Securities IPO in cash in immediately available funds.

(iv) Exchangeable Securities Over-allotment Option. In the event that the underwriters' over-allotment option (the "Exchangeable Securities Over-allotment Option") shall be exercised in whole or in part in the Exchangeable Securities IPO, immediately after the closing of the Exchangeable Securities Over-allotment Option and receipt of the proceeds thereof, FinanceCo shall purchase, and Lazard Group shall sell, Lazard Group Exchangeable

Debt Securities in principal amount equal to the aggregate principal amount of the senior notes of FinanceCo included in the Exchangeable Securities issued pursuant to the Exchangeable Securities Over-allotment Option for the aggregate consideration equal to the net proceeds of the Exchangeable Securities Over-allotment Option in cash in immediately available funds.

(v) Parallel Forward. In connection with the Exchangeable Securities IPO, each of Lazard Group and the Contributing Subsidiaries, with Lazard Ltd as guarantor thereof, shall enter into appropriate forward contracts providing for the issuance of Lazard Group Common Units to such Contributing Subsidiaries on substantially similar terms in respect of pricing, timing and antidilution as set forth in the forward purchase contracts forming part of the Exchangeable Securities.

(c) Debt Securities Offering Transaction. Lazard Group shall use its commercially reasonable efforts to take all actions necessary to consummate the Debt Securities Offering. The Debt Securities Offering will be a primary offering of 7.125% Senior Notes due 2015 in principal amount of $550,000,000 (the "Debt Securities") by Lazard Group.

(d) Third Party Investment. Lazard Group and Lazard Ltd shall use their respective commercially reasonable efforts to take all actions necessary to consummate the Third Party Investment.

(i) Immediately after the consummation of the Third Party Investment and receipt by Lazard Ltd of its share of the proceeds thereof:

(A) Lazard Ltd shall cause the contribution to Lazard Group of an amount in cash equal to the net proceeds thereof received by Lazard Ltd through the contribution transaction described on Schedule 3.4(a)(iii); and

(B) in exchange therefor, simultaneously with such cash contributions to Lazard Group, Lazard Group shall issue to the Contributing Subsidiaries an aggregate number of Lazard Group Common Units equal to the number of shares of Lazard Ltd Common Stock sold pursuant to the Third Party Investment and an aggregate amount of Lazard Group Common Capital equal to the aggregate amount of such contribution, with such units and capital allocated among the Contributing Subsidiaries as set forth on Schedule 3.4(a)(iii).

(ii) Immediately after the consummation of the Third Party Investment and receipt by FinanceCo of its share of the proceeds thereof, FinanceCo shall purchase, and Lazard Group shall sell, Lazard Group Exchangeable Debt Securities in principal amount equal to the aggregate principal amount of the senior notes of FinanceCo included in the Exchangeable Securities issued pursuant to the Third Party Investment for aggregate consideration equal to the net proceeds of the Third Party Investment received by FinanceCo in cash in immediately available funds.

(iii) In connection with the Third Party Investment, each of Lazard Group and the Contributing Subsidiaries, with Lazard Ltd as guarantor thereof, shall enter into appropriate forward contracts providing for the issuance of Lazard Group Common Units to such Contributing Subsidiaries on substantially similar terms in respect of pricing, timing and

antidilution as set forth in the forward purchase contracts forming part of the Exchangeable Securities.

(e) Use of Proceeds by Lazard Group. The portion of the net proceeds of the Common Stock IPO Transaction, the Exchangeable Securities IPO Transaction, the Debt Securities Offering and the Third Party Investment that are received by Lazard Group shall be used by Lazard Group to fund the Second Redemption, for general corporate purposes of Lazard Group and such other purposes set forth in the Registration Statements.

SECTION 3.5 Actions Prior to the Second Redemption. On the date hereof after the consummation of the Financing Transactions and immediately prior to the Second Redemption, the stockholders of Lazard Ltd Sub A shall be permitted to sell and transfer to Lazard Ltd, and Lazard Ltd shall purchase and acquire in such sale and transfer, all of the outstanding shares of Lazard Ltd Sub A, in consideration for the issuance of shares of Lazard Ltd Common Stock to the transferring stockholder of Lazard Ltd Sub A, on the terms and subject to the conditions set forth in the Lazard Ltd Sub A Share Transfer Agreement and simultaneously with the payment of the Redemption Consideration. Pursuant to the Second Redemption, the Lazard Group Redeemable Interests held by Lazard Ltd Sub A will be redeemed in exchange for Lazard Group Common Units in accordance with the New Lazard Group Operating Agreement.

SECTION 3.6 The Second Redemption. On the date hereof immediately after consummation of the Financing Transactions and the actions set forth in Section 3.5 and in accordance with the New Lazard Group Operating Agreement, Lazard Group shall redeem the Lazard Group Redeemable Interests for the Redemption Consideration.

SECTION 3.7 Actions Prior to the Second Distribution. On the date hereof immediately after consummation of the Second Redemption, Lazard Group shall repay in full all outstanding amounts under each of the Lazard Group I Note and the Lazard Group II Note.

SECTION 3.8 The Second Distribution. On the date hereof immediately after the consummation of the Second Redemption and the actions set forth in Section 3.7, LAZ-MD shall effect the Second Distribution by distributing or otherwise transferring to each LAZ-MD Class II Member an LFCM Common Interest with an equivalent number of LFCM Common Units and pro rata portion (based on number of LAZ-MD Class II Units) of the capital associated with the LFCM Common Interest held by LAZ-MD immediately prior to the Second Distribution, on the terms set forth in the LAZ-MD Operating Agreement. Pursuant to such distribution and transfer, each recipient of an LFCM Common Interest will be admitted as an LFCM Common Member, on the terms and subject to the conditions set forth in the LFCM Operating Agreement.

SECTION 3.9 Conditions to the Separation and the Recapitalization. (a) Subject to satisfaction or waiver of the additional conditions set forth in Section 3.9(b) with respect to the consummation of each of the First Redemption and the Second Redemption and the provisions of Section 3.9(c), the obligations of the Parties to consummate the Separation and the Recapitalization are subject to the satisfaction, or waiver by Lazard Group in its sole discretion, of each of the following conditions prior to the consummation of the Exchange and the Forced Sale:

(i) All of the conditions to the Exchange set forth in Section 4(b) of the Transaction Agreement shall have been satisfied or waived in accordance with the terms thereof.

(ii) Approval of the Separation and Recapitalization shall have been given by the Board of Directors of Lazard Group in its sole discretion and not revoked.

(iii) Each of the Registration Statements shall have been filed and declared effective by the SEC, and there shall be no stop-order in effect with respect thereto.

(iv) The actions and filings necessary or appropriate under federal and state securities laws and state blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) in connection with the Financing Transactions (including, if applicable, any actions and filings relating to the Registration Statements or the prospectuses contained therein or any comparable registration statements or prospectuses in any foreign jurisdictions) shall have been taken and, where applicable, have become effective or been accepted.

(v) The Lazard Ltd Common Stock to be issued in the Common Stock IPO and the Exchangeable Securities to be issued in the Exchangeable Securities IPO shall have been accepted for listing on the NYSE, subject to official notice of issuance.

(vi) No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation or the Recapitalization, including any of the Exchange, the Forced Sale, the Contribution, the First Redemption, the First Distribution, the Financing Transactions, the Second Redemption or the Second Distribution, or any of the other transactions contemplated by this Agreement or any Ancillary Agreement, shall be in effect.

(vii) All Consents and Governmental Approvals required in connection with the Separation and the Recapitalization, including the Exchange, the Forced Sale, the Contribution, the First Redemption, the First Distribution, the Financing Transactions, the Second Redemption and the Second Distribution, and any of the other transactions contemplated by this Agreement or any Ancillary Agreement, shall have been received.

(viii) Neither this Agreement nor the Transaction Agreement shall have been terminated, and each of this Agreement and the Transaction Agreement shall be in full force and effect.

(b) The obligations of the Parties to consummate the First Redemption and the Second Redemption, as applicable, are subject to the satisfaction, or waiver by Lazard Group in its sole discretion, of the following conditions:

(i) With respect to the First Redemption, the condition to the First Redemption set forth in Section 4(c)(i) of the Transaction Agreement shall have been satisfied or waived in accordance with the terms thereof.

(ii) With respect to the Second Redemption, the condition to the Second Redemption set forth in Section 4(c)(ii) of the Transaction Agreement shall have been satisfied or waived in accordance with the terms thereof.

(c) In the event that after the consummation of the Exchange and Forced Sale but prior to the consummation of the Second Distribution any of the conditions to the Separation and Recapitalization set forth in this Section 3.9 shall cease to be satisfied (unless earlier waived by Lazard Group as provided herein), Lazard Group may, in its sole discretion, elect to terminate the obligations of the Parties to continue to consummate the Separation and the Recapitalization.

(d) Any determination made by Lazard Group (including the Board of Directors of Lazard Group) concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.9 shall be conclusive and binding on the Parties.

ARTICLE IV

SURVIVAL AND INDEMNIFICATION

SECTION 4.1 Survival of Agreements. All covenants and agreements of the Parties contained in this Agreement shall survive each of the Separation and the Recapitalization (including the Exchange, the Forced Sale, the Contribution, the First Redemption, the First Distribution, the Financing Transactions, the Second Redemption and the Second Distribution).

SECTION 4.2 Indemnification by LFCM. LFCM shall indemnify, defend and hold harmless (1) Lazard Group, each other Lazard Group Company and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Lazard Group Indemnitees") and (2) LAZ-MD and each of its directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "LAZ-MD Indemnitees"), from and against any and all Indemnifiable Losses of the Lazard Group Indemnitees and the LAZ-MD Indemnitees to the extent relating to, arising out of or resulting from any of the following items regardless of whether arising from or alleged to arise from negligence, recklessness, violation of law, fraud or misrepresentation (without duplication):

(a) the failure of LFCM or any other LFCM Company or any other person to pay, perform or otherwise promptly discharge any LFCM Liabilities or any contract, agreement or arrangement included in the LFCM Assets in accordance with their respective terms, whether prior to, at or after the Distribution Time;

(b) any LFCM Company, any LFCM Liability or any LFCM Asset; and

(c) any breach by LFCM of this Agreement or any of the Ancillary Agreements to which it is a party or any breach by any other LFCM Company of any of the Ancillary Agreements to which it is a party.

SECTION 4.3 Indemnification by Lazard Group. Lazard Group shall indemnify, defend and hold harmless LFCM, each other LFCM Company and each of their respective directors, officers and employees, and each of the heirs, executors, successors and

assigns of any of the foregoing (collectively, the "LFCM Indemnitees") and the LAZ-MD Indemnitees, from and against any and all Indemnifiable Losses of the LFCM Indemnitees and the LAZ-MD Indemnitees to the extent relating to, arising out of or resulting from any of the following items regardless of whether arising from or alleged to arise from negligence, recklessness, violation of law, fraud or misrepresentation (without duplication):

(a) the failure of Lazard Group or any other Lazard Group Company or any other person to pay, perform or otherwise promptly discharge any Lazard Group Liabilities or any contract, agreement, or arrangement included in the Lazard Group Assets in accordance with their respective terms, whether prior to, at or after the Distribution Time;

(b) any Lazard Group Company, any Lazard Group Liability or any Lazard Group Asset;

(c) any Excluded Asset or Excluded Liability;

(d) any breach by Lazard Group of this Agreement or any of the Ancillary Agreements to which it is a party or any breach by any other Lazard Group Company of any of the Ancillary Agreements to which it is a party; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, contained in any Offering Document.

SECTION 4.4 Indemnification by LAZ-MD. LAZ-MD shall indemnify, defend and hold harmless each LFCM Indemnitee and each Lazard Group Indemnitee from and against any and all Indemnifiable Losses of the LFCM Indemnitees and the Lazard Group Indemnitees to the extent relating to, arising out of or resulting from any breach by LAZ-MD of this Agreement or any of the Ancillary Agreements to which it is a party.

SECTION 4.5 Indemnification Obligations Net of Insurance Proceeds and Other Amounts. (a) The Parties intend that any Indemnifiable Loss subject to indemnification or reimbursement pursuant to this Agreement will be net of Insurance Proceeds actually recovered by or on behalf of the Indemnitee in reduction of the related Indemnifiable Loss. Accordingly, except as otherwise expressly provided in such sections of the Insurance Matters Agreement, (i) the amount that any Party (an "Indemnifying Party") is required to pay to any person entitled to indemnification hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee in reduction of the related Indemnifiable Loss; and (ii) if an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Indemnifiable Loss and subsequently receives Insurance Proceeds in reduction of such Indemnifiable Loss, then the Indemnitee will promptly pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) The existence of a claim by an Indemnitee for monies from an insurer or against a third party in respect of an Indemnifiable Loss shall not, however, delay any Indemnity

Payment pursuant to the indemnification provisions contained herein and otherwise determined to be due and owing by an Indemnifying Party.

SECTION 4.6 Procedures for Indemnification of Third Party Claims. (a) If an Indemnitee shall receive actual notice of the assertion by a person (including any Governmental Authority) other than LAZ-MD, any Lazard Group Company or any LFCM Company or any of their respective Affiliates (a "Third Party") of any claim, or of the commencement by any such person of any Action, with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2, 4.3 or 4.4 or any other indemnification provision set forth herein or in any Ancillary Agreement (collectively, a "Third Party Claim"), such Indemnitee shall give such Indemnifying Party and, if Lazard Group is not the Indemnifying Party, Lazard Group prompt written notice thereof (and in any event not more than 30 days after receiving such actual notice of such Third Party Claim). Any such notice shall describe the Third Party Claim in reasonable detail, including, if known, the amount of the Indemnifiable Loss for which indemnification may be available or a good faith estimate thereof. Notwithstanding the foregoing, the failure of any Indemnitee or other person to give notice within the 30-day period as provided in this Section 4.6(a) shall not relieve the related Indemnifying Party of its obligations under this Article IV, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice within such 30-day period.

(b) An Indemnifying Party may elect (but is not required) to assume the defense of and defend, at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim. Within 30 days after the receipt of notice from an Indemnitee in accordance with Section 4.6(a), the Indemnifying Party shall notify the Indemnitee of its election whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee. Notwithstanding anything to the contrary, Lazard Group or its designee shall have the right to assume the defense of and defend, at the Indemnifying Party's expense and by Lazard Group's own counsel, any of the claims or matters set forth on Schedule 4.6(b).

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnitee of its election as provided in Section 4.6(b), such Indemnitee may defend such Third Party Claim at the cost and expense of the Indemnifying Party; provided, that the Indemnifying Party may thereafter assume the defense of such Third Party Claim upon notice to the Indemnitee (but the cost and expense of such Indemnitee in defending such Third Party Claim incurred from the last day of the notice period under Section 4.6(b) until such date as the Indemnifying Party shall assume the defense of such Third Party Claim shall be paid by the Indemnifying Party).

(d) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnitee of its election as provided in Section 4.6(b), and has not thereafter assumed such defense as provided in Section 4.6(c), such Indemnitee shall

have the right to settle or compromise such Third Party Claim, and any such settlement or compromise made or caused to be made of such Third Party Claim in accordance with this Article IV shall be binding on the Indemnifying Party, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise. Notwithstanding the foregoing sentence, the Indemnitee shall not compromise or settle a Third Party Claim without the express prior consent of the Indemnifying Party (which consent the Indemnifying Party may withhold in its sole discretion unless the compromise or settlement includes, as a part thereof, a full and unconditional release by the plaintiff or claimant of the Indemnitee and the Indemnifying Party from all liability with respect to such Third Party Claim and does not require the Indemnifying Party to be subject to any non-monetary remedy, in which case such consent may not be unreasonably withheld or delayed).

(e) The Indemnifying Party shall have the right to compromise or settle a Third Party Claim the defense of which it shall have assumed pursuant to Section 4.6(b) or Section 4.6(c) and any such settlement or compromise made or caused to be made of a Third Party Claim in accordance with this Article IV shall be binding on the Indemnitee, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise. Notwithstanding the foregoing sentence, the Indemnifying Party shall not have the right to admit Liability on behalf of the Indemnitee and shall not compromise or settle a Third Party Claim in each case without the express prior consent of the Indemnitee (not to be unreasonably withheld or delayed); provided that such prior consent shall not be required in the case of any such compromise or settlement if and only if the compromise or settlement includes, as a part thereof, a full and unconditional release by the plaintiff or claimant of the Indemnitee from all liability with respect to such Third Party Claim and does not require the Indemnitee to make any payment that is not fully indemnified under this Agreement or to be subject to any non-monetary remedy.

SECTION 4.7 Additional Matters. (a) Any claim on account of an Indemnifiable Loss that does not result from a Third Party Claim shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party, which notice shall be given promptly after the Indemnitee shall receive actual notice of such Indemnifiable Loss (and in any event not more than 30 days after receiving such actual notice of such Indemnifiable Loss). Such Indemnifying Party shall have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such Indemnifying Party shall be deemed to have agreed to accept responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such Party as contemplated by this Agreement and the Ancillary Agreements. Any such notice shall describe the claimed Indemnifiable Loss in reasonable detail, including, if known, the amount of the Indemnifiable Loss for which indemnification may be available or a good faith estimate thereof. Notwithstanding the foregoing, the failure of any Indemnitee or other person to give notice within the 30-day period as provided in this Section 4.7(a) shall not relieve the related Indemnifying Party of its obligations under this Article IV, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice within such 30-day period.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) LFCM shall, and shall cause the other LFCM Indemnitees to, Lazard Group shall, and shall cause the other Lazard Group Indemnitees to, and LAZ-MD shall, and shall cause the other LAZ-MD Indemnitees to, make available to each other, their counsel and other representatives, all information and documents reasonably available to them that relate to any Third Party Claim, and otherwise cooperate as may reasonably be required in connection with the investigation, defense and settlement thereof, subject to the terms and conditions of a mutually acceptable joint defense agreement.

SECTION 4.8 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party; provided, that the procedures set forth in Section 4.6 and Section 4.7 shall be the exclusive procedures governing any indemnity action brought under this Agreement, except as otherwise expressly provided in any of the Ancillary Agreements.

SECTION 4.9 Survival of Indemnities. The rights and obligations of each of Lazard Group, LAZ-MD and LFCM and their respective Indemnitees under this Article IV shall survive the sale or other transfer by any Party of any Assets or businesses or the assignment by it of any Liabilities.

ARTICLE V

CERTAIN ADDITIONAL COVENANTS RELATING TO THE SEPARATION AND RECAPITALIZATION

SECTION 5.1 Intercompany Agreements; Intercompany Accounts. (a) All contracts, licenses, agreements, commitments or other arrangements, formal or informal, written or oral, between any of LAZ-MD or any Lazard Group Company, on the one hand, and any LFCM Company, on the other hand, in existence as of the Distribution Time, shall terminate effective as of the Distribution Time, and no persons party to any such contract, license, agreement, commitment or other arrangement shall have any rights under such contract, license, agreement, commitment or arrangement, except, in each case, (i) for this Agreement and any Ancillary Agreement (including each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement (A) to be entered into by any of the Parties or, if applicable, any of the members of their respective Groups or (B) to survive the Separation), (ii) for any contracts, licenses, agreements, commitments or other arrangements to which any person other than the Parties or their respective Subsidiaries is a party and (iii) the agreements set forth on Schedule 5.1.

(b) Notwithstanding anything to the contrary in Section 5.1(a), after the Distribution Time, the Parties shall be obligated to pay only those intercompany accounts between any of LAZ-MD or any Lazard Group Company, on the one hand, and any LFCM Company, on the other hand, outstanding as of the Distribution Time that arose in connection with transfers of goods and services in the ordinary course of business, consistent with past practices (which the Parties shall use reasonable efforts to settle prior to the Distribution Time) and all other intercompany accounts outstanding as of the Distribution Time shall be settled without transfer of non-financial assets as of the Distribution Time, except as otherwise contemplated by this Agreement.

SECTION 5.2 Guarantee Obligations. (a) Lazard Group and LFCM shall cooperate, and shall cause their respective Groups to cooperate, to terminate, or to cause a Lazard Group Company to be substituted in all respects for any LFCM Company in respect of, all obligations of any LFCM Company under any Lazard Group Liabilities for which such LFCM Company may be liable, as guarantor, original tenant, primary obligor or otherwise. If such a termination or substitution is not effected by the Distribution Time, (i) Lazard Group shall indemnify and hold harmless the LFCM Indemnitees for any Indemnifiable Loss arising from or relating thereto, and (ii) without the prior written consent of LFCM, from and after the Distribution Time, Lazard Group shall not, and shall not permit any other Lazard Group Company to, renew or extend the term of, increase its obligations under, or transfer to a third party, any loan, lease, contract or other obligation for which any LFCM Company is or may be liable unless all obligations of the LFCM Companies with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to LFCM; provided, that the limitations contained in clause (ii) shall not apply in the event that a Lazard Group Company obtains a letter of credit from a financial institution reasonably acceptable to LFCM and for the benefit of LFCM with respect to such obligation of the LFCM Companies.

(b) Lazard Group and LFCM shall cooperate, and shall cause their respective Groups to cooperate, to terminate, or to cause an LFCM Company to be substituted in all respects for any Lazard Group Company in respect of, all obligations of any Lazard Group Company under any LFCM Liabilities for which such Lazard Group Company may be liable, as guarantor, original tenant, primary obligor or otherwise. If such a termination or substitution is not effected by the Distribution Time, (i) LFCM shall indemnify and hold harmless the Lazard Group Indemnitees for any Indemnifiable Loss arising from or relating thereto, and (ii) without the prior written consent of Lazard Group, from and after the Distribution Time, LFCM shall not, and shall not permit any other LFCM Company to, renew or extend the term of, increase its obligations under, or transfer to a third party, any loan, lease, contract or other obligation for which any Lazard Group Company is or may be liable unless all obligations of the Lazard Group Companies with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to Lazard Group; provided, that the limitations contained in clause (ii) shall not apply in the event that an LFCM Company obtains a letter of credit from a financial institution reasonably acceptable to Lazard Group and for the benefit of Lazard Group with respect to such obligation of the Lazard Group Companies.

SECTION 5.3 Commercially Reasonable Efforts. (a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its commercially reasonable efforts, prior to, at and after the Distribution Time, to take, or cause to

be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, at and after the Distribution Time, each Party shall cooperate with the other Parties, and without any further consideration, to cause to be executed and delivered all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other person under any permit, license, agreement, indenture or other instrument (including any Consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by any other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and each of the Separation and Recapitalization (including the Exchange, Forced Sale, Contribution, First Redemption, First Distribution, Financing Transactions, Second Redemption and Second Distribution) and the other transactions contemplated hereby and thereby.

(c) Each of the Parties shall, and, if applicable, shall cause members of its Group to, use its commercially reasonable efforts to obtain, or cause to be obtained, any consent, substitution, approval or amendment required to novate (including with respect to any federal government contract) or assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute LFCM Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of the LFCM Companies, so that, in any such case, LFCM and its Group will be solely responsible for such Liabilities; provided, that no Party or the other members of its Group shall be obligated to pay any consideration therefor to any Governmental Authority or third party from whom such consents, approvals, substitutions and amendments are requested.

ARTICLE VI

ACCESS TO INFORMATION

SECTION 6.1 Agreement for Exchange of Information. (a) At any time before, on or after the Distribution Time, (i) Lazard Group, on behalf of each Lazard Group Company, agrees to provide, or cause to be provided, to each of LAZ-MD and LFCM, (ii) LFCM, on behalf of each LFCM Company, agrees to provide, or cause to be provided, to each of LAZ-MD and Lazard Group, and (iii) LAZ-MD agrees to provide, or cause to be provided, to each of LFCM and Lazard Group, in each case as soon as reasonably practicable after written request therefor from such other Party, any Information in the possession or under the control of such respective Group, if applicable, that the requesting Party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting Party (including under applicable securities or tax laws) by a Governmental Authority having jurisdiction over the requesting Party, (ii) for use in any other judicial, regulatory, administrative, tax or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation, tax or other similar requirements, or (iii) to comply with its obligations under this Agreement or any Ancillary Agreement; provided, however, that in the event that any Party reasonably determines that any such provision of Information could be commercially detrimental to such Party or any

member of its Group, if applicable, violate any law or agreement to which such Party or member of its Group, if applicable, is a party, or waive any attorney-client privilege applicable to such Party or member of its Group, if applicable, the Parties shall take all reasonable measures to permit the compliance with the obligations pursuant to this Section 6.1(a) in a manner that avoids any such harm or consequence (including by entering into joint defense or similar arrangements); provided, further, that in the event, after taking all such reasonable measures, the Party subject to such law or agreement is unable to provide any Information without violating such law or agreement, such Party shall not be obligated to provide such Information to the extent it would violate such law or agreement. The Parties intend that any transfer of Information that would otherwise be within the attorney-client privilege shall not operate as a waiver of any potentially applicable privilege. Each Party shall make its employees and facilities available and accessible during normal business hours and on reasonable prior notice to provide an explanation of any Information provided hereunder.

(b) Notwithstanding anything to the contrary in Section 6.1(a), after the Distribution Time, LFCM shall provide, or cause to be provided, to Lazard Group in such form as Lazard Group shall request, at no charge to Lazard Group, all financial and other data and Information in the possession or under the control of LFCM or any other LFCM Company as Lazard Group determines necessary or advisable in order to prepare Lazard Group's and other Lazard Group Companies' financial statements or any other reports or filings of Lazard Group Companies with any Governmental Authority.

SECTION 6.2 Ownership of Information. Any Information owned by one Group or Party that is provided to a requesting Party pursuant to Section 6.1 shall be deemed to remain the property of the providing person (or person on whose behalf such Information is being provided). Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

SECTION 6.3 Compensation for Providing Information. The Party requesting such Information agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the requesting Party by or on behalf of such other Party or its Group, if applicable. Except as may be otherwise specifically provided elsewhere in this Agreement or in any other Ancillary Agreement, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

SECTION 6.4 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VI and other provisions of this Agreement after the Distribution Time, the Parties agree to use their reasonable best efforts to retain all Information in their respective possession or control at the Distribution Time in accordance with the policies of Lazard Group as in effect at the Distribution Time.

SECTION 6.5 Limitation of Liability. No Party shall have any liability to the other Party in the event that any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate, in the absence of willful misconduct or fraud by the Party providing such

Information. No Party shall have any liability to the other Party if any Information is destroyed after using its reasonable best efforts in accordance with the provisions of Section 6.4.

SECTION 6.6 Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in any Ancillary Agreement.

SECTION 6.7 Production of Witnesses; Records; Cooperation. (a) After the Distribution Time, except in the case of an adversarial Action by one Party (or, if applicable, any member of its Group) against another Party (or, if applicable, any member of its Group) (which shall be governed by such discovery rules as may be applicable thereto), each Party shall use its reasonable best efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, at the offices of such Party during normal business hours, in each case to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required (and, in the case of any such person, for reasonable periods of time) in connection with any Action in which the requesting Party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all out-of-pocket costs and expenses (including allocated costs of in-house counsel and other personnel) in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, each Party shall use its reasonable best efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of such Party and, if applicable, the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available during normal business hours, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required (and, in the case of any such person, for reasonable periods of time) in connection with such defense, settlement or compromise, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, as the case may be, in each case at the Indemnifying Party's expense. The Indemnifying Party shall bear all out-of-pocket costs and expenses (including allocated costs of in-house counsel and other personnel) in connection therewith.

(c) Without limiting the foregoing, the Parties shall cooperate and consult, and, if applicable, cause each member of its respective Group to cooperate and consult, to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.7, each of the Parties agrees to cooperate, and, if applicable, to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any intellectual property and shall not claim to acknowledge, or permit any member of its respective

Group to claim to acknowledge, the validity or infringing use of any intellectual property of a third person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses, directors, officers, employees, other personnel and agents without regard to whether any such individual could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.7(a)).

(f) In connection with any matter contemplated by this Section 6.7, the applicable Parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any Party or, if applicable, any member of any Group.

SECTION 6.8 Confidentiality. (a) Subject to Section 6.9, each of the Parties agrees to hold, and to cause each member of its Group and its and each member of its Group's respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives (collectively, and together with the members of its Group, "Representatives") to hold, in strict confidence, with at least the same degree of care that applies to Lazard Group's confidential and proprietary information pursuant to policies in effect at the Distribution Time, all Information concerning each such other Party or Group (including such person's clients, transactions, business, assets, liabilities, performance or operations) that is either in its possession (including Information in its possession prior to any of the date hereof, the Contribution Effective Time or the Distribution Time) or furnished by any such other Party or its Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise (collectively, "Covered Information"), except that the following shall not be deemed to be Covered Information: any such Information to the extent that (i) at the time of disclosure such Information is generally available to and known by the public (other than as a result of a disclosure by the disclosing Party or by any of its Representatives in breach of this Section 6.8) or (ii) such Information has after the Distribution Time been lawfully acquired from other sources by such Party (or, if applicable, any member of such Party's Group) on a non-public basis which sources are, to the knowledge of the Party acquiring such Information, not themselves bound by a contractual, legal or fiduciary obligation that would limit or prohibit disclosure of such Information.

(b) Subject to Section 6.9, each Party agrees (i) not to use any Covered Information other than for such purposes as shall be expressly permitted hereunder or under any Ancillary Agreement and (ii) not to release or disclose, or permit to be released or disclosed, any Covered Information to any other person, except its Representatives who need to know such Covered Information (who shall be advised of their obligations hereunder with respect to such Covered Information), except in compliance with Section 6.9. Without limiting the foregoing, when any Covered Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party will promptly after request of the Party that provided such Covered Information either return to such Party all such Covered Information in a tangible form (including all copies thereof and all notes, analyses, presentations, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Covered

Information (and such copies thereof and such notes, extracts, analyses, presentations or summaries based thereon). Notwithstanding the return or destruction of the Covered Information, such Party will continue to be bound by its obligations of confidentiality and other obligations hereunder.

SECTION 6.9 Protective Arrangements. In the event that any Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any Covered Information of any other Party (or any member of such other Party's Group) pursuant to applicable law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Covered Information of any other Party (or any member of such other Party's Group), such Party shall notify the other Party prior to disclosing or providing such Covered Information and shall cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by such other Party. Subject to the foregoing, the person that received such request may thereafter disclose or provide Covered Information if and to the extent required by such law (as so advised by counsel) or by lawful process or such Governmental Authority; provided, that the person shall only disclose such portion of the Covered Information so required to be disclosed or provided.

ARTICLE VII

NO REPRESENTATIONS OR WARRANTIES

SECTION 7.1 No Representations or Warranties to LFCM. LFCM, on behalf of itself and all LFCM Companies and their Representatives, understands and agrees that, except as expressly set forth herein or in any other Ancillary Agreement, (a) none of Lazard Group, any other Lazard Group Company, LAZ-MD, their respective Representatives or any other person is, in this Agreement or in any other agreement or document, making any representation or warranty of any kind whatsoever, express or implied, to LFCM, any other LFCM Company or any of their Representatives in any way with respect any of the transactions contemplated hereby or the business, assets, condition or prospects (financial or otherwise) of, or any other matter involving, the Assets, Liabilities or businesses of Lazard Group, any other Lazard Group Company, LAZ-MD, LFCM or any other LFCM Company, any LFCM Assets, any LFCM Liabilities or the LFCM Businesses, (b) LFCM and each member of the LFCM Companies shall take all of the LFCM Assets, the LFCM Businesses and LFCM Liabilities on an "as is, where is" basis, and all implied warranties of merchantability, fitness for a specific purpose or otherwise are hereby expressly disclaimed by LAZ-MD, Lazard Group (on behalf of itself and each other Lazard Group Company), their respective Representatives and each other person, and (c) none of Lazard Group, any other Lazard Group Company, LAZ-MD, their respective Representatives or any other person is making any representation or warranty with respect to the Separation and the Recapitalization (including the Exchange, Forced Sale, Contribution, First Redemption, First Distribution, Financing Transactions, Second Redemption and Second Distribution) or the entering into of this Agreement or the Ancillary Agreements or the transactions contemplated hereby and thereby.

SECTION 7.2 LFCM to Bear Risk. Except as expressly set forth herein or in any other Ancillary Agreement, LFCM and each other LFCM Company shall bear the economic and legal risk that the LFCM Assets shall prove to be insufficient or that the title of any LFCM

Company to any LFCM Assets shall be other than good and marketable and free from encumbrances.

SECTION 7.3 LAZ-MD to Bear Risk. Except as expressly set forth herein or in any other Ancillary Agreement, LAZ-MD shall bear the economic and legal risk that the assets it holds immediately after the Separation and Recapitalization shall prove to be insufficient or that the title of LAZ-MD to any such assets shall be other than good and marketable and free from encumbrances.

SECTION 7.4 No Representations or Warranties to LAZ-MD. LAZ-MD, on behalf of itself and its Representatives, understands and agrees that, except as expressly set forth herein or in any other Ancillary Agreement, (a) none of Lazard Group, any other Lazard Group Company, LFCM, any other LFCM Company, their respective Representatives or any other person is, in this Agreement or in any other agreement or document, making any representation or warranty of any kind whatsoever, express or implied, to LAZ-MD or its Representatives in any way with respect any of the transactions contemplated hereby or the business, assets, condition or prospects (financial or otherwise) of, or any other matter involving, the Assets, Liabilities or businesses of Lazard Group, any other Lazard Group Company, LAZ-MD, LFCM or any other LFCM Company, any LFCM Assets, any LFCM Liabilities or the LFCM Businesses, (b) LFCM and each member of the LFCM Companies shall take all of the LFCM Assets, the LFCM Businesses and LFCM Liabilities on an "as is, where is" basis, and all implied warranties of merchantability, fitness for a specific purpose or otherwise are hereby expressly disclaimed by Lazard Group (on behalf of itself and each other Lazard Group Company), its Representatives and each other person, and (c) none of Lazard Group, any other Lazard Group Company, LFCM, any other LFCM Company, their respective Representatives or any other person is making any representation or warranty with respect to the Separation and the Recapitalization (including the Exchange, Forced Sale, Contribution, First Redemption, First Distribution, Financing Transactions, Second Redemption and Second Distribution) or the entering into of this Agreement or the Ancillary Agreements or the transactions contemplated hereby and thereby.

ARTICLE VIII

LAZ-MD EXCHANGEABLE INTERESTS

SECTION 8.1 Exchange Rights. (a) LAZ-MD Class II Interests shall be exchangeable with LAZ-MD for Lazard Group Common Interests held by LAZ-MD, on the terms, and subject to the conditions, set forth in this Article VIII, at the LAZ-MD Exchange Ratio then in effect (the "LAZ-MD Exchange"), and Lazard Group Common Interests held by LAZ-MD or any Lazard Group MD Common Interests shall be exchangeable with Lazard Ltd Sub A and Lazard Ltd Sub B for shares of Lazard Ltd Common Stock, on the terms, and subject to the conditions, set forth in this Article VIII, at the Lazard Group Exchange Ratio then in effect (the "Lazard Group Exchange," and together with the LAZ-MD Exchange, the "MD Exchanges").

(b) Provisions that apply to the exchange of all of an Exchangeable Interest shall also apply to an exchange of a portion of an Exchangeable Interest. Each MD Exchange

shall be expressed in terms of the LAZ-MD Class II Units or Lazard Group Common Units being exchanged, as applicable (with each Exchange involving the transfer of the entire Exchangeable Interest (or applicable portion thereof, including associated capital, being exchanged)). Notwithstanding anything herein to the contrary, neither the portion of any LAZ-MD Class II Interest consisting of "Class II Exchangeable Units" nor any "Dormant Class II Interest" (each as defined in the LAZ-MD Operating Agreement) shall be exchangeable for Lazard Group Common Interests held by LAZ-MD or for Lazard Ltd Common Stock.

(c) A holder of a LAZ-MD Class II Interest is not entitled to any rights of a holder of a Lazard Group Common Interest or Lazard Ltd Common Stock with respect to such LAZ-MD Class II Interest until, in the case of a Lazard Group Common Interest, such holder has exchanged its LAZ-MD Class II Interest for such Lazard Group Common Interest and only to the extent that such LAZ-MD Class II Interest shall have been exchanged for a Lazard Group Common Interest pursuant to this Article VIII, and, in the case of Lazard Ltd Common Stock, such holder has exchanged its Lazard Group Common Interest for such Lazard Ltd Common Stock and only to the extent that such Lazard Group Common Interest shall have been exchanged for Lazard Ltd Common Stock pursuant to this Article VIII. A holder of a Lazard Group Common Interest is not entitled to any rights of a holder of Lazard Ltd Common Stock with respect to such Lazard Group Common Interest until such holder has exchanged its Lazard Group Common Interest for such Lazard Ltd Common Stock, and only to the extent that such Lazard Group Common Interest shall have been exchanged for Lazard Ltd Common Stock pursuant to this Article VIII.

SECTION 8.2 Elective Exchange. (a) Elective Exchanges. Each Exchangeable MD Member shall be entitled to effect the MD Exchanges for shares of Lazard Ltd Common Stock in accordance with this Article VIII (each such exchange, an "Elective Exchange") on the following dates:

(i) Each Exchangeable MD Member shall be entitled to effect the MD Exchanges with respect to all of such Exchangeable MD Member's Exchangeable Interest for shares of Lazard Ltd Common Stock on the date that is the eighth anniversary of the IPO Date and on each subsequent anniversary date of the IPO Date (the "General Exchange Date"); and

(ii) Each Exchangeable MD Member who is a party to a Retention Agreement and entitled to accelerated exchange rights thereunder or who shall otherwise be entitled to accelerated exchange rights under any Retention Agreement shall be entitled to effect the MD Exchanges with respect to such Exchangeable MD Member's Exchangeable Interest (or applicable portion thereof) on the anniversary dates of the IPO Date or such other dates, in each case as set forth in the applicable Retention Agreement (each, an "Accelerated Exchange Date", and together with the General Exchange Date, the "Applicable Exchange Date"), in each case in the amounts, on the terms and subject to the conditions set forth in such Retention Agreement.

(b) Procedures. (i) Subject to clause (ii) below, each Elective Exchange of a LAZ-MD Class II Interest shall be effected in accordance with Section 7.4 of the LAZ-MD Operating Agreement and Section 7.05(a) of the New Lazard Group Operating Agreement, and

each Elective Exchange of a Lazard Group MD Common Interest shall be effected in accordance with Section 7.05(b) of the New Lazard Group Operating Agreement.

(ii) Except as otherwise provided in this clause (ii), each Exchangeable MD Member who shall be entitled to make an Elective Exchange and desires to exchange such member's Exchangeable Interest (or portion thereof) so exchangeable (an "Electing Member") shall prepare and deliver to LAZ-MD and each of Lazard Ltd Sub A and Lazard Ltd Sub B a written request signed by such Electing Member (A) stating the amount of Units underlying the Exchangeable Interest that such Electing Member desires to exchange, (B) stating whether the Electing Member shall elect to have such exchange consummated on the Applicable Exchange Date or the date immediately prior to the date of effectiveness of any registration statement of Lazard Ltd that Lazard Ltd may file in order to register the sale by the Electing Member of the shares of Lazard Ltd Common Stock to be issued in such exchange to such Electing Member (such date, the "Registration Exchange Date", and the date selected by the Exchanging Member, the "Exchange Effective Date"), and (C) certifying that such Electing Member is entitled to exchange the portion of the Exchangeable Interest that such member desires to exchange and that such Electing Member is the beneficial owner of such Exchangeable Interest (each such request, an "Exchange Request"). A properly completed Exchange Request must be delivered to LAZ-MD and each of Lazard Ltd Sub A and Lazard Ltd Sub B not less than 60 days or more than 90 days prior to the anniversary date on which such Electing Member desires to effect the Exchanges in accordance with this Section. Each of Lazard Ltd Sub A and Lazard Ltd Sub B shall have the right to determine whether any Exchange Request is proper or to waive any infraction of these procedures. Once delivered, an Exchange Request shall be irrevocable.

(iii) Each Elective Exchange shall be consummated effective as of the close of Lazard Ltd's business on the applicable Exchange Effective Date (such time, the "Elective Exchange Effective Time"), and the Electing Member shall be deemed to have become the holder of record of the applicable shares of Lazard Ltd Common Stock at such Elective Exchange Effective Time (or, in the case of an Electing Member who is an Electing LAZ-MD Exchange Member (as defined in the LAZ-MD Operating Agreement), at the time of receipt of such shares of Lazard Ltd Common Stock) and all rights of the Electing Member in respect of the portion of the Exchangeable Interest so exchanged shall terminate at such Elective Exchange Effective Time. In the event that an Electing Member shall select the Registration Exchange Date as the Exchange Effective Date in accordance with clause (ii) above, such Elective Exchange shall be null and void (and such Electing Member shall continue to hold the applicable Exchangeable Interest) in the event that the applicable registration statement shall be abandoned by Lazard Ltd prior to its effectiveness.

SECTION 8.3 Mandatory Exchanges. (a) Mandatory Exchanges. With respect to each Exchangeable Interest, a LAZ-MD Exchange and/or a Lazard Group Exchange shall occur with respect to all or a portion of such Exchangeable Interest, without any action required on the part of the Exchangeable MD Member holding such Exchangeable Interest (a "Mandatory Exchange"), as follows:

(i) A Mandatory Exchange with respect to all Exchangeable Interests shall occur in the event of a Change in Control unless otherwise determined by the Incumbent Lazard Ltd Board;

(ii) Each of (1) LAZ-MD and (2) Lazard Ltd Sub A and Lazard Ltd Sub B (with the prior approval of the Lazard Ltd Board) shall be entitled to cause the Mandatory Exchange (including any Mandatory Lazard Group Exchange) with respect to all or any portion of the Exchangeable Interests, in such party's or parties' discretion (as applicable), beginning on the date that is the ninth anniversary of the IPO Date and ending thirty days thereafter (and during an equivalent 30 day period starting on each subsequent anniversary of the IPO Date); and

(iii) Each of (1) LAZ-MD and (2) Lazard Ltd Sub A and Lazard Ltd Sub B (with the prior approval of the Lazard Ltd Board) shall be entitled after the first anniversary of the date hereof to cause a Mandatory Exchange involving only a LAZ-MD Exchange (a "Partial LAZ-MD Mandatory Exchange") with respect to all or any portion of the LAZ-MD Class II Interests in such party's or parties' discretion (as applicable) at any time in the event that such person determines, in good faith, that such Partial LAZ-MD Mandatory Exchange is necessary or advisable in light of actual or potential tax, legal or regulatory concerns.

The Exchangeable MD Member(s) to which any such Mandatory Exchange under this Section 8.3 shall apply, the "Mandatory Exchange Members," and together with the Electing Members, the "Exchanging Members." In the event of a transaction that would otherwise be a Change in Control but for the requirement in the definition thereof that a Change in Control be consummated after the first anniversary of the date hereof, a Mandatory Exchange with respect to all Exchangeable Interests shall occur on the first business day following the first anniversary of the date hereof unless otherwise determined by the Incumbent Lazard Ltd Board.

(b) Procedures. (i) Each Mandatory Exchange of a LAZ-MD Class II Interest shall be effected in accordance with Section 7.4 of the LAZ-MD Operating Agreement and Section 7.05(a) of the New Lazard Group Operating Agreement; provided, however, that each Partial LAZ-MD Mandatory Exchange shall be effected in accordance with Section 7.4 of the LAZ-MD Operating Agreement and Section 7.05(b) and Section 7.05(c) of the New Lazard Group Operating Agreement; and provided further that each Mandatory Lazard Group Exchange shall be effected in accordance with Section 7.05(b) of the New Lazard Group Operating Agreement.

(ii) A Mandatory Exchange pursuant to Section 8.3(a)(i) shall be consummated immediately prior to the applicable Change in Control or, at the discretion of Lazard Ltd Sub A and Lazard Ltd Sub B (with the prior approval of the Lazard Ltd Board), at an earlier time specified by Lazard Ltd Sub A and Lazard Ltd Sub B in order to permit the holders of the Exchangeable Interests to participate in such Change in Control together with the holders of Lazard Ltd Common Stock.

(iii) In the event of a Mandatory Exchange pursuant to Section 8.3(a)(ii) or Section 8.3(a)(iii), the party electing to cause the Mandatory Exchange shall provide written notice to each of LAZ-MD and Lazard Group of such election, which notice shall state (A) the clause of Section 8.3(a) pursuant to which such party is electing to cause the Mandatory Exchange, (B) whether the Mandatory Exchange shall apply to all or a portion of the Exchangeable Interests and, if it shall apply only to a portion thereof, to which Exchangeable

Interests such Mandatory Exchange shall apply, and (C) the date and time on which the Mandatory Exchange shall be consummated. If no date or time is specified in such notice, then such Mandatory Exchange shall be consummated 10 business days after the date of such notice.

(iv) In the event of any Mandatory Exchange, Lazard Ltd Sub A and Lazard Ltd Sub B shall use their respective reasonable best efforts to deliver notice thereof to the Mandatory Exchange Members not less than 30 days prior to the effective date of such Mandatory Exchange.

Notwithstanding anything to the contrary set forth herein, any failure to provide such notice for any reason shall not affect the validity or enforceability of any Mandatory Exchange.

SECTION 8.4 Exchangeable Interests Generally. (a) No New Issuances of Exchangeable Interests. LAZ-MD hereby agrees not to grant, issue or otherwise allocate any LAZ-MD Class II Interests (including any LAZ-MD Class II Units), or any securities exchangeable for or convertible into any LAZ-MD Class II Interests, other than the issuance of LAZ-MD Class II Interests pursuant to the Exchange and the Forced Sale and the Initial Grant. Lazard Group hereby agrees not to grant, issue or otherwise allocate any Lazard Group Common Interests (including any Lazard Group Common Units), or any securities exchangeable for or convertible into any Lazard Group Common Interests, other than (1) the issuance to LAZ-MD of a Lazard Group Common Interest in connection with the recapitalization of the limited liability company interests of Lazard Group at the time of effectiveness of the New Lazard Group Operating Agreement, (2) the issuance of Lazard Group Common Interests to the Contributing Subsidiaries pursuant to the Financing Transactions, or (3) the issuance of Lazard Group Common Interests to the Contributing Subsidiaries or Lazard Ltd or its other Subsidiaries as set forth in Article IX.

(b) Transfers of Exchangeable Interests. No Exchangeable MD Member may transfer, sell, convey, assign, gift, hypothecate, pledge or otherwise dispose of, or encumber, any of its Exchangeable Interest except as permitted by the applicable Operating Agreement or pursuant to an exchange contemplated by this Article VIII. LAZ-MD shall have the right to effect a Lazard Group Exchange with respect to the Lazard Group Common Interest that it holds at any time in accordance with this Article VIII.

LAZ-MD hereby agrees that, notwithstanding anything herein to the contrary, it shall not transfer, sell, convey, assign, gift, hypothecate, pledge or otherwise dispose of all or any portion of the Lazard Group Common Interest it from time to time holds or agree to subject such Lazard Group Common Interest to a lien, pledge, security interest, right of first refusal, option or other similar limitation, except as contemplated or permitted by this Article VIII or as required by law.

(c) Repurchases of Exchangeable Interests. LAZ-MD may repurchase any LAZ-MD Class II Interest, and Lazard Group may repurchase any Lazard Group MD Common Interest, pursuant to a written agreement with the Exchangeable MD Member to transfer such Exchangeable Interest to LAZ-MD or Lazard Group, as applicable. Any repurchase of a LAZ-MD Class II Interest shall require the simultaneous sale by LAZ-MD, and repurchase by Lazard Group, of a portion of LAZ-MD's Lazard Group Common Interest consisting of the number of

Lazard Group Common Units into which the LAZ-MD Class II Interest being repurchased would then be exchangeable pursuant to a LAZ-MD Exchange.

SECTION 8.5 No Fractional Shares. Notwithstanding anything to the contrary herein, Lazard Ltd Sub A and Lazard Ltd Sub B will not transfer any fractional shares of Lazard Ltd Common Stock upon any Lazard Group Exchange. In lieu thereof, in each Lazard Group Exchange, Lazard Ltd Sub A and Lazard Ltd Sub B will transfer shares of Lazard Ltd Common Stock rounded to the nearest whole share.

SECTION 8.6 Taxes. (a) In any MD Exchange, Lazard Group shall pay any documentary, stamp or similar issue or transfer tax due on the issue of Lazard Group Common Interests or shares of Lazard Ltd Common Stock, as applicable, upon such MD Exchange; provided, that the holder of the Exchangeable Interest being so exchanged shall pay any such tax which is due because the holder requests the shares of Lazard Ltd Common Stock to be issued in a name other than the holder's name. Lazard Ltd Sub A and Lazard Ltd Sub B may refuse to deliver the certificate representing the Lazard Ltd Common Stock being transferred to a person other than the Exchanging Member until Lazard Group receives a sum sufficient to pay any tax which will be due because the shares are to be transferred to a person other than the Exchanging Member. Nothing herein shall preclude any tax withholding required by law or regulation.

(b) By effecting an MD Exchange, a holder of an Exchangeable Interest agrees to treat the U.S. federal income tax consequences of its MD Exchange in a manner consistent with the U.S. federal income tax characterization described in the Tax Receivable Agreement.

SECTION 8.7 Lazard Ltd Common Stock. (a) Lazard Ltd covenants and agrees that it shall from time to time as may be necessary reserve, out of its authorized but unissued Lazard Ltd Common Stock, a sufficient number of shares of Lazard Ltd Common Stock solely to sell or otherwise transfer to Lazard Ltd Sub A and Lazard Ltd Sub B to effect the exchange of all outstanding Exchangeable Interests into shares of Lazard Ltd Common Stock pursuant to the MD Exchanges; provided that nothing contained herein shall preclude Lazard Ltd from satisfying its obligations in respect of the sale or other transfer of shares of Lazard Ltd Common Stock to Lazard Ltd Sub A and Lazard Ltd Sub B by delivery of (1) purchased shares which are held by any of its other Subsidiaries or (2) shares issued to any other Subsidiary of Lazard Ltd.

(b) In the event of any Lazard Group Exchange, Lazard Ltd Sub A and Lazard Ltd Sub B shall transfer the requisite shares of Lazard Ltd Common Stock to the Exchanging Member, in such proportions from each of Lazard Ltd Sub A and Lazard Ltd Sub B as such persons shall determine. All such shares of Lazard Ltd Common Stock will be duly authorized, validly issued, fully paid and nonassessable and will be free from preemptive rights and free of any lien or adverse claim created by Lazard Ltd Sub A, Lazard Ltd Sub B or Lazard Ltd.

(c) Lazard Ltd shall use its reasonable best efforts promptly to comply with all federal and state securities laws regulating the offer and delivery of shares of Lazard Ltd Common Stock upon exchange of Exchangeable Interests, if any, and to list or cause to have quoted such shares of Lazard Ltd Common Stock on each national securities exchange or on the

Nasdaq National Market or other over-the-counter market or such other market on which the Lazard Ltd Common Stock is then listed or quoted; provided, however, that if rules of such automated quotation system or exchange permit Lazard Ltd to defer the listing of such Lazard Ltd Common Stock until the first exchange of the Exchangeable Interests into Lazard Ltd Common Stock in accordance with the provisions of this Article VIII, Lazard Ltd shall use its reasonable best efforts to list such Lazard Ltd Common Stock issuable upon exchange of the Exchangeable Interests in accordance with the requirements of such automated quotation system or exchange at such time.

SECTION 8.8 Adjustments to LAZ-MD Exchange Ratio. The LAZ-MD Exchange Ratio shall be appropriately adjusted in the event of any transfer, sale or other disposition of any Lazard Group Common Interests by LAZ-MD that would result in the number of Lazard Group Common Units held by LAZ-MD being less than the number of outstanding LAZ-MD Class II Units (other than, for the avoidance of doubt, pursuant to any Exchange). Any such transfer, sale or other disposition of any such Lazard Group Common Interests by LAZ-MD shall not affect or otherwise alter or adjust the Lazard Group Exchange Ratio except as provided in Section 8.9.

SECTION 8.9 Adjustments to Lazard Group Exchange Ratio. (a) In the event that Lazard Ltd shall:

(i) pay a dividend or make a distribution on shares of Lazard Ltd Common Stock in the form of shares of Lazard Ltd Common Stock;

(ii) subdivide the outstanding shares of Lazard Ltd Common Stock into a greater number of shares;

(iii) combine the outstanding shares of Lazard Ltd Common Stock into a smaller number of shares;

(iv) make a distribution on shares of Lazard Ltd Common Stock in shares of its share capital other than Lazard Ltd Common Stock; or

(v) issue by reclassification of the outstanding shares of Lazard Ltd Common Stock any shares of its share capital,

then the Lazard Group Exchange Ratio in effect immediately prior to such action shall be adjusted so that the holder of an Exchangeable Interest thereafter exchanged in accordance with this Article VIII may receive the number of shares of share capital of Lazard Ltd that it would have owned immediately following such action if it had exchanged its Exchangeable Interests in full for shares of Lazard Ltd Common Stock immediately prior to such action.

(b) In the event that Lazard Ltd shall issue to all or substantially all holders of Lazard Ltd Common Stock any rights, options or warrants (other than pursuant to any dividend reinvestment, share purchase or similar plan) entitling the holders thereof to subscribe for or purchase shares of Lazard Ltd Common Stock (or securities exchangeable for or convertible into such shares) for a period expiring within 60 days from the date of issuance of such rights, options or warrants at a price per share less than the Current Market Price as of the Time of

Determination, then the Lazard Group Exchange Ratio in effect immediately prior to such action shall be adjusted by multiplying it by a fraction:

(i) the numerator of which is the sum of (a) the number of shares of Lazard Ltd Common Stock (for the avoidance of doubt, excluding Exchangeable Interests) outstanding on the record date fixed for the applicable distribution plus (b) the total number of additional shares of Lazard Ltd Common Stock offered for subscription or purchase, and

(ii) the denominator of which is the sum of (a) the number of shares of Lazard Ltd Common Stock (for the avoidance of doubt, excluding Exchangeable Interests) outstanding on the record date fixed for the distribution plus (b) the total number of shares of Lazard Ltd Common Stock that the aggregate offering price of the total number of shares offered for subscription or purchase would purchase at the Current Market Price,

except that no adjustment will be made if holders of the Exchangeable Interests may participate in the distribution on a basis and with the notice that the Lazard Ltd Board determines to be fair and appropriate. Any such adjustment shall be subject to further adjustment in order to preserve to the maximum extent practicable the economic rights of the Exchangeable Interests, with any such adjustment to be determined in good faith by the Lazard Ltd Board in consultation with the Board of Directors of LAZ-MD. The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the rights, warrants or options to which this Section 8.9(b) applies. To the extent that such rights, warrants or options are not exercised prior to their expiration (and as a result no additional shares of Lazard Ltd Common Stock are delivered or issued pursuant to such rights, warrants or options), the Lazard Group Exchange Ratio shall be readjusted to the Lazard Group Exchange Ratio that would then be in effect had the adjustments made upon the issuance of such rights, warrants or options been made on the basis of delivery or issuance of only the number of shares of Lazard Ltd Common Stock actually delivered or issued. "Time of Determination" means the time and date of the earlier of (i) the determination of stockholders entitled to receive rights, warrants or options to which this Section 8.9(b) applies and (ii) the time immediately prior to the commencement of ex-dividend" trading for such rights, warrants or options on the NYSE or such other U.S. national or regional exchange or market on which the Lazard Ltd Common Stock are then listed or quoted. "Current Market Price" per share of Lazard Ltd Common Stock on any day means the average of the closing price per share of Lazard Ltd Common Stock on each of the 20 consecutive trading days ending on the earlier of the day in question and the day before the "ex date" with respect to the issuance requiring such computation. For purposes of this paragraph, the term "ex date," when used with respect to any issuance, means the first date on which the shares of Lazard Ltd Common Stock trade without the right to receive the issuance.

(c) In the event of (i) any reclassification or change of shares of Lazard Ltd Common Stock issuable upon exchange of the Exchangeable Interests (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination, or any other change for which an adjustment is provided in Section 8.9(a) or Section 8.9(b)); (ii) any consolidation or merger or combination to which Lazard Ltd is a party other than a merger in which Lazard Ltd is the continuing corporation and which does not

result in any reclassification of, or change (other than in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination) in, outstanding shares of Lazard Ltd Common Stock; or (iii) any sale, transfer or other disposition of all or substantially all of the assets of Lazard Ltd, directly or indirectly, to any person as a result of which holders of Lazard Ltd Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for Lazard Ltd Common Stock, then Lazard Ltd shall take all necessary action such that the Exchangeable Interests then outstanding shall be exchangeable into the kind and amount of shares of stock and other securities and property (including cash) receivable upon such reclassification, change, combination, consolidation, merger, sale, transfer or other disposition by a holder of the number of shares of Lazard Ltd Common Stock deliverable upon exchange of such Exchangeable Interests immediately prior to such reclassification, change, combination, consolidation, merger, sale, transfer or other disposition. The provisions of this Section 8.9(c) shall similarly apply to successive reclassifications, changes, combinations, consolidations, mergers, sales or conveyances.

SECTION 8.10 Beneficiaries of This Article. Notwithstanding anything herein to the contrary, LFCM shall not be deemed to be a party to, or beneficiary of, this Article VIII and shall have no rights, including any claim or cause or right of action, either in law or in equity, under this Article VIII.

ARTICLE IX

RELATIONSHIP AMONG THE PARTIES

SECTION 9.1 Scope of LAZ-MD Operations. LAZ-MD hereby agrees not to conduct any business other than as set forth in Section 2.5 of the LAZ-MD Operating Agreement.

SECTION 9.2 Parity of Lazard Group Common Units and Shares of Lazard Ltd Common Stock. It is the non-binding intention of each of Lazard Ltd and Lazard Group that, unless otherwise determined by the Lazard Ltd Board, the number of Lazard Group Common Units held directly or indirectly by Lazard Ltd shall at all times equal the number of outstanding shares of Lazard Ltd Common Stock (such that the number of Lazard Group Common Units held directly or indirectly by Lazard Ltd would be proportionately adjusted in the event of any issuance or repurchase by Lazard Ltd of shares of Lazard Ltd Common Stock by means of a parallel issuance or repurchase transaction between Lazard Ltd and its applicable Subsidiaries and Lazard Group), and each of Lazard Ltd and Lazard Group agree to cooperate to effect the intent of this sentence. Any event that would result in an adjustment to the Lazard Group Exchange Ratio pursuant to Section 8.9(a) shall result in an equivalent and customary adjustment of the ratio of shares of Lazard Ltd Common Stock to Lazard Group Common Units established in the immediately preceding sentence to the extent necessary to preserve the economic rights of LAZ-MD and Lazard Ltd in Lazard Group, with such adjustment to be determined in good faith by the Lazard Ltd Board in consultation with LAZ-MD. Notwithstanding anything herein to the contrary, LFCM shall not be deemed to be a party to, or beneficiary of, this Section 9.2 and shall have no rights, including any claim or cause or right of action, either in law or in equity, under this Section 9.2.

SECTION 9.3 Lazard Ltd Expenses. It is the non-binding intention of Lazard Group and Lazard Ltd that Lazard Group shall reimburse Lazard Ltd for all reasonable third party costs, fees and expenses incurred by Lazard Ltd in the ordinary course of business, including all costs associated with all reports and other filings with the SEC. Notwithstanding anything herein to the contrary, LFCM shall not be deemed to be a party to, or beneficiary of, this Section 9.3 and shall have no rights, including any claim or cause or right of action, either in law or in equity, under this Section 9.3.

ARTICLE X

TERMINATION

SECTION 10.1 Termination. This Agreement may be terminated by Lazard Group in its sole discretion at any time prior to the later of the consummation of the Separation and the consummation of the Recapitalization.

SECTION 10.2 Effect of Termination. In the event of any termination of this Agreement pursuant to Section 10.1, no Party (or any member of its Group or any of its or its Group's directors or officers) shall have any Liability or further obligation to any other Party.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1 Representations. Lazard Group represents on behalf of itself and each other member of the Lazard Group Companies, LFCM represents on behalf of itself and each other member of the LFCM Companies, and LAZ-MD represents on behalf of itself, as follows:

(a) each such person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each other Ancillary Agreement to which it is a party and to consummate the transactions contemplated by this Agreement and the Ancillary Agreements to which it is a party; and

(b) this Agreement has been duly executed and delivered by such person (if such person is a Party) and constitutes a valid and binding agreement of it enforceable against such person in accordance with the terms thereof (assuming the due execution and delivery thereof by the other Party), and each of the other Ancillary Agreements to which it will be a party will be duly executed and delivered by it and will constitute a valid and binding agreement of it enforceable against such person in accordance with the terms thereof (assuming the due execution and delivery thereof by the other party or parties to such Ancillary Agreement).

SECTION 11.2 Entire Agreement. This Agreement, the Exhibits and Schedules hereto and the Ancillary Agreements shall constitute the entire agreement among the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

SECTION 11.3 Expenses. (a) Except as expressly set forth in this Agreement or in any Ancillary Agreement, and regardless whether or not the Separation or the Recapitalization is consummated, all third party fees, costs and expenses paid or incurred in connection with the transactions contemplated by this Agreement and the Ancillary Agreements will be paid by the Party incurring such fees, costs or expenses.

(b) With respect to the Common Stock IPO Transaction, Lazard Ltd shall pay all third party costs, fees and expenses relating to the Common Stock IPO Transaction, all of the reimbursable expenses of the managing underwriters pursuant to the underwriting agreements, all of the costs of producing and filing the applicable Registration Statement (or any comparable foreign securities law filing) and printing, mailing and otherwise distributing the prospectus contained in such Registration Statement (or any comparable foreign securities law filing), as well as the underwriters' discount as provided in the underwriting agreement.

(c) With respect to the Exchangeable Securities IPO Transaction, FinanceCo shall pay all third party costs, fees and expenses relating to the Exchangeable Securities IPO Transaction, all of the reimbursable expenses of the managing underwriters pursuant to the underwriting agreements, all of the costs of producing and filing the applicable Registration Statement (or any comparable foreign securities law filing) and printing, mailing and otherwise distributing the prospectus contained in such Registration Statement (or any comparable foreign securities law filing), as well as the underwriters' discount as provided in the underwriting agreement

(d) With respect to the Debt Securities Offering, Lazard Group shall pay all third party costs, fees and expenses relating to the Debt Securities Offering, all of the reimbursable expenses of the managing underwriters pursuant to the underwriting agreements, all of the costs of producing and filing the Debt Securities Prospectus (or any comparable foreign securities law filing) and printing, mailing and otherwise distributing the prospectus contained in such Debt Securities Prospectus (or any comparable foreign securities law filing), as well as the underwriters' discount as provided in the underwriting agreement.

For the avoidance of doubt, all costs, fees and expenses of the LFCM Companies arising in connection with LFCM's broker-dealer subsidiary's involvement as an underwriter in any of the Common Stock IPO Transaction, the Exchangeable Securities IPO Transaction and the Debt Securities Offering (regardless of when such costs, fees and expenses were or are incurred) shall be borne solely by the LFCM Companies.

SECTION 11.4 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a Party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number or person as a Party may designate by notice to the other Parties):

If to Lazard Group or any other Lazard Group Company (other than Lazard Ltd):

Lazard Group LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: General Counsel
Fax: (212) 332-5972

If to Lazard Ltd:

Lazard Ltd
30 Rockefeller Plaza
New York, New York 10020
Attention: General Counsel
Fax: (212) 332-5972

If to LFCM or any other LFCM Company:

LFCM Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Chief Executive Officer
Fax: (212) 332-1789

If to LAZ-MD:

LAZ-MD Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Board of Directors
Fax: (212) 332-5972

SECTION 11.5 Amendment, Modification or Waiver. This Agreement may be amended, modified, waived or supplemented, in whole or in part, only by a written agreement signed by all of the Parties; provided, that any amendment, modification, waiver or supplement to Article VIII shall only require a written agreement signed by Lazard Ltd, Lazard Group and LAZ-MD and, provided, further, that any amendment, modification, waiver or supplement to Section 9.2 or Section 9.3 shall only require a written agreement signed by Lazard Group and Lazard Ltd. No failure or delay on the part of any Party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. The waiver by such Parties of any breach of this Agreement shall not be construed as a waiver of any subsequent breach.

SECTION 11.6 Successors and Assigns; No Third Party Beneficiaries. (a) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns, but neither this Agreement nor any of the rights, interests and obligations hereunder shall be assigned or otherwise transferred, in whole or in part, by any Party without the prior written consent of each of the Parties.

(b) Except for the provisions of Article IV, which are also for the benefit of the Indemnitees, this Agreement is solely for the benefit of the Parties and is not intended to confer upon any other persons any rights or remedies hereunder.

SECTION 11.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 11.8 Negotiation. In the event of any dispute or disagreement between any of the Parties hereto (or any of their respective Group members) arising out of or in connection with this Agreement or any Ancillary Agreement (including with respect to the interpretation or performance of any provision hereof or thereof), the dispute or disagreement, upon written request of a Party, as applicable, shall be referred to representatives of the Parties involved in such dispute for decision, Lazard Ltd and Lazard Group being represented by their respective Chief Executive Officers, LFCM being represented by its Chief Executive Officer, and LAZ-MD being represented by its board of managers. Such applicable representatives of the Parties shall promptly meet in a good faith effort to resolve the dispute or disagreement or determine a means to resolve the dispute or disagreement. If such representatives do not agree upon a decision within 30 days after reference of the matter to them, the Parties shall be free to exercise all rights and remedies available to them under this Agreement or the applicable Ancillary Agreement.

SECTION 11.9 Specific Performance. The Parties acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement or any of the Ancillary Agreements to which it is a party were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and such Ancillary Agreement and to enforce specifically the terms and provisions hereof and thereof, this being in addition to any other remedy to which they may be entitled by law or equity.

SECTION 11.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than the laws regarding choice of laws and conflicts of laws that would apply the substantive laws of any other jurisdiction) as to all matters, including matters of validity, construction, effect, performance and remedies.

SECTION 11.11 Delaware Court. Each of the Parties agrees that all actions or proceedings arising out of or in connection with this Agreement or any Ancillary Agreement, or for recognition and enforcement of any judgment arising out of or in connection with this Agreement or any Ancillary Agreement, shall be tried and determined exclusively in the state or federal courts in the State of Delaware, and each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the Parties hereby

expressly waives any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such action or proceeding: (a) any claim that it is not subject to personal jurisdiction in the aforesaid courts for any reason; (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; and (c) that (i) any of the aforesaid courts is an inconvenient or inappropriate forum for such action or proceeding, (ii) venue is not proper in any of the aforesaid courts and (iii) this Agreement or any Ancillary Agreement, or the subject matter hereof or thereof, may not be enforced in or by any of the aforesaid courts.

SECTION 11.12 Interpretation; Conflict with Ancillary Agreements. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. The provisions of this Agreement shall govern in the event of any conflict between any provision of this Agreement and that of any Ancillary Agreement, and the Parties shall execute or cause to be executed an amendment, if necessary in their good faith judgment, to such Ancillary Agreement to remove such conflict.

SECTION 11.13 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

SECTION 11.14 Additional Parties. Each of Lazard Ltd Sub A and Lazard Ltd Sub B may be added as parties to this Agreement for the purposes of Article VIII and this Article XI only after the date hereof by execution of a written agreement signed by such person to become a party hereto. It is expressly agreed that this Agreement shall become effective and be in full force and effect immediately upon the execution and delivery hereof by each of the Parties set forth in the Preamble hereto. Until such time as Lazard Ltd Sub A and Lazard Ltd Sub B are added as parties hereto in accordance with this Section 11.14, Lazard Ltd shall cause each of Lazard Ltd Sub A and Lazard Ltd Sub B to comply with its obligations and responsibilities under Article VIII.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

LAZARD LTD

By: /s/ Michael J. Castellano

Name: Michael J. Castellano
Title: Director and Vice President

LAZARD LLC

By: /s/ Michael J. Castellano

Name: Michael J. Castellano
Title: Chief Financial Officer

LAZ-MD HOLDINGS LLC

By: /s/ Scott D. Hoffman

Name: Scott D. Hoffman
Title: Member

LFCM HOLDINGS LLC

By: /s/ Michael J. Castellano

Name: Michael J. Castellano
Title: Authorized Signatory

EXHIBIT 3.3

AMENDED AND RESTATED BYE-LAWS

OF

LAZARD LTD

Adopted as of May 10, 2005

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BYE-LAWS

OF

LAZARD LTD

ARTICLE I

Interpretation

Section 1.01. Definitions. In these Bye-Laws, unless the context otherwise requires:

"Act" means the Companies Act 1981, as amended from time to time.

"Bermuda" means the Islands of Bermuda.

"Board" means Directors who number not less than the required quorum acting together as the board of directors of the Company.

"Bye-Laws" means these bye-laws, as altered from time to time.

"Class" means a class of Shares having attached to them identical rights, privileges, limitations and conditions.

"Class B Common Share" means the one share of par value US$0.01 per share (or such other par value as may result from any reorganization of capital) in the capital of the Company, having the rights and being subject to the limitations set out in these Bye-Laws.

"Common Shares" means Class A common shares of par value US$0.01 per share (or such other par value as may result from any reorganization of capital) in the capital of the Company, having the rights and being subject to the limitations set out in these Bye-Laws.

"Company" means Lazard Ltd, an exempted company registered in Bermuda with registration number EC 36011 (following its incorporation in Bermuda on October 25, 2004).

"Director" means a person appointed as a director of the Company in accordance with these Bye-Laws.

"Group Company" means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company.

"LAZ-MD" means LAZ-MD Holdings LLC, a Delaware limited liability company.

"Lazard Group" means Lazard Group LLC, a Delaware limited liability company.

"Officer" means the Secretary or any other officer of the Company appointed in accordance with these Bye-Laws, but does not include any person holding the office of auditor in relation to the Company.

"Paid Up" means paid up or credited as paid up.

"Personal Representative" means:

(a) in relation to a deceased individual Shareholder, the executor, administrator or trustee of the estate of that Shareholder; and

(b) in relation to a bankrupt individual Shareholder, the assignee in bankruptcy of that Shareholder.

"Preference Shares" means preferred shares of par value US$0.01 per share (or such other par value as may result from any reorganization of capital) in the capital of the Company, having the rights and being subject to the limitations set out in these Bye-Laws.

"Records" means the documents, registers and books in each case that are required to be kept by the Company pursuant to the Act.

"Register" means the register of Shareholders of the Company and includes any branch register.

"Registered Office" means the registered office of the Company.

"Representative" means:

(a) a person appointed as a proxy in accordance with Section 18.01;

(b) a Personal Representative; and/or

(c) a representative appointed by a corporation in accordance with Section 18.02.

"Resident Representative" means the person or, if permitted by the Act, the company appointed to perform the duties of resident representative of the Company as set out in the Act (and includes any assistant or deputy resident representative appointed by the Board).

"Resolution" means a resolution of the Shareholders voting together as a single class or, where required, of a separate class or separate classes of Shareholders, that is approved by a simple majority of votes of those Shareholders entitled to vote thereon and present in person or represented by proxy; provided that in the case of an equality of votes, the resolution shall be deemed to be lost.

"Seal" means the common seal of the Company and includes any duplicate seal.

"Secretary" means the secretary of the Company or, if there are joint secretaries, any of the joint secretaries and includes a deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the secretary.

"Share" means a share issued, or to be issued, by the Company as the case may require.

"Shareholder" means a person whose name is entered in the Register as the holder for the time being of one or more Shares.

"Shareholders' Agreement" means the shareholders' agreement to be entered into by and among the Company, LAZ-MD and the other parties thereto, as amended or supplemented from time to time.

"US dollars" or "US$" means United States dollars.

Section 1.02. Interpretation. In these Bye-Laws, unless the context otherwise requires:

(a) the table of contents, headings, and descriptions relating to sections of the Act, are inserted for convenience only and shall be ignored in construing these Bye-Laws;

(b) the singular includes the plural and vice versa;

(c) one gender includes the other genders;

(d) references to a company include any body corporate, company, partnership, limited liability company, trust, corporation, association or other legal entity, whether incorporated or established in Bermuda or elsewhere;

(e) references to a person includes an individual, company, firm, partnership, body corporate, corporation, limited liability company, association, organization, trust, a state or government or any agency thereof, governmental or public authority, and any other entity or organization, whether incorporated or not (in each case whether or not having a separate legal personality) whether of Bermuda or elsewhere;

(f) "subsidiary" and "holding company" have the same meanings as in section 86 of the Act, except that references in that section to a company shall include any body corporate, company, partnership, limited liability company, trust, corporation, association or other legal entity, whether incorporated or established in Bermuda or elsewhere.

(g) "written" or "in writing" includes any means of representing or reproducing words, figures and symbols in a tangible and visible form;

(h) any words or expressions defined or explained in the Act shall have the same meaning in these Bye-Laws;

(i) any reference to any statute or statutory provision (whether of Bermuda or elsewhere) includes a reference to any modification, re-enactment or substitution of it for the time being in force and to every rule, regulation or order made under it (or under any such modification, re-enactment or substitution) and for the time being in force and any reference to any rule, regulation or order made under any such statute or statutory provision includes a reference to any modification, replacement or substitution of such rule, regulation or order for the time being in force;

(j) references to Articles and Sections (other than sections of the Act) are references to Articles and Sections of these Bye-Laws, unless stated otherwise; and

(k) where any word or expression is defined in these Bye-Laws, any other grammatical form of that word or expression has a corresponding meaning.

ARTICLE II

Share Capital

Section 2.01. Authorized Capital. At the time of adoption of these amended and restated Bye-Laws, the authorized share capital of the Company is US$5,150,000.01, divided into 500,000,000 Common Shares, one Class B Common Share and 15,000,000 Preference Shares.

Section 2.02. Class A Common Shares. Subject to the rights attaching to, or the terms of issue of, any Class or the provisions of these Bye-Laws, each Common Share entitles the holder thereof to:

(a) one vote per Common Share;

(b) share equally and ratably in such dividends as the Board may from time to time declare (provided, however, that if (i) the Company is required to withhold any United States tax on such dividends or (ii) any subsidiary of the Company is required to withhold any United States tax on a distribution made to the Company that is allocable to a holder, and, in each case, the Company or such subsidiary pays such withheld amount to the United States Internal Revenue Service (or any successor organization), then such withholding payment shall be treated as a dividend to the holder with respect to whom the payment was made and will reduce the amount of dividends to which such holder would otherwise be entitled);

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of an amalgamation, a reorganization or otherwise or upon any distribution of capital, share equally and ratably in the surplus assets of the Company, if any, remaining after the liquidation preference of any issued and outstanding Shares ranking ahead of the Common Shares; and

(d) generally to enjoy all of the rights attaching to Shares.

Section 2.03. Class B Common Share. Subject to the rights attaching to, or the terms of issue of, any Class, the Act and the other provisions of these Bye-Laws, the holder of the Class B Common Share:

(a) shall not be entitled to any dividends;

(b) shall not be entitled to any surplus assets of the Company in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of an amalgamation, a reorganization or otherwise or upon any distribution of capital; and

(c) shall be entitled to the number of votes at any meeting or action (as of the record date for that meeting or action) equal to the number of Common Shares into which the LAZ-MD Common Units are then exchangeable pursuant to the Master Separation Agreement; provided, that for any meeting or other action having a record date on or prior to December 31, 2007, if the votes represented by the Class B Common Share are less than 50.1% of aggregate votes of all Shares entitled to vote on any matter submitted to such meeting or action, then the Class B Common Share shall be entitled to the number of votes that shall entitle it to vote 50.1% of the aggregate votes entitled to vote on such matter.

Subject to the above, when casting its votes at any meeting of the Company, the holder of the Class B Common Share shall be entitled to cast all or any portion of the number of votes to which the Class B Common Share shall be entitled for or against, or to abstain all or any portion of the number of votes to which the Class B Common Share shall be entitled from voting on, any proposed resolution, and shall be entitled in voting on any single resolution to vote a portion of such votes for, a portion of such votes against and/or abstain a portion of such votes from voting on, such resolution, in such number and proportions as the holder sees fit.

In the event the Class B Common Share is no longer entitled to any votes at any meeting or action under Section 2.03(c) (the "Conversion Date"), then the Class B Common Share shall, subject to applicable Bermuda law and without any action on the part of the Company or the holder thereof, immediately be automatically converted into a fully paid and non-assessable Common Share of the Company and the number of authorized Common Shares shall be increased by one share (the "Conversion"). Upon the Conversion, the Company shall amend the Register to reflect such conversion and the certificate (if any) previously issued in respect of such Class B Common Share shall cease to represent the Class B Common Share. The Company shall, as soon as practicable thereafter, on the delivery of the original certificate for the Class B Common Share at the Registered Office, issue and deliver to such holder a substitute certificate for the Common Share to which such holder shall be entitled as aforesaid. On the Conversion Date, all rights with respect to the Class B Common Share so converted will terminate, except only the rights of the holder thereof, upon surrender of the certificate therefor, to receive a certificate for the Common Share into which such Class B Common Share has been converted. Following the Conversion, the Class B Common Share shall be cancelled and shall not be available for reissuance as a Class B Common Share, but the Conversion shall not be taken as reducing the amount of the Company's authorized share capital.

For the purposes of this Section 2.03:

(a) "LAZ-MD Common Units" mean the common units of Lazard Group then held by (1) LAZ-MD (directly or indirectly through any subsidiary (excluding for this purpose the Company, Lazard Group and their respective subsidiaries)) and (2) all current or former Class II Members (and such person's permitted estate transferees).

(b) "Class II Member" means a Class II Member of LAZ-MD.

(c) "Master Separation Agreement" means the Master Separation Agreement, dated as of the date hereof, by and among the Company, Lazard Group, LAZ-MD and LFCM Holdings LLC, a Delaware limited liability company, as amended or supplemented from time to time.

Section 2.04. Classes of Shares. Subject to the Act and to the rights conferred on the holders of any other Class of Shares, the Company may issue different Classes of Shares. Without limiting the Classes which may be issued (including any Class of Shares issued pursuant to Section 2.03), any Share may be issued upon the basis that it:

(a) confers preferential, deferred, qualified or special rights as to dividends or distributions of capital or income;

(b) confers special, limited or conditional voting rights;

(c) does not confer voting rights; or

(d) is liable to be redeemed on the happening of a specified event or events, on a given date or dates, at the option of the Company, at the option of the holder and may provide for the whole or any part of the amount due on redemption to be paid or satisfied otherwise than in cash, to the extent permitted by the Act.

Section 2.05. Preference Shares. The Board is authorised to provide for the issuance of the Preference Shares in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations, or restrictions thereof (and, for the avoidance of doubt, such matters and the issuance of such Preference Shares shall not be deemed to vary the rights attached to the Shares). The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(a) the number of shares constituting that series and the distinctive designation of that series;

(b) the dividend rate on the shares of that series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of the payment of dividends on shares of that series;

(c) whether that series shall have voting rights, in addition to the voting rights provided by law and, if so, the terms of such voting rights;

(d) whether that series shall have conversion or exchange privileges (including, without limitation, conversion into Common Shares) and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board shall determine;

(e) whether or not the shares of that series shall be redeemable or repurchaseable and, if so, the terms and conditions of such redemption or repurchase, including the manner of selecting shares for redemption or repurchase if less than all shares are to be redeemed or repurchased, the date or dates upon or after which they shall be redeemable or repurchaseable, and the amount per share payable in case of redemption or repurchase, which amount may vary under different conditions and at different redemption or repurchase dates;

(f) whether that series shall have a sinking fund for the redemption or repurchase of shares of that series and, if so, the terms and amount of such sinking fund;

(g) the right of the shares of that series to the benefit of conditions and restrictions upon the creation of indebtedness of the Company or any subsidiary, upon the issue of any additional shares (including additional shares of such series or any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Company or any subsidiary of any issued shares of the Company;

(h) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment of shares of that series; and

(i) any other relative participating, optional or other special rights, preferences, qualifications, limitations or restrictions of that series.

Any Preference Shares of any series which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of any other Class or Classes or other property or rights shall have the status of authorised and unissued Preference Shares of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preference Shares to be created by resolution or resolutions of the Board or as part of any other series of Preference Shares, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board providing for the issue of any series of Preference Shares.

Section 2.06. Power of the Board to Issue. Subject to the other provisions of these Bye-Laws, the unissued Shares of the Company (whether forming part of the original share capital or any increased capital) shall be at the disposal of the Board, which may by resolution of the Board offer, issue, allot, exchange, adopt rights plans or similar agreements, grant options, option rights, warrants or other rights over or otherwise deal with or dispose of them to such persons, in such number, at such times and for such consideration and generally on such terms and conditions as the Board may from time to time determine. Without limiting the generality of the

preceding sentence, the Board may issue securities that are convertible into or exchangeable into Shares.

Section 2.07. Increase of Share Capital. The Company may from time to time increase its capital by such sum, to be divided into Shares of such par value, as the Company by Resolution shall determine.

Section 2.08. Alteration of Share Capital. The Company may from time to time by Resolution:

(a) divide its shares into several Classes and attach to them respectively any preferential, deferred, qualified or special rights, privileges or conditions;

(b) consolidate and divide all its Shares or any Class of Shares into Shares having larger par value;

(c) subdivide its Shares or any Class of Shares into Shares having a smaller par value; provided, however, that the proportion between the amount paid and the amount, if any, unpaid on each sub-divided Share shall be the same as that of the Share from which the sub-divided Share is derived;

(d) make provision for the issue and allotment of Shares which do not carry any voting rights;

(e) cancel Shares which, at the date of the passing of the relevant Resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled; and

(f) change the currency denomination of its share capital.

Section 2.09. Reduction of Capital. The Company may from time to time by Resolution reduce, in any manner permitted by the Act, its issued share capital (but not to a sum less than the minimum share capital prescribed by its memorandum) or any share premium account. In relation to any such reduction, the Company may by Resolution determine the terms upon which the reduction is to be effected, including, in the case of a reduction of part only of a class of shares, those shares to be affected.

Section 2.10. Bonus Issues. Subject to these Bye-Laws, the Board may resolve to apply any amount which is legally available to be paid as a dividend either:

(a) in paying up in full Shares or other securities of the Company to be issued or credited as fully paid to:

(i) the Shareholders who would be entitled to that amount if it were distributed by way of dividend, and in the same proportions; and

(ii) if applicable, the holders of any other securities of the Company who are entitled by the terms of issue of such securities to participate in bonus is-

sues by the Company, whether at the time the bonus issue is made to the Shareholders, or at some later time, in accordance with their respective entitlements; or

(b) in paying up any amount which is unpaid on any Shares held by the Shareholders referred to in Section 2.10(a)(i),

or partly in one way and partly in the other; provided, that any amount in a Share premium account may only be applied in paying up in full Shares to be issued as credited as fully paid that are of the same Class as the Class to which the amount in the Share premium account relates.

Section 2.11. Shares in Lieu of Dividends. Subject to these Bye-Laws the Board may issue Shares to any Shareholders who have agreed to accept the issue of Shares, wholly or partly, in lieu of proposed dividends or proposed future dividends.

Section 2.12. Fractional Entitlements. The Board may, in exercising any powers pursuant to this Article, deal with fractional entitlements to Shares or other securities in such manner as the Board considers equitable and in the interests of the Company.

ARTICLE III

Variation of Rights of Shareholders

Section 3.01. Procedure in Respect of Shares. Subject to the Act, the rights attached to any Class of Shares may only, unless the rights attached to, or the terms of issue of, that Class of Shares expressly provides otherwise, be altered (a) with the unanimous written consent of the holders of the outstanding Shares of that Class or (b) by a Resolution of the holders of Shares of that Class passed at a separate general meeting of Shareholders of that Class.

Section 3.02. Issue of Equal or Prior Ranking Shares. The rights conferred upon the holders of any Shares or Class of Shares shall not, unless the rights attached to, or the terms of issue of, that Class of Shares expressly provides otherwise, be deemed to be altered or otherwise affected by the creation or issue of further Shares which rank pari passu with, or in priority to, any existing Shares, whether as to voting rights, dividends or otherwise.

ARTICLE IV

Acquisition of Shares

Section 4.01. Power to Acquire Shares. Subject to the Act, the Company may purchase or otherwise acquire its own Shares from one or more Shareholders, and the Board may (without the sanction of a Resolution) authorize any exercise of the Company's power to purchase its own Shares, in each case whether in the market, by tender or by private agreement, at such prices (whether at par or above or below par) and otherwise on such terms and conditions as the Board may from time to time determine. The whole or any part of the amount payable on any such purchase may be paid or satisfied otherwise than in cash, to the extent permitted by the Act.

ARTICLE V

Calls on Shares

Section 5.01. Board May Make Calls. The Board may, from time to time, make such calls as it thinks fit upon Shareholders solely in respect of any amounts unpaid (whether on account of the par value of the Shares or by way of premium) on any Shares held by them which are not made payable at fixed times by the terms of issue of those Shares. A call may be made payable by installments. The Board may revoke or postpone any call.

Section 5.02. Time of Call. A call is deemed to be made at the time when the resolution of the Board making the call is passed.

Section 5.03. Fixed Installments Deemed Calls. An amount which, by the terms of issue of a Share, is payable on allotment or at a fixed date is deemed for the purposes of these Bye-Laws to be a call duly made and payable on the date on which the amount is payable.

Section 5.04. Notice of Call. At least 14 days' notice of any call shall be given to the holder of the Share in respect of which the call is made, specifying the time and place of payment.

Section 5.05. Differential Calls. The Board may, on the issue of any Share, differentiate between Shareholders as to the amount to be paid in respect of Shares and the times of payment of such amounts.

Section 5.06. Manner of Payment. A Shareholder by whom a call is payable shall pay the amount of the call to the Company at the time and place specified by the Board.

Section 5.07. Joint Shareholders. Joint Shareholders are jointly and severally liable to pay all calls in respect of Shares registered in their names.

Section 5.08. Default Interest. If a call in respect of a Share is not paid on or before the due date, the person from whom the call is payable shall pay interest on the call from the due date to the time of actual payment at such rate as the Board may determine, unless the Board waives payment of interest wholly or in part.

Section 5.09. Proceedings for Recovery of Calls. In any proceedings for recovery of a call:

(a) it is sufficient to prove that:

(i) the name of the relevant Shareholder is entered in the Register as the holder, or one of the holders, of the Shares to which the call relates; and

(ii) except in relation to any amount which, by the terms of issue of a Share, is payable on allotment or at a fixed date, the resolution making the call is entered in the Records and notice of the call has been duly given, and proof of the matters mentioned in this Section is conclusive evidence of the debt; and

(b) it is not necessary to prove the appointment or qualification of any member of the Board which made the call or any other matter.

Section 5.10. Payment in Advance of Calls. The Company may receive from any Shareholder in advance any amount uncalled and unpaid upon any Shares held by that Shareholder and may, until the date on which the amount becomes payable pursuant to a call, pay interest on the amount at such rate as the Board and Shareholder may agree in advance.

ARTICLE VI

Forfeiture of Shares

Section 6.01. Notice Requiring Payment of Call. If a Shareholder fails to pay any call or installment of a call on the due date, the Company may thereafter by written notice to that Shareholder require payment of the amount unpaid together with any accrued interest and all expenses incurred by the Company by reason of such non-payment.

Section 6.02. Contents of Notice. The notice shall specify a further date (not earlier than 14 days after the date of service of the notice) on or before which, and the place where, the payment is to be made, and shall state that, if payment is not made by the specified date, and at the place appointed, the Share in respect of which the call is made or installment is due, is liable to be forfeited.

Section 6.03. Shareholder may Surrender Shares. The Board may accept the surrender of any Share liable to be forfeited, and, in any such case, references in these Bye-Laws to forfeiture include surrender.

Section 6.04. Forfeiture for Non-Payment. If the requirements of any notice given under Section 6.02 are not complied with, then any Share in respect of which the notice was given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. The forfeiture shall include all dividends declared in respect of the forfeited Share and not paid before the forfeiture.

Section 6.05. Notice of Forfeiture. When a Share has been forfeited, the Company shall give notice of the resolution of the Board to the Shareholder in whose name the Share is registered immediately prior to the forfeiture, and shall enter in the Register details of the forfeiture.

Section 6.06. Cancellation of Forfeiture. A forfeiture may be cancelled at any time before the sale of the forfeited Share, on such terms as the Board thinks fit.

Section 6.07. Effect of Forfeiture. A person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but remains liable to the Company for all moneys payable in respect of the forfeited Shares together with interest at such rate as the Board may determine from the date of forfeiture until payment and the Company may enforce payment without being under any obligation to make any allowance for the value of the Shares forfeited.

ARTICLE VII

Lien on Shares

Section 7.01. Lien on Shares. The Company shall have a first and paramount lien on each Share, the proceeds of sale of the Share, and all dividends made in respect of the Share, for:

(a) all unpaid calls owing in respect of the Share and interest thereon (if any);

(b) any amount which the Company may be called upon to pay under any law for the time being of any country, state or place in respect of the Share, whether or not the due date for payment thereof has arrived; and

(c) all liabilities and obligations of the Shareholder to the Company, whether solely or jointly with any other person, whether incurred or arising before or after notice to the Company of any equitable interest of any person other than the Shareholder, and whether or not the date for payment, fulfillment or discharge thereof has arrived.

Section 7.02. Waiver of Lien. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any Share to be wholly or in part exempt from the provisions of this Article. Unless otherwise agreed between the Company and the relevant Shareholder, the registration of a transfer of a Share shall operate as a waiver of any lien which the Company may have on that Share, except as provided in Section 12.03.

ARTICLE VIII

Sale of Shares Subject to Forfeiture or Lien

Section 8.01. Company May Sell Shares. The Company may sell any forfeited Share, or any Share on which the Company has a lien, in such manner as the Board thinks fit, but the Company shall not sell any Share:

(a) unless the amount in respect of which a lien exists is due and payable; and

(b) until the expiry of 14 days after written notice demanding payment of the amount presently due and stating the intention to sell in default of such payment, has been given to the person entitled to receive notice of meetings of Shareholders in respect of the Share.

Section 8.02. Proceeds of Sale. The net proceeds (after deduction of any expenses) of the sale by the Company of a forfeited Share or of any Share sold for the purposes of enforcing a lien shall be applied in or towards satisfaction of any unpaid calls, interest or other amount in respect of which any lien exists (as the case may require). The residue, if any, shall be paid to the holder of the Share at the time of its forfeiture or, in the case of a Share sold for the purpose of enforcing a lien, the holder immediately prior to the sale or, if applicable in either case, to the Personal Representative of the holder.

Section 8.03. Evidence. An affidavit to the effect that the deponent is a Director or the Secretary and that any power of sale has arisen and is exercisable by the Company under these Bye-Laws, or that a Share has been forfeited on the date stated in the affidavit, shall be conclusive evidence of those facts stated in it as against all persons claiming to be entitled to the Share.

Section 8.04. Sale Procedure. For giving effect to any sale after forfeiture of any Share or of enforcing a lien over any Share, the Board may authorize any person to transfer the Share to the purchaser. The purchaser shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, and title of the purchaser shall not be affected by any irregularity or invalidity in the proceedings relating to the sale.

ARTICLE IX

Dividends

Section 9.01. Power to Authorize. Subject to the rights attaching to, or the terms of issue of, any Class of Shares, the Act and the other provisions of these Bye-Laws, the Board may authorize dividends by the Company at times, and of amounts, and to any Shareholders, as it thinks fit and may do everything which is necessary or expedient to give effect to any such dividend.

Section 9.02. Form of Distribution. Subject to the rights of holders of any Shares in a Class, the Board may make a dividend in such form as it thinks fit, but shall not differentiate between Shareholders as to the form in which a dividend is made without the prior approval of the Shareholders.

Section 9.03. Entitlement to Dividends. Except insofar as the rights attaching to, or the terms of issue of, any Shares otherwise provide, the Board shall not authorize a dividend:

(a) in respect of some but not all Shares in a Class; or

(b) that is of a greater value per Share in respect of some Shares of a Class than it is in respect of other Shares of that Class, unless the amount of the dividend in respect of a Share of that Class is in proportion to the amount paid to the Company in satisfaction of the liability of the Shareholder under these Bye-Laws or under the terms of issue of the Share.

Section 9.04. Deduction of Amounts Due. The Board may deduct from a dividend payable to a Shareholder (either alone or jointly with another) any amount which is due and payable by the Shareholder to the Company on account of calls or otherwise in relation to any Shares held by that Shareholder.

Section 9.05. No Interest on Dividends. Subject to the rights of holders of any Shares in a Class, the Company is not liable to pay interest in respect of any dividend or distribution.

Section 9.06. Method of Payment. A dividend payable in cash may be paid in such manner as the Board thinks fit to the entitled Shareholders or, in the case of joint Shareholders, to the Shareholder named first in the Register, or to such other person and in such manner as the Shareholder or joint Shareholder may in writing direct. Any one of two or more joint Shareholders may give a receipt for any payment in respect of the Shares held by them as joint Shareholders.

Section 9.07. Unclaimed Dividends. Dividends or other money distributions unclaimed for more than one year after having been authorised, may be used for the benefit of the Company until claimed. All dividends or other monetary distributions unclaimed for more than 6 years after having been authorized may be forefeited by the Board for the benefit of the Company.

ARTICLE X

Share Certificates

Section 10.01. Form of Share Certificates. Share certificates shall be in such form as the Board may from time to time prescribe, subject to the requirements of the Act.

Section 10.02. Entitlement to Share Certificates. Unless otherwise provided by the rights attaching to, or by the terms of issue of, any Class of Shares, each Shareholder shall, upon becoming the holder of any Share, be entitled to a Share certificate for all the Shares of each Class held by that Shareholder (and, on transferring any Shares held by that Shareholder, to a certificate for the balance), but the Board may decide not to issue certificates for any Shares held by, or by the nominee of, any securities exchange or depository or any operator of any clearance or settlement system except at the request of any such person. In the case of a Share held jointly by several persons, delivery of a certificate in their joint names to one of several joint holders shall be sufficient delivery to all.

Section 10.03. Replacement Share Certificates. The Company:

(a) may issue a replacement certificate for any Share certificate that is worn out or defaced; or

(b) shall issue a replacement Share certificate for one that has been lost or destroyed,

subject to satisfactory proof of the fact, payment of the reasonable expenses of the Company and, if so required by the Board, an appropriate indemnity being given to the Company.

ARTICLE XI

Transfer of Shares

Section 11.01. Right to Transfer. Subject to the Act and to any restrictions contained in these Bye-Laws, a Shareholder or Personal Representative may transfer any Share by an instrument of transfer in the usual common form approved by the Company or the agent of

the Company who maintains the Register. Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

Section 11.02. Form of Transfer. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and, if registration as holder of the Share imposes a liability on the transferee, be signed or executed by or on behalf of the transferee.

Section 11.03. Delivery to Company. An instrument transferring Shares must be delivered to the Company or agent of the Company who maintains the Register, together with the Share certificate (if any) relating to the Shares to be transferred, and the transferee shall provide such evidence as the Company or the agent responsible requires to prove the title of the transferor, or the right of the transferor to transfer, the Shares.

Section 11.04. Board May Refuse to Register Transfer. The Board may, in its absolute discretion and without assigning any reason for its decision, refuse to register a transfer of any Share if:

(a) the Share is not fully paid up;

(b) the Company has a lien on the Share;

(c) the instrument of transfer is not accompanied by the relevant Share certificate (if any) and such other evidence as the Board may reasonably require to prove the title of the transferor to, or right of the transferor to transfer, the Share;

(d) it is not satisfied that all applicable consents, authorizations, permissions or approvals of any governmental body or agency in Bermuda or any other applicable jurisdiction required to be obtained under relevant law prior to such transfer have been obtained; or

(e) the transfer may violate the terms of any agreement to which the Company (or any of its subsidiaries) and the transferor are party or subject.

If the Board refuses to register a transfer of any Share, it shall, within three months after the date on which the instrument of transfer was lodged with the Company or agent of the Company who maintains the Register, send to the transferor and to the transferee notice of such refusal.

Section 11.05. When Transfer Effective. A transferor of a Share is deemed to remain the holder of the Share until the name of the transferee is entered in the Register in respect of the Share.

ARTICLE XII

Transmission of Shares

Section 12.01. Transmission on Death of Shareholder. If a Shareholder dies, the survivor or survivors, if the deceased was a joint Shareholder, or the Personal Representative,

shall be the only person or persons recognized by the Company as having any title to or interest in the Shares of the deceased Shareholder, but nothing in this Section shall release the estate of a deceased joint Shareholder from any liability in respect of any Share or constitute a release of any lien which the Company may have in respect of any Share.

Section 12.02. Evidence of Entitlement to Transmission. In the case of a person becoming entitled to a Share upon the death of a Shareholder or otherwise by operation of applicable law, the Board may require the production to the Company of such evidence of such person's entitlement as is prescribed by the Act or, to the extent, that no such evidence is prescribed, as may from time to time be required by the Board. Upon production of such evidence, the name and address of the person so entitled shall be noted in the Register.

Section 12.03. Rights of Personal Representatives. A Personal Representative of a Shareholder:

(a) is entitled to exercise all rights (including, without limitation, the rights to receive dividends, to attend general meetings of the Company and vote in person or by Representative), and is subject to all limitations, attached to the Shares registered in the name of that Shareholder; and

(b) is entitled to be registered as the holder of those Shares or to have some person nominated by the Personal Representative registered as the holder of those Shares, but such registration shall not operate as a release of any rights (including any lien) to which the Company was entitled prior to registration of the Personal Representative or nominee pursuant to this Section.

ARTICLE XIII

Exercise of Powers of Shareholders

Section 13.01. Exercise of Power by Meeting or Written Resolution. A power or right of approval reserved to the Shareholders or any class of Shareholders by the Act or by these Bye-Laws may be exercised either:

(a) at a meeting of Shareholders or class of Shareholders, as the case may require; or

(b) except in the case of the removal of an auditor or a Director, by a resolution in writing signed by, or in the case of a Shareholder that is a corporation whether or not a company within the meaning of the Act, on behalf of, all the Shareholders who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.

ARTICLE XIV

General Meetings of Shareholders

Section 14.01. Annual General Meetings. The Board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Act.

Section 14.02. Special General Meetings. The Board may, whenever it thinks fit, and shall, on the requisition in writing of Shareholders made in accordance with the Act and holding such number of Shares as is prescribed by the Act, convene a general meeting in the manner required by the Act. All general meetings other than annual general meetings shall be called special general meetings.

Section 14.03. Time and Place of Meetings. Each general meeting shall be held at such date, time and place (within or outside of Bermuda) as the Board appoints.

Section 14.04. Alternative Forms of Meetings. A general meeting of Shareholders may be held either:

(a) by a number of Shareholders, who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or

(b) if determined by the Board, by means of audio, or audio and visual, communication by which all Shareholders participating and constituting a quorum, can reasonably be expected to be able to hear each other simultaneously throughout the meeting; or

(c) if determined by the Board, by a combination of the forms referred to in paragraphs (a) and (b) above.

Section 14.05. Meetings of Classes of Shareholders. The provisions of these Bye-Laws relating to general meetings of the Company shall apply mutatis mutandis to any separate general meeting of any class of Shareholders except that:

(a) the necessary quorum shall be two or more Shareholders present in person or by Representative together holding or representing a majority of the issued Shares of the relevant class; provided that, if the relevant class of Shareholders has only one Shareholder, one Shareholder present in person or by Representative shall constitute the necessary quorum; and

(b) if the Board so elects, one meeting may be held of Shareholders constituting more than one class of Shareholders, so long as voting at the meeting is by way of a poll, and proper arrangements are made to distinguish between the votes of Shareholders in each class.

Section 14.06. Meeting Called on Requisition of Shareholders and Other Business Proposed by Shareholders. (a) Notwithstanding anything to the contrary in these Bye-Laws, the Board shall, on the requisition of (i) Shareholders holding at the date of the deposit of

the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings of the Company or (ii) the holder of the Class B Common Share, forthwith proceed to convene a special general meeting of the Company and the provisions of Section 74 of the Act shall apply.

(b) In addition to any rights of Shareholders under the Act, other business (except for nomination of Directors, which must be done in accordance with Section 19.06) may be proposed to be brought before any annual general meeting of the Company, or any special general meeting of the Company by any person who: (i) is a Shareholder and is entitled to attend and vote at such meeting; and (ii) complies with the notice procedures set forth in this Section 14.06.

(c) In addition to any other applicable requirements, for other business to be proposed by a Shareholder pursuant to paragraph (b) of this Section, such Shareholder must give timely notice thereof in proper written form to the Secretary.

(d) To be timely, a notice given to the Secretary pursuant to paragraph (c) of this Section must be delivered to or mailed and received at the Registered Office:

(i) in the case of an annual general meeting, not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual general meeting; provided, however, that in the event that the date of the annual general meeting (excluding any adjournment of an annual general meeting) is more than 30 days before or more than 60 days after such anniversary date, notice by the Shareholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual general meeting and not later than the close of business on the later of the 90th day prior to such annual general meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Company. In no event shall the public announcement of an adjournment of an annual general meeting commence a new time period for the giving of a Shareholder's notice as described above; and

(ii) in the case of a special general meeting, no more than 7 days following the day on which notice of the special general meeting was mailed or the date that the special general meeting is publicly announced, whichever occurs first. In no event shall the public announcement of an adjournment of a special general meeting commence a new time period for the giving of a Shareholder's notice as described above.

(e) To be in proper written form, a notice given to the Secretary pursuant to paragraph (c) of this Section must set forth as to each matter such Shareholder proposes to bring before the general meeting: (i) a brief description of the business desired to be brought before the general meeting and the reasons for conducting such business at the general meeting; (ii) the name and record address of such Shareholder; (iii) the Class or series and number of Shares which are registered in the name of such Shareholder; (iv) a description of all arrangements or understandings between such Shareholder and any other

person or persons (including their names) in connection with the proposal of such business by such Shareholder and any material interest of such Shareholder in such business; and (v) a representation that such Shareholder intends to appear in person or by Representative at the general meeting to bring such business before the general meeting.

ARTICLE XV

Notice of General Meetings

Section 15.01. Written Notice. Written notice of the time and place of a general meeting of Shareholders shall be given to every Shareholder entitled to receive notice of the meeting, to every Director and to the Resident Representative:

(a) in the case of an annual general meeting of Shareholders, not less than 30 days before the meeting; and

(b) in the case of a special general meeting of Shareholders, not less than 10 days before the meeting;

Section 15.02. Short Notice. A general meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in Section 15.01, be deemed to have been duly called if it is so agreed:

(a) in the case of an annual general meeting, by all Shareholders entitled to attend and vote thereat; or

(b) in the case of any other meeting, by a majority in number of Shareholders having a right to attend and vote at the general meeting, being a majority together holding not less than ninety-five percent in nominal value of the Shares giving a right to attend and vote at the meeting.

Section 15.03. Contents of Notice. A notice of a general meeting of Shareholders shall state the general nature of the business to be transacted at the general meeting.

Section 15.04. Accidental Omission of Notice. The accidental omission to give notice of a meeting or instrument of proxy to, or the non-receipt or late receipt of notice of a meeting or instrument of proxy by, any person entitled to receive such notice or instrument of proxy, shall not invalidate the proceedings at that meeting.

Section 15.05. Notice of Adjourned Meeting. If a meeting of Shareholders or any class of Shareholders is adjourned for less than 30 days, it is not necessary to give notice of the time and place of the adjourned meeting other than by announcement at the meeting which is adjourned. In any other case, notice of the meeting shall be given in accordance with Section 15.01.

ARTICLE XVI

Proceedings at General Meetings

Section 16.01. Requirement for a Quorum. Subject to Section 16.03, no business may be transacted at any general meeting of Shareholders or adjourned meeting if a quorum is not present.

Section 16.02. Quorum. Except as otherwise provided by these Bye-Laws, a quorum for a meeting of Shareholders is two Shareholders present in person or by Representative and having the right to attend and vote at the meeting and holding Shares representing more than 50% of the votes that may be cast by all Shareholders having the right to attend and vote at such meeting at the relevant time.

Section 16.03. Lack of Quorum. If a quorum is not present within 30 minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the commencement of a meeting a quorum is not present:

(a) in the case of a meeting convened on the requisition of Shareholders, the meeting shall be dissolved; and

(b) in the case of any other meeting, the meeting shall be adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Board may appoint.

Section 16.04. Regulation of Procedure. Except as otherwise provided in these Bye-Laws, the chairman of the meeting may regulate the procedure at meetings of Shareholders.

Section 16.05. Chairman. The chairman of the Board shall preside as chairman at every general meeting of the Company or of any class of Shareholders. If there is no such chairman, or if at any meeting the chairman is not present or is unwilling to act as chairman, the Directors present shall appoint one of those Directors who is willing to act as chairman of the meeting or, if only one Director is present, he or she shall preside as chairman, if willing to act. If none of the Directors present is willing to act as chairman, the Director or Directors present may appoint any Officer who is present and willing to act as chairman. In default of any such appointment, the persons present and entitled to vote shall elect any Officer who is present and willing to act as chairman or, if no Officer is present or if none of the Officers present is willing to act as chairman, one of their number to be chairman.

Section 16.06. Adjournment of Meeting. The chairman of the meeting may, with the consent of the Shareholders at a meeting at which a quorum is present (and shall, if so directed), adjourn the meeting from time to time and from place to place, but no business may be transacted at an adjourned meeting other than the business left unfinished at the relevant meeting. In addition to any other power of adjournment conferred by law, the chairman of the meeting may at any time without the consent of the Shareholders at the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place (or indefinitely) if, in the chairman’s opinion, it would facilitate the conduct of the business of the meeting to do so or if the chairman is so directed (prior to or at the meeting) by the Board. When

a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the Board.

ARTICLE XVII

Voting

Section 17.01. Entitlement to Vote; Required Vote. A Shareholder may exercise the right to vote either in person or by Representative. Except as otherwise provided by the Act or these Bye-Laws, in all matters other than the election of Directors, the affirmative vote of a majority of the combined voting power of all of the Shares present in person or represented by proxy at the meeting and entitled to vote on the matter, voting together as a single class, shall be the act of the Shareholders.

Section 17.02. Number of Votes. Subject to Section 2.03 with respect to the voting rights of the Class B Common Share and any other rights or restrictions for the time being attached to any Share (including any Preference Shares under Section 2.05):

(a) where voting is by show of hands or by voice, every Shareholder present in person or by Representative has one vote; and

(b) on a poll, every Shareholder present in person or by Representative has:

(i) in respect of each fully paid Share held by that Shareholder, such number of votes attached to the Share;

(ii) in respect of each Share held by that Shareholder which is not fully paid, a fraction of a vote or votes which would be exercisable if that Share were fully paid equivalent to the proportion which the amount paid (excluding amounts credited as paid) on that Share bears to the total amount paid and payable thereon (excluding amounts credited as paid and amounts paid in advance of calls).

Section 17.03. Vote of Protected Persons. Subject to Section 17.04, a Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any court in Bermuda (or elsewhere having jurisdiction) for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his or her receiver, committee, curator bonus or other person in the nature of a receiver, committee or curator bonus appointed by such court, and such receiver, committee, curator bonus or other person may vote by proxy and may otherwise act and be treated as such Shareholder for the purpose of general meetings.

Section 17.04. Production of Evidence to Represent Protected Persons. Evidence to the satisfaction of the Board of the authority of any person claiming the right to vote under Section 17.03 shall be produced at the Registered Office (or at such other place as may be specified for the deposit of instruments of proxy) not later than the last time by which an instrument appointing a proxy must be deposited in order to be valid for use at the meeting or adjourned meeting or on the holding of the poll at or on which that person proposes to vote and, in default, the right to vote shall not be exercisable.

Section 17.05. Declaration by Chairman. A declaration by the chairman of a meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with Section 17.08.

Section 17.06. Chairman's Casting Vote. The chairman of a meeting of Shareholders or class of Shareholders is not entitled to a casting vote.

Section 17.07. Joint Shareholders. Where two or more persons are registered as joint Shareholders, the vote of the person named first in the Register and voting on the matter must be accepted to the exclusion of the votes of the other joint holders.

Section 17.08. Right to Demand a Poll. At a meeting of Shareholders, a poll may be demanded by:

(a) the chairman of the meeting; or

(b) not less than three Shareholders having the right to vote at the meeting; or

(c) a Shareholder or Shareholders representing not less than 10% of the total rights of all Shareholders having the right to vote at the meeting; or

(d) a Shareholder or Shareholders holding Shares that confer a right to vote at the meeting on which the aggregate amount paid up is not less than 10% of the total amount paid up on all Shares that confer that right.

Section 17.09. When Poll May be Demanded. A poll may be demanded either before or after the vote is taken on a Resolution. The demand for a poll may be withdrawn.

Section 17.10. When Poll Taken. A poll demanded on the election of a chairman of a meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken at such time as the chairman directs and any business, other than that upon which a poll is demanded, may proceed pending the taking of the poll.

Section 17.11. Poll Procedure. A poll shall be taken in such manner as the chairman directs and the result of the poll is deemed to be a resolution of the meeting at which the poll is demanded.

Section 17.12. Votes on a Poll. On a poll:

(a) votes may be given either personally or by Representative;

(b) votes shall be counted according to the votes attached to the Shares of each Shareholder present in person or by Representative and voting in respect of those Shares; and

(c) a Shareholder need not cast all the votes to which the Shareholder is entitled and need not exercise in the same way all the votes which the Shareholder casts.

Section 17.13. Inspectors of Elections; Opening and Closing the Polls. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Company in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of shareholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of shareholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law. The chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at the meeting.

ARTICLE XVIII

Proxies and Corporate Representatives

Section 18.01. Right to Appoint Proxy. A Shareholder may appoint one or more persons as his or her proxy, with or without the power of substitution, to vote on behalf of the Shareholder in respect of all or a portion of the Shares held by that Shareholder at a general meeting (including an adjourned meeting). A proxy need not be a Shareholder and is entitled to attend and be heard at the meeting, and to demand or join in demanding a poll, as if the proxy were the Shareholder.

Section 18.02. Appointment of Representatives. A corporation (which, for the avoidance of doubt and for the purposes of this Section 18.02, includes any limited liability company) which is a Shareholder may appoint any person (or two or more persons in the alternative) as its representative, with or without the power of substitution, to represent it and vote on its behalf in respect of all or some of the Shares held by that Shareholder at any general meeting (including an adjourned meeting), and such a corporate representative may exercise the same powers on behalf of the corporation which such representative represents as that corporation could exercise if it were an individual Shareholder.

Section 18.03. Notice of Appointment. A proxy shall be appointed by an instrument in writing in any common form or in such other form as the Board may approve, such instrument being executed under the hand of the appointor or of the appointor’s attorney or duly authorized agent or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. A proxy may also be appointed in such other manner as the Board may from time to time approve.

Section 18.04. Production of Notice. No appointment of a proxy is effective in relation to a meeting unless a copy of the notice of appointment is received by the Company at its Registered Office, or by the agent that maintains the Register or such other address as is specified for that purpose in the form of notice of appointment or in the notice convening the meeting, not later than 48 hours before the start of the meeting.

Section 18.05. Board May Waive Irregularity. Subject to the Act, the Board may at its discretion waive any of the provisions of these Bye-Laws relating to the execution and deposit of an instrument or other form of communication appointing or evidencing the appointment of a proxy or a corporate representative or any ancillary matter (including, without limitation, any requirement for the production or delivery of any instrument or other communication to any particular place or by any particular time or in any particular way) and, in any case in which it considers it appropriate, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any Shareholder at any general meeting.

Section 18.06. Validity of Proxy Vote. A vote given in accordance with the terms of a notice of appointment of a proxy is valid notwithstanding the previous death or mental disorder of the principal, or revocation of the appointment of the proxy or of the authority under which notice of appointment was executed, or the transfer of the Share in respect of which the proxy is appointed, if no written notification of such death, mental disorder, revocation, or transfer is received by the Company at its Registered Office, or by the agent maintaining the Register, before the commencement of the meeting for which the proxy is appointed.

ARTICLE XIX

Appointment and Removal of Directors

Section 19.01. Numbers of Directors. The number of Directors shall not at any time be more than fifteen (15) nor less than two and, subject to these limitations, the number of Directors to hold office shall be fixed from time to time solely by the Board. For the avoidance of doubt, no decrease in the number of authorized Directors constituting the whole Board shall shorten the term of any incumbent Director.

Section 19.02. Classification of Directors. The Directors shall be classified, with respect to the time for which each Director holds office, into three classes, as nearly equal in number as possible, one class to be originally appointed for a term expiring at the conclusion of the first annual general meeting of Shareholders held after the adoption of these amended and restated Bye-Laws, the second class of Directors to be originally appointed for a term expiring at the conclusion of the second annual general meeting of the Shareholders held after the adoption of these amended and restated Bye-Laws and the third class to be originally appointed for a term expiring at the conclusion of the third annual general meeting of Shareholders held after the adoption of these amended and restated Bye-Laws, with each class to hold office until its successors are duly appointed. At each annual general meeting of Shareholders, Directors appointed to succeed those Directors whose terms then expire shall be appointed for a term of office to expire at the third succeeding annual general meeting of Shareholders after their appointment, with each Director to hold office until such person’s successor shall have been duly appointed. A retiring Director is eligible for re-appointment.

Section 19.03. Appointment by Shareholders. Subject to these Bye-Laws, Directors shall be appointed at an annual general meeting of Shareholders by a plurality of votes of those Shareholders entitled to vote and voting on the appointment of Directors.

Section 19.04. Appointment by Board. Vacancies on the Board, whether created from any increase in the number of Directors or resulting from the death, resignation, disqualification, removal or other cause, may only be filled by the Board and any such appointment shall only be for a term of office equal to the remainder of the full term of the class of Directors in which the vacancy was created from any increase in the number of Directors or to which the Director was appointed, as the case may require.

Section 19.05. Re-appointment of Retiring Director. A Director retiring upon the expiring of a term of office at an annual general meeting of Shareholders shall, if standing for re-appointment, be deemed to have been re-appointed unless:

(a) some other person is appointed by the Board to fill the vacated office;

(b) it is resolved by the Board not to fill the vacated office; or

(c) a resolution for the re-appointment of that Director is put to the meeting and lost.

Section 19.06. Nomination of Directors. No person may be appointed as a Director at a general meeting of Shareholders (other than a Director retiring at an annual general meeting), unless:

(a) in the case of an annual or special general meeting, such person is recommended by the Board; or

(b) in the case of an annual general meeting, such person has been nominated by a Shareholder entitled to attend and vote at the meeting by giving timely notice thereof in proper written form to the Secretary. To be timely, a notice given to the Secretary pursuant to this Section must be delivered or mailed and received at the Registered Office not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual general meeting; provided, however, that in the event that the date of the annual general meeting (excluding any adjournment of an annual general meeting) is more than 30 days before or more than 60 days after such anniversary date, notice by the Shareholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual general meeting and not later than the close of business on the later of the 90th day prior to such annual general meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Company. In no event shall the public announcement of an adjournment of an annual general meeting commence a new time period for the giving of a Shareholder's notice as described above. To be in proper written form, a notice given to the Secretary pursuant to this Section must set forth (i) the name and record address of such Shareholder, (ii) the Class or series and number of Shares which are registered in the name of such Shareholder and (iii) in relation to each person the Shareholder proposes to nominate for appointment or re-appointment as a Director:

(i) the name, age, business address and residence address of such person;

(ii) the principal occupation or employment of such person;

(iii) the number and Classes of Shares which are beneficially owned by such person;

(iv) particulars which would, if such person were so appointed, be required to be included in the Company's register of Directors and Officers; and

(v) all other information relating to such person that is required to be disclosed in solicitations for proxies for the election of Directors pursuant to the Rules and Regulations of the Securities and Exchange Commission under Section 14 of the Securities Exchange Act of 1934 of the United States of America (as amended), together with notice executed by such person of his or her willingness to serve as a Director if so appointed;

provided, however, that no Shareholder shall be entitled to propose any person to be appointed or re-appointed Director at any special general meeting.

Section 19.07. Consent to Act. A Director upon being appointed (but not upon being re-appointed) must provide written acceptance of their appointment, in such form as the Board may think fit, by notice in writing to the Registered Office within 30 days of their appointment.

Section 19.08. Alternate Directors. Directors are not entitled to appoint alternate directors.

Section 19.09. Vacation of Office. A Director ceases to be a Director if he or she:

(a) is removed from office in accordance with Section 19.10;

(b) dies;

(c) resigns by written notice delivered to the Company at its Registered Office or tendered at a meeting of the Board (such notice to be effective at the time when it is so received unless a later time is specified in the notice); or

(d) is prohibited by law from being a Director.

Section 19.10. Removal of Directors by Shareholders. The provisions of section 93 of the Act will not apply to the Company. Shareholders may only remove a Director for cause at a special general meeting convened and held in accordance with these Bye-Laws, by a resolution of the Shareholders that is approved by the affirmative vote of a majority of the Shares then entitled to vote thereon; provided that notice of any such meeting convened for the purpose of removing a Director shall contain a statement to that effect and be given to such Director not less than 14 days before the general meeting, and at such general meeting such Director shall be entitled to be heard on the motion for such Director's removal. Cause for removal shall be deemed to exist only if the Director whose removal is proposed has been convicted of a felony

by a court of competent jurisdiction or has been adjudged by a court of competent jurisdiction to be liable for gross negligence or misconduct in the performance of such Director's duty to the Company and such adjudication is no longer subject to direct appeal.

ARTICLE XX

Directors' Remuneration and Expenses

Section 20.01. Power to Authorize Fees. Each Director (other than a Director who is also an employee of a Group Company) shall be entitled to receive such fees for services as a Director, if any, as the Board may from time to time determine. Directors who are also employees of a Group Company will not be paid any such fees by the Company in addition to their remuneration as an employee.

Section 20.02. Payment of Expenses. Directors are entitled to be paid for traveling, accommodation and other expenses properly incurred by them in attending meetings of the Board, or any committee of the Board, or meetings of Shareholders, or in connection with the business of the Company.

ARTICLE XXI

Exemption and Indemnification

Section 21.01. Indemnification. Subject always to Section 21.05, every person who is or was a Director or Officer or, while a Director or Officer of the Company, is or was serving at the request of the Company as a Director, Officer, employee or agent of any other corporation or partnership, limited liability company, joint venture, trust or other legal entity of any kind, including service with respect to employee benefit plans, and their heirs, executors and administrators (each, an "Indemnified Person") shall be indemnified and held harmless by the Company to the fullest extent permitted by law from and against all actions, liabilities, losses, damages or expenses (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in or arising out of the actual or purported execution or discharge of their respective offices or trusts, or in relation thereto, to the fullest extent permitted by law and this indemnity shall continue in force, despite any subsequent revocation or amendment to this Section, in relation to any matter occurring, or any cause of action, suit or claim that accrues or arises prior to the date of such revocation or amendment. The right to indemnification conferred by this Section shall be a contract right and, in the case of Directors and Officers (in their capacity as such), shall and, in other cases, may, if approved by the Chief Executive Officer, General Counsel or the Board, include the right to be paid by the Company the expenses incurred in defending any

such proceeding in advance of its final disposition. An advancement of expenses incurred by a party entitled to indemnification shall be conditioned upon delivery to the Company of an undertaking by such person to repay all amounts so advanced if it is ultimately determined by final judicial decision that such person is not entitled to be indemnified for such expenses under this Section.

Section 21.02. Liability of Directors. Subject always to Section 21.05, no Director shall be liable to the Company, any of its Shareholders or any other person for the acts, receipts, neglects or defaults of any other Director, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default, or oversight on his part, or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto.

Section 21.03. Insurance. The Board shall have power to purchase and maintain insurances for the benefit of any persons who are or were at any time Officers or employees of the Company, or of any other company which is its holding company or of any other company which is a subsidiary of the Company or such holding company or in which the Company or such holding company has any direct or indirect interest, including (without limitation) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported performance of their duties or powers or offices in relation to the Company or such other company.

Section 21.04. Extended Definition of Director and Officer. In this Article the term “Director” includes, in addition to the persons specified in the definition of such term in Section 1.01, a former Director of the Company, a member of a committee constituted under Section 23.03, and any person acting as a Director or member of a committee in the reasonable belief that such person has been so appointed or elected, notwithstanding any defect in such appointment or election, and where the context so admits, references to a Director include the estate and personal representatives of a deceased Director or any such other person. In this Article the term “Officer” includes, in addition to the persons specified in the definition of such term in Section 1.01, a former Officer of the Company, the Resident Representative and any person acting as an Officer or Resident Representative in the reasonable belief that such person has been so appointed or elected, notwithstanding any defect in such appointment or election, and where the context so admits, references to a Officer include the estate and personal representatives of a deceased Officer or any such other person.

Section 21.05. Provisions to be Given Full Effect. The provisions for exemption from liability and indemnity contained in this Article shall have effect to the fullest extent permitted by law, but shall not, extend to any matter which would render any of them void pursuant to the Act.

Section 21.06. Indemnity Only an Obligation to Reimburse. To the extent that any person is entitled to claim an indemnity pursuant to this Article in respect of an amount paid or discharged by such person, the relevant indemnity shall take effect as an obligation of the Company to reimburse the person making such payment (including advance payments of fees or other costs) or effecting such discharge.

Section 21.07. Rights Cumulative. The rights to indemnification and reimbursement of expenses provided by this Article are in addition to any other rights to which a person may be entitled.

Section 21.08. Determination of Rights. The rights to indemnification and reimbursement of expenses provided by this Article, unless ordered by a court, shall be made by the Company with respect to a person who is a Director or Officer at such time only as authorized in the specific case (i) if requested by the claimant, by Independent Counsel, or (ii) if no request is made by the claimant for a determination by Independent Counsel, by the Chief Executive Officer or General Counsel of the Company, whose determination shall be subject to the approval of the Board (by a majority vote of a quorum consisting of Disinterested Directors), provided, that (a) if a quorum of the Board consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, such determination shall be approved by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the claimant, or (b) if a quorum of Disinterested Directors so directs, such determination shall be approved by a Resolution of the Shareholders. “Disinterested Board of Directors” shall mean the Board sitting or meeting as a board but not in the presence of any Director or Officer who is a party to the litigation, action, suit or proceedings the subject of the indemnity in question; the expression “Disinterested Director” shall be construed accordingly; and “Independent Counsel” means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Company or the claimant in an action to determine the claimant’s rights under this Article 21.

ARTICLE XXII

Directors’ Interests

Section 22.01. Disclosure of Interests. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or arrangement with the Company or any other Group Company shall declare the nature of such interest as required by the Act.

Section 22.02. Director May Hold Other Offices. A Director may hold any other office or place of profit with the Company (except that of auditor) in addition to the office of Director for such period and upon such terms as the Board may determine and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, in addition to any remuneration or other amounts payable to a Director pursuant to these Bye-Laws.

Section 22.03. Director May Act in Professional Capacity. A Director, or a Director's firm, partner or any company with whom any Director is associated, may act in a professional capacity for the Company, and such Director or such Director's firm, partner or such company shall be entitled to remuneration for professional services as if such Director were not a Director; provided that nothing in this Section shall authorize a Director or Director's firm, partner or such company to act as an auditor of the Company.

Section 22.04. Personal Involvement of Directors. Notwithstanding any rule of law or equity to the contrary, but subject to the provisions of the Act, a Director may:

(a) contract with the Company in any capacity;

(b) be a party to any transaction with the Company;

(c) have any direct or indirect personal involvement or interest in any transaction or arrangement to which the Company is a party or in which it is otherwise directly or indirectly interested or involved;

(d) become a director or other officer of, or otherwise interested in, any corporation promoted by the Company or in which the Company may be directly or indirectly interested as a shareholder or otherwise; and

(e) retain any remuneration, profit or benefits in relation to any of the foregoing,

and no contract or arrangement of any kind referred to in this Section may be avoided by reason of the Director's interest.

Section 22.05. Voting by Interested Directors. Subject to these Bye-Laws a Director who is interested in a transaction entered into, or to be entered into, by the Company may:

(a) vote on any matter relating to the transaction;

(b) attend a meeting of the Board at which any matter relating to the transaction arises and be included among the Directors present at the meeting for the purposes of a quorum;

(c) sign a document relating to the transaction on behalf of the Company; and

(d) do any other thing in his or her capacity as a Director in relation to the transaction, as if the Director were not interested in the transaction.

ARTICLE XXIII

Powers of the Board

Section 23.01. Management of Company. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Board. No alteration of

these Bye-Laws shall invalidate any prior act of the Board which would have been valid if that alteration had not been made.

Section 23.02. Exercise of Powers of Board. In addition to the powers and authorities expressly conferred upon the Board by these Bye-Laws, the Board may exercise all the powers of the Company which are not required, either by the Act or these Bye-Laws, to be exercised by Shareholders.

Section 23.03. Delegation of Powers. The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any Director or Officer or any committee, consisting of such person or persons (whether Directors or not) as it thinks fit. The Board may make any such delegation on such terms and conditions with such restrictions as it thinks fit and either collaterally with, or to the exclusion of, its own powers and may from time to time revoke or vary such delegation, but no person dealing in good faith and without notice of such revocation or variation shall be affected by any revocation or variation. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board. Subject to the last paragraph of this Section, the power to delegate to a committee extends to all the powers, authorities and discretions of the Board generally, and shall not be limited by the fact that in certain provisions of these Bye-Laws, but not in others, express reference is made to a committee or to particular powers, authorities or discretions being exercised by the Board or by a committee of the Board.

Without limiting the foregoing, the Board (i) may designate an Executive Committee (which shall consist of two or more Directors) to exercise, subject to applicable law and the last paragraph of this Section, all of the powers of the Board between meetings of the Board and (ii) shall designate an Audit Committee, a Compensation Committee and a Nominating and Governance Committee, with each such committee to consist solely of Directors and to have such powers, authorities and discretions as the Board shall delegate to them; provided, that the Nominating and Governance Committee shall consist of not more than four (4) Directors and shall, in addition to any other powers, authorities or discretions delegated by the Board to such committee, have the power and authority set forth in Section 24.09.

Notwithstanding anything in these Bye-Laws to the contrary, neither the Board nor any committee (including the Executive Committee) shall have the power or authority (i) to remove, or to request the resignation or retirement of, the Chairman or the Chief Executive Officer of the Company from such office or (ii) to revoke, reduce or limit the powers, authorities or discretions delegated or otherwise granted to the Chairman or the Chief Executive Officer of the Company, except as provided in Article 24.

Section 23.04. Appointment of Attorney. The Board may from time to time and at any time by power of attorney appoint any person, whether nominated directly or indirectly by the Board, to be the attorney or agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit. The Board may revoke or vary any such appointment or delegation. Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney or agent as the Board

may think fit and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in the attorney.

Section 23.05. Consideration of Other Interests. So long as the Director acts honestly and in good faith with a view to the best interests of the Company in taking any action, including action that may involve or relate to a change or potential change in the control of the Company, a Director may consider, among other things, both the long-term interests of the Company and its Shareholders and the effects that the Company's actions may have in the short term or long term upon any one or more of the following matters:

(a) the prospects for potential growth, development, productivity and profitability of the Company;

(b) the employees and managing directors of the Company and its subsidiaries;

(c) the customers and creditors of the Company and its subsidiaries;

(d) the ability of the Company and its subsidiaries to contribute to the communities in which they do business; and

(e) such other additional factors as a Director may consider appropriate in such circumstances.

Nothing in this Section 23.05 shall create any duty owed by any Director to any person or entity to consider, or afford any particular weight to, any of the foregoing matters or to limit his consideration to the foregoing matters. No such employee, retired former managing director of the Company or any of its subsidiaries, former employee, beneficiary, customer, creditor or community or member thereof shall have any rights against any Director under this Section 23.05.

ARTICLE XXIV

Proceedings of the Board

Section 24.01. Procedure. Except as provided in these Bye-Laws, the Board may regulate its own procedure. Except where a greater majority is required by these Bye-Laws, questions arising at any duly organized meeting of the Board at which a quorum is present shall be determined by the affirmative vote of a majority of the Directors present at such meeting. In the case of an equality of votes, the motion shall be deemed to be lost and the chairman of the meeting shall not be entitled to a second or casting vote.

Section 24.02. Convening a Meeting of the Board. A Director, or the Secretary at the request of (i) the Chairman or (ii) a majority of the Directors then in office, may convene a meeting of the Board by giving notice in accordance with Section 24.03.

Section 24.03. Notice of Meeting. Notice of a meeting of the Board shall be deemed to be duly given to a Director:

(a) in the case of oral communication, at the time of notification;

(b) in the case of delivery, by handing the notice to the Director or by delivery of the notice to the address of the Director;

(c) in the case of posting, three business days after it is posted;

(d) in the case of facsimile transmission, when the Company receives a transmission report by the sending machine which indicates that the facsimile was sent in its entirety to the facsimile telephone number given by the Director; or

(e) in the case of electronic means, at the time of transmission;

provided, that, notwithstanding anything in these Bye-Laws to the contrary, notice of any meeting of the Board to discuss, resolve or act upon a recommendation of the Nominating and Governance Committee in accordance with clause (1) of the last sentence of Section 24.09 relating to (i) the revocation or termination of the appointment of, or any request for the resignation or retirement of, the Chairman or the Chief Executive Officer or (ii) any revocation, reduction or limitation of the powers, authorities or discretions delegated or otherwise granted to the Chairman or the Chief Executive Officer shall in each case be deemed adequately delivered only if given to each of the Directors and, if such person is not a Director, the Chief Executive Officer of the Company at least seven (7) business days before the date of such meeting (it being understood that the failure to provide adequate notice in accordance with this sentence shall invalidate any action or resolution of the Board to revoke or terminate the appointment of, or to request the resignation or retirement of, the Chairman or the Chief Executive Officer of the Company or to revoke, reduce or limit the powers, authorities or discretions delegated or otherwise granted to the Chairman or the Chief Executive Officer of the Company passed at such meeting).

A Director may waive notice of any meeting either prospectively or retroactively or at the meeting in question.

Section 24.04. Waiver of Notice Irregularity. An irregularity in the giving of notice of meeting is waived if each of the Directors either attends the meeting without protest as to the irregularity or agrees (whether before, during, or after the meeting) to the waiver.

Section 24.05. Quorum. Subject to Section 24.07 and Section 24.10, a quorum for a meeting of the Board is a majority of Directors then in office or such greater number as the Board may from time to time determine. No business may be transacted at a meeting of Directors if a quorum is not present.

Section 24.06. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. Notice of the time and place of an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned.

Section 24.07. Insufficient Number of Directors. So long as at least two Directors remain in office, the continuing Directors may act notwithstanding any vacancy in the Board, but, if less than two Directors remain in office, the sole continuing Director may act only

for the purposes of calling a general meeting of Shareholders for such purposes such Director thinks fit and of nominating a person or persons for appointment to the Board.

Section 24.08. Chairman. The Chairman shall preside as chairman at every meeting of the Board. If there is no such Chairman present or willing to act at the meeting as chairman, the Directors present may choose one of their number to be chairman of the meeting.

Section 24.09. Voting. Every Director has one vote. The Chairman does not have a casting vote. A resolution of the Board is passed if a majority of the Directors present at the meeting at which a quorum is present vote in favour of the resolution, and in the case of an equality of votes the resolution shall fail. Notwithstanding anything in these Bye-Laws to the contrary, any resolution of the Board (a) to revoke or terminate the appointment of, or to request the resignation or retirement of, the Chairman or the Chief Executive Officer of the Company or (b) to revoke, reduce or limit the powers, authorities or discretions delegated or otherwise granted to the Chairman or the Chief Executive Officer of the Company shall in each case require (i) the prior affirmative vote of a majority of the members of the Nominating and Governance Committee then in office to recommend such action to the Board and (ii) after proper notice pursued to Section 24.03 of such recommendation the affirmative vote of a majority of the Directors then in office in favour thereof.

Section 24.10. Written Resolution. A resolution in writing signed or approved by all the Directors then in office shall be as valid and effectual as a resolution passed at a meeting of the Board duly called and constituted. Such a resolution may be contained in one document or in several documents (including facsimile or other similar means of communication) in like form each signed or approved by one or more of the Directors. Notwithstanding anything to the contrary set forth herein, any resolution of the Board (a) to revoke or terminate the appointment of, or to request the resignation or retirement of, the Chairman or the Chief Executive Officer of the Company or (b) to revoke, reduce or limit the powers, authorities or discretions delegated or otherwise granted to the Chairman or the Chief Executive Officer of the Company may in each case only be made or passed at a meeting of the Board in accordance with the other provisions of this Article 24.

Section 24.11. Alternative Forms of Meeting. A meeting of the Board may be held either:

(a) by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting;

(b) by means of audio, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting; or

(c) by a combination of the forms referred to in paragraph (a) and (b) above.

Section 24.12. Committees. A committee of the Board shall, in the exercise of the powers delegated to it, comply with any procedural or other requirements imposed on it by the Board. Subject to any such requirements, the provisions of these Bye-Laws relating to pro-

ceedings of the Board apply, with appropriate modification, to meetings of a committee of the Board.

Section 24.13. Validity of Actions. All acts done in good faith by the Board or by any committee or by any person acting as a Director or member of a committee or any person authorized by the Board or any committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorized.

ARTICLE XXV

Officers

Section 25.01. Company to Have a Chairman and Deputy Chairman. The Company shall have a chairman (the "Chairman") and a deputy chairman, as the Board may from time to time determine (subject, in the case of the Chairman, to the provisions of Article 24), who shall be Directors and shall be elected by the Board; provided, that the role of deputy chairman shall not constitute an executive office of the Company. A person appointed to any such office shall vacate that office if that person ceases to be a Director (otherwise than by retirement at a general meeting of the Company at which such person is re-appointed).

Section 25.02. Executive Officers. The Board may from time to time appoint one or more of its body to also hold any executive office with the Company for such period and on such terms as the Board may determine and may revoke or terminate any such appointment, subject, in the case of the Chairman and Chief Executive Officer of the Company, to the provisions of Article 24. Any such revocation or termination shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between that Director and the Company which may be involved in such revocation or termination. Any person so appointed shall receive such remuneration, if any (whether by way of salary, commission, participation in profits or otherwise), as the Board may determine.

Section 25.03. Secretary and Resident Representative. The Secretary and, if required by the Act, the Resident Representative shall be appointed by the Board at such remuneration (if any) and on such terms as the Board may think fit and any Secretary and Resident Representative so appointed may be removed by the Board. The duties of the Secretary and those of the Resident Representative shall be those prescribed by the Act, together with such other duties as shall from time to time be determined by the Board.

Section 25.04. Other Officers. The Company may have such other Officers in addition to the Directors and the Secretary, as the Board may from time to time determine. Without limiting the foregoing, such other Officers may include a president, Chief Executive Officer, Vice Chairman and one or more vice-presidents (if a chairman and deputy chairman are appointed under Section 25.01), to the extent that such Officers are not appointed pursuant to

Section 25.01. A person appointed to any such other office need not be a Director and the same person may hold more than one office.

Section 25.05. Terms of Appointment. Any person elected or appointed pursuant to this Article 25 shall hold office for such period and on such terms as the Board may determine, and the Board may revoke or vary any such appointment at any time for any reason, subject, in the case of the Chairman and Chief Executive Officer of the Company, to the provisions of Article 24. Any such revocation or variation shall be without prejudice to any claim for damages that such Officer may have against the Company or the Company may have against such Officer for any breach of any contract of service between such Officer and the Company which may be involved in such revocation or variation. If any such office becomes vacant for any reason, the vacancy may be filled by the Board.

Section 25.06. Powers and Duties of Officers Determined by Board. Except as provided in the Act or these Bye-Laws (including Article 24), the powers and duties of any Officer appointed pursuant to this Article 25 shall be such as are determined from time to time by the Board.

Section 25.07. Resident Representative Entitled to Notice of Board Meetings. The Resident Representative shall, upon delivering written notice of an address for the purposes of receiving notice to the Registered Office, be entitled to receive notice of and to attend and be heard at, and to receive minutes of, all meetings of the Board.

ARTICLE XXVI

The Seal

Section 26.01. Form of Seal. The Seal shall be in such form as the Board may from time to time determine. The Board may adopt one or more duplicate seals for use outside Bermuda.

Section 26.02. Manner in which Seal is to be Affixed. The Board shall provide for the safe custody of every Seal. A Seal shall only be used by authority of the Board or of a committee of the Board. Subject to the Act, any instrument to which a Seal is affixed shall be signed by a Director or Officer or by any person who has been authorized by the Board either generally or specifically to attest to the use of a Seal.

ARTICLE XXVII

Record Dates

Section 27.01. Company or Board May Fix Record Date. Notwithstanding any other provision of these Bye-Laws, the Board may fix any date as the record date for any dividend or distribution, allotment or issue and for the purpose of identifying the persons entitled to receive notices of general meetings of the Company or of any class of Shareholders or other documents. Any such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made or such notice or other document is dispatched.

Section 27.02. Shareholder of Record. In relation to any general meeting of the Company or of any class of Shareholders or to any adjourned meeting of which notice is given, the Board may specify in the notice of meeting or adjourned meeting or in any document sent to Shareholders by or on behalf of the Board in relation to the meeting a time and date (a "record date") which is not more than 60 days before the date fixed for the meeting (the "meeting date"), and, notwithstanding any provisions in these Bye-Laws to the contrary, in any such case:

(a) each person entered in the Register at the record date as a Shareholder, or a Shareholder of the relevant class of Shareholders (a "record date holder"), shall be entitled to attend and to vote at the relevant meeting and to exercise all of the rights or privileges of a Shareholder, or a Shareholder of the relevant class, in relation to that meeting in respect of the Shares, or Class of Shares, registered in the Shareholder's name at the record date; and

(b) accordingly, a holder of the relevant Shares at the meeting date shall not be entitled to attend or to vote at the relevant meeting, or to exercise any of the rights or privileges of a Shareholder, or a Shareholder of the relevant class, in respect of the relevant Shares at that meeting.

ARTICLE XXVIII

Records

Section 28.01. Accounting Records. The Board shall cause accounting records of the Company to be kept in accordance with the requirements of the Act.

Section 28.02. Place and Inspection of Records of Account. The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit; provided, that, if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as are required by the Act to be so kept. The records of account shall at all times be open to inspection by the Directors and, to the extent prescribed by the Act, by the Resident Representative. No Shareholder (other than a Director or Officer) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorized by the Board.

Section 28.03. Financial Statements. The Board shall procure that financial statements of the Company are prepared and audited in respect of each year or other period from time to time fixed by the Board and that those financial statements are made available to Shareholders and laid before the Company in general meeting in accordance with the requirements of the Act.

Section 28.04. Register to be Kept. The Register shall be kept in the manner prescribed by the Act at the Registered Office or at such other place in Bermuda as the Board may from time to time determine.

Section 28.05. Branch Registers. The Company may also keep one or more branch registers at such place or places outside Bermuda to the extent and in the manner permitted by the Act, and the Board may make such regulations as it thinks fit regarding the keeping of

any branch register and may revoke or vary any such regulations. The Board may authorize any Share on the Register to be included in a branch register or any Share registered on a branch register to be registered on another branch register, provided that at all times the Register is maintained in accordance with the Act.

Section 28.06. Inspection and Closing of Register. The Register or any branch register may be closed at such times and for such periods as the Board may from time to time decide, subject to the Act. Except during such time as the Register or any branch register is closed, the Register and each branch register shall be open to inspection in the manner prescribed by the Act between 10:00 a.m. and 12:00 noon Atlantic Standard Time (or between such other times as the Board from time to time determines) on every working day.

Section 28.07. No Notice of Trusts. Unless the Board agrees otherwise, no notice of a trust, whether express, implied, or constructive, may be entered on the Register.

Section 28.08. No Recognition of Equitable Interests. Except only as otherwise provided in these Bye-Laws, as ordered by a court of competent jurisdiction or as otherwise required by law, the Company shall be entitled to treat the registered holder of any Share as the absolute owner of it, and, accordingly, no person shall be recognized by the Company as holding any Share upon trust, and the Company shall not be bound by, nor be compelled to recognize (even after notice), any equitable, contingent, future or partial interest in any Share, or any interest in any fraction or part of a Share or (except as provided in these Bye-Laws or by law) any other rights in respect of any Share, except an absolute right of the registered holder to the entire Share.

Section 28.09. Register of Directors and Officers. The Secretary shall maintain a register of the Directors and Officers of the Company at the registered office of the Company as required by the Act. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Act between 10:00 a.m. and 12:00 noon Atlantic Standard Time (or between such other times as the Board from time to time determines) on every working day.

Section 28.10. Minutes to be Made and Kept. The Board shall cause minutes to be made and books kept for the purpose of recording all the proceedings at meetings of the Board and of any committee of the Board and at general meetings of the Company and of any class of Shareholders of the Company. Minutes prepared in accordance with the Act and these Bye-Laws shall be kept at the registered office of the Company.

Section 28.11. Inspection of Minutes. The minutes of general meetings of the Company and of any class of Shareholders of the Company (but not minutes of meetings of the Board or any committee of it) shall be open to inspection in the manner prescribed by the Act between 10:00 a.m. and 12:00 noon Atlantic Standard Time (or between such other times as the Board from time to time determines) on every working day. Minutes prepared in accordance with the Act and these Bye-Laws shall be kept at the registered office of the Company.

ARTICLE XXIX

Auditor

Section 29.01. Appointment of Auditor. Subject to the Act, the Company shall at each annual general meeting appoint an auditor or auditors whose appointment and duties shall be governed by the Act, any other applicable law and such requirements not inconsistent with the Act as the Board may from time to time determine.

ARTICLE XXX

Service of Notices and Other Documents

Section 30.01. Manner of Sending Notices. A notice, statement, report, financial statements or other document to be sent to a Shareholder may be:

(a) delivered to that shareholder;

(b) posted or couriered to that Shareholder's address in the Register or to such other address given for the purpose; or

(c) sent by facsimile machine or other electronic means to that Shareholder to the number or address given by that Shareholder for the transmission of documents by facsimile or other electronic means.

Section 30.02. Service and Delivery of Notices. Any notice or other document which is sent by post (or airmail) shall be deemed to have been served or delivered on the second day after it was put in the post and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document not sent by post but left at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice sent by electronic means during normal business hours on any business day shall be deemed to have been served on the day on which it is sent and any notice so sent at any other time shall be deemed to have been served on the next day which is a normal business day (normal business hours and business days being ascertained for this purpose by reference to such hours and days in the place or territory to which the notice is so sent).

Section 30.03. Accidental Omissions. The failure to send an annual report, notice, or other document to a Shareholder in accordance with the Act or these Bye-Laws does not invalidate the proceedings.

Section 30.04. Joint Shareholders. A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder named first in the Register in respect of that Share.

Section 30.05. Shareholder Deceased or Bankrupt. If the holder of a Share dies or is adjudicated bankrupt, notice may be given in any manner in which notice might have been given if the death or bankruptcy had not occurred, or by giving notice in the manner provided in

Section 30.01 to the Personal Representative of the holder at the address supplied to the Company for that purpose.

ARTICLE XXXI

Winding Up

Section 31.01. Distribution of Assets. If the Company is wound up, the liquidator may, with the sanction of a Resolution and any other sanction required by the Act:

(a) divide among the Shareholders in cash or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for such purposes fix such value as the liquidator deems fair in respect of any property to be so divided, and determine how such division shall be carried out as between the Shareholders or different Classes; and

(b) vest the whole or any part of such assets in trustees upon such trusts for the benefit of the persons so entitled as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other assets upon which there is any liability.

ARTICLE XXXII

Amalgamations, Discontinuance and Sales; Mandatory Repurchases

Section 32.01. Approval Required for an Amalgamation. Any amalgamation, merger, consolidation or similar transaction of the Company and another company shall require the approval of:

(a) the Board; and

(b) after approval by the Board and its recommendation of such transaction to the Shareholders, the Company by a resolution passed in general meeting by a majority of the combined voting power of all of the Shares entitled to vote thereon voting together as a single class.

Section 32.02. Approval Required to Discontinue the Company. The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act without the need for Shareholder approval.

Section 32.03. Approval Required for Sale of Assets. Any sale, lease or exchange by the Company of all or substantially all of its property or assets, including its goodwill and its corporate franchises, shall require the approval of:

(a) the Board; and

(b) after approval by the Board and its recommendation of such transaction to the Shareholders, the Company by a resolution passed in general meeting by a majority

of the combined voting power of all of the Shares entitled to vote thereon voting together as a single class.

Section 32.04. Mandatory Repurchases. In the event that the Board determines that the Company or any of its subsidiaries does not meet or will, in the absence of repurchases of Common Shares, fail to meet the ownership requirements of a limitation on benefits article of a bilateral income tax treaty with the United States that would provide material benefits to the Company or any of its subsidiaries (an "Applicable Treaty"), the Company shall have the right, but not the obligation, to repurchase at fair market value, as determined in the good faith discretion of the Board, Common Shares (other than Exempt IXIS-CIB Shares) from any Shareholder (an "Included Shareholder") who beneficially owns more than 0.25% of the Common Shares outstanding and who fails to demonstrate to the satisfaction of the Company that such Shareholder is either (a) a U.S. citizen or (b) a qualified resident of the United States or the other contracting state of the Applicable Treaty (as determined for purposes of the relevant provision of the limitation on benefits article of the Applicable Treaty). The number of Common Shares that may be repurchased from any such Included Shareholder shall equal the product of the total number of Common Shares that the Company reasonably determines to purchase to ensure ongoing satisfaction of the limitation on benefits article of the Applicable Treaty multiplied by a fraction, the numerator of which is the number of Common Shares beneficially owned by such Included Shareholder (other than Exempt IXIS-CIB Shares) and the denominator of which is the total number of Common Shares (other than Exempt IXIS-CIB Shares) beneficially owned by all Included Shareholders. In lieu of the exercise of the right to repurchase as aforesaid, the Company shall have the right, but not the obligation, to cause the transfer to, and procure the purchase by, any United States citizen or a qualified resident of the United States or the other contracting state of the Applicable Treaty (as determined for purposes of the relevant provision of the limitation on benefits article of the Applicable Treaty) of outstanding Common Shares beneficially owned by any Included Shareholder that are otherwise subject to repurchase hereunder, at fair market value, as determined in the good faith discretion of the Board. As used herein, the term "Exempt IXIS-CIB Shares" means the aggregate number of Common Shares acquired and then held by IXIS-Corporate & Investment Bank, an entity organized under the laws of the Republic of France ("IXIS-CIB"), pursuant to the Purchase Agreement (the "Purchase Agreement"), dated as of March 15, 2005, by and among IXIS-CIB, Lazard Group and the Company, as amended from time to time (including any Common Shares that may be acquired by IXIS-CIB under the equity security units sold to IXIS-CIB pursuant to the Purchase Agreement).

Section 32.05. Mandatory Acquisitions in Connection with Certain Changes of Control. In the event of a Change in Control on or prior to the first anniversary of the date of these Bye-Laws, the Class II Members shall have the right to participate in such Change in Control in respect of such Class II Members' Class II Interests on the same terms and for the same consideration as the Common Shares on an as-converted basis. For the purposes of this Section 32.05, a "Change in Control" means the consummation of a reorganization, merger, amalgamation, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (a "Business Combination"); excluding, however, such a Business Combination pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the then-outstanding Common Shares (the "Outstanding

Common Shares") immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Common Shares, (B) no person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Business Combination, and (C) individuals who, on the date hereof, constitute the Board (the "Incumbent Board") will constitute at least a majority of the members of the board of directors of the corporation resulting from such Business Combination; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

ARTICLE XXXIII

Alteration of Bye-Laws and Memorandum of Association

Section 33.01. Alteration of Bye-Laws. Subject to Section 3.01, these Bye-Laws may be revoked, altered or amended only by the approval of: (a) the Board; and (b) after approval by the Board and its recommendation of such transaction to the Shareholders, the Company by a resolution passed in general meeting by a majority of the combined voting power of all of the Shares entitled to vote thereon voting together as a single class; provided, that in order for an alteration or amendment of Sections 2.03, 2.04, 2.05 or 2.06, Section 14.06, Article 19, Article 21, Article 32 or this Article 33, the revocation, alteration or amendment will not be effective unless approved by the Company by a resolution passed in general meeting by at least 66-2/3% of the combined voting power of all of the Shares entitled to vote thereon voting together as a single class.

Section 33.02. Alteration of Memorandum of Association. The memorandum of association of the Company may be altered or amended only by the approval of: (a) the Board; and (b) after approval by the Board and its recommendation of such alteration or amendment to the Shareholders, the Company by a resolution passed in general meeting by a majority of the combined voting power of all of the Shares entitled to vote thereon voting together as a single class.

EXHIBIT 4.2

LAZARD GROUP FINANCE LLC

INDENTURE

Dated as of May 10, 2005

THE BANK OF NEW YORK,

Trustee

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CROSS-REFERENCE TABLE*

Trust Indenture Act Section		Indenture Section
310	(a)(1)	7.10
	(a)(2)	7.10
	(a)(3)	Not Applicable
	(a)(4)	Not Applicable
	(a)(5)	7.10
	(b)	7.10
	(c)	Not Applicable
311	(a)	7.11
	(b)	7.11
	(c)	Not Applicable
312	(a)	2.06
	(b)	10.03
	(c)	10.03
313	(a)	7.06
	(b)(1)	Not Applicable
	(b)(2)	7.06
	(c)	7.06
	(d)	7.06
314	(a)	4.02;4.03
	(b)	Not Applicable
	(c)(1)	10.04
	(c)(2)	10.04
	(c)(3)	Not Applicable
	(d)	Not Applicable
	(e)	10.05
	(f)	Not Applicable
315	(a)	7.01
	(b)	7.05
	(c)	7.01
	(d)	7.01
	(e)	6.11
316	(a) (last sentence)	2.10
	(a)(1)(A)	6.05
	(a)(1)(B)	6.04
	(a)(2)	Not Applicable
	(b)	6.07
	(c)	2.13
	317 (a)(1)	6.08
	(a)(2)	6.09
	(b)	2.05
	318 (a)	10.01
	(b)	Not Applicable
	(c)	10.01

* This Cross Reference Table is not part of the Indenture.

INDENTURE dated as of May 10, 2005 between LAZARD GROUP FINANCE LLC, a Delaware limited liability company, and the Bank of New York, a New York banking corporation, as trustee.

The Company and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the securities issued under this Indenture (the "Securities"):

ARTICLE ONE

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

For all purposes under this Indenture and any supplemental indenture hereto, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), when used with respect to any Person, shall mean the power to direct or cause the direction of the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by agreement or otherwise.

"Agent" means any Registrar, Paying Agent or co-registrar.

"Bankruptcy Law" means (i) Title 11, U.S. Code or any similar federal or state law for the relief of debtors or (ii) with respect to Lazard Ltd, any and all relevant provisions of the Companies Act 1981 of Bermuda, or any successor thereto, relating to the winding up of Lazard Ltd (including without limitation in the circumstances set out in Section 95 of the Companies Act 1981 of Bermuda).

"Board of Directors" means the Board of Directors of the Company, or any authorized committee of the Board of Directors.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been adopted by the Board of Directors or pursuant to authorization by the Board of Directors and to be in full force and effect on the date of the certificate and delivered to the Trustee.

"Business Day" means any day other than a Legal Holiday.

"Capital Stock" means, with respect to any Person, any shares or other equivalents (however designated) of any class of corporate stock or partnership interests or

any other participations, rights, warrants, options or other interests in the nature of an equity interest in such Person, including preferred stock, but excluding any debt security convertible or exchangeable into such equity interest.

"Clearstream" means Clearstream Banking, société anonyme.

"Commodity Price Protection Agreement" means, in respect of a Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in commodity prices.

"Company" means Lazard Group Finance LLC, and any and all successors thereto.

"Company Order" means a written order signed in the name of the Company by two Officers, one of whom must be the Company's principal executive officer, principal financial officer or principal accounting officer.

"Corporate Trust Office of the Trustee" shall be the address of the Trustee specified in Section 10.02 hereof or such other address as to which the Trustee may give notice to the Company.

"Currency Exchange Protection Agreement" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency option or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates.

"Debt" means, with respect to any Person (without duplication):

(a) the principal of and premium (if any) in respect of any obligation of such Person for money borrowed, and any obligation evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(b) all obligations of such Person as lessee under leases required to be capitalized on the balance sheet of the lessee under generally accepted accounting principles and leases of Property made as part of any sale and leaseback transaction entered into by such Person;

(c) all obligations of such Person issued or assumed as the deferred purchase price of Property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business);

(d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction;

(e) all obligations of the type referred to in clauses (a) through (d) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(f) all obligations of the type referred to in clauses (a) through (d) of other Persons secured by any Lien on any Property of such Person (whether or not such obligation is assumed by such Person); and

(g) to the extent not otherwise included in this definition, obligations pursuant to any Interest Rate Agreement, Currency Exchange Protection Agreement, Commodity Price Protection Agreement or any other similar agreement or arrangement of such Person.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Definitive Security" means a certificated Security registered in the name of the Holder thereof and issued in accordance with Section 2.08 hereof.

"Depositary" means, with respect to the Securities issuable or issued in whole or in part in global form, the Person specified in Section 2.15 hereof as the Depositary with respect to the Securities, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"Dollar" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debt.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Foreign Currency" means any currency or currency unit issued by a government other than the government of The United States of America.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time, including those principles set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) such other statements by such other entity as approved by a significant segment of the accounting profession and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and

similar written statements from the accounting staff of the SEC which are in effect on the date hereof.

"Global Security" when used with respect to any Series of Securities issued hereunder, means a Security which is executed by the Company and authenticated and delivered by the Trustee to the Depositary or pursuant to the Depositary's instruction, all in accordance with this Indenture and an indenture supplemental hereto, if any, or Board Resolution and pursuant to a Company Order, which shall be registered in the name of the Depositary or its nominee and which shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all the outstanding Securities of such Series or any portion thereof, in either case having the same terms, including, without limitation, the same original issue date, date or dates on which principal is due, and interest rate or method of determining interest and which shall bear the legend as prescribed by Section 2.15(c).

"Global Security Legend" means the legend set forth in Section 2.15(c), which is required to be placed on all Global Securities issued under this Indenture.

"Guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof), of all or any part of any Debt. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Holder" means a Person in whose name a Security is registered on the Registrar's books.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Interest Payment Date" when used with respect to any Series of Securities, means the date specified in such Securities for the payment of any installment of interest on those Securities.

"Interest Rate Agreement" means, for any Person, any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement designed to protect against fluctuations in interest rates.

"Lazard Group" means Lazard LLC, a Delaware limited liability company that will be renamed "Lazard Group LLC."

"Lazard Group Merger" means the merger or consolidation of the Company with and into Lazard Group, with Lazard Group continuing as the surviving entity, or a liquidation or dissolution pursuant to which all of the assets of the Company are transferred to Lazard Group.

"Lazard Group Notes" means the 6.120% senior notes issued pursuant to indenture dated as of May 10, 2005, between Lazard Group and The Bank of New York, as trustee, as supplemented by the Second Supplemental Indenture.

"Lazard Ltd" means Lazard Ltd, an exempted Bermuda limited company.

"Lien" means, with respect to any Property of any Person, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such Property (including any capital lease obligation, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing or any sale and leaseback transaction).

"Maturity," when used with respect to any Security or installment of principal thereof, means the date on which the principal of such Security or such installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption, notice of option to elect repayment or otherwise.

"Offering" means the offering of the Securities by the Company.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller or the Secretary of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer or the principal accounting officer of the Company, that meets the requirements of Section 10.04 hereof.

"Opinion of Counsel" means an opinion from legal counsel, that meets the requirements of Section 10.04 hereof. The counsel may be an employee of or counsel to the Company, any Subsidiary of the Company or the Trustee.

"Original Issue Discount Security" means any Security that provides for an amount less than the stated principal amount thereof to be due and payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.02.

"Participant" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Clearstream).

"Paying Agent" shall have the meaning set forth in Section 2.05.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock in, and other securities of, any other Person.

"Registrar" shall have the meaning set forth in Section 2.05.

"Responsible Officer" with respect to the Trustee, means any Vice President, Assistant Vice President, Assistant Treasurer or any other officer of the Trustee assigned by the Trustee to administer its corporate trust matters and who customarily performs functions similar to those performed by such Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for administration of this Indenture.

"SEC" means the Securities and Exchange Commission.

"Second Supplemental Indenture" means the Second Supplemental Indenture, dated as of May 10, 2005, to the Indenture between Lazard Group Finance LLC and the Trustee.

"Securities" has the meaning assigned to it in the preamble to this Indenture.

"Securities Act" means the Securities Act of 1933, as amended.

"Series" or "Series of Securities" means each series of debentures, notes or other debt instruments of the Company created pursuant to Sections 2.01 and 2.02 hereof.

"Service Agent" shall have the meaning set forth in Section 2.05.

"Significant Subsidiary" means any Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"Stated Maturity," when used with respect to any Security, means the date specified in such Security as the fixed date on which an amount equal to the principal amount of such Security is due and payable.

"Subsidiary" of any Person means any corporation, limited liability company, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled,

directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) and the rules and regulations thereunder as in effect on the date on which this Indenture is qualified under the TIA, except as provided in Section 9.03.

"Trustee" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"U.S. Person" means a U.S. person as defined in Rule 902(k) under the Securities Act.

"Voting Stock" of any Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Covenant Defeasance"	8.03
"Event of Default"	6.01
"Legal Defeasance"	8.02
"Legal Holiday"	10.08

SECTION 1.03. Incorporation by Reference of Trust Indenture Act. This Indenture is subject to the mandatory provisions of the TIA, which are incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Securities;

"indenture security Holder" means a Holder of a Security;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Securities means the Company and any successor obligor upon the Securities.

All other terms used in this Indenture that are defined by the TIA, defined by the TIA's reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) provisions apply to successive events and transactions; and

(6) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time.

ARTICLE TWO

THE SECURITIES

SECTION 2.01. Issuable in Series. The aggregate principal amount of Securities that may be authenticated and delivered under this Indenture is $437,500,000. The Securities may be issued in one or more Series. All Securities of a Series shall be identical except as may be set forth in a Board Resolution, a supplemental indenture or an Officers' Certificate detailing the adoption of the terms thereof pursuant to the authority granted under a Board Resolution. In the case of Securities of a Series to be issued from time to time, the Board Resolution, supplemental indenture or Officers' Certificate may provide for the method by which specified terms (such as interest rate, maturity date, record date or date from which interest shall accrue) are to be determined. Securities may differ between Series in respect of any matters.

SECTION 2.02. Establishment of Terms of Series of Securities. At or prior to the issuance of any Securities within a Series, the following shall be established (as to the Series generally, in the case of Subsection 2.02(a) and either as to such Securities within the Series or as to the Series generally in the case of Subsections 2.02(b) through 2.02(w)) by a Board Resolution, a supplemental indenture or an Officers' Certificate pursuant to authority granted under a Board Resolution:

(a) the title of the Securities of the Series (which shall distinguish the Securities of that particular Series from the Securities of any other Series);

(b) any limit upon the aggregate principal amount of the Securities of the Series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the Series);

(c) the date or dates on which the principal and premium of the Securities of the Series are payable;

(d) the rate or rates (which may be fixed or variable) at which the Securities of the Series shall bear interest, if any, or the method of determining such rate or rates, the date or dates from which such interest, if any, shall accrue, the Interest Payment Dates on which such interest, if any, shall be payable or the method by which such dates will be determined, the record dates for the determination of Holders thereof to whom such interest is payable (in the case of Securities in registered form), and the basis upon which such interest will be calculated if other than that of a 360-day year of twelve 30-day months;

(e) the currency or currencies, including composite currencies in which Securities of the Series shall be denominated, if other than Dollars, the place or places, if any, in addition to or instead of the Corporate Trust Office of the Trustee (in the case of Securities in registered form) or the principal New York office of the Trustee (in the case of Securities in bearer form), where the principal, premium and interest with respect to Securities of such Series shall be payable or the method of such payment, if by wire transfer, mail or other means;

(f) the price or prices at which, the period or periods within which, and the terms and conditions upon which, Securities of the Series may be redeemed, in whole or in part at the option of the Company or otherwise;

(g) the form of the Securities of the Series and whether Securities of the Series are to be issued in registered form or bearer form or both and, if Securities are to be issued in bearer form, whether coupons will be attached to them, whether Securities of the Series in bearer form may be exchanged for Securities of the Series issued in registered form, and the circumstances under which and the places at which any such exchanges, if permitted, may be made;

(h) if any Securities of the Series are to be issued in bearer form or as one or more Global Securities representing individual Securities of the Series in bearer form, whether certain provisions for the payment of additional interest or tax redemptions shall apply; whether interest with respect to any portion of a temporary Security of the Series in bearer form payable with respect to any Interest Payment Date prior to the exchange of such temporary Security in bearer form for definitive Securities of the Series in bearer form shall be paid to any clearing organization with respect to the portion of such temporary Security in bearer form held for its account and, in such event, the terms and conditions (including any certification requirements) upon which any such interest payment received

by a clearing organization will be credited to the Persons entitled to interest payable on such Interest Payment Date; and the terms upon which a temporary Security in bearer form may be exchanged for one or more definitive Securities of the Series in bearer form;

(i) the obligation, if any, of the Company to redeem, purchase or repay the Securities of the Series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof and the price or prices at which, the period or periods within which, and the terms and conditions upon which, Securities of the Series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;

(j) the terms, if any, upon which the Securities of the Series may be convertible into or exchanged for any of the Company's common stock, preferred stock, other debt securities or warrants for common stock, preferred stock or other securities of any kind and the terms and conditions upon which such conversion or exchange shall be effected, including the initial conversion or exchange price or rate, the conversion or exchange period and any other additional provisions;

(k) if other than denominations of $1,000 and any integral multiple thereof, the denominations in which the Securities of the Series shall be issuable;

(l) if the amount of principal, premium or interest with respect to the Securities of the Series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts will be determined;

(m) if the principal amount payable at the Stated Maturity of Securities of the Series will not be determinable as of any one or more dates prior to such Stated Maturity, the amount that will be deemed to be such principal amount as of any such date for any purpose, including the principal amount thereof which will be due and payable upon any Maturity other than the Stated Maturity and which will be deemed to be outstanding as of any such date (or, in any such case, the manner in which such deemed principal amount is to be determined), and if necessary, the manner of determining the equivalent thereof in Dollars;

(n) the applicability of or any changes or additions to the defeasance and discharge provisions of Article Eight;

(o) if other than the principal amount thereof, the portion of the principal amount of the Securities of the Series that shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.02;

(p) the terms, if any, of the transfer, mortgage, pledge or assignment as security for the Securities of the Series of any properties, assets, moneys, proceeds, securities or other collateral, including whether certain provisions of the TIA are applicable and any corresponding changes to provisions of this Indenture as then in effect;

(q) any addition to or change in the Events of Default which applies to any Securities of the Series and any change in the right of the Trustee or the requisite Holders

of such Series of Securities to declare the principal amount of, premium, if any, and interest on such Series of Securities due and payable pursuant to Section 6.02;

(r) if the Securities of the Series shall be issued in whole or in part in the form of a Global Security, the terms and conditions, if any, upon which such Global Security may be exchanged in whole or in part for other individual Definitive Securities of such Series, the Depositary for such Global Security and the form of any legend or legends to be borne by any such Global Security in addition to or in lieu of the Global Securities Legend;

(s) any Trustee, authenticating agent, Paying Agent, transfer agent, Service Agent or Registrar;

(t) the applicability of, and any addition to or change in, the covenants (and the related definitions) set forth in Articles Four or Five which applies to Securities of the Series;

(u) with regard to Securities of the Series that do not bear interest, the dates for certain required reports to the Trustee;

(v) the terms applicable to Original Issue Discount Securities, including the rate or rates at which original issue discount will accrue;

(w) any other terms of Securities of the Series (which terms shall not be prohibited by the provisions of this Indenture).

All Securities of any one Series need not be issued at the same time and may be issued from time to time, consistent with the terms of this Indenture, if so provided by or pursuant to the Board Resolution, supplemental indenture or Officers' Certificate referred to above, and the authorized principal amount of any Series may not be increased to provide for issuances of additional Securities of such Series, unless otherwise provided in such Board Resolution, supplemental indenture or Officers' Certificate.

SECTION 2.03. Denominations; Provisions for Payment. The Securities shall be issuable, except as otherwise provided with respect to any series of Securities pursuant to Section 2.02, as registered Securities in the denominations of one thousand Dollars ($1,000) or any integral multiple thereof, subject to Sections 2.02(e) and 2.02(k). The Securities of any Series shall bear interest payable on the dates and at the rate specified with respect to that Series. Unless otherwise provided as contemplated by Section 2.02 with respect to Securities of any Series, the principal of and the interest on the Securities of any Series, as well as any premium thereon in case of redemption thereof prior to maturity, shall be payable in Dollars. Such payment shall be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City and State of New York. Each Security shall be dated the date of its authentication. Unless otherwise provided as contemplated by Section 2.02, interest on the Securities shall be computed on the basis of a 360-day year composed of twelve 30-day months.

The interest installment on any Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date for Securities of that Series shall be paid to the Person in whose name said Security (or one or more predecessor Securities) is registered at the close of business on the regular record date for such interest installment.

Unless otherwise set forth in a Board Resolution, a supplemental indenture or an Officers' Certificate establishing the terms of any series of Securities pursuant to Section 2.02 hereof, the term "regular record date" as used in this Section with respect to Securities of any Series with respect to any Interest Payment Date for such Series shall mean (i) either the fifteenth day of the month immediately preceding the month in which an Interest Payment Date established for such series pursuant to Section 2.02 hereof shall occur, if such Interest Payment Date is the first day of a month or (ii) the first day of the month in which an Interest Payment Date established for such series pursuant to Section 2.02 hereof shall occur, if such Interest Payment Date is the fifteenth day of a month, whether or not such date is a Business Day.

Subject to the foregoing provisions of this Section, each Security of a Series delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Security of such Series shall carry the rights to interest accrued and unpaid, and to accrue, that were carried by such other Security.

SECTION 2.04. Execution and Authentication. One or more Officers shall sign the Securities for the Company by manual or facsimile signature. If an Officer whose signature is on a Security no longer holds that office at the time the Security is authenticated, the Security shall nevertheless be valid. A Security shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture. The Securities may contain such notations, legends or endorsements required by law, stock exchange rule or usage.

The Trustee shall at any time, and from time to time, authenticate Securities for original issue in the principal amount provided in the Board Resolution, supplemental indenture hereto or Officers' Certificate, upon receipt by the Trustee of a Company Order. Such Company Order may authorize authentication and delivery pursuant to oral or electronic instructions from the Company or its duly authorized agent or agents, which oral instructions shall be promptly confirmed in writing. Each Security shall be dated the date of its authentication unless otherwise provided by a Board Resolution, a supplemental indenture hereto or an Officers' Certificate.

The aggregate principal amount of Securities of any Series outstanding at any time may not exceed any limit upon the maximum principal amount for such Series set forth in the Board Resolution, supplemental indenture hereto or Officers' Certificate delivered pursuant to Section 2.02, except as provided in Section 2.09.

Prior to the issuance of Securities of any Series, the Trustee shall have received and (subject to Section 7.02) shall be fully protected in relying on: (a) the Board Resolution, supplemental indenture hereto or Officers' Certificate establishing the form of

the Securities of that Series or of Securities within that Series and the terms of the Securities of that Series or of Securities within that Series, (b) an Officers' Certificate complying with Section 10.04, and (c) an Opinion of Counsel complying with Section 10.04.

The Trustee shall have the right to decline to authenticate and deliver any Securities of such Series: (a) if the Trustee, being advised by counsel, determines that such action may not lawfully be taken; or (b) if the Trustee in good faith by its board of directors or trustees, executive committee or a trust committee of directors and/or vice-presidents shall determine that such action would expose the Trustee to personal liability to Holders of any then outstanding Series of Securities.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Securities. An authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Company or an Affiliate of the Company.

SECTION 2.05. Registrar and Paying Agent. So long as Securities of any Series remaining outstanding, the Company agrees to maintain an office or agency in the Borough of Manhattan, the City and State of New York (or any other place or places specified with respect to such Series pursuant to Section 2.02), where Securities of such Series may be presented or surrendered for payment ("Paying Agent"), where Securities of such Series may be presented for registration of transfer or exchange ("Registrar") and where notices and demands to or upon the Company in respect of the Securities of such Series and this Indenture may be served ("Service Agent"). The Registrar shall keep a register with respect to each Series of Securities and to their transfer and exchange. The Company will give prompt written notice to the Trustee of the name and address, and any change in the name or address, of each office or agency, Registrar, Paying Agent or Service Agent. If at any time the Company shall fail to maintain any such required office or agency, Registrar, Paying Agent or Service Agent or shall fail to furnish the Trustee with the name and address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more co-registrars, additional paying agents or additional service agents and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligations to maintain a Registrar, Paying Agent and Service Agent in each place so specified pursuant to Section 2.02 for Securities of any Series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the name or address of any such co-registrar, additional paying agent or additional service agent. The term "Registrar" includes any co-registrar; the term "Paying Agent" includes any additional paying agent; and the term "Service Agent" includes any additional service agent.

The Company hereby appoints the Trustee as the initial Registrar, Paying Agent and Service Agent for each Series unless another Registrar, Paying Agent or Service Agent, as the case may be, is appointed prior to the time Securities of that Series are first issued.

SECTION 2.06. Paying Agent to Hold Money in Trust. The Company shall require each Paying Agent, other than the Trustee, to agree in writing that the Paying Agent will hold in trust, for the benefit of Holders of any Series of Securities, or the Trustee, all money held by the Paying Agent for the payment of principal of or interest on the Series of Securities, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. Notwithstanding anything in this Section to the contrary, (i) the agreement to hold sums in trust as provided in this Section is subject to the provisions of Section 8.06, and (ii) the Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or direct any paying agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same terms and conditions as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent (if other than the Company or a Subsidiary) shall be released from all further liability with respect to the money. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of Holders of any Series of Securities all money held by it as Paying Agent.

SECTION 2.07. Holder Lists. (a) The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders of each Series of Securities and shall otherwise comply with TIA § 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least ten days before each Interest Payment Date and at such other times as the Trustee may request in writing a list, in such form and as of such date as the Trustee may reasonably require, of the names and addresses of Holders of each Series of Securities.

(b) The Trustee may destroy any list furnished to it as provided in Section 2.07(a) upon receipt of a new list so furnished.

SECTION 2.08. Transfer and Exchange. When Securities of a Series are presented to the Registrar or a co-registrar with a request to register a transfer or to exchange them for an equal principal amount of Securities of the same Series, the Registrar shall register the transfer or make the exchange if its requirements for such transactions are met. To permit registrations of transfers and exchanges, the Trustee shall authenticate Securities at the Registrar’s request. No service charge shall be made for any registration of transfer or exchange (except as otherwise expressly permitted herein), but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer tax or similar governmental charge payable upon exchanges pursuant to Sections 2.12, 3.06 or 9.05).

Neither the Company nor the Registrar shall be required (a) to issue, register the transfer of, or exchange Securities of any Series during the period beginning at the opening of business fifteen days immediately preceding the mailing of a notice of redemption of Securities of that Series selected for redemption and ending at the close of business on the day of such mailing, or (b) to register the transfer or exchange of Securities of any Series selected, called or being called for redemption as a whole or the portion being redeemed of any such Securities selected, called or being called for redemption in part.

All Securities presented or surrendered for exchange or registration of transfer, as provided in this Section, shall be accompanied (if so required by the Company or the Registrar) by a written instrument or instruments of transfer, in form satisfactory to the Company or the Registrar, duly executed by the Holder or by such Holder's duly authorized attorney in writing.

The provisions of this Section 2.08 are, with respect to any Global Security, subject to Section 2.15 hereof.

SECTION 2.09. Mutilated, Destroyed, Lost and Stolen Securities. If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same Series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and make available for delivery, in lieu of any such destroyed, lost or stolen Security, a new Security of the same Series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security (without surrender thereof except in the case of a mutilated Security) if the applicant for such payment shall furnish to the Company and the Trustee such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, and, in case of destruction, loss or theft, evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any Series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual

obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that Series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary, with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities, negotiable instruments or other securities.

SECTION 2.10. Outstanding Securities. The Securities outstanding at any time are all the Securities authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest on a Global Security effected by the Trustee in accordance with the provisions hereof and those described in this Section as not outstanding.

If a Security is replaced pursuant to Section 2.09, it ceases to be outstanding until the Trustee receives proof satisfactory to it that the replaced Security is held by a bona fide purchaser.

If the Paying Agent (other than the Company, a Subsidiary of the Company or an Affiliate of any thereof) holds on the Maturity of Securities of a Series money sufficient to pay such Securities payable on that date, then on and after that date such Securities of the Series cease to be outstanding and interest on them ceases to accrue.

A Security does not cease to be outstanding because the Company or an Affiliate holds the Security.

In determining whether the Holders of the requisite principal amount of outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security that shall be deemed to be outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 6.02.

SECTION 2.11. Treasury Securities. In determining whether the Holders of the required principal amount of Securities of a Series have concurred in any request, demand, authorization, direction, notice, consent or waiver, Securities of a Series owned by the Company or an Affiliate of the Company shall be disregarded and deemed not to be outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such request, demand, authorization, direction, notice, consent or waiver only Securities of a Series that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded. Subject to the foregoing, only Securities outstanding at the time shall be considered in any such determination.

SECTION 2.12. Temporary Securities. Until Definitive Securities are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Securities upon a Company Order. Temporary Securities shall be substantially in the form

of Definitive Securities but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and the Trustee upon request shall authenticate Definitive Securities of the same Series and date of maturity in exchange for temporary Securities. Until so exchanged, temporary Securities shall have the same rights under this Indenture as the Definitive Securities.

SECTION 2.13. Cancellation. The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange or payment. The Trustee shall cancel all Securities surrendered for transfer, exchange, payment, replacement or cancellation and shall dispose of such canceled Securities according to its normal operating procedures (subject to the record retention requirement of the Exchange Act) and deliver a certificate of such disposition to the Company. The Company may not issue new Securities to replace Securities that it has paid or delivered to the Trustee for cancellation.

SECTION 2.14. Defaulted Interest. If the Company defaults in a payment of interest on a Series of Securities, it shall pay the defaulted interest, plus, to the extent permitted by law, any interest payable on the defaulted interest, to the persons who are Holders of the Series on a subsequent special record date. The Company shall fix the record date and payment date. At least 30 days before the record date, the Company shall mail to the Trustee and to each Holder of the Series a notice that states the record date, the payment date and the amount of interest to be paid. The Company may pay defaulted interest in any other lawful manner.

SECTION 2.15. Global Securities.

(a) Terms of Securities. A Board Resolution, a supplemental indenture hereto or an Officers' Certificate shall establish whether the Securities of a Series shall be issued in whole or in part in the form of one or more Global Securities and the Depositary for such Global Security or Securities.

(b) Transfer and Exchange. Notwithstanding any provisions to the contrary contained in Section 2.08 of the Indenture and in addition thereto, any Global Security shall be exchangeable pursuant to Section 2.08 of the Indenture for Securities registered in the names of Holders other than the Depositary for such Security or its nominee only if (i) such Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security or if at any time such Depositary ceases to be a clearing agency registered under the Exchange Act, and, in either case, the Company fails to appoint a successor Depositary within 90 days of such event, (ii) the Company executes and delivers to the Trustee an Officers' Certificate to the effect that such Global Security shall be so exchangeable or (iii) an Event of Default with respect to the Securities represented by such Global Security shall have occurred and be continuing. Any Global Security that is exchangeable pursuant to the preceding sentence shall be exchangeable for Securities registered in such names as the Depositary shall direct in writing in an aggregate principal amount equal to the principal amount of the Global Security with like tenor and terms.

Except as provided in this Section 2.15(b), a Global Security may only be transferred in whole but not in part (i) by the Depositary with respect to such Global Security to a nominee of such Depositary, (ii) by a nominee of such Depositary to such Depositary or another nominee of such Depositary or (iii) by the Depositary or any such nominee to a successor Depositary or a nominee of such a successor Depositary.

(c) Legend. Any Global Security issued hereunder shall bear a legend in substantially the following form:

"THIS SECURITY IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS SECURITY) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (A) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.04 OF THE INDENTURE, (B) THIS SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.15(B) OF THE INDENTURE, (C) THIS SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.13 OF THE INDENTURE AND (D) EXCEPT AS OTHERWISE PROVIDED IN SECTION 2.15(B) OF THE INDENTURE, THIS SECURITY MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY (X) BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, (Y) BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR (Z) BY THE DEPOSITARY OR ANY NOMINEE TO A SUCCESSOR DEPOSITARY OR TO A NOMINEE OF SUCH SUCCESSOR DEPOSITARY."

(d) Payments. Notwithstanding the other provisions of this Indenture, unless otherwise specified as contemplated by Section 2.02, payment of the principal of and interest, if any, on any Global Security shall be made to the Holder thereof.

(e) Consents, Declaration and Directions. Except as provided in Section 2.15(d), the Company, the Trustee and any Agent shall treat a person as the Holder of such principal amount of outstanding Securities of such Series represented by a Global Security as shall be specified in a written statement of the Depositary with respect to such Global Security, for purposes of obtaining any consents, declarations, waivers or directions required to be given by the Holders pursuant to this Indenture.

SECTION 2.16. CUSIP Numbers. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that neither the Company nor the Trustee shall have any responsibility for any defect in the "CUSIP" number that appears on any Security, check, advice of payment or redemption notice, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other elements of identification printed on the Securities, and any such redemption shall not be affected by any defect in or

omission of such numbers. The Company shall promptly notify the Trustee in writing of any change in CUSIP numbers.

SECTION 2.17. Benefits of Indenture. Nothing in this Indenture or in the Securities, express or implied, shall give or be construed to give to any Person, other than the parties hereto and the holders of the Securities, any legal or equitable right, remedy or claim under or in respect of this Indenture, or under any covenant, condition or provision herein contained; all such covenants, conditions and provisions being for the sole benefit of the parties hereto and of the holders of the Securities.

ARTICLE THREE

REDEMPTION AND PREPAYMENT

SECTION 3.01. Notices to Trustee. The Company may, with respect to any Series of Securities, reserve the right to redeem and pay the Series of Securities or may covenant to redeem and pay the Series of Securities or any part thereof prior to the Stated Maturity thereof at such time and on such terms as provided for in such Series of Securities. If a Series of Securities is redeemable and the Company wants or is obligated to redeem prior to the Stated Maturity thereof all or part of the Series of Securities pursuant to the terms of such Securities, it shall notify the Trustee of the redemption date and the principal amount of Securities of the Series to be redeemed and the redemption price. The Company shall give such notice to the Trustee at least 30 but no more that 60 days before the redemption date (or such shorter notice as may be acceptable to the Trustee).

SECTION 3.02. Selection of Securities to be Redeemed. Unless otherwise indicated for a particular Series of Securities by a Board Resolution, a supplemental indenture or an Officers' Certificate, if less than all of the Securities are to be redeemed or purchased in an offer to purchase at any time, the Trustee shall select the Securities to be redeemed or purchased as follows:

(1) if the Securities are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange, if any, on which the Securities are listed; or

(2) if the Securities are not listed on any national securities exchange, on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate.

Unless otherwise indicated for a particular Series of Securities by a Board Resolution, a supplemental indenture or an Officers' Certificate, no Securities of $1,000 of principal amount or less will be redeemed in part. Except as provided in the preceding sentence, provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall make the selection at least 30 days but not more than 60 days before the redemption date from outstanding Securities of a Series not previously called for redemption.

If any Security is to be redeemed in part only, the notice of redemption that relates to such Security shall state the portion of the principal amount of that Security to be redeemed. A new Security in principal amount equal to the unredeemed portion of the original Security presented for redemption will be issued in the name of the Holder thereof upon cancellation of the original Security. Securities called for redemption become irrevocably due on the date fixed for redemption at the applicable redemption price, plus accrued and unpaid interest to the redemption date. On and after the redemption date, unless the Company defaults in making the applicable redemption payment, interest ceases to accrue or accrete on Securities or portions of them called for redemption.

SECTION 3.03. Notice of Redemption. Unless otherwise provided for a particular Series of Securities by a Board Resolution, a supplemental indenture or an Officers' Certificate, at least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Securities are to be redeemed at its registered address.

The notice shall identify the Securities to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price or the appropriate calculation of the redemption price, which in each case will include interest accrued and unpaid to the date fixed for redemption;

(3) if any Security is being redeemed in part, the portion of the principal amount of such Security to be redeemed and that, after the redemption date upon surrender of such Security, a new Security or Securities in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Security;

(4) the name and address of the Paying Agent;

(5) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest on Securities (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Securities and/or provision of this Indenture or any supplemental indenture pursuant to which the Securities called for redemption are being redeemed; and

(8) the CUSIP number, if any, printed on the Securities being redeemed;

(9) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Securities.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; provided, however, that the Company shall have delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as required by this Section.

SECTION 3.04. Effect of Notice of Redemption. Once notice of redemption is mailed in accordance with Section 3.03 hereof, Securities called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.05. Deposit of Redemption Price. Prior to 10:00 a.m. (New York City time) on the redemption date, the Company shall deposit with the Trustee or with the Paying Agent (or, if the Company or a Subsidiary of the Company is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of, and accrued interest on, all Securities to be redeemed on that date, other than Securities or portions of Securities called for redemption that have been delivered by the Company to the Trustee for cancellation. The Trustee or the Paying Agent shall as promptly as practicable return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Securities to be redeemed. If such money is then held by the Company in trust and is not required for such purpose it shall be discharged from such trust.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Securities or the portions of Securities called for redemption. If a Security is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Security was registered at the close of business on such record date. If any Security called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and, to the extent lawful, on any interest not paid on such unpaid principal, in each case at the rate provided in the Securities.

SECTION 3.06. Securities Redeemed in Part. Upon surrender of a Security that is redeemed in part, the Company shall execute and, upon the Company's written request, the Trustee shall authenticate for the Holder (at the Company's expense) a new Security equal in principal amount to the unredeemed portion of the Security surrendered.

ARTICLE FOUR

COVENANTS

SECTION 4.01. Payment of Securities. The Company covenants and agrees for the benefit of the Holders of each Series of Securities that it will duly and punctually make all payments in respect of each Series of Securities on the dates and in the manner provided in such Series of Securities and this Indenture. Such payments shall be considered made on the date due if on such date the Trustee or the Paying Agent holds, in accordance with this Indenture, money sufficient to make all payments with respect to such Securities then due.

SECTION 4.02. SEC Reports. Unless otherwise indicated in a Board Resolution, a supplemental indenture hereto or an Officers' Certificate, notwithstanding that the Company may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as any Securities are outstanding, the Company shall furnish to the Holders copies of its annual report and the information, documents and other reports that are specified in Sections 13 and 15(d) of the Exchange Act. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of the covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates). The Company also shall comply with the other provisions of TIA § 314(a).

If at any time Lazard Ltd guarantees all the Securities of each Series outstanding (there being no obligation of Lazard Ltd to do so), holds no material assets other than cash, cash equivalents and the Capital Stock of the Company or of any direct or indirect parent entity of the Company and complies with Rule 3-10 of Regulation S-X promulgated by the SEC (or any successor provision), the reports, information and other documents required to be filed and furnished to the Holders of Securities pursuant to this provision may, at the option of the Company, be filed by and be those of Lazard Ltd rather than the Company.

In addition, whether or not required by the rules and regulations of the SEC, the Company shall file a copy of all such information and reports with the SEC for public availability within the time periods specified in the SEC's rules and regulations (unless the SEC will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. The Company shall at all times comply with TIA § 314(a).

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 4.03. Compliance Certificate. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company an Officers' Certificate stating that in the course of the performance by the signers of their duties as Officers of the Company they would normally have knowledge of any Default and whether or not the signers know of any Default that occurred during such period. If they do, the certificate shall describe the Default, its status and what action the Company is taking or propose to take with respect thereto. The Company also shall comply with TIA § 314(a)(4).

SECTION 4.04. Further Instruments and Acts. The Company shall execute and deliver to the Trustee such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.05. Corporate Existence. Subject to Article Five hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its limited liability company existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Securities.

SECTION 4.06. Calculation of Original Issue Discount. The Company shall file with the Trustee promptly at the end of each calendar year (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on outstanding Securities as of the end of such year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

SECTION 4.07. Limitations on Liens. The Company shall not, directly or indirectly, incur or suffer to exist, any Lien upon any of the voting stock or other voting equity or managing member interests of Lazard Group or any subsidiary of the Company that holds any such stock or equity interest of Lazard Group. The Company shall not permit Lazard Group, and shall not permit any Subsidiary of Lazard Group to, incur or suffer to exist, any Lien securing Debt upon any Capital Stock of the Company that is owned, directly or indirectly, by Lazard Group or any Subsidiary of Lazard Group.

SECTION 4.08. Limitation on Incurrence of Indebtedness. The Company shall not create, assume, incur, guarantee or otherwise suffer to exist any Debt of the

Company other than Debt outstanding under this Indenture for so long as any such Debt under this Indenture is outstanding.

SECTION 4.09. Limitation on Activities. The Company shall not engage in any business or activity or incur any obligation other than as may be necessary from time to time in connection with its status as the issuer of the Securities and as the managing member of Lazard Group.

ARTICLE FIVE

SUCCESSOR COMPANIES

SECTION 5.01. Merger, Consolidation or Sale of Assets.

(a) The Company. Unless otherwise provided for a particular Series of Securities by a Board Resolution, a supplemental indenture or an Officers' Certificate, the Company shall not merge, consolidate or amalgamate with or into any other Person or liquidate or dissolve (by way of distribution, dividend or otherwise), provided that Lazard Group Finance may merge with and into Lazard Group pursuant to a Lazard Group Merger. The Company shall not permit any of its Voting Stock (or, following a Lazard Group merger, Lazard Group shall not permit any of the Voting Stock of Lazard Group) to be beneficially owned, directly or indirectly, by any Person other than Lazard Ltd or its wholly owned Subsidiaries. Prior to a Lazard Group Merger, the Company shall not permit any of its Capital Stock (other than its Voting Stock) to be beneficially owned, directly or indirectly, by any Person other than Lazard Group or its wholly owned Subsidiaries.

(b) Lazard Group Merger. The Company shall be permitted to effect a Lazard Group Merger, provided that the following conditions are satisfied:

(A) Lazard Group expressly assumes, by supplemental indenture in form satisfactory to the Trustee, executed and delivered to the Trustee by Lazard Group, the due and punctual payment of the principal of, and premium, if any, and interest on, all the Securities of all Series outstanding, according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed by the Company;

(B) simultaneously with the Lazard Group Merger, the Lazard Group Notes pledged to secure the Securities secured thereby are exchanged for such Securities (i.e., the Lazard Group Notes will take the place of such Securities, including for purposes of acting as collateral for the obligations of the Holder under the related purchase contract, as applicable);

(C) immediately before and after giving effect to such transaction or series of transactions, no Default or Event of Default shall have occurred and be continuing;

(D) the Company shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto comply with this Section and that all conditions precedent herein provided for relating to such transaction have been satisfied; and

(E) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such transaction or series of transactions and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction or series of transactions had not occurred.

(c) Lazard Group. The Company shall beneficially own, directly or indirectly, all of the Voting Stock of Lazard Group (or the applicable Surviving Person, as defined below), provided that, following a Lazard Group Merger, Lazard Group, as the successor to the Company, shall not permit any Person (other than Lazard Ltd and its wholly owned subsidiaries) to beneficially own any of its Voting Stock. Subject to the foregoing sentence, Lazard Group (i) shall be permitted to merge, consolidate or amalgamate with or into any other Person and (ii) shall be permitted to sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all of its property to any other Person or to buy substantially all of the assets of any other Person in one transaction or a series of transactions, provided the following conditions are satisfied:

(A) Lazard Group shall be the surviving Person (the "Surviving Person") or the Surviving Person (if other than Lazard Group) formed by such merger, consolidation or amalgamation or to which such sale, transfer, assignment, lease, conveyance or disposition is made shall be organized under the laws of the United States of America, any State thereof or the District of Columbia;

(B) in the case of a sale, transfer, assignment, lease, conveyance or other disposition of all or substantially all of the Property of Lazard Group, such Property shall have been transferred as an entirety or virtually as an entirety to one Person;

(C) immediately before and after giving effect to such transaction or series of transactions, no Default or Event of Default shall have occurred and be continuing;

(D) the Company shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto comply with this Section and that all conditions precedent herein provided for relating to such transaction have been satisfied; and

(E) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for U.S.

Federal income tax purposes as a result of such transaction or series of transactions and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction or series of transactions had not occurred.

SECTION 5.02. Surviving Person Substituted. (a) In case of any such consolidation, amalgamation, merger, sale, conveyance, assignment, transfer, lease or other disposition and upon the assumption by the successor entity, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of, premium, if any, and interest on all of the Securities of all series outstanding and the due and punctual performance of all of the covenants and conditions of this Indenture or established with respect to each series of the Securities pursuant to Section 2.02 to be performed by the Company with respect to each series, such successor entity shall succeed to and be substituted for and may exercise every right and power of the Company under this Indenture with the same effect as if it had been named as the Company herein, and thereupon the predecessor entity shall be relieved of all obligations and covenants under this Indenture and the Securities.

(b) In case of any such consolidation, amalgamation, merger, sale, conveyance, assignment, transfer, lease or other disposition such changes in phraseology and form (but not in substance) may be made in the Securities thereafter to be issued as may be appropriate.

(c) Nothing contained in this Indenture or in any of the Securities shall prevent the Company from merging with or into another person for the sole purpose of effecting a change of jurisdiction of organization, provided that the successor person is organized under the laws of a State or the District of Columbia or under federal law and takes the action specified in Section 5.01(b)(A) (with such successor person being substituted for Lazard Group for purposes of such clause).

ARTICLE SIX

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. Unless otherwise indicated for a particular Series of Securities by a Board Resolution, a supplemental indenture hereto, or an Officers' Certificate, each of the following constitutes an "Event of Default" with respect to each Series of Securities:

(1) default in the payment of the principal or redemption price with respect to any Security of such Series when such amount becomes due and payable;

(2) default for 30 days in the payment of interest (including additional interest, if any,) when due on the Securities of such Series;

(3) the pledge of the Lazard Group Notes (or the proceeds thereof) ceases to be in full force and effect, other than as a result of the issuance thereof to the Holders following a Lazard Group Merger;

(4) the Company fails to comply with any of its covenants or agreements in the Securities of such Series or this Indenture (other than a failure that is subject to the foregoing clauses (1), (2) or (3)) and such failure continues for 30 days after the notice specified below;

(5) the Company or Lazard Group or any of their respective Subsidiaries defaults under any instrument or instruments under which there is or may be secured or evidenced any of the Company's or Lazard Group's indebtedness for money borrowed (other than the Securities and the Lazard Group Notes) having an outstanding principal amount of $25,000,000 (or its equivalent in any other currency or currencies) or more, individually or in the aggregate, that has caused the holders thereof to declare such indebtedness to be due and payable prior to its stated maturity, unless such declaration has been rescinded within 30 days or such indebtedness has been satisfied;

(6) the Company or Lazard Group defaults in the payment when due of the principal or premium, if any, of any bond, debenture, note or other evidence of the Company's or Lazard Group's indebtedness for money borrowed or in the payment of principal or premium, if any, under any mortgage, indenture, agreement or instrument under which there may be issued or by which there may be secured or evidenced any of the Company's or Lazard Group's indebtedness for money borrowed, which default for payment of principal or premium, if any, is in an aggregate principal amount exceeding $25,000,000 (or its equivalent in any other currency or currencies), if such default shall continue unremedied or unwaived for more than 30 days after the expiration of any grace period or extension of the time for payment applicable thereto;

(7) the Company fails to pay when due any additional amounts with respect to interest on any Securities, when such amounts become due and payable, and continuance of such default for a period of 30 days, or the Company fails to pay when due any additional amounts payable with respect to any principal of or premium on any senior notes, when such additional amounts become due and payable either at maturity, upon any redemption, by declaration of acceleration or otherwise and continuance of such default for a period of 30 days;

(8) Lazard Ltd, Lazard Group or the Company pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a Custodian of it or for any substantial part of its Property; or

(D) makes a general assignment for the benefit of its creditors;

or takes any comparable action under any foreign laws relating to insolvency; or

(9) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against Lazard Ltd, Lazard Group or the Company in an involuntary case;

(B) appoints a Custodian of Lazard Ltd, Lazard Group or the Company or for any substantial part of its Property; or

(C) orders the winding up or liquidation of Lazard Ltd, Lazard Group or the Company;

or any similar relief is granted under any foreign laws and the order or decree remains unstayed and in effect for 60 days;

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Custodian" means, for the purposes of this Article Six, any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clauses (4) and (5) is not an Event of Default until the Trustee or the Holders of at least 25% in principal amount of the outstanding Securities notify the Company of the Default and the Company does not cure such Default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default."

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any Event of Default and any event which with the giving of notice or the lapse of time would become an Event of Default, its status and what action the Company is taking or proposes to take with respect thereto.

SECTION 6.02. Acceleration. (a) If an Event of Default with respect to any Series of Securities at the time outstanding (other than an Event of Default specified in Section 6.01(8) or (9)) occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the outstanding Securities of that Series by notice to the Company, may declare the principal amount of (or, in the case of Original Issue Discount Securities of that Series, the portion thereby specified in the terms of such Security), premium, if any, and accrued and unpaid interest on all the Securities of that Series to be due and payable. Upon such a declaration, such amounts shall be due and payable immediately. If an Event

of Default specified in Section 6.01(8) or (9) occurs, the principal amount of (or, in the case of Original Issue Discount Securities of that Series, the portion thereby specified in the terms of such Security), premium, if any, and accrued and unpaid interest on all the Securities of each Series of Security shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(b) At any time after the principal of the Securities of any Series of Securities shall have been so declared due and payable (or have become immediately due and payable), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Holders of a majority in principal amount of the Securities of that Series then outstanding hereunder, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if: (i) the Company has paid or deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all the Securities of that Series and the principal of (and premium, if any, on) any and all Securities of that Series that shall have become due otherwise than by acceleration (with interest upon such principal and premium, if any, and, to the extent that such payment is enforceable under applicable law, upon overdue installments of interest, at the rate per annum expressed in the Securities of that Series to the date of such payment or deposit) and the amount payable to the Trustee under Section 7.07, and (ii) any and all Events of Default under the Indenture with respect to such Series of Securities, other than the nonpayment of principal (or, in the case of Original Issue Discount Securities of that Series, the portion thereby specified in the terms of such Security) on Securities of that Series that shall not have become due by their terms, shall have been remedied or waived as provided in Section 6.04. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies. If an Event of Default with respect to any Series of Securities occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of the principal amount of (or, in the case of Original Issue Discount Securities of that Series, the portion thereby specified in the terms of such Security), premium, if any, and accrued and unpaid interest on the Securities of that Series or to enforce the performance of any provision of the Securities of that Series or this Indenture.

The Trustee may institute and maintain a suit or legal proceeding even if it does not possess any of the Securities of a Series or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default with respect to any Series of Securities shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.04. Waiver of Past Defaults. The Holders of a majority in principal amount of the Securities of any Series by notice to the Trustee may waive an existing Default and its consequences except (i) a Default in the payment of the principal amount of (or, in the case of Original Issue Discount Securities of that Series, the portion thereby specified in the terms of such Security), premium, if any, and accrued and unpaid

interest on a Security of that Series, or (ii) a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Holder of that Series affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority. The Holders of a majority in principal amount of the outstanding Securities of any Series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to that Series. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of any other Holder of that Series or that would subject the Trustee to personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnity satisfactory to it against all losses and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits. Except to enforce the right to receive payment of the principal amount of (or, in the case of Original Issue Discount Securities, the portion thereby specified in the terms of such Security), premium, if any, and accrued and unpaid interest on a Security of any Series when due, no Holder of a Security of that Series may pursue any remedy with respect to this Indenture or the Securities of that Series unless:

(i) the Holder previously gave the Trustee written notice stating that an Event of Default with respect to that Series is continuing;

(ii) the Holders of at least 25% in aggregate principal amount of the outstanding Securities of that Series make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders of that Series offer to the Trustee indemnity satisfactory to it to the Trustee against any loss, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(v) the Holders of a majority in aggregate principal amount of the outstanding Securities of that Series do not give the Trustee a direction inconsistent with the request during such 60-day period.

A Holder of Securities of any Series may not use this Indenture to prejudice the rights of another Holder of that Series or to obtain a preference or priority over another Holder of that Series (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders).

SECTION 6.07. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of the principal amount of (or, in the case of Original Issue Discount Securities, the portion thereby specified in the terms of such Security), premium, if any, and accrued and unpaid interest on the Securities held by such Holder, on or after their Maturity, or to bring suit for the enforcement of any such payment on or after their Maturity, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company, its creditors or its Property and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07.

SECTION 6.10. Priorities. If the Trustee collects any money or Property pursuant to this Article Six with respect to any Series of Securities, it shall pay out the money or Property in the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to Holders for amounts due and unpaid on the Securities of that Series for the principal amount of (or, in the case of Original Issue Discount Securities of that Series, the portion thereby specified in the terms of such Security), premium, if any, and accrued and unpaid interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities of that Series for the principal amount of (or, in the case of Original Issue Discount Securities of that Series, the portion thereby specified in the terms of such Security), premium, if any, and accrued and unpaid interest, respectively; and

THIRD: to the Company.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section. At least 15 days before such record date, the Trustee shall

mail to each Holder and the Company a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing, by any party litigant in the suit, of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in principal amount of the then outstanding Securities of any Series.

SECTION 6.12. Waiver of Stay or Extension Laws. The Company (to the extent it may lawfully do so) shall at any time insist upon, plead, or in any manner whatsoever claim to take the benefit or advantage of, any stay or extension law, wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SEVEN

TRUSTEE

SECTION 7.01. Duties of Trustee. (a) If an Event of Default has occurred and is continuing with respect to any Series of Securities, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise thereof as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default with respect to any Series of Securities:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to the Securities of that Series, as modified or supplemented by a Board Resolution, a supplemental indenture hereto or an Officers' Certificate and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may, with respect to Securities of that Series, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be

furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own grossly negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from funds except to the extent required by law.

(g) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

SECTION 7.02. Rights of Trustee. (a) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute willful misconduct or gross negligence.

(e) The Trustee may consult with counsel of its choice, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Securities, shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default with respect to the Securities of any Series unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references such Securities and this Indenture.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by the Trustee in compliance with such request or direction.

(j) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(k) The Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(l) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss

of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(m) The Trustee may request that the Company deliver a certificate setting forth the names of individuals or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

SECTION 7.03. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Securities, it shall not be accountable for the Company's use of the proceeds from the Securities, and it shall not be responsible for any statement of the Company in this Indenture, in the Securities, or in any document executed in connection with the sale of the Securities, other than those set forth in the Trustee's certificate of authentication.

SECTION 7.05. Notice of Defaults. If a Default with respect to Securities of any Series occurs and is continuing and if it is actually known to a Responsible Officer of the Trustee, the Trustee shall mail to each Holder of that Series notice of the Default within 90 days after it occurs. The Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of Holders.

SECTION 7.06. Reports by Trustee to Holder. Unless otherwise specified in the applicable Board Resolution, supplemental indenture hereto or Officers' Certificate, as promptly as practicable after each April 15 beginning with April 15, 2006 for so long as Securities remain outstanding, the Trustee shall mail to each Holder a brief report dated as of such reporting date that complies with § 313(a) of the TIA. The Trustee shall also comply with § 313(b) of the TIA.

A copy of each report at the time of its mailing to Holders shall be filed with the SEC and each stock exchange (if any) on which the Securities are listed. The Company agrees to notify promptly the Trustee in writing whenever the Securities become listed on any stock exchange and of any delisting thereof.

SECTION 7.07. Compensation and Indemnity. The Company shall pay to the Trustee from time to time such compensation for its services as the Company and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Company shall

indemnify the Trustee against any and all loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by or in connection with the administration of this trust and the performance of its duties hereunder. The Trustee shall notify the Company of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; provided, however, that any failure so to notify the Company shall not relieve the Company of its indemnity obligations hereunder. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own willful misconduct, negligence or bad faith.

To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a lien prior to the Securities on all money or Property held or collected by the Trustee other than money or Property held in trust to pay the principal of and interest and any additional payments on particular Securities.

The Company's payment obligations pursuant to this Section 7.07 shall survive the satisfaction or discharge of this Indenture or the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(8) or (9) with respect to the Company, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

SECTION 7.08. Replacement of Trustee. The Trustee may resign at any time with respect to the Securities of any Series by so notifying the Company. The Holders of a majority in principal amount of the Securities of any Series may remove the Trustee and may appoint a successor Trustee with respect to such Series of Securities. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its Property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns, is removed by the Company or by the Holders of a majority in principal amount of the Securities of any Series and such Holders do not reasonably promptly appoint a successor Trustee or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of that Series of Securities. The retiring Trustee shall promptly transfer all Property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the Securities of that Series may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Holder of that Series of Securities may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

SECTION 7.09. Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and if at that time any of the Securities shall not have been authenticated, any such successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10. Eligibility; Disqualification. The Trustee shall at all times satisfy the requirements of TIA § 310(a). The Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA § 310(b); provided, however, that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in TIA § 310(b)(1) are met.

SECTION 7.11. Preferential Collection of Claims Against Company. The Trustee shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or has been removed shall be subject to TIA § 311(a) to the extent indicated.

ARTICLE EIGHT

LEGAL DEFEASANCE, COVENANT DEFEASANCE AND SATISFACTION AND DISCHARGE

SECTION 8.01. Option to Effect Legal Defeasance or Covenant Defeasance. The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Securities of any Series upon compliance with the conditions set forth below in this Article Eight.

SECTION 8.02. Legal Defeasance and Discharge. Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Securities of that Series on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Debt represented by the outstanding Securities, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Securities and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the Company's obligations with respect to such Securities of that Series under Article Two;

(b) the Company's agreements set forth in Section 5.01 and 5.02;

(c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's obligations in connection therewith under Article Two and Article Seven (including, but not limited to, the rights of the Trustee and the duties of the Company under Section 7.07, which shall survive despite the satisfaction in full of all obligations hereunder); and

(d) this Article Eight.

Subject to compliance with this Article Eight, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

SECTION 8.03. Covenant Defeasance. Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 with respect to any Series of Securities, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from its obligations under the covenants contained in Section 4.07, Section 4.08, and Section 4.09 (if applicable to such Series of Securities) and any covenants made applicable to the Series of Securities which are subject to

defeasance under the terms of a Board Resolution, a supplemental indenture hereto or an Officers' Certificate with respect to the outstanding Securities of that Series on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Covenant Defeasance"), and the Securities of that Series shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Securities shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Securities of that Series, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Securities shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof with respect to any Series of Securities, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Section 6.01(3) and Section 6.01(4) hereof shall not constitute Events of Default with respect to such Securities.

SECTION 8.04. Conditions to Legal or Covenant Defeasance. The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Securities:

In order to exercise either Legal Defeasance or Covenant Defeasance with respect to any Series of Securities:

(1) the Company must irrevocably deposit in trust with the Trustee money or U.S. Government Obligations for the payment of principal of and interest on the Securities of such Series to maturity or redemption, as the case may be;

(2) the Company shall have delivered to the Trustee a certificate from a nationally recognized firm of independent registered public accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all the Securities of such Series to the Stated Maturity or redemption, as the case may be;

(3) 123 days pass after the deposit is made and during the 123 day period no Default specified in Section 6.01(8) or (9) occurs that is continuing at the end of the period;

(4) no Default or Event of Default with respect to that Series of Securities shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default with respect to that Series of Securities resulting from the borrowing of funds to be applied to such deposit);

(5) such deposit does not constitute a default under any other agreement binding on the Company;

(6) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940;

(7) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of such Series of Securities will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(8) in the case of the Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Series of Securities will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(9) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Securities as contemplated by this Article Eight have been complied with.

SECTION 8.05. Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions. Subject to Section 8.06 hereof, all money and noncallable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Securities of the Series shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Securities of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or noncallable U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Securities of that Series.

Anything in this Article Eight to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or noncallable U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04 hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. Repayment to Company. Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Security and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its request or, if then held by the Company, shall be discharged from such trust; and the Holder of such Security shall thereafter look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, shall at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 8.07. Reinstatement. If the Trustee or Paying Agent is unable to apply any Dollars or noncallable U.S. Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest on any Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or Paying Agent.

SECTION 8.08. Satisfaction and Discharge of Indenture. If at any time: (a) the Company shall have delivered to the Trustee for cancellation all Securities of a Series theretofore authenticated (other than any Securities that shall have been destroyed, lost or stolen and that shall have been replaced or paid as provided in Section 2.09 and Securities for whose payment money and/or U.S. Government Obligations have theretofore been deposited in trust or segregated and held in trust by the Company and thereupon repaid to the Company or discharged from such trust, as provided in Section 8.06); or (b) all such Securities of a particular series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under

arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of that Series of Securities, cash in United States dollars, noncallable U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay at maturity or upon redemption all Securities of that Series not theretofore delivered to the Trustee for cancellation, including principal of, premium, if any, and interest due or to become due to such date of maturity or date fixed for redemption, as the case may be, and if the Company shall also pay or cause to be paid all other sums payable hereunder with respect to such Series by the Company, and shall have delivered to the Trustee an Opinion of Counsel and an Officers' Certificate, each stating that all conditions precedent relating to the satisfaction and discharge of this Indenture with respect to such Series have been complied with, then this Indenture shall thereupon cease to be of further effect with respect to such Series except for:

(i) (a) the Company's obligations with respect to such Securities of that Series under Article Two;

(b) the Company's agreements set forth in Section 5.01 and 5.02;

(c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's obligations in connection therewith (including, but not limited to, the rights of the Trustee and the duties of the Company under Section 7.07, which shall survive despite the satisfaction in full of all obligations hereunder); and

(d) this Article Eight,

each of which shall survive until the Securities of such Series have been paid in full (thereafter, the Company's obligations in Section 7.07 only shall survive) and (ii) this Article Eight.

Upon the Company's exercise of this Section 8.08, the Trustee, on demand of the Company and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to such Series of Securities.

ARTICLE NINE

AMENDMENTS

SECTION 9.01. Without Consent of Holders. The Company and the Trustee may amend or supplement this Indenture or the Securities without the consent of any Holder:

(1) to evidence the succession of another Person to the Company pursuant to Article Five and the assumption by such successor of the Company's covenants, agreements and obligations in this Indenture and in the Securities;

(2) to surrender any right or power conferred upon the Company by this Indenture, to add to the covenants of the Company such further covenants, restrictions, conditions or provisions for the protection of the Holders of all or any Series of Securities as the Board of Directors of the Company shall consider to be for the protection of the Holders of such Securities, and to make the occurrence, or the occurrence and continuance, of a default in respect of any such additional covenants, restrictions, conditions or provisions a Default or an Event of Default under this Indenture; provided, however, that with respect to any such additional covenant, restriction, condition or provision, such amendment may provide for a period of grace after default, which may be shorter or longer than that allowed in the case of other Defaults, may provide for an immediate enforcement upon such Default, may limit the remedies available to the Trustee upon such Default or may limit the right of Holders of a majority in aggregate principal amount of the Securities of any Series to waive such default;

(3) to cure any ambiguity or correct or supplement any provision contained in this Indenture, in any supplemental indenture or in any Securities that may be defective or inconsistent with any other provision contained therein;

(4) to convey, transfer, assign, mortgage or pledge any Property to or with the Trustee, or to make such other provisions in regard to matters or questions arising under this Indenture as shall not adversely affect the interests of any Holders of Securities of any Series;

(5) to modify or amend this Indenture in such a manner as to permit the qualification of this Indenture or any supplemental indenture hereto under the TIA as then in effect;

(6) to add or to change any of the provisions of this Indenture to provide that Securities in bearer form may be registrable as to principal, to change or eliminate any restrictions on the payment of principal or premium with respect to Securities in registered form or of principal, premium or interest with respect to Securities in bearer form, or to permit Securities in registered form to be exchanged for Securities in bearer form, so as to not adversely affect the interests of the Holders or any coupons of any Series in any material respect or permit or facilitate the issuance of Securities of any Series in uncertificated form;

(7) to secure the Securities;

(8) to make any change that does not adversely affect the rights of any Holder;

(9) to add to, change, or eliminate any of the provisions of this Indenture with respect to one or more Series of Securities, so long as any such addition,

change or elimination not otherwise permitted under this Indenture shall (A) neither apply to any Security of any Series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor modify the rights of the Holders of any such Security with respect to the benefit of such provision or (B) become effective only when there is no such Security outstanding;

(10) to evidence and provide for the acceptance of appointment by a successor or separate Trustee with respect to the Securities of one or more Series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of this Indenture by more than one Trustee; or

(11) to establish the form or terms of Securities and coupons of any Series pursuant to Article Two.

SECTION 9.02. With Consent of Holders. The Company and the Trustee may amend this Indenture or the Securities of any Series without notice to any Holder but with the written consent of the Holders of at least a majority in principal amount of the Securities of each Series then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Securities) affected by such amendment. However, without the consent of each Holder affected, an amendment may not:

(1) change the stated maturity of the principal or interest on a Security,

(2) reduce any amounts due on a Security, including any additional amounts,

(3) reduce the amount of principal payable upon acceleration of the maturity of a Security following an Event of Default,

(4) change the place or currency of payment for a Security,

(5) materially impair the right of a Holder to sue for payment,

(6) reduce the percentage in principal amount of Securities whose Holders must consent to an amendment, supplement or waiver,

(7) materially modify any other aspect of the provisions dealing with modification and waiver of this Indenture, except to increase the percentage required for any modification or to provide that other provisions of this Indenture may not be modified or waived without the consent of a Holder, and

(8) change in any manner adverse to the interests of the holders the obligations of the Company in respect of the due and punctual payment of principal and interest on the Securities, interest payments on overdue interest payments and principal amounts due under the Securities and any other payments due to holders of the Securities under this Indenture or the applicable Securities.

It shall not be necessary for the consent of the Holders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Section becomes effective, the Company shall mail to all affected Holders a notice briefly describing such amendment. The failure to give such notice to all such Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.03. Compliance with Trust Indenture Act. Every amendment or supplement to this Indenture or the Securities shall comply with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents and Waivers. A consent to an amendment or a waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent or waiver is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Holder. An amendment or waiver becomes effective once both (i) the requisite number of consents have been received by the Company or the Trustee and (ii) such amendment or waiver has been executed by the Company and the Trustee.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.05. Notation on or Exchange of Securities. If an amendment changes the terms of a Security, the Trustee may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security regarding the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make the appropriate notation or to issue a new Security shall not affect the validity of such amendment.

SECTION 9.06. Trustee to Sign Amendments. The Trustee shall sign any amendment authorized pursuant to this Article Nine if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.01) shall be

fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture.

SECTION 9.07. Payment for Consent. Neither the Company nor any Affiliate of the Company shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Securities unless such consideration is offered to be paid to all Holders, ratably, that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

ARTICLE TEN

MISCELLANEOUS

SECTION 10.01. Trust Indenture Act Controls. If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

SECTION 10.02. Notices. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail addressed as follows:

If to the Company:

Lazard Group Finance LLC
30 Rockefeller Plaza
New York, NY 10020
Telecopy: (212) 332-5972

If to the Trustee:

The Bank of New York
101 Barclay Street
Floor 8 West
New York, NY 10286
Attn: Corporate Trust Administration
Telecopy: (212) 815-5707

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Holder shall be mailed to the Holder at the Holder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 10.03. Communication by Holders with Other Holders. Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).

SECTION 10.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 10.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that the individual making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

SECTION 10.06. Acts of Holders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action

embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to such officer the execution thereof. Where such execution is by a signer acting in a capacity other than such signer's individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of bearer securities may be proved by the production of such bearer securities or by a certificate executed by any trust company, bank, banker or other depositary, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such Person had on deposit with such depositary, or exhibited to it, the bearer securities therein described; or such facts may be proved by the certificate or affidavit of the Person holding such bearer securities, if such certificate or affidavit is deemed by the Trustee to be satisfactory. The Trustee and the Company may assume that such ownership of any bearer security continues until (i) another such certificate or affidavit bearing a later date issued in respect of the same bearer security is produced, (ii) such bearer security is produced to the Trustee by some other Person, (iii) such bearer security is surrendered in exchange for a registered security or (iv) such bearer security is no longer outstanding. The ownership of bearer securities may also be proved in any other manner which the Trustee deems sufficient.

(d) The ownership of registered securities shall be proved by the register maintained by the Registrar.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(f) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of

record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the outstanding Securities shall be computed as of such record date; provided that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

(g) The Depositary, as a Holder, may appoint agents and otherwise authorize Participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a Holder is entitled to give or take under the Indenture.

SECTION 10.07. Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 10.08. Legal Holidays. A "Legal Holiday" is a Saturday, Sunday or other day on which banking institutions in New York State are authorized or required by law to close. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a record date is a Legal Holiday, the record date shall not be affected.

SECTION 10.09. Governing Law; Waiver of Jury Trial. **THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.**

SECTION 10.10. No Recourse Against Others. A director, officer, employee or shareholder, as such, of any Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Holder shall waive and release all such liability. This waiver and release shall be part of the consideration for the issuance of the Securities.

SECTION 10.11. Successors. All agreements of the Company in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 10.12. Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy of the Indenture is enough to prove this Indenture.

SECTION 10.13. Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

SECTION 10.14. Severability. If any provision in this Indenture is deemed unenforceable, it shall not affect the validity or enforceability of any other provision set forth herein, or of the Indenture as a whole.

SECTION 10.15. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

LAZARD GROUP FINANCE LLC,

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director and Vice President

THE BANK OF NEW YORK,
as Trustee

By: /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

EXHIBIT 4.3

LAZARD GROUP FINANCE LLC

FIRST SUPPLEMENTAL INDENTURE
Dated as of May 10, 2005

THE BANK OF NEW YORK,

as Trustee

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Exhibit A Form of Note

FIRST SUPPLEMENTAL INDENTURE, dated as of May 10, 2005 (this "First Supplemental Indenture"), to the Indenture, dated as of May 10, 2005 (the "Original Indenture"), between LAZARD GROUP FINANCE LLC, a Delaware limited liability company (the "Company"), and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the "Trustee").

WHEREAS, the Company and the Trustee have heretofore executed and delivered the Original Indenture to provide for the issuance from time to time of Securities (as defined in the Original Indenture) of the Company, to be issued in one or more Series;

WHEREAS, Sections 2.02 and 9.01 of the Original Indenture provide, among other things, that the Company and the Trustee may enter into indentures supplemental to the Original Indenture for, among other things, the purpose of establishing the designation, form, terms and conditions of Securities of any Series of Securities permitted to be issued pursuant to the Original Indenture;

WHEREAS, the Company (i) desires the issuance of a Series of Securities to be designated as hereinafter provided and (ii) has requested the Trustee to enter into this First Supplemental Indenture for the purpose of establishing the designation, form, terms and conditions of the Securities of such Series;

WHEREAS, the Company has duly authorized the creation of an issue of its 6.120% Senior Notes initially due 2035 (the "6.120% Senior Notes" or the "Notes", which expression includes any further notes issued pursuant to Section 2.05 hereof and forming a single series therewith) of substantially the tenor and amount hereinafter set forth; and

WHEREAS, all action on the part of the Company necessary to authorize the issuance of the 6.120% Senior Notes under the Original Indenture and this First Supplemental Indenture (the Original Indenture, as supplemented by this First Supplemental Indenture, being hereinafter called the "Indenture") has been duly taken.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

That, in order to establish the designation, form, terms and conditions of, and to authorize the authentication and delivery of, the 6.120% Senior Notes, and in consideration of the acceptance of the 6.120% Senior Notes by the Holders thereof and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

Definitions

(a) Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Original Indenture.

(b) The rules of interpretation set forth in the Original Indenture shall be applied hereto as if set forth in full herein;

(c) the following terms shall have the respective meanings ascribed thereto in the Purchase Contract Agreement: Business Day; Depository Participant; Last Failed Remarketing; Normal Units; Purchase Contract Agent; Remarketing Agreement; Remarketing Date; Remarketing Fee; Reset Date; Separate Notes; Special Event; Stock Purchase Date; Subsequent Remarketing Date; and Treasury Portfolio Purchase Price; and

(d) For all purposes of this First Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following respective meanings (such meanings shall apply equally to both the singular and plural forms of the respective terms):

"6.120% Senior Note" has the meaning set forth in the recitals hereto

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of DTC, Euroclear and Clearstream that apply to such transfer or exchange.

"Definitive Note" means a 6.120% Senior Note in definitive registered form without coupons.

"DTC" has the meaning set forth in Section 2.07 hereof.

"DTC Legend" means the legend set forth in Section 4.02(b), which is required to be placed on all Global Notes, for which DTC is acting as the Depositary.

"Global Note Legend" means the legend set forth in Section 4.02(a), which is required to be placed on all Global Notes.

"Global Notes" means the Notes substantially in the form of Exhibit A hereto, issued in accordance with Section 2.15 of the Original Indenture and Section 2.08 hereof.

"Interest Payment Date" has the meaning set forth in Section 2.06 hereof.

"Issue Date" means May 10, 2005.

"Lazard LLC" means Lazard LLC, a Delaware limited liability company.

"Notes" has the meaning set forth in the recitals hereto.

"Participant" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear or Clearstream) as indirect participants.

"Pledge Agreement" means the Pledge Agreement, dated as of May 10, 2005, between the Company, The Bank of New York, as Purchase Contract Agent, and as attorney-in-fact for Holders of the Units, and The Bank of New York, as Collateral Agent, Custodial Agent and Securities Intermediary.

"Purchase Contract Agreement" shall mean the Purchase Contract Agreement, dated as of May 10, 2005, between the Company and The Bank of New York, as purchase contract agent.

"Relevant Date" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Trustee on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Notes.

"Reset Rate" means the interest rate applicable to the Notes following a Successful Remarketing, which shall be the rate of interest that, as determined by the Remarketing Agent, will, when applied to the outstanding Notes, enable the then current aggregate market value of the Notes to have a value equal to 100.5% of the aggregate principal amount of the Notes as of the Remarketing Date or as of any Subsequent Remarketing Date, as the case may be.

"Special Event Redemption Amount" means for each Note, whether or not included in a Normal Unit, the greater of (a) the principal amount of such Note and (b) the product of (i) the principal amount of such Note and (ii) a fraction the numerator of which is the Treasury Portfolio Purchase Price and the denominator of which is (x) in the case of a Special Event redemption occurring prior to a Successful Remarketing, the aggregate principal amount of the Notes included in Normal Units and (y) in the case of a Special Event redemption occurring after a Successful Remarketing or after the Stock Purchase Date, the aggregate principal amount of the Notes.

"Stated Maturity Date" has the meaning set forth in Section 2.03 hereof.

"Successful Remarketing" has the meaning set forth in Section 2.06 hereof.

ARTICLE II

Designation and Terms of the Securities

SECTION 2.01. Title and Aggregate Principal Amount. There is hereby authorized one series of Securities designated the 6.120% Senior Notes initially due 2035, limited in aggregate principal amount to $287,500,000, which amount to be issued shall be as set forth in any Company Order for the authentication and delivery of Notes pursuant to the Original Indenture. The Notes shall constitute senior, unsecured and unsubordinated obligations of the Company and shall rank pari passu with all other unsecured and unsubordinated indebtedness of the Company from time to time outstanding. The Notes shall be issuable only in registered form and without coupons in denominations of $1,000 and any integral multiples thereof except that an interest in a Note held as part of a Normal Unit represents an ownership interest of 1/40th, or 2.5%, of a Note in aggregate principal amount of $1,000 and will therefore correspond to the stated amount of $25 per Normal Unit.

SECTION 2.02. Execution. The Notes may forthwith be executed by the Company and delivered to the Trustee for authentication and delivery by the Trustee in accordance with the provisions of Section 2.04 of the Original Indenture.

SECTION 2.03. Stated Maturity. The Notes shall mature (a) in the event of a Successful Remarketing, on any date no earlier than May 15, 2010 and no later than May 15, 2035, (b) in the event of a Last Failed Remarketing, on the Stock Purchase Date, and (c) otherwise on May 15, 2035 (the "Stated Maturity Date"). Any change in the Stated Maturity Date pursuant to clause (a) shall be effected pursuant to a Company Order.

SECTION 2.04. Other Terms and Form of the Notes. The Notes shall have and be subject to such other terms as provided in the Original Indenture and this First Supplemental Indenture and shall be evidenced by one or more Global Notes in the form of Exhibit A hereof and as set forth in Section 2.09 hereof.

SECTION 2.05. Further Issues. Subject to Section 2.01 of the Original Indenture, the Company may from time to time, without the consent of the Holders of the Notes and in accordance with the Original Indenture and this First Supplemental Indenture, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

SECTION 2.06. Interest and Principal. (a) Each Note shall bear interest from its Issue Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, initially at the rate of 6.120% per annum (the "Initial Interest Rate"). In the event the Notes are successfully remarketed ("Successful Remarketing") pursuant to the Purchase Contract Agreement and the Remarketing Agreement, each Note shall bear interest at the Reset Rate from and including the Reset Date to the date on which the principal of the Notes is paid or made

available for payment. Interest on the Notes initially shall be payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year commencing August 15, 2005. After the Stock Purchase Date, interest on the Notes shall be payable, semi-annually in arrears on May 15 and November 15 of each year, until the principal thereof is paid or made available for payment. Each such date of interest payment referred to above as "Interest Payment Date." The interest so payable, on any such Interest Payment Date, will be paid to the Holder in whose name the Note is registered at the close of business on the regular record date for such interest, which shall be the 15th calendar day (whether or not a Business Day) prior to the relevant Interest Payment Date (the "Regular Record Date").

(b) The amount of interest payable for any period on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Except as provided in the following sentence, the amount of interest payable for any period shorter than a full quarterly or semi-annual, as applicable, period for which interest is computed shall be computed on the basis of the actual number of days elapsed in such a 90-day or 180-day period, as applicable. In the event that any date on which interest is payable on the Notes is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Payments of the principal of and interest on the Notes shall be made in Dollars, and the Notes shall be denominated in Dollars.

SECTION 2.07. Issuance of Notes. The Notes, on original issuance, shall be issued in the form of (i) one or more definitive, fully registered Notes registered initially in the name of The Bank of New York, as Purchase Contract Agent, and (ii) with respect to any Notes that are no longer a component of Normal Units and released from the lien of the Pledge Agreement, one fully registered Global Note registered in the name of The Depository Trust Company ("DTC"), as Depositary, or its nominee, and deposited with the Trustee, as custodian for DTC, for credit by DTC to the respective accounts of beneficial owners of the Separate Notes represented thereby (or such other accounts as they may direct).

SECTION 2.08. Place of Payment. The place of payment where the Notes issued in the form of Definitive Notes may be presented or surrendered for payment, where the principal of and interest and any other payments due on the Notes issued in the form of Definitive Notes are payable, where the Notes may be surrendered for registration of transfer or exchange and where notices and demands to and upon the Company in respect of the Notes and the Indenture may be served shall be in the Borough of Manhattan, The City of New York, and the office or agency maintained by the Company for such purpose shall initially be the Corporate Trust Office of the Trustee. All payments on Notes issued in the form of Global Notes shall be made by wire transfer of immediately available funds to the Depositary and, at the option of the Company, payment of interest on the Notes issued in the form of Definitive Notes may be made by check mailed to registered Holders.

SECTION 2.09. Depositary; Registrar.

(a) The Company initially appoints DTC to act as Depositary with respect to the Global Notes. The Company initially appoints the Trustee to act as the Registrar and the paying agent and designates the Trustee's New York office as the office or agency referred to in Section 2.05 of the Original Indenture.

(b) Unless and until it is exchanged for definitive Notes in accordance with the terms of the Original Indenture, a Global Note may be transferred, in whole but not in part, only to another nominee of the Depositary, or to a successor Depositary selected or approved by the Company or to a nominee of such successor Depositary.

SECTION 2.10. Special Event Redemption. If a Special Event shall have occurred and be continuing (as of the time of giving notice of redemption), the Company, at its option, may redeem the Notes, in whole but not in part, upon payment of the aggregate Special Event Redemption Amounts. Proceeds from such redemption relating to Notes that form a part of Normal Units will be applied as described in the Purchase Contract Agreement and the Pledge Agreement.

SECTION 2.11. Redemption at the Option of Holder; Sinking Fund. The Notes shall not be redeemable by the Company at the option of any Holder thereof, upon the occurrence of any particular circumstances or otherwise. The Notes will not have the benefit of any sinking fund.

SECTION 2.12. Listing. In the event that the Notes become separately traded from the Normal Units, to the extent that applicable exchange listing requirements are met, the Company shall use commercially reasonable efforts to cause such Notes to be listed on the securities exchange on which the Normal Units are then listed.

SECTION 2.13. Registration Statement. The Company shall use its commercially reasonable efforts to ensure that, if required by applicable law, a registration statement with regard to the full amount of the Notes to be remarketed in the remarketing shall be effective with the Securities and Exchange Commission in a form that will enable the Remarketing Agent to rely on it in connection with such remarketing.

SECTION 2.14. Remarketing. (a) The Notes may be remarketed at a specified price on certain dates, as specified in Section 5.04 of the Purchase Contract Agreement and in Section 4.05 of the Pledge Agreement and the remarketing procedures set forth in such sections shall apply to the Notes, which provisions are hereby incorporated into this First Supplemental Indenture, *mutatis mutandis*.

(b) The right of each Holder of Notes to have its Notes tendered for purchase will be limited to the extent that (i) the Remarketing Agent conducts a remarketing pursuant to the terms of the Remarketing Agreement, (ii) the Notes included in the remarketing have not been called for redemption upon the occurrence of a Special Event; (iii) the Remarketing Agent is able to find a purchaser or purchasers for the remarketed Notes at a Reset Rate such that the aggregate value of such remarketed Notes

is equal to 100.5% of the aggregate principal amount of such Notes and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent.

(c) If a Successful Remarketing occurs, the Remarketing Agent shall, as soon as practicable on the Remarketing Date or on the Subsequent Remarketing Date, as the case may be, advise, by telephone:

(i) the Depositary and the Company of the Reset Rate determined in the Remarketing and the aggregate principal amount of Notes sold in the Remarketing;

(ii) each purchaser (or the Depository Participant thereof) of the Reset Rate and the aggregate principal amount of remarketed Notes such purchaser is to purchase; and

(iii) each purchaser to give instructions to its Depository Participant to pay the purchase price on the date of settlement for such Remarketing in same day funds against delivery of the remarketed Notes purchased through the facilities of DTC.

(d) In the event of a Last Failed Remarketing, the interest rate payable on the Notes will not be reset.

(e) In accordance with DTC's normal procedures, on the date of settlement of such Remarketing, the transactions described above with respect to each Note remarketed in the remarketing shall be executed through DTC, and the accounts of the respective Depository Participants shall be debited and credited and such remarketed Notes delivered by book-entry as necessary to effect purchases and sales of such remarketed Notes. DTC shall make payment in accordance with its normal procedures.

(f) The Remarketing Agent is not obligated to purchase any Notes that otherwise would remain unsold in the remarketing. Neither the Company nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of the Notes for remarketing.

(g) Under the Remarketing Agreement, the Company, in its capacity as issuer of the Notes, shall be liable for, and shall pay, any and all costs and expenses incurred in connection with the remarketing, other than the Remarketing Fee.

(h) The settlement procedures set forth herein, including provisions for payment by purchasers of the remarketed Notes in the Remarketing, shall be subject to modification to the extent required by DTC or if the book-entry system is no longer available for the remarketed Notes at the time of the remarketing, to facilitate the remarketing of the remarketed Notes in certificated form, and shall provide for the authentication and delivery of Notes in a principal amount equal to the unremarketed portion of such Notes. In addition, the Remarketing Agent may modify the settlement procedures set forth herein in order to facilitate the settlement process.

SECTION 2.15. Optional Remarketing. On or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date but no earlier than the sixteenth Business Day immediately preceding the Stock Purchase Date, Holders of Separate Notes may elect to have their Separate Notes remarketed by delivering their Separate Notes, together with a notice of such election, substantially in the form of Exhibit C to the Pledge Agreement, to the Custodial Agent. A Holder of Separate Notes electing to have its Separate Notes remarketed will also have the right to withdraw such election by written notice to the Custodial Agent, substantially in the form of Exhibit D to the Pledge Agreement, on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date, upon which notice the Custodial Agent will return such Separate Notes to such Holder. If the Holder of the Separate Notes delivers only such notice but not the Separate Notes subject to such notice, then none of such Holder's Separate Notes shall be included in the Remarketing. Once the Holder of Separate Notes elects to participate in the Remarketing, such Separate Notes will be remarketed in the Remarketing, unless such notice is properly withdrawn.

ARTICLE III

Covenants

The Notes shall be entitled to the benefit of each of the covenants in Article Four of the Original Indenture and the following additional covenant shall be deemed to be a provision of the Indenture.

SECTION 3.01. Payment of Additional Amounts. All amounts payable (whether in respect of principal, interest, distributions or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the U.S. or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, levies, assessments or governmental charges is required by law. In that event, the Company in respect of the Notes will pay, or cause to be paid, such additional amounts receivable by a Holder after such withholding or deduction as shall equal the respective amounts that would have been receivable by such Holder had no such withholding or deduction been required, provided that such Holder provides the Company a duly executed IRS Form W-9 or appropriate IRS Form W-8. The foregoing shall not apply to any Holder that is described in Section 881(c)(3) of the Code; provided, however, the Company will not withhold on any amounts payable in respect of the Notes to any holder that has provided appropriate documentation establishing an exemption from withholding under an applicable tax treaty.

ARTICLE IV

Transfer and Exchange

SECTION 4.01. Exchanges of Global Note for Non Global Note. In the event that a Global Note or any portion thereof is exchanged for Notes other than Global Notes pursuant to Section 2.08 of the Original Indenture, such other Notes may in turn be exchanged (on transfer or otherwise) for Notes that are not Global Notes or for beneficial interests in a Global Note (if any is then Outstanding) only in accordance with such procedures, which shall be substantially consistent with the provisions of Sections 4.01 and 4.02 of this First Supplemental Indenture and any Applicable Procedures, as may be from time to time adopted by the Company and the Trustee.

SECTION 4.02. Legends. The following legends shall, as indicated below, appear on the face of Notes issued under the Indenture unless specifically stated otherwise in the applicable provisions of the Indenture.

(a) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

"THIS SECURITY IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS SECURITY) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (A) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.04 OF THE ORIGINAL INDENTURE, (B) THIS SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.15(B) OF THE ORIGINAL INDENTURE, (C) THIS SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.13 OF THE ORIGINAL INDENTURE AND (D) EXCEPT AS OTHERWISE PROVIDED IN SECTION 2.15(B) OF THE ORIGINAL INDENTURE, THIS SECURITY MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY (X) BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, (Y) BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR (Z) BY THE DEPOSITARY OR ANY NOMINEE TO A SUCCESSOR DEPOSITARY OR TO A NOMINEE OF SUCH SUCCESSOR DEPOSITARY."

(b) DTC Legend. Each Global Note for which DTC is acting as the Depositary shall bear a legend in the following form:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR

PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

SECTION 4.03. Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.08 of the Original Indenture. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

ARTICLE V

Defeasance

SECTION 5.01. Defeasance and Covenant Defeasance. Sections 8.02 and 8.03 of the Original Indenture shall not be applicable to the Notes.

ARTICLE VI

Miscellaneous

SECTION 6.01. Ratification of Original Indenture; Supplemental Indentures Part of Original Indenture. Except as expressly amended hereby, the Original Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This First Supplemental Indenture shall form a part of the Original Indenture for all purposes, and every Holder heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 6.02. Concerning the Trustee. The recitals contained herein and in the Notes, except with respect to the Trustee's certificates of authentication, shall

be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this First Supplemental Indenture or of the Notes.

SECTION 6.03. Tax Treatment. The Company agrees, and by acceptance of a beneficial ownership interest in the Notes, each beneficial Holder of Notes will be deemed to have agreed, (1) to treat the acquisition of a Normal Unit as the acquisition of the Note and the Purchase Contract constituting the Normal Unit and to allocate the purchase price of the Normal Unit between the Note and the Purchase Contract as $25 and $0, respectively, and (2) to treat the Notes as indebtedness of Lazard Group for United States federal income tax purposes.

SECTION 6.04. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

SECTION 6.05. **GOVERNING LAW; WAIVER OF JURY TRIAL. THIS FIRST SUPPLEMENTAL INDENTURE AND EACH NOTE OF THE SERIES CREATED HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY**. The Company and the Trustee hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in the Borough of Manhattan in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Company and the Trustee irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. **EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS FIRST SUPPLEMENTAL INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY**.

SECTION 6.06. Judgment Currency. The Company agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due (the “Required Currency”) into a currency in which a judgment will be rendered (the “Judgment Currency”), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York the requisite amount of the Required Currency with the Judgment Currency on the New York Banking Day preceding the day on which a final unappealable judgment is given and (b)

its obligations under this Agreement to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with clause (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Agreement. For purpose of the foregoing, "New York Banking Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to be closed.

IN WITNESS WHEREOF, the parties have caused this First Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

LAZARD GROUP FINANCE LLC,

by /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director and Vice President

THE BANK OF NEW YORK,
as Trustee,

by /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

EXHIBIT A

FORM OF NOTE

LAZARD GROUP FINANCE LLC

6.120% SENIOR NOTE INITIALLY DUE 2035

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS SECURITY IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS SECURITY) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (A) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.04 OF THE ORIGINAL INDENTURE, (B) THIS SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.15(B) OF THE ORIGINAL INDENTURE, (C) THIS SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.13 OF THE ORIGINAL INDENTURE AND (D) EXCEPT AS OTHERWISE PROVIDED IN SECTION 2.15(B) OF THE ORIGINAL INDENTURE, THIS SECURITY MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY (X) BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, (Y) BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR (Z) BY THE DEPOSITARY OR ANY NOMINEE TO A SUCCESSOR DEPOSITARY OR TO A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

No.
CUSIP No. $_____

LAZARD GROUP FINANCE LLC

6.120% SENIOR NOTE INITIALLY DUE 2035

LAZARD GROUP FINANCE LLC, a Delaware limited liability company (the "COMPANY", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, the principal sum of _____ United States dollars (U.S.$_____) [If the Note is a Global Note, insert - , as such amount may be increased or decreased as set forth on the Schedule of Increases or Decreases in Global Note annexed hereto,] on the Stated Maturity Date (as defined in the Indenture, which is defined on the reverse side of this Note), (such date is hereinafter referred to as the "STATED MATURITY"), and to pay interest thereon, from August 15, 2005, or from the most recent Interest Payment Date (as defined below) for which interest has been paid or duly provided for, initially at the rate of 6.120% per annum (the "INITIAL INTEREST RATE"). The interest rate applicable to this Note may change, as described in the First Supplemental Indenture.

Interest on this Note initially shall be payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, commencing August 15, 2005. After May 15, 2008, interest on this Note shall be payable semi-annually in arrears on May 15 and November 15 of each year, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any such date will, as provided in the Indenture, be paid to the Person in whose name this Note is registered at the close of business on the regular record date for such interest, which shall be the 15th calendar day (whether or not a business day) prior to the relevant interest payment date.

The principal of and the interest on the Notes will be payable at the Corporate Trust Office or, at the option of the Company, by check mailed to the address of the person entitled thereto at such person's address as it appears on the register or by wire transfer to the account maintained in the United States designated by written notice given ten business days prior to the applicable payment date by such person.

The amount of interest payable for any period on any interest payment date shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Except as provided in the following sentence, the amount of interest payable for any period shorter than a full quarterly or semi-annual period, as applicable, for which interest is computed will be computed on the basis of the actual number of days elapsed in such a 90-day or 180-day period, as applicable. In the event that any date on which interest is payable on the Notes is not a business day, then payment of interest payable on such date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any such delay), except that, if such business day is in the next succeeding calendar year, such payment shall be made on the immediately

preceding business day, in each case with the same force and effect as if made on such date.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if fully set forth at this place.

Unless the certificate of authorization hereon has been executed by the Trustee referred to on the reverse hereof by the manual signature of one of its respective authorized signatories, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the Company has caused this Note to be executed and delivered under its corporate seal.

Dated:

LAZARD GROUP FINANCE LLC,

By

Name:
Title:

[Corporate Seal]

Attest:

Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK,
as Trustee,

By:

Authorized Signatory

[FORM OF REVERSE]

This Note is one of a duly authorized issue of securities of the Company designated as its "6.120% Senior Notes initially due 2035" (herein sometimes referred to as the "NOTES"), issued and to be issued under and pursuant to an Indenture, dated as of (the "ORIGINAL INDENTURE"), duly executed and delivered between the Company and The Bank of New York, as Trustee (the "TRUSTEE"), and a First Supplemental Indenture, dated as of May 10, 2005 (the "FIRST SUPPLEMENTAL INDENTURE"), between the Company and the Trustee (such Original Indenture as amended and supplemented by the First Supplemental Indenture, the "INDENTURE"), to which Indenture and all subsequent indentures supplemental thereto relating to the Notes reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. Capitalized terms used but not defined in this Note shall have the respective meanings described in the Indenture.

The Notes are issuable only in registered form without coupons, in denominations of $1,000 and any integral multiple thereof except that an interest in a Note held as part of a Normal Unit represents an ownership interest of 1/40th, or 2.5%, of a Note in aggregate principal amount of $1,000 and will therefore correspond to the stated amount of $25 per Normal Unit. As provided in the Indenture and subject to certain limitations therein set forth, Notes of this series so issued are exchangeable for a like aggregate principal amount of Notes of a different authorized denomination, as requested by the Holder surrendering the same.

The Notes were initially issued as components of the Company's 6.625% Equity Security Units that are in the form of Normal Units, each such Normal Unit initially consisting of (a) a stock purchase contract (each, a "PURCHASE CONTRACT") under which (i) the Holder will agree to purchase from the Company on May 15, 2008, a specified number of newly issued shares of Common Stock, par value $0.01 per share, of the Company and (ii) the Company will pay to the Holder quarterly contract adjustment payments and (b) a 1/40, or 2.5%, ownership interest in a Note of $1,000 principal amount. In accordance with the terms of the Purchase Contract Agreement, on their initial issuance, the Notes were pledged by the Purchase Contract Agent, on behalf of the Holders of the Normal Units, to The Bank of New York, as collateral agent, custodial agent and securities intermediary (the "COLLATERAL AGENT"), pursuant to the Pledge Agreement, dated as of May 10, 2005 (the "PLEDGE AGREEMENT"), among the Company, the Purchase Contract Agent and the Collateral Agent, to secure such Holders' obligations to purchase shares of Common Stock of the Company under the Purchase Contracts.

The Notes that are a component of Normal Units or that so elect under Section 2.15 of the First Supplemental Indenture will be subject to remarketing and, in the case of a Last Failed Remarketing, the Collateral Agent for the benefit of the Company reserves all of its rights as a secured party of the applicable Notes.

If a Special Event shall have occurred and be continuing (as of the time of giving notice of redemption), the Company, at its option, may redeem the Notes, in whole but not in part, upon payment of the aggregate Special Event Redemption Amounts. Proceeds from such redemption relating to the Notes that form a part of Normal Units will be applied as described in the Purchase Contract Agreement and the Pledge Agreement.

The Notes shall constitute the senior, unsecured and unsubordinated obligations of the Company and shall rank equally in right of payment with all existing and future senior, unsecured and unsubordinated obligations of the Company.

No sinking fund is provided for the Notes.

In the case of an Event of Default described in Section 6.01(8) or 6.01(9) of the Original Indenture, all unpaid principal of and accrued interest and Additional Amounts on the Notes then Outstanding shall be due and payable immediately without any declaration or other act on the part of the Trustee or the Holders of any Notes. In the case all other Events of Default, if such Event of Default shall occur and be continuing, the principal of all of the Notes, together with accrued interest to the date of declaration, may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the written consent of the Holders of not less than a majority in principal amount of the Securities at the time Outstanding and affected thereby. The Indenture also contains, with certain exceptions as therein provided, provisions permitting Holders of not less than a majority in principal amount of the Securities of any series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note or such other Note.

As provided in and subject to the provisions of the Indenture, the Holder of this Note shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless certain conditions have been satisfied. The foregoing shall not apply to any suit instituted by any Holder of this Note for the enforcement of any payment of principal hereof, or any premium of interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Note at the times, places and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable on the Security Register upon surrender of this Note for registration of transfer at the Corporate Trust Office of the Trustee or at such other office or agency of the Company as may be designated by it for such purpose in the Borough of Manhattan, The City of New York (which shall initially be an office or agency of the Trustee), or at such other offices or agencies as the Company may designate, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees by the Security Registrar. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to recover any tax or other governmental charge payable in connection therewith.

Prior to due presentation of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered, as the owner thereof for all purposes, whether or not such Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

No recourse for the payment of the principal (and premium, if any) or interest on this Note and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in any Note, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, officer or director or subsidiary, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of consideration for the issue hereof, expressly waived and released.

[If Note is a Global Note, insert - This Note is a Global Note and is subject to the provisions of the Indenture relating to Global Notes, including the limitations in Section 2.08 of the Original Indenture on transfers and exchanges of Global Notes.]

THE INDENTURE AND THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

All capitalized terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

UNIF GIFT MIN ACT – Custodian

(cust) (minor)
Under Uniform Gifts to Minors Act

TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with rights of survivorship and not as tenants in common

Additional abbreviations may also be used though not on the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Note to:

_____

_____

_____

(Insert assignee's social security or tax identification number)

_____

_____

_____

(Insert address and zip code of assignee)

and irrevocably appoint agent to transfer this Note on the Security Register. The agent may substitute another to act for him or her.

Dated:

Signed:

Signature Guarantee:

(Sign exactly as your name appears on the other side of this Note)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF INCREASES AND DECREASES

The initial principal amount of this Global Note is $. The following increases or decreases in this Global Note have been made:

Date of Increase or Decrease	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Remaining Principal Amount of this Global Note Following such Decrease or Increase	Signature of Authorized Signatory of Trustee or Custodian

EXHIBIT 4.4

PURCHASE CONTRACT AGREEMENT

between

LAZARD LTD

and

THE BANK OF NEW YORK,

As Purchase Contract Agent

Dated as of May 10, 2005

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PURCHASE CONTRACT AGREEMENT dated as of May 10, 2005, between Lazard Ltd, an exempted Bermuda limited company (the "Company"), and The Bank of New York, a New York banking corporation, not individually but solely as purchase contract agent and attorney-in-fact for the holders from time to time of the units described herein.

RECITALS

WHEREAS, the Company has duly authorized the execution and delivery of this Agreement (such term, and each other capitalized term used in these recitals, having the meaning set forth herein) and the Certificates evidencing the Units.

WHEREAS, all things necessary to make the Purchase Contracts, when the Certificates are executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Purchase Contract Agent, as provided in this Agreement, the valid obligations of the Company, and to constitute this Agreement a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchase Contract Agent agree as follows:

ARTICLE I

Definitions and Other Provisions of General Application

SECTION 1.01. Definitions and Other Provisions of General Application. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement include the plural as well as the singular, and nouns and pronouns of the masculine gender include the feminine and neuter genders;

(b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States;

(c) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Recital, Article, Section or other subdivision; and

(d) the following terms shall have the following meanings:

"Accounting Redemption Event" means the receipt, at any time prior to the Stock Purchase Date, by the audit committee of the Board of Directors of a written report in accordance with Statement on Auditing Standards ("SAS") No. 97, Amendment to SAS No. 50 – Reports on the Application of Accounting Principles, from the Company's independent auditors, provided at the request of the management of the Company, to the effect that, as a result of a change in accounting rules or interpretations thereof applicable to the Company after May 4, 2005, the Company must either (a) account for the Purchase Contracts as derivatives under Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities (or any successor accounting standard) (or otherwise mark-to-market or measure the fair value of all or any portion of the purchase contracts with changes appearing in the Company's consolidated statement of income), or (b) account for the Units using the if-converted method under SFAS No. 128, Earnings Per Share (or any successor accounting standard), and that such accounting treatment will cease to apply upon redemption of the Notes.

"Act", when used with respect to any Holder, has the meaning specified in Section 1.04(a).

"Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act or any successor rule thereunder.

"Agreement" means this agreement as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Bankruptcy Code" means Title 11 of the United States Code or any other law of the United States that from time to time provides a uniform system of bankruptcy laws.

"Bankruptcy Law" means (i) the Bankruptcy Code or (ii) with respect to the Company, any and all relevant provisions of the Companies Act, or any successor thereto, relating to the winding up of the Company (including without limitation in the circumstances set out in Section 95 of the Companies Act).

"Beneficial Owner" means, with respect to a Book-Entry Interest, a Person who is the beneficial owner of such Book-Entry Interest as reflected on the books of the Clearing Agency or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Board of Directors" means either the Board of Directors of the Company or any committee of such Board of Directors duly authorized to act generally or in any particular respect for the Board of Directors hereunder.

"Board Resolution" means (i) a copy of a resolution certified by the Secretary or the Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, (ii) a

copy of a unanimous written consent of the Board of Directors or (iii) a certificate signed by the authorized officer or officers to whom the Board of Directors has delegated its authority and, in each case, delivered to the Purchase Contract Agent.

"Book-Entry Interest" means a beneficial interest in a Global Certificate, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 3.06.

"Business Day" means any day other than a Saturday, Sunday or other day in the City of New York or in any Place of Payment on which banking institutions are authorized by law or regulations to close.

"Capital Stock" means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting) corporate stock or similar equity or membership interests in other types of entities.

"Cash Consideration" has the meaning set forth in Section 5.04(b)(iv).

"Cash Merger" has the meaning set forth in Section 5.10(a).

"Cash Merger Date" means the date on which a Cash Merger is consummated.

"Cash Settlement" has the meaning set forth in Section 5.04(a).

"Certificate" means a Normal Units Certificate or a Stripped Units Certificate.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act that is acting as a depositary for the Units and in whose name, or in the name of a nominee of that organization, shall be registered a Global Certificate and which shall undertake to effect book-entry transfers and pledges of the Units.

"Clearing Agency Participant" means a broker, dealer, bank, trust company, clearing corporation, other financial institution or other Person for whom from time to time the Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Price" has the meaning set forth in Section 5.01(c).

"Collateral" has the meaning set forth in Section 2.01(a) of the Pledge Agreement.

"Collateral Agent" means The Bank of New York, as Collateral Agent under the Pledge Agreement until a successor Collateral Agent shall have become such

pursuant to the applicable provisions of the Pledge Agreement, and thereafter "Collateral Agent" shall mean the Person who is then the Collateral Agent thereunder.

"Collateral Substitution" has the meaning set forth in Section 3.13(a).

"Common Stock" means the Class A common stock, par value $0.01 per share, of the Company.

"Company" has the meaning set forth in the preamble to this Agreement.

"Companies Act" means the Companies Act 1981 of Bermuda.

"Constituent Person" has the meaning set forth in Section 5.06(b).

"Contract Adjustment Payments" means, in the case of Normal Units and Stripped Units, the amount payable on each Payment Date by the Company in respect of each Purchase Contract constituting a part of such Unit, which amount shall be equal to 0.505% per year of the Stated Amount, in each case computed (i) for any full quarterly period, on the basis of a 360-day year of twelve 30-day months and (ii) for any period shorter than a full quarterly period, on the basis of a 30-day month, and for periods of less than a month, on the basis of the actual number of days elapsed per 30-day month, plus any Deferred Contract Adjustment Payments accrued pursuant to Section 5.03.

"Corporate Trust Office" means the corporate trust office of the Purchase Contract Agent at which, at any particular time, its corporate trust business shall be principally administered, which office at the date hereof is located at 101 Barclay Street, Floor 8 West, New York, NY 10286, Attention: Corporate Trust Administration.

"Coupon Rate" means the percentage rate per annum at which each Note will bear interest initially.

"Current Market Price" has the meaning set forth in Section 5.06(a)(8).

"Custodial Agent" means The Bank of New York, as Custodial Agent under the Pledge Agreement until a successor Custodial Agent shall have become such pursuant to the applicable provisions of the Pledge Agreement, and thereafter "Custodial Agent" shall mean the Person who is then the Custodial Agent thereunder.

"Daily Amount" has the meaning set forth in Section 5.01(a).

"Default" means a default by the Company in any of its obligations under this Agreement.

"Deferred Contract Adjustment Payments" has the meaning set forth in Section 5.03(a).

"Depositary" means DTC until another Clearing Agency becomes its successor, and thereafter "Depositary" shall mean such successor.

"DTC" means The Depository Trust Company, the initial Clearing Agency.

"Early Settlement" has the meaning set forth in Section 5.09(a).

"Early Settlement Amount" has the meaning set forth in Section 5.09(a).

"Early Settlement Date" has the meaning set forth in Section 5.09(a).

"Early Settlement Rate" has the meaning set forth in Section 5.09(b).

"Exchange Act" means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time, and the rules and regulations promulgated thereunder.

"Expiration Date" has the meaning set forth in Section 1.04(f).

"Expiration Time" has the meaning set forth in Section 5.06(a)(5).

"First Supplemental Indenture" means the First Supplemental Indenture, dated as of May 10, 2005, to the Indenture between Lazard Group Finance LLC and the Trustee.

"Global Certificate" means a Certificate that evidences all or part of the Units and is registered in the name of a Depositary or a nominee thereof.

"Holder" means the Person in whose name the Unit evidenced by a Normal Units Certificate or a Stripped Units Certificate is registered in the related Normal Units Register or the Stripped Units Register, as the case may be.

"Indenture" means the Indenture dated as of May 10, 2005, between Lazard Group Finance LLC and the Trustee, pursuant to which the Notes are to be issued, as originally executed and delivered and as it may from time to time be supplemented or amended by one or more indentures supplemental thereto entered into pursuant to the applicable provisions thereof and shall include the terms of a particular series established as contemplated thereof.

"Issuer Order" or "Issuer Request" means a written order or request signed in the name of the Company by the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary (or other officer performing similar functions) of the Company and delivered to the Purchase Contract Agent.

"Last Failed Remarketing" has the meaning set forth in Section 5.04(b)(ii).

"Lazard Group" means Lazard LLC, a Delaware limited liability company that will be renamed Lazard Group LLC.

"Lazard Group Finance" means Lazard Group Finance LLC, a Delaware limited liability company.

"Merger Early Settlement" has the meaning set forth in Section 5.10(a).

"Merger Early Settlement Amount" has the meaning set forth in Section 5.10(b).

"Merger Early Settlement Date" has the meaning set forth in Section 5.10(a)(i).

"Non-electing Share" has the meaning set forth in Section 5.06(b).

"Normal Unit" means the collective rights and obligations of a Holder of a Normal Units Certificate in respect of a 1/40 undivided beneficial interest in a Note in the original principal amount of $1,000 or the Treasury Consideration, as the case may be, subject in each case to the Pledge thereof, and the related Purchase Contract.

"Normal Units Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Normal Units set forth on such certificate, substantially in the form of Exhibit A hereto.

"Normal Units Register" and "Normal Units Registrar" have the respective meanings set forth in Section 3.05(a).

"Notes" means the 6.120% Senior Notes initially due 2035 of Lazard Group Finance LLC issued under the Indenture on or about the date of this Agreement, including the notes issued pursuant to the First Supplemental Indenture and the restricted notes issued to the Private Purchaser pursuant to the Second Supplemental Indenture.

"NYSE" has the meaning set forth in Section 5.01(c).

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller or the Secretary of such Person

"Officers' Certificate" means a certificate signed by the Chief Executive Officer, the Chief Financial Officer or the President, and by the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary (or other officer performing similar functions) of the Company and delivered to the Purchase Contract Agent.

"Opt-Out" has the meaning set forth in Section 5.04(b)(iv).

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or an Affiliate of the Company and who shall be reasonably acceptable to the Purchase Contract Agent.

"Outstanding Units" means, as of the date of determination, all Normal Units or Stripped Units evidenced by Certificates theretofore authenticated, executed and delivered under this Agreement, except:

(i) if a Termination Event has occurred, (A) Stripped Units for which the related Treasury Securities have been theretofore deposited with the Purchase Contract Agent in trust for the Holders of such Stripped Units and (B) Normal Units for which the related Notes or the Treasury Consideration, as the case may be, has been theretofore deposited with the Purchase Contract Agent in trust for the Holders of such Normal Units;

(ii) Normal Units and Stripped Units evidenced by Certificates theretofore cancelled by the Purchase Contract Agent or delivered to the Purchase Contract Agent for cancellation or deemed cancelled pursuant to the provisions of this Agreement; and

(iii) Normal Units and Stripped Units evidenced by Certificates in exchange for or in lieu of which other Certificates have been authenticated, executed on behalf of the Holder and delivered pursuant to this Agreement, other than any such Certificate in respect of which there shall have been presented to the Purchase Contract Agent proof satisfactory to it that such Certificate is held by a protected purchaser in whose hands the Normal Units or Stripped Units evidenced by such Certificate are valid obligations of the Company;

provided that, in determining whether the Holders of the requisite number of the Normal Units or Stripped Units have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Normal Units or Stripped Units owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be outstanding, except that, in determining whether the Purchase Contract Agent shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Normal Units or Stripped Units which a Responsible Officer of the Purchase Contract Agent actually knows, or after due inquiry should know, to be so owned shall be so disregarded. Normal Units or Stripped Units so owned which have been pledged in good faith may be regarded as Outstanding Units if the pledgee establishes to the satisfaction of the Purchase Contract Agent the pledgee's right so to act with respect to such Normal Units or Stripped Units and that the pledgee is not the Company or any Affiliate of the Company.

"Payment Date" means each February 15, May 15, August 15 and November 15, commencing August 15, 2005 and ending on May 15, 2008.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Pledge" has the meaning set forth in Section 2.01(c) of the Pledge Agreement.

"Pledge Agreement" means the Pledge Agreement, dated as of the date hereof, by and among the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, on its own behalf and as attorney-in-fact for the Holders from time to time of the Units.

"Pledged Notes" has the meaning set forth in Section 2.01(c) of the Pledge Agreement.

"Pledged Treasury Consideration" has the meaning set forth in Section 2.01(c) of the Pledge Agreement.

"Pledged Treasury Securities" has the meaning set forth in Section 2.01(c) of the Pledge Agreement.

"Predecessor Certificate" means a Predecessor Normal Units Certificate or a Predecessor Stripped Units Certificate.

"Predecessor Normal Units Certificate" of any particular Normal Units Certificate means every previous Normal Units Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Normal Units evidenced thereby. For the purposes of this definition, any Normal Units Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Normal Units Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Normal Units Certificate.

"Predecessor Stripped Units Certificate" of any particular Stripped Units Certificate means every previous Stripped Units Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Stripped Units evidenced thereby. For the purposes of this definition, any Stripped Units Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Stripped Units Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Stripped Units Certificate.

"Private Purchaser" means IXIS – Corporate & Investment Bank, an entity organized under the Laws of France.

"Purchase Contract," when used with respect to any Unit, means the contract forming a part of such Unit and obligating the Company to issue and sell and the Holder of such Unit to purchase Common Stock on the terms and subject to the conditions set forth in Article V.

"Purchase Contract Agent" means the Person named as the "purchase contract agent" in the preamble to this Agreement until a successor Purchase Contract Agent shall have become such pursuant to the applicable provisions of this Agreement, and thereafter "Purchase Contract Agent" shall mean such Person.

"Purchase Contract Settlement Fund" has the meaning set forth in Section 5.05.

"Purchase Price" has the meaning set forth in Section 5.01(a).

"Purchased Shares" has the meaning set forth in Section 5.06(a)(5).

"Quotation Agent" means Goldman, Sachs & Co. or any of its successors or any other primary U.S. government securities dealer in New York City selected by the Company.

"Record Date" for the payment of a distribution payable on any Payment Date means, the 15th calendar day preceding such Payment Date.

"Redemption Price" means, for each Note, whether or not included in a Normal Unit, the greater of (a) the principal amount of such Note and (b) the product of (i) the principal amount of such Note and (ii) a fraction whose numerator is the applicable Treasury Portfolio Purchase Price and whose denominator is the applicable Special Event Redemption Principal Amount.

"Reference Price" has the meaning set forth in Section 5.01(a).

"Register" means the Normal Units Register and the Stripped Units Register, as applicable.

"Registrar" means the Normal Units Registrar and the Stripped Units Registrar, as applicable.

"Remarketing Agent" has the meaning set forth in Section 5.04(b)(i).

"Remarketing Agreement" means the Remarketing Agreement to be entered into by and among the Company, Lazard Group Finance LLC, the Remarketing Agent and the Purchase Contract Agent.

"Remarketing Date" means the ninth Business Day before the Stock Purchase Date, which shall be May 2, 2008.

"Remarketing Fee" has the meaning set forth in Section 5.04(b)(i).

"Remarketing Notice" has the meaning set forth in Section 5.04(b)(i).

"Remarketing Period" means the seven Business Day period beginning on the Remarketing Date and ending on the third Business Day preceding the Stock Purchase Date.

"Remarketing Rate" means the percentage rate per year at which each Note will bear interest on and following the Reset Date.

"Remarketing Value" means, with respect to any Note, the principal amount of such Note.

"Reorganization Event" has the meaning set forth in Section 5.06(b).

"Reset Date" means the date following the Remarketing Date or a Subsequent Remarketing Date, as applicable, on which the sales of the Notes pursuant to a successful remarketing of the Notes, subject to the provisions of Section 5.04, are settled. Notwithstanding whether a successful remarketing occurs on the Remarketing Date or on a Subsequent Remarketing Date, the settlement date for such remarketing, if successful, shall be on the Stock Purchase Date; provided that the Company with the consent of the Remarketing Agent and the Purchase Contract Agent shall have the option to provide for a settlement date of a successful remarketing that is earlier than the Stock Purchase Date so long as the Company shall pay on the Stock Purchase Date to the Holders of the Normal Units and the Separate Notes payment on the Notes for the period from and including the Payment Date immediately preceding the Stock Purchase Date to but excluding the Stock Purchase Date at the Coupon Rate.

"Responsible Officer" means, when used with respect to the Purchase Contract Agent, any officer within the corporate trust department of the Purchase Contract Agent (or any successor of the Purchase Contract Agent), including any Vice President, any assistant Vice President, any assistant secretary, any assistant treasurer, any trust officer, any senior trust officer or any other officer of the Purchase Contract Agent who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who, in each of the above cases, shall have direct responsibility for the administration of this Agreement.

"Second Supplemental Indenture" means the Second Supplemental Indenture, dated as of May 10, 2005, to the Indenture between Lazard Group Finance LLC and the Trustee.

"Securities Intermediary" means The Bank of New York, in its capacity as Securities Intermediary under the Pledge Agreement, together with its successors in such capacity.

"Senior Indebtedness" means indebtedness of any kind of the Company unless the instrument under which such indebtedness is incurred expressly provides that it is pari passu with, or subordinate in right of payment to, the Contract Adjustment Payments.

"Separate Notes" has the meaning set forth in the Pledge Agreement.

"Settlement Date" means any Early Settlement Date or Merger Early Settlement Date or the Stock Purchase Date.

"Settlement Rate" has the meaning set forth in Section 5.01(a).

"Share Components" has the meaning set forth in Section 5.01(a).

"Special Event" means either an Accounting Redemption Event or a Tax Event.

"Special Event Redemption" means, if a Special Event shall occur and be continuing, the redemption of the Notes, at the option of Lazard Group Finance, in whole but not in part, on not less than 30 days' nor more than 60 days' prior written notice.

"Special Event Redemption Date" means the date upon which a Special Event Redemption is to occur.

"Special Event Redemption Principal Amount" means (i) in the case of a Special Event Redemption Date occurring prior to a successful remarketing of the Notes pursuant to the provisions of Section 5.04, the aggregate principal amount of Notes included in Normal Units outstanding on such date and (ii) in the case of a Special Event Redemption Date occurring after either a successful remarketing of the Notes pursuant to the provisions of Section 5.04 or the Stock Purchase Date, the aggregate principal amount of the Notes outstanding on such date.

"Stated Amount" means, with respect to a Normal Unit or Stripped Unit, $25 and, with respect to a Note, $1,000.

"Stock Purchase Date" means May 15, 2008.

"Stripped Unit" means the collective rights and obligations of a Holder of a Stripped Units Certificate in respect of a 1/40 undivided beneficial interest in a Treasury Security or, in the case of an Opt-Out, the Cash Consideration, subject to the Pledge thereof, and the related Purchase Contract.

"Stripped Units Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Stripped Units specified on such certificate, substantially in the form of Exhibit B hereto.

"Stripped Units Register" and "Stripped Units Registrar" have the respective meanings set forth in Section 3.05(a).

"Subsequent Remarketing Date" has the meaning set forth in Section 5.04(b)(i).

"Tax Event" means the receipt by Lazard Group Finance of an opinion of nationally recognized tax counsel to the effect that there is more than an insubstantial increase in the risk that interest payable by Lazard Group Finance on the Notes on the next interest payment date is not, or within 90 days of the date of such opinion, will not be deductible, in whole or in part, by Lazard Group for U.S. federal income tax purposes as a result of (i) any amendment to, change in, or announced proposed change in, the laws, or any regulations thereunder, of the U.S. or any political subdivision or taxing authority thereof or therein affecting taxation (other than any such amendment, change or

announced proposed change to the so-called "earnings stripping" provisions of Section 163(j) of the Code, which limit the ability of U.S. corporations to deduct interest on certain debt owed to or guaranteed by related foreign persons), (ii) any amendment to or change in an official interpretation or application of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority or (iii) any official interpretation, pronouncement or application that provides for a position with respect to any such laws or regulations that differs from the generally accepted position on the date of this prospectus, which amendment, change or proposed change is effective or which interpretation or pronouncement is announced on or after the date of this prospectus.

"Termination Date" means the date, if any, on which a Termination Event occurs.

"Termination Event" means the occurrence of any of the following events:

(i) at any time on or prior to the Stock Purchase Date, a judgment, decree or court order shall have been entered granting relief under any Bankruptcy Law or any other similar foreign, federal or state law, adjudicating the Company, Lazard Group or Lazard Group Finance to be insolvent, or approving as properly filed a petition seeking reorganization or liquidation of the Company, Lazard Group or Lazard Group Finance and, unless such judgment, decree or order shall have been entered within 60 days prior to the Stock Purchase Date, such decree or order shall have continued undischarged and unstayed for a period of 60 days;

(ii) except under Bermuda law, at any time on or prior to the Stock Purchase Date, a judgment, decree or court order for the appointment of a custodian, receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company, Lazard Group, or Lazard Group Finance or of their property substantially in the entirety, or for the winding up or liquidation of any such person's affairs, shall have been entered, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Stock Purchase Date, such judgment, decree or order shall have continued undischarged and unstayed for a period of 60 days;

(iii) at any time on or prior to the Stock Purchase Date, the Company, Lazard Group, or Lazard Group Finance or any creditor thereof shall file a petition for relief under any Bankruptcy Law or any other foreign, federal or state law substantially similar to any Bankruptcy Law, or shall consent to the filing of a bankruptcy proceeding against any such person, or shall file a petition or answer or consent seeking reorganization or liquidation under any Bankruptcy Law or any other similar foreign, federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a custodian, receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of its property substantially in the entirety, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(iv) at any time on or prior to the Stock Purchase Date, a judgment, decree or court order for the appointment of a receiver or liquidator or trustee or assignee or provisional liquidator in bankruptcy or insolvency of the Company or of its property under any Bankruptcy Law of Bermuda, or for the termination or liquidation of the affairs of the Company on its bankruptcy or insolvency or for the reorganization of the Company's affairs, shall have been entered and if such judgment, decree or order shall have been entered more than 60 days prior to the Stock Purchase Date, such judgment, decree or order shall have continued undischarged and unstayed for a period of 60 days.

"Threshold Appreciation Price" has the meaning set forth in Section 5.01(a).

"Trading Day" has the meaning set forth in Section 5.01(c).

"Treasury Consideration" means, as the context requires, (i) with respect to a Normal Unit, (A) a 1/40, or 2.5%, undivided beneficial ownership interest in a $1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury security included in the Treasury Portfolio which matures on or prior to the Stock Purchase Date and (B) for each scheduled interest Payment Date on the Notes that occurs after the Special Event Redemption Date and on or before the Stock Purchase Date, a 0.03825% undivided beneficial ownership interest in a $1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury security included in the Treasury Portfolio that matures on or prior to that interest Payment Date or (ii) with respect to any number of Normal Units greater than one, (A) an equal number of 1/40, or 2.5%, undivided beneficial ownership interests in a $1,000 principal or interests amounts of principal or interest strip in a U.S. Treasury securities included in the Treasury Portfolio which matures on or prior to the Stock Purchase Date and (B) for each scheduled interest Payment Date on the Notes that occurs after the Special Event Redemption Date and on or before the Stock Purchase Date, an equal number of 0.03825% undivided beneficial ownership interests in a $1,000 principal or interest amounts of principal or interest strips in a U.S. Treasury securities included in the Treasury Portfolio that matures on or prior to that interest Payment Date.

"Treasury Portfolio" means (i) if a Special Event Redemption occurs prior to a successful remarketing of the Notes pursuant to the provisions of Section 5.04, a portfolio of (A) zero-coupon U.S. Treasury securities consisting of principal or interest strips of U.S. Treasury securities that mature on or prior to the Stock Purchase Date in an aggregate amount equal to the applicable Special Event Redemption Principal Amount and (B) with respect to each scheduled interest Payment Date on the Notes that occurs after the Special Event Redemption Date and on or before the Stock Purchase Date, interest or principal strips of U.S. Treasury securities that mature on or prior to such interest Payment Date in an aggregate amount equal to the aggregate interest payment that would be due on the applicable Special Event Redemption Principal Amount on such date if the interest rate of the Notes were not reset on the Reset Date, and (ii) solely for purposes of determining the Treasury Portfolio Purchase Price in the case of a Special Event Redemption Date occurring after the successful remarketing of the Notes pursuant

to the provisions of Section 5.04 or the Stock Purchase Date, a portfolio of (A) zero-coupon U.S. Treasury securities consisting of principal or interest strips of U.S. Treasury securities that mature on the reset maturity date of the Notes in an aggregate amount equal to the applicable Special Event Redemption Principal Amount and (B) with respect to each scheduled interest Payment Date on the Notes that occurs after the Special Event Redemption Date and on the reset maturity date of the Notes, interest or principal strips of U.S. Treasury securities that mature on or prior to such interest Payment Date in an aggregate amount equal to the aggregate interest payment that would be due on the applicable Special Event Redemption Principal Amount.

"Treasury Portfolio Purchase Price" means the lowest aggregate price quoted by a primary U.S. government securities dealer in New York City to the Quotation Agent on the third Business Day immediately preceding the Special Event Redemption Date for the purchase of the Treasury Portfolio for settlement on the Special Event Redemption Date.

"Treasury Security" means a zero-coupon U.S. Treasury security (Number 912833GC8) maturing on May 15, 2008 that will pay $1,000 on such maturity date.

"Trustee" means The Bank of New York, a New York banking corporation, as trustee under the Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, or any successor thereto.

"Trust Indenture Act" means the Trust Indenture Act of 1939, and any statute successor thereto, in each case as amended from time to time, and the rules and regulations promulgated thereunder.

"Underwriting Agreement" means the Underwriting Agreement relating to the Units dated May 4, 2005, between the Company, Lazard Group LLC, Lazard Group Finance LLC and the underwriters named therein.

"Unit" means a Normal Unit or a Stripped Unit, including the Units issued to the Private Purchaser.

"Vice President" means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

SECTION 1.02. Compliance Certificates and Opinions. Except as otherwise expressly provided by this Agreement, upon any application or request by the Company to the Purchase Contract Agent to take any action under any provision of this Agreement, the Company shall furnish to the Purchase Contract Agent an Officers' Certificate stating that all conditions precedent, if any, provided for in this Agreement relating to the proposed action have been complied with and, if requested by the Purchase Contract Agent, an Opinion of Counsel stating that, in the opinion of such counsel, such action is authorized or permitted by this Agreement and that all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically

required by any provision of this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Agreement shall include:

(a) a statement that the individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he or she has made such examination or investigation as is necessary to enable such individual to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of such individual based on his or her knowledge, such condition or covenant has been complied with.

SECTION 1.03. Form of Documents Delivered to Purchase Contract Agent. (a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(b) Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Agreement, they may, but need not, be consolidated and form one instrument.

SECTION 1.04. Acts of Holders; Record Dates. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by Holders may be embodied in and evidenced by one or

more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Purchase Contract Agent and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Agreement and (subject to Section 7.01) conclusive in favor of the Purchase Contract Agent and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Purchase Contract Agent deems sufficient.

(c) The ownership of Units shall be proved by the Normal Units Register or the Stripped Units Register, as the case may be.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Certificate shall bind every future Holder of the same Certificate and the Holder of every Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Purchase Contract Agent or the Company in reliance thereon, whether or not notation of such action is made upon such Certificate.

(e) The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Units entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Agreement to be given, made or taken by Holders of Units. If any record date is set pursuant to this paragraph, the Holders of the Outstanding Normal Units and the Outstanding Stripped Units, as the case may be, on such record date, and no other Holders, shall be entitled to take the relevant action with respect to the Normal Units or the Stripped Units, as the case may be, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite number of Outstanding Units on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite number of Outstanding Units on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Purchase Contract Agent in writing and to each Holder of Units in the manner set forth in Section 1.06.

(f) With respect to any record date set pursuant to this Section, the Company may designate any date as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the Purchase Contract Agent in writing, and to each Holder of Units in the manner set forth in Section 1.06, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section, the Company shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

SECTION 1.05. Notices. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with:

(a) the Purchase Contract Agent by any Holder or by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered, mailed, first-class postage prepaid, telecopied or delivered by overnight air courier guaranteeing next day delivery, addressed to and received by the Purchase Contract Agent at The Bank of New York, 101 Barclay Street, 8th Floor West, New York, N.Y. 10286, Attention: Corporate Trust Administration, telecopy (212) 815-5707, or at any other address furnished in writing by the Purchase Contract Agent to the Holders and the Company; or

(b) the Company by the Purchase Contract Agent or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered, mailed, first-class postage prepaid, telecopied or delivered by overnight air courier guaranteeing at least second day delivery, addressed to and received by the Company at Lazard Ltd, 30 Rockefeller Plaza, New York, New York, 10020, Attention: General Counsel, telecopy: (212) 332-5972, or at any other address furnished in writing to the Purchase Contract Agent by the Company; or

(c) the Collateral Agent by the Purchase Contract Agent, the Company or any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered, mailed, first-class postage prepaid, telecopied or delivered by overnight air courier guaranteeing next day delivery, addressed to and received by the Collateral Agent at 101 Barclay Street, 8th Floor West, New York, New York 10286, or at any other address furnished in writing by the Collateral Agent to the Purchase Contract Agent, the Company and the Holders; or

(d) the Trustee by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered, mailed, first-class postage prepaid,

telecopied or delivered by overnight air courier guaranteeing next day delivery, addressed to and received by the Trustee at 101 Barclay Street, 8th Floor West, New York, New York 10286, Attention: Corporate Trust Administration, telecopy (212) 815-5707, or at any other address furnished in writing by the Trustee to the Company.

SECTION 1.06. Notice to Holders; Waiver. (a) Where this Agreement provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at its address as it appears in the applicable Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Purchase Contract Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(b) In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Purchase Contract Agent shall constitute a sufficient notification for every purpose hereunder.

SECTION 1.07. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.08. Successors and Assigns. All covenants and agreements in this Agreement by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 1.09. Separability Clause. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 1.10. Benefits of Agreement. Nothing in this Agreement or in the Units, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and, to the extent provided hereby, the Holders, any benefits or any legal or equitable right, remedy or claim under this Agreement. The Holders from time to time shall be beneficiaries of this Agreement and shall be bound by all of the

terms and conditions hereof and of the Units evidenced by their Certificates by their acceptance of delivery of such Certificates.

SECTION 1.11. Governing Law; Waiver of Jury Trial. THIS AGREEMENT AND THE UNITS SHALL BE GOVERNED BY, DEEMED TO BE A CONTRACT UNDER, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF. The Company, the Purchase Contract Agent and the Holders from time to time of the Units, acting through the Purchase Contract Agent as their attorney-in-fact, hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in the Borough of Manhattan in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Company, the Purchase Contract Agent and the Holders from time to time of the Units, acting through the Purchase Contract Agent as their attorney-in-fact, irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. EACH OF THE COMPANY AND THE PURCHASE CONTRACT AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.

SECTION 1.12. Judgment Currency. The Company agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due (the “Required Currency”) into a currency in which a judgment will be rendered (the “Judgment Currency”), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Purchase Contract Agent could purchase in The City of New York the requisite amount of the Required Currency with the Judgment Currency on the New York Banking Day preceding the day on which a final unappealable judgment is given and (b) its obligations under this Agreement to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with clause (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Agreement. For purpose of the foregoing, “New York Banking Day” means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to be closed.

SECTION 1.13. Legal Holidays. (a) In any case where any Payment Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement or the Normal Units Certificates) payments on the Units shall not be made on such date, but such payments shall be made on the next succeeding day which is a Business Day with the same force and effect as if made on such Payment Date, provided that no interest shall accrue or be payable by the Company in respect of such payment for the period from and after any such Payment Date, except that if such next succeeding Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day with the same force and effect as if made on such Payment Date.

(b) If any date on which Contract Adjustment Payments are to be made on the Purchase Contracts is not a Business Day, then payment of the Contract Adjustment Payments payable on that date will be made on the next succeeding day which is a Business Day, and no interest or additional payment will be paid in respect of the delay. However, if that Business Day is in the next succeeding calendar year, the payment will be made on the immediately preceding Business Day with the same force and effect as if made on that Payment Date.

(c) In any case where the Stock Purchase Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement or the Certificates) the Purchase Contracts shall not be performed on such date, but the Purchase Contracts shall be performed on the next succeeding day which is a Business Day with the same force and effect as if performed on the Stock Purchase Date.

SECTION 1.14. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

SECTION 1.15. Inspection of Agreement. A copy of this Agreement shall be available at all reasonable times during normal business hours at the Corporate Trust Office for inspection by any Holder.

SECTION 1.16. Appointment of Financial Institution as Purchase Contract Agent for the Company. The Company may appoint a financial institution (which may be the Collateral Agent) to act as its agent in performing its obligations and in accepting and enforcing performance of the obligations of the Purchase Contract Agent and the Holders, under this Agreement and the Purchase Contracts, by giving notice of such appointment in the manner provided in Section 1.05 hereof. Any such appointment shall not relieve the Company in any way from its obligation hereunder.

SECTION 1.17. No Waiver. No failure on the part of the Company, the Purchase Contract Agent, the Collateral Agent, the Securities Intermediary or any of their respective agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Company, the Purchase Contract Agent, the

Collateral Agent, the Securities Intermediary or any of their respective agents of any right, power or remedy hereunder preclude any further exercise thereof or the exercise of any right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

ARTICLE II

Certificate Forms

SECTION 2.01. Forms of Certificates Generally. (a) The Normal Units Certificates (including the form of Purchase Contract forming part of the Normal Units evidenced thereby) shall be in substantially the form set forth in Exhibit A hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange or quotation system on which the Normal Units are listed or quoted for trading or any depositary therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Normal Units Certificates, as evidenced by their execution of the Normal Units Certificates.

(b) The definitive Normal Units Certificates shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Normal Units Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

(c) The Stripped Units Certificates (including the form of Purchase Contracts forming part of the Stripped Units evidenced thereby) shall be in substantially the form set forth in Exhibit B hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange or the quotation system on which the Stripped Units may be listed or quoted for trading or any depositary therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Stripped Units Certificates, as evidenced by their execution of the Stripped Units Certificates.

(d) The definitive Stripped Units Certificates shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Stripped Units Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

(e) Every Global Certificate authenticated, executed on behalf of the Holders and delivered hereunder shall bear a legend in substantially the following form:

"THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS DEFINED ON THE REVERSE HEREOF) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE

THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT. [Unless this Certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Company or its agent for registration of transfer, exchange or payment, and any Certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company, and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of The Depository Trust Company, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.] UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR CERTIFICATES IN DEFINITIVE REGISTERED FORM IN THE LIMITED CIRCUMSTANCES REFERRED TO IN THE PURCHASE CONTRACT AGREEMENT, THIS GLOBAL CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY."

SECTION 2.02. Form of Purchase Contract Agent's Certificate of Authentication. (a) The form of the Purchase Contract Agent's certificate of authentication of the Normal Units shall be in substantially the form set forth on the form of the Normal Units Certificates.

(b) The form of the Purchase Contract Agent's certificate of authentication of the Stripped Units shall be in substantially the form set forth on the form of the Stripped Units Certificates.

ARTICLE III

The Units

SECTION 3.01. Number of Units; Denominations. (a) The aggregate number of Normal Units and Stripped Units, if any, evidenced by Certificates authenticated, executed on behalf of the Holders and delivered hereunder is limited to 11,500,000, except for Certificates authenticated, executed on behalf of the Holder and

delivered upon registration of transfer of, in exchange for, or in lieu of, other Certificates pursuant to Section 3.04, 3.05, 3.10, 3.13, 3.14, 5.09(e), 5.10(e) or 8.05.

(b) The Certificates shall be issuable only in registered form and only in denominations of a single Unit and any integral multiple thereof.

SECTION 3.02. Rights and Obligations Evidenced by the Certificates. (a) Each Normal Units Certificate shall evidence the number of Normal Units specified therein, with each such Normal Unit representing the ownership by the Holder thereof of a 1/40 undivided beneficial interest in a Note in the original principal amount of $1,000 or the Treasury Consideration, as the case may be, subject to the Pledge of such interest in such Note or the Treasury Consideration, as the case may be, by such Holder pursuant to the Pledge Agreement, and the rights and obligations of the Holder thereof and the Company under one Purchase Contract. The Purchase Contract Agent, as attorney-in-fact for, and on behalf of, the Holder of each Normal Unit, shall pledge and grant, pursuant to the Pledge Agreement, to the Collateral Agent, for the benefit of the Company, as collateral security for the payment and performance when due by such Holder of its respective obligations to the Company under the related Purchase Contracts, a security interest in, and right of set-off against, all of the right, title and interest of the Purchase Contract Agent and such Holder in such Note or the Treasury Consideration forming a part of such Normal Unit.

(b) Each Stripped Units Certificate shall evidence the number of Stripped Units specified therein, with each such Stripped Unit representing the ownership by the Holder thereof of a 1/40 undivided beneficial interest in a Treasury Security or, in the case of an Opt-Out, the Cash Consideration, subject to the Pledge of such interest in such Treasury Security or Cash Consideration, as the case may be, by such Holder pursuant to the Pledge Agreement, and the rights and obligations of the Holder thereof and the Company under one Purchase Contract. The Purchase Contract Agent, as attorney-in-fact for, and on behalf of, the Holder of each Stripped Unit, shall pledge and grant, pursuant to the Pledge Agreement, to the Collateral Agent, for the benefit of the Company, as collateral security for the payment and performance when due by such Holder of its respective obligations to the Company under the related Purchase Contracts, a security interest in, and right of set off against, all of the right, title, and interest of the Purchase Contract Agent and such Holder in such interest in the Treasury Security forming a part of such Stripped Unit.

(c) Prior to the purchase of Common Stock under each Purchase Contract, such Purchase Contract shall not entitle the Holder of the related Units Certificates to any of the rights of a holder of Common Stock, including, without limitation, the right to vote or receive any dividends or other payments or to consent or to receive notice as a shareholder in respect of the meetings of shareholders or for the election of directors of the Company or for any other matter, or any other rights whatsoever as a shareholder of the Company.

SECTION 3.03. Execution, Authentication, Delivery and Dating. (a) Subject to the provisions of Sections 3.13 and 3.14, upon the execution and delivery

of this Agreement, and at any time and from time to time thereafter, the Company may deliver Certificates executed by the Company to the Purchase Contract Agent for authentication, execution on behalf of the Holders and delivery, together with its Issuer Order for authentication and delivery of such Certificates, and the Purchase Contract Agent in accordance with such Issuer Order shall authenticate, execute on behalf of the Holders and deliver such Certificates.

(b) The Certificates shall be executed on behalf of the Company by its Chairman of the Board of Directors, a Vice-Chairman, its President or Secretary and delivered to the Purchase Contract Agent. The signature of any of these officers on the Certificates may be manual or facsimile.

(c) Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Certificates or did not hold such offices at the date of such Certificates.

(d) No Purchase Contract evidenced by a Certificate shall be valid until such Certificate has been executed on behalf of the Holder by the manual signature of an authorized signatory of the Purchase Contract Agent, as such Holder's attorney-in-fact. Such signature by an authorized signatory of the Purchase Contract Agent shall be conclusive evidence that the Holder of such Certificate has entered into the Purchase Contract or Purchase Contracts evidenced by such Certificate.

(e) Each Certificate shall be dated the date of its authentication.

(f) No Certificate shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by an authorized signatory of the Purchase Contract Agent by manual signature, and such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder.

SECTION 3.04. Temporary Certificates. (a) Pending the preparation of definitive Certificates, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holders, and deliver, in lieu of such definitive Certificates, temporary Certificates which are in substantially the form set forth in Exhibit A or Exhibit B hereto, as the case may be, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Normal Units or Stripped Units, as the case may be, are listed or quoted for trading or any depositary transfer, or as may, consistently herewith, be determined by the officers of the Company executing such Certificates, as evidenced by their execution of the Certificates.

(b) If temporary Certificates are issued, the Company will cause definitive Certificates to be prepared without unreasonable delay. After the preparation of definitive Certificates, the temporary Certificates shall be exchangeable for definitive Certificates upon surrender of the temporary Certificates at the Corporate Trust Office or such other office or agency designated pursuant to Section 10.02 at the expense of the Company and without charge to the Holder. Upon surrender for cancellation of any one or more temporary Certificates, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, one or more definitive Certificates of like tenor and denominations and evidencing a like number of Normal Units or Stripped Units, as the case may be, as the temporary Certificate or Certificates so surrendered. Until so exchanged, the temporary Certificates shall in all respects evidence the same benefits and the same obligations with respect to the Normal Units or Stripped Units, as the case may be, evidenced thereby as definitive Certificates.

SECTION 3.05. Registration; Registration of Transfer and Exchange. (a) The Purchase Contract Agent shall keep at the Corporate Trust Office a register (the register maintained in such office or in any other office or agency designated pursuant to Section 10.02 being herein referred to as "Normal Units Register") in which, subject to such reasonable regulations as it may prescribe, the Purchase Contract Agent shall provide for the registration of Normal Units Certificates and of transfers of Normal Units Certificates (the Purchase Contract Agent, in such capacity, the "Normal Units Registrar") and a register (the register maintained in such office or in any other office or agency designated pursuant to Section 10.02 being herein referred to as the "Stripped Units Register") in which, subject to such reasonable regulations as it may prescribe, the Purchase Contract Agent shall provide for the registration of the Stripped Units Certificates and of transfers of Stripped Units Certificates (the Purchase Contract Agent, in such capacity, the "Stripped Units Registrar").

(b) Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office or such office or agency designated pursuant to Section 10.02, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the designated transferee or transferees, and deliver one or more new Certificates of like tenor and denominations, registered in the name of the designated transferee or transferees, and evidencing a like number of Normal Units or Stripped Units, as the case may be.

(c) At the option of the Holder, Certificates may be exchanged for other Certificates, of like tenor and denominations and evidencing a like number of Normal Units or Stripped Units, as the case may be, upon surrender of the Certificates to be exchanged at such office or agency. Whenever any Certificates are so surrendered for exchange, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holder, and deliver the Certificates which the Holder making the exchange is entitled to receive.

(d) All Certificates issued upon any registration of transfer or exchange of a Certificate shall evidence the ownership of the same number of Normal Units or

Stripped Units, as the case may be, and be entitled to the same benefits and subject to the same obligations, under this Agreement as the Normal Units or Stripped Units, as the case may be, evidenced by the Certificate surrendered upon such registration of transfer or exchange.

(e) Every Certificate presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Purchase Contract Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Purchase Contract Agent duly executed by the Holder thereof or its attorney duly authorized in writing.

(f) No service charge shall be made for any registration of transfer or exchange of a Certificate, but the Company and the Purchase Contract Agent may require payment from the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Certificates, other than any exchanges pursuant to Sections 3.06, 3.09 and 8.05 not involving any transfer.

(g) Notwithstanding the foregoing, the Company shall not be obligated to issue or execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall not be obligated to authenticate, execute on behalf of the Holder and deliver, any Certificate presented or surrendered for registration of transfer or for exchange on or after the fifth Business Day immediately preceding the earlier of the Stock Purchase Date or the Termination Date.

(h) In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such Holder, the Purchase Contract Agent shall,

(i) if the Stock Purchase Date has occurred, deliver the Common Stock issuable in respect of the Purchase Contracts forming a part of the Units evidenced by such Certificate,

(ii) in the case of Normal Units, if a Termination Event shall have occurred prior to the Stock Purchase Date, transfer the Notes or the Treasury Consideration, as applicable, relating to such Normal Units, or

(iii) in the case of Stripped Units, if a Termination Event shall have occurred prior to the Stock Purchase Date, transfer the Treasury Securities relating to such Stripped Units,

in each case subject to the applicable conditions and in accordance with the applicable provisions of Article V.

SECTION 3.06. Book-Entry Interests. The Certificates, on original issuance, will be issued in the form of one or more fully registered Global Certificates, to be delivered to the Depositary or a nominee or custodian thereof by, or on behalf of, the Company. Such Global Certificate shall initially be registered on the books and records

of the Company in the name of Cede & Co., the nominee of the Depositary, and no Beneficial Owner will receive a definitive Certificate representing such Beneficial Owner's interest in such Global Certificate, except as provided in Section 3.09. The Purchase Contract Agent shall enter into a customary agreement with the Depositary if so requested by the Company. Unless and until definitive, fully registered Certificates have been issued to Beneficial Owners pursuant to Section 3.09:

(a) the provisions of this Section 3.06 shall be in full force and effect;

(b) the Company and the Purchase Contract Agent shall be entitled to deal with the Clearing Agency for all purposes of this Agreement (including the payment of Contract Adjustment Payments and Deferred Contract Adjustment Payments, if any, and receiving approvals, votes or consents hereunder) as the Holder of the Units and the sole holder of the Global Certificate(s) and shall have no obligation to the Beneficial Owners;

(c) to the extent that the provisions of this Section 3.06 conflict with any other provisions of this Agreement or any Certificate, the provisions of this Section 3.06 shall control; and

(d) the rights of the Beneficial Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Beneficial Owners and the Clearing Agency and/or the Clearing Agency Participants.

The Clearing Agency will make book-entry transfers among Clearing Agency Participants and receive and transmit payments of Contract Adjustment Payments and Deferred Contract Adjustment Payments, if any, to such Clearing Agency Participants.

SECTION 3.07. Notices to Holders. Whenever a notice or other communication to the Holders is required to be given under this Agreement, the Company or the Company's agent shall give such notices and communications to the Holders and, with respect to any Units registered in the name of a Clearing Agency or the nominee of a Clearing Agency, the Company or the Company's agent shall, except as set forth herein, have no obligations to the Beneficial Owners.

SECTION 3.08. Appointment of Successor Clearing Agency. If any Clearing Agency elects to discontinue its services as securities depositary with respect to the Units or ceases to be eligible as a "clearing agency" under the Exchange Act, the Company may, in its sole discretion, appoint a successor Clearing Agency with respect to the Units.

SECTION 3.09. Definitive Certificates. If

(a) a Clearing Agency notifies the Company that it is unwilling or unable to continue its services as securities depositary with respect to the Units and a

successor Clearing Agency is not appointed within 90 days after such discontinuance pursuant to Section 3.08,

(b) the Company elects to terminate the book-entry system arrangements through the Clearing Agency with respect to the Units or

(c) there shall have occurred and be continuing a default by the Company in respect of its obligations under this Agreement or the Indenture governing the Notes, then, upon surrender of the Global Certificates representing the Book-Entry Interests with respect to the Units by the Clearing Agency, accompanied by registration instructions,

the Company shall cause definitive Certificates to be delivered to Beneficial Owners in accordance with the instructions of the Clearing Agency. The Company shall not be liable for any delay in delivery of such instructions and may conclusively rely on and shall be protected in relying on, such instructions.

SECTION 3.10. Mutilated, Destroyed, Lost and Stolen Certificates. (a) If any mutilated Certificate is surrendered to the Purchase Contract Agent, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, a new Certificate at the cost of the Holder, evidencing the same number of Normal Units or Stripped Units, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

(b) If there shall be delivered to the Company and the Purchase Contract Agent (i) evidence to their satisfaction of the destruction, loss or theft of any Certificate, and (ii) such security or indemnity at the cost of the Holder as may be required by them to hold each of them and any agent of either of them harmless, then, in the absence of notice to the Company or to a Responsible Officer of the Purchase Contract Agent that such Certificate has been acquired by a protected purchaser, the Company shall execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall authenticate, execute on behalf of the Holder, and deliver to the Holder, in lieu of any such destroyed, lost or stolen Certificate, a new Certificate, evidencing the same number of Normal Units or Stripped Units, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

(c) Notwithstanding the foregoing, the Company shall not be obligated to execute and deliver to the Purchase Contract Agent, and the Purchase Contract Agent shall not be obligated to authenticate, execute on behalf of the Holder, and deliver to the Holder, a Certificate on or after the fifth Business Day immediately preceding the earlier of the Stock Purchase Date or the Termination Date. In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such Holder, the Purchase Contract Agent shall:

(i) if the Stock Purchase Date has occurred, deliver the Common Stock issuable in respect of the Purchase Contracts forming a part of the Units evidenced by such Certificate,

(ii) in the case of Normal Units, if a Termination Event shall have occurred prior to the Stock Purchase Date, transfer the Notes or the Treasury Consideration, as applicable, relating to such Normal Units, or

(iii) in the case of Stripped Units, if a Termination Event shall have occurred prior to the Stock Purchase Date, transfer the Treasury Securities relating to such Stripped Units, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article V.

(d) Upon the issuance of any new Certificate under this Section 3.10, the Company and the Purchase Contract Agent may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Purchase Contract Agent) connected therewith.

(e) Every new Certificate issued pursuant to this Section 3.10 in lieu of any destroyed, lost or stolen Certificate shall constitute an original additional contractual obligation of the Company and of the Holder in respect of the Unit evidenced thereby, whether or not the destroyed, lost or stolen Certificate (and the Units evidenced thereby) shall be at any time enforceable by anyone, and shall be entitled to all the benefits and be subject to all the obligations of this Agreement equally and proportionately with any and all other Certificates delivered hereunder.

(f) The provisions of this Section 3.10 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates.

SECTION 3.11. Persons Deemed Owners. (a) Prior to due presentment of a Certificate for registration of transfer, the Company and the Purchase Contract Agent, and any agent of the Company or the Purchase Contract Agent, may treat the Person in whose name such Certificate is registered on the Register as the owner of the Units evidenced thereby, for the purpose of receiving quarterly payments on the Notes or Treasury Consideration, receiving payment of Contract Adjustment Payments, if any, and any Deferred Contract Adjustment Payments, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any such payments shall be overdue and notwithstanding any notice to the contrary, and neither the Company nor the Purchase Contract Agent, nor any agent of the Company or the Purchase Contract Agent, shall be affected by notice to the contrary.

(b) Notwithstanding the foregoing, with respect to any Global Certificate, nothing herein shall prevent the Company, the Purchase Contract Agent or any agent of the Company or the Purchase Contract Agent, from treating the Clearing Agency as the sole Holder of such Global Certificate or from giving effect to any written certification,

proxy or other authorization furnished by any Clearing Agency (or its nominee), as a Holder of such Global Certificate, with respect to such Global Certificate or impair, as between such Clearing Agency and the Beneficial Owners, the operation of customary practices governing the exercise of rights of such Clearing Agency (or its nominee) as a Holder of such Global Certificate.

SECTION 3.12. Cancellation. (a) All Certificates surrendered

(i) for delivery of Common Stock on or after any Settlement Date,

(ii) upon the transfer of Notes or Treasury Consideration or Treasury Securities, as the case may be, after the occurrence of a Termination Event or pursuant to an Early Settlement or Merger Early Settlement, or a Collateral Substitution or an establishment or re-establishment of a Normal Unit, or

(iii) upon the registration of a transfer or exchange of a Unit

shall, if surrendered to any Person other than the Purchase Contract Agent, be delivered to the Purchase Contract Agent and, if not already cancelled, shall be promptly cancelled by it. The Company may at any time deliver to the Purchase Contract Agent for cancellation any Certificates previously authenticated, executed on behalf of any Holder and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Certificates so delivered shall, upon Issuer Order, be promptly cancelled by the Purchase Contract Agent. No Certificates shall be authenticated, executed on behalf of any Holder and delivered in lieu of or in exchange for any Certificates cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Certificates held by the Purchase Contract Agent shall be disposed of by the Purchase Contract Agent in accordance with its then customary procedures.

(b) If the Company or any Affiliate of the Company shall acquire any Certificate, such acquisition shall not operate as a cancellation of such Certificate unless and until such Certificate is cancelled or delivered to the Purchase Contract Agent for cancellation.

SECTION 3.13. Establishment of Stripped Units. (a) A Holder may separate the Pledged Notes or Pledged Treasury Consideration, as applicable, from the related Purchase Contracts in respect of the Normal Units held by such Holder by substituting for such Pledged Notes or Pledged Treasury Consideration, as the case may be, Treasury Securities that will pay at the Stock Purchase Date an amount equal to the aggregate Stated Amount of such Normal Units (a "Collateral Substitution"), at any time from and after the date of this Agreement and on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date, by (i) depositing with the Collateral Agent Treasury Securities having an aggregate principal amount equal to the aggregate Stated Amount of such Normal Units and (ii) transferring the related Normal Units to the Purchase Contract Agent accompanied by a notice to the Purchase Contract Agent, substantially in the form of Exhibit D hereto, with a copy of such of such notice to the

Company, stating that the Holder has transferred the relevant amount of Treasury Securities to the Collateral Agent and requesting that the Purchase Contract Agent instruct the Collateral Agent to release the Pledged Notes or Pledged Treasury Consideration, as the case may be, underlying such Normal Units, whereupon the Purchase Contract Agent shall promptly give such instruction to the Collateral Agent, with a copy of such instruction to the Company, substantially in the form of Exhibit C hereto. Upon receipt of the Treasury Securities described in clause (i) above and the instruction described in clause (ii) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release to the Purchase Contract Agent, on behalf of the Holder, such Pledged Notes or Pledged Treasury Consideration from the Pledge, free and clear of the Company's security interest therein, and upon receipt thereof the Purchase Contract Agent shall promptly:

(x) cancel the related Normal Units Certificate;

(y) transfer the Pledged Notes or Pledged Treasury Consideration, as the case may be, to the Holder; and

(z) authenticate, execute on behalf of such Holder and deliver a Stripped Units Certificate executed by the Company in accordance with Section 3.03 evidencing the same number of Purchase Contracts as were evidenced by the cancelled Normal Units.

(b) Holders who elect to separate the Pledged Notes or Pledged Treasury Consideration, as the case may be, from the related Purchase Contract and to substitute Treasury Securities for such Pledged Notes or Pledged Treasury Consideration shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

(c) Notwithstanding the foregoing, Holders may make Collateral Substitutions (i) if Treasury Securities are being substituted for Pledged Notes, only in integral multiples of 40 Normal Units, or (ii) if the Collateral Substitutions occur after a Special Event Redemption, as the case may be, only in integral multiples of Normal Units such that the Treasury Securities to be deposited and the Treasury Consideration to be released are in integral multiples of $1,000.

(d) In the event a Holder making a Collateral Substitution pursuant to this Section 3.13 fails to effect a book-entry transfer of the Normal Units or fails to deliver a Normal Units Certificate to the Purchase Contract Agent after depositing Treasury Securities with the Collateral Agent, the Pledged Notes or Pledged Treasury Consideration, as the case may be, constituting a part of such Normal Units, and any distributions on such Pledged Notes or Pledged Treasury Consideration shall be held in the name of the Purchase Contract Agent or its nominee in trust for the benefit of such Holder, until such Normal Units are so transferred or the Normal Units Certificate is so delivered, as the case may be, or, with respect to a Normal Units Certificate, such Holder provides evidence satisfactory to the Company and the Purchase Contract Agent that such

Normal Units Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Purchase Contract Agent and the Company.

(e) Except as described in this Section 3.13, for so long as the Purchase Contract underlying a Normal Unit remains in effect, such Normal Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Normal Unit in respect of the Pledged Note or the Pledged Treasury Consideration, as the case may be, and the Purchase Contract comprising such Normal Unit may be acquired, and may be transferred and exchanged, only as a Normal Unit.

SECTION 3.14. Reestablishment of Normal Units. (a) A Holder of Stripped Units may reestablish Normal Units at any time from and after the date of this Agreement and on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date, by:

(i) depositing with the Collateral Agent Notes in a principal amount or the Treasury Consideration (identified and calculated by reference to the Treasury Consideration then comprising Normal Units), as the case may be, then comprising such number of Normal Units as is equal to the number of such Stripped Units; and

(ii) transferring such Stripped Units to the Purchase Contract Agent accompanied by a notice to the Purchase Contract Agent, substantially in the form of Exhibit D hereto, stating that the Holder has transferred the relevant principal amount of Notes or the Treasury Consideration, as the case may be, to the Collateral Agent and requesting that the Purchase Contract Agent instruct the Collateral Agent to release the Pledged Treasury Securities underlying such Stripped Unit, whereupon the Purchase Contract Agent shall promptly give such instruction to the Collateral Agent, with a copy of such instruction to the Company, substantially in the form of Exhibit C hereto. Upon receipt of the Notes or the Treasury Consideration, as the case may be, described in clause (i) above and the instruction described in clause (ii) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release to the Purchase Contract Agent, on behalf of the Holder, such Pledged Treasury Securities from the Pledge, free and clear of the Company's security interest therein, and upon receipt thereof the Purchase Contract Agent shall promptly:

(x) cancel the related Stripped Units certificate;

(y) transfer the Pledged Treasury Securities to the Holder; and

(z) authenticate, execute on behalf of such Holder and deliver a Normal Units Certificate executed by the Company in accordance with Section 3.03 evidencing the same number of Purchase Contracts as were evidenced by the cancelled Stripped Units.

(b) Notwithstanding the foregoing, Holders of Stripped Units may reestablish Normal Units (i) if Notes are being substituted for the Pledged Treasury

Securities, only in integral multiples of 40 Stripped Units for 40 Normal Units or (ii) if the reestablishment occurs after a Special Event Redemption, as the case may be, only in integral multiples of Stripped Units such that the Treasury Consideration to be deposited and the Treasury Securities to be released are in integral multiples of $1,000.

(c) Except as provided in this Section 3.14, for so long as the Purchase Contract underlying a Stripped Unit remains in effect, such Stripped Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Stripped Unit in respect of the Pledged Treasury Securities and Purchase Contract comprising such Stripped Unit may be acquired, and may be transferred and exchanged, only as a Stripped Unit.

(d) In the event a Holder who reestablishes Normal Units pursuant to this Section 3.14 fails to effect a book-entry transfer of the Stripped Units or fails to deliver a Stripped Units Certificate to the Purchase Contract Agent after depositing Pledged Notes with the Collateral Agent, the Treasury Securities constituting a part of such Stripped Units, and any distributions on such Treasury Securities shall be held in the name of the Purchase Contract Agent or its nominee in trust for the benefit of such Holder, until such Stripped Units are so transferred or the Stripped Units Certificate is so delivered, as the case may be, or, with respect to a Stripped Units Certificate, such Holder provides evidence satisfactory to the Company and the Purchase Contract Agent that such Stripped Units Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Purchase Contract Agent and the Company.

(e) Holders of Stripped Units who reestablish Normal Units shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

SECTION 3.15. Transfer of Collateral upon Occurrence of Termination Event. Upon the occurrence of a Termination Event and the transfer to the Purchase Contract Agent of the Notes, the Treasury Consideration or the Treasury Securities, as the case may be, underlying the Normal Units and the Stripped Units pursuant to the terms of the Pledge Agreement, the Purchase Contract Agent shall request transfer instructions with respect to such Notes or the Treasury Consideration or Treasury Securities, as the case may be, from each Holder by written request mailed to such Holder at its address as it appears in the Normal Units Register or the Stripped Units Register, as the case may be. Upon book-entry transfer of the Normal Units or Stripped Units or delivery of a Normal Units Certificate or Stripped Units Certificate to the Purchase Contract Agent with such transfer instructions, the Purchase Contract Agent shall transfer the Notes, the Treasury Consideration or the Treasury Securities underlying such Normal Units or Stripped Units, as the case may be, to such Holder by book-entry transfer, or other appropriate procedures, in accordance with such instructions. In the event a Holder of Normal Units or Stripped Units fails to effect such transfer or delivery, the Notes, the Treasury Consideration or the Treasury Securities, as the case may be, underlying such Normal Units or Stripped Units, as the case may be, and any distributions thereon, shall be held in the name of the Purchase Contract Agent or its

nominee in trust for the benefit of such Holder, until such Normal Units or Stripped Units are transferred or the Normal Units Certificate or Stripped Units Certificate is surrendered or such Holder provides satisfactory evidence that such Normal Units Certificate or Stripped Units Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Purchase Contract Agent and the Company. In the case of the Treasury Portfolio or any Treasury Securities, the Purchase Contract Agent may dispose of the subject securities for cash and pay the applicable portion of such cash to the Holders in lieu of such Holders' Treasury Securities, where such Holder would otherwise have been entitled to receive less than $1,000 of any such security.

SECTION 3.16. No Consent to Assumption. Each Holder of a Unit, by acceptance thereof, shall be deemed expressly to have withheld any consent to the assumption (i.e., affirmance), under Section 365 of the Bankruptcy Code or otherwise, of the Purchase Contract by the Company, any receiver, liquidator or person or entity performing similar functions or its trustee in the event that the Company becomes the debtor under the Bankruptcy Code or subject to other similar state or federal or other law providing for reorganization or liquidation.

SECTION 3.17. CUSIP Numbers. The Company in issuing the Units may use "CUSIP" numbers (if then generally in use), and, if so, the Purchase Contract Agent shall use "CUSIP" numbers in notices to Holders as a convenience to Holders, provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice to Holders and that reliance may be placed only on the other identification numbers printed on the Units, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Purchase Contract Agent in writing of any changes in the "CUSIP" numbers.

SECTION 3.18. Currency of Payments. Any cash payments under this Agreement shall be paid in U.S. dollars in immediately available funds.

SECTION 3.19. Legends. With respect to the Units issued to the Private Purchaser, such Units shall have the appropriate legends restricting transfer.

ARTICLE IV

The Notes

SECTION 4.01. Payment of Interest; Rights to Interest Payments Preserved. (a) A payment on any Note or Treasury Consideration, as the case may be, that is paid on any Payment Date shall, subject to receipt thereof by the Purchase Contract Agent from the Collateral Agent (if the Collateral Agent is the registered owner thereof) as provided by the terms of the Pledge Agreement, be paid to the Person in whose name the Normal Units Certificate (or one or more Predecessor Normal Units Certificates), of which such Note or the Treasury Consideration is a part, is registered at the close of business on the Record Date for such Payment Date.

(b) Each Normal Units Certificate evidencing Notes delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of any other Normal Units Certificate shall carry the rights to interest accrued and unpaid, and rights to accrue interest, which were carried by the Notes or Treasury Consideration, as the case may be, underlying such other Normal Units Certificate.

(c) In the case of any Normal Unit with respect to which (i) Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date, (ii) Merger Early Settlement of the underlying Purchase Contract is effected on a Merger Early Settlement Date, (iii) Cash Settlement is effected on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date, or (iv) a Collateral Substitution is effected, in each case on a date that is after any Record Date and on or prior to the next succeeding Payment Date, payments on the Note or the Treasury Consideration, as the case may be, underlying such Normal Unit otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such Early Settlement, Merger Early Settlement, Cash Settlement or Collateral Substitution, as the case may be, and such payments shall, subject to receipt thereof by the Purchase Contract Agent, be payable to the Person in whose name the Normal Units Certificate (or one or more Predecessor Normal Unit Certificates) was registered at the close of business on such Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Normal Unit with respect to which Early Settlement, Merger Early Settlement or Cash Settlement of the underlying Purchase Contract is effected, or with respect to which a Collateral Substitution has been effected, payments on the related Notes or payments on the Treasury Consideration that would otherwise be payable after the applicable Settlement Date or after such Collateral Substitution, as the case may be, shall not be payable hereunder to the Holder of such Normal Unit; provided that, to the extent that such Holder continues to hold the separated Notes that formerly comprised a part of such Holder's Normal Units, such Holder shall be entitled to receive any payments on such separated Notes.

(d) All monies paid by Lazard Group Finance to a trustee for interest payments related to any Unit which remains unclaimed at the end of one year after such payment has become due and payable will be repaid, upon its written request therefor, to Lazard Group Finance and the holders of such Unit thereafter may only look to Lazard Group Finance for payment thereof.

SECTION 4.02. Notice and Voting. Under and subject to the terms of the Pledge Agreement and this Agreement, the Purchase Contract Agent will be entitled to exercise the voting and any other consensual rights pertaining to the Pledged Notes but only to the extent instructed in writing by the Holders as described below. Upon receipt of notice of any meeting at which holders of Notes are entitled to vote or upon any solicitation of consents, waivers or proxies of holders of Notes, the Purchase Contract Agent shall, as soon as practicable thereafter, mail, at the expense of the Company or one of its subsidiaries, to the Holders of Normal Units a notice prepared by the Company (a) containing such information as is contained in the notice or solicitation, (b) stating that each Holder on the record date set by the Purchase Contract Agent therefor (which, to the extent possible, shall be the same date as the record date for determining the holders of

Notes entitled to vote) shall be entitled to instruct the Purchase Contract Agent as to the exercise of the voting rights pertaining to the Pledged Notes underlying their Normal Units and (c) stating the manner in which such instructions may be given. Upon the written request of any Holder of Normal Units on such record date, the Purchase Contract Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such request, the maximum number of Pledged Notes as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of a Normal Unit, the Purchase Contract Agent shall abstain from voting the Pledged Note underlying such Normal Unit. The Company hereby agrees, if applicable, to solicit Holders of Normal Units to timely instruct the Purchase Contract Agent in writing in order to enable the Purchase Contract Agent to vote such Pledged Notes.

SECTION 4.03. Special Event Redemption. (a) Upon the occurrence of a Special Event Redemption prior to the successful remarketing of the Notes pursuant to the provisions of Section 5.04, the Company shall instruct in writing the Collateral Agent to apply, and upon such written instruction, the Collateral Agent shall apply, out of the aggregate Redemption Price for the Notes that are components of Normal Units, an amount equal to the Special Event Redemption Principal Amount to purchase on behalf of the Holders of Normal Units the Treasury Portfolio and promptly remit the remaining portion of such Redemption Price to the Purchase Contract Agent for payment to the Holders of such Normal Units. The Treasury Portfolio will be substituted for the Pledged Notes and will be pledged to the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the obligation of each Holder of a Normal Unit to purchase the Common Stock under the Purchase Contract constituting a part of such Normal Unit. Following the occurrence of a Special Event Redemption prior to a successful remarketing of the Notes pursuant to the provisions of Section 5.04, the Holders of Normal Units and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Normal Units and the Collateral Agent had in respect of the Notes, as the case may be, subject to the Pledge thereof as provided in the Pledge Agreement, and any reference herein or in the Certificates to the Note shall be deemed to be a reference to such Treasury Portfolio and any reference herein or in the Certificates to interest on the Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio. The Company may cause to be made in any Normal Unit Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Treasury Portfolio for Notes as collateral.

(b) Upon the occurrence of a Special Event Redemption after the successful remarketing of the Notes or after the Stock Purchase Date, the Redemption Price will be payable in cash to the holders of the Notes.

ARTICLE V

The Purchase Contracts; The Remarketing

SECTION 5.01. Purchase of Common Stock. (a) Each Purchase Contract shall, unless a Termination Event, an Early Settlement or a Merger Early Settlement shall have occurred prior to the Stock Purchase Date, obligate the Holder of the related Unit to purchase, and the Company to sell, on the Stock Purchase Date at a price equal to $25 (the "Purchase Price"), a number of validly issued, fully paid and non-assessable newly issued shares of Common Stock equal to the Settlement Rate. The "Settlement Rate" is an amount equal to the sum of the Daily Amounts (as defined below) calculated for each of the 20 Trading Days beginning on April 15, 2008. The "Daily Amount" for each of the 20 Trading Days beginning on April 15, 2008, subject to any then applicable anti-dilution adjustments, is defined as:

(i) for each of those 20 Trading Days on which the closing price for the Common Stock is less than or equal to the Reference Price (as defined below), a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Reference Price,

(ii) for each of those 20 Trading Days on which the Closing Price for the Common Stock is greater than the Reference Price but less than the Threshold Appreciation Price (as defined below), a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Closing Price,

and

(iii) for each of those 20 trading days on which the closing price for he Common Stock is greater than or equal to the Threshold Appreciation Price, a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Threshold Appreciation Price,

in each case subject to adjustment as provided in Section 5.06 (and in each case rounded upward or downward to the nearest 1/10,000th of a share). The number of shares of Common Stock per purchase contract specified above is referred to herein as "Share Components."

The "Reference Price" is $25.00, which is the initial public offering price per share of Common Stock. The "Threshold Appreciation Price" is $30.00, which is 120% of the Reference Price.

(b) No fractional Common Stock will be issued by the Company with respect to settlement or payment of Deferred Contract Adjustment Payments on the Stock

Purchase Date. In lieu of fractional shares otherwise issuable, the Holder will be entitled to receive an amount in cash as provided in Section 5.12.

(c) The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing sale price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the "NYSE") on such date or, if the Common Stock are not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which the Common Stock are so listed, or if the Common Stock are not so listed on a United States securities exchange, as reported by The Nasdaq Stock Market, or, if the Common Stock are not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. A "Trading Day" means a day on which the Common Stock (A) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock at the close of business on such day. If 20 Trading Days for the Company's Common Stock have not occurred during the period beginning on April 15, 2008 and ending on May 12, 2008, (1) all remaining Trading Days will be deemed to occur on May 12, 2008 (or the first trading day thereafter if such day is not a trading day) and (2) the Closing Price for each of the remaining Trading Days will be the Closing Price on May 12, 2008.

(d) Each Holder of a Unit, by its acceptance thereof, irrevocably authorizes the Purchase Contract Agent to enter into and perform the related Purchase Contract on its behalf as its attorney-in-fact (including the execution of Certificates on behalf of such Holder), agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Purchase Contract, consents to the provisions hereof, irrevocably authorizes the Purchase Contract Agent as its attorney-in-fact to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to and agrees to be bound by the Pledge of the Notes, the Treasury Consideration or the Treasury Securities pursuant to the Pledge Agreement; provided that upon a Termination Event, the rights of the Holder of such Unit under the Purchase Contract, to the extent not automatically terminated as a result of such Termination Event, may be enforced without regard to any other rights or obligations.

(e) Upon registration of transfer of a Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee) under the terms of this Agreement, the Purchase Contracts underlying such Certificate and the Pledge Agreement, and the transferor shall be released from the obligations under this Agreement, the Purchase Contracts underlying the Certificate so transferred and the Pledge Agreement. The Company covenants and agrees, and each Holder of a Certificate, by its acceptance thereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

SECTION 5.02. Contract Adjustment Payments. (a) Contract Adjustment Payments shall accumulate on each Purchase Contract constituting a part of a Unit at 0.505% per year of the Stated Amount of such Unit, from May 10, 2005, through but excluding the Stock Purchase Date, provided that no Contract Adjustment Payment shall accrue after an Early Settlement or Merger Early Settlement. Subject to Section 5.03, the Company shall pay, on each Payment Date, the Contract Adjustment Payments, if any, payable in respect of each Purchase Contract to the Person in whose name a Certificate (or one or more Predecessor Certificates) is registered on the Register at the close of business on the Record Date next preceding such Payment Date. The Contract Adjustment Payments, if any, will be payable at the office of the Purchase Contract Agent in the Borough of Manhattan, New York City, or, if the Units do not remain in book-entry only form, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Register or by wire transfer to the account maintained in the United States designated by written notice given ten Business Days prior to the applicable payment date by such Person.

(b) Upon the occurrence of a Termination Event, the Company's obligation to pay Contract Adjustment Payments (including any accrued and unpaid Deferred Contract Adjustment Payments), if any, automatically shall cease.

(c) Each Certificate delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of any other Certificate (including as a result of a Collateral Substitution or the re-establishment of a Normal Unit) shall carry the rights to receive Contract Adjustment Payments (including any accrued and unpaid Deferred Contract Adjustment Payments), if any, and to accrue Contract Adjustment Payments, if any, which were carried by the Purchase Contracts underlying such other Certificates.

(d) Subject to Sections 5.04, 5.09 and 5.10, in the case of any Unit with respect to which Early Settlement or Merger Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date or a Merger Early Settlement Date, respectively, or in respect of which Cash Settlement of the underlying Purchase Contract is effected on the thirteenth Business Day immediately preceding the Stock Purchase Date, or with respect to which a Collateral Substitution or a reestablishment of a Normal Unit pursuant to Section 3.14 is effected, in each case on a date that is after any Record Date and on or prior to the next succeeding Payment Date, Contract Adjustment Payments on the Purchase Contract underlying such Unit otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such Cash Settlement, Early Settlement, Merger Early Settlement, Collateral Substitution or a reestablishment of Normal Units, and such Contract Adjustment Payments shall, subject to receipt thereof by the Purchase Contract Agent, be payable to the Person in whose name the Certificate evidencing such Unit (or one or more Predecessor Certificates) was registered at the close of business on such Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Unit with respect to which Early Settlement or Merger Early Settlement on an Early Settlement Date or Merger Early Settlement Date, as the case may be, Contract Adjustment Payments, if

any, that would otherwise be payable after the Early Settlement Date, or Merger Early Settlement Date, with respect to such Purchase Contract shall not be payable.

(e) The Company's obligations with respect to Contract Adjustment Payments (including any accrued or Deferred Contract Adjustment Payments) will be subordinated and junior in right of payment to the Company's obligations under any Senior Indebtedness to the extent set forth in Section 5.02(f).

(f) Subject to the provisions of Section 5.08, in the event (x) of any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, to creditors upon any dissolution, winding-up, liquidation or reorganization of the Company, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, or (y) subject to the provisions of Section 5.02(h) below, that (i) a default shall have occurred and be continuing with respect to the payment of principal, interest or any other monetary amounts due and payable on any Senior Indebtedness and such default shall have continued beyond the period of grace, if any, specified in the instrument evidencing such Senior Indebtedness (and the Purchase Contract Agent shall have received written notice thereof from the Company or one or more holders of Senior Indebtedness or their representative or representatives or the trustee or trustees under any indenture pursuant to which any such Senior Indebtedness may have been issued), or (ii) the maturity of any Senior Indebtedness shall have been accelerated because of a default in respect of such Senior Indebtedness (and the Purchase Contract Agent shall have received written notice thereof from the Company or one or more holders of Senior Indebtedness or their representative or representatives or the trustee or trustees under any indenture pursuant to which any such Senior Indebtedness may have been issued), then:

(i) the holders of all Senior Indebtedness shall first be entitled to receive, in the case of clause (x) above, payment in full of all amounts due or to become due upon all Senior Indebtedness and, in the case of subclauses (i) and (ii) of clause (y) above, payment of all amounts due thereon, or provision shall be made for such payment in money or money's worth, before the Holders of any of the Units are entitled to receive any Contract Adjustment Payments or Deferred Contract Adjustment Payments on the Purchase Contracts underlying the Units;

(ii) any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, to which the Holders of any of the Units would be entitled except for the provisions of Sections 5.02(e) through (q), including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of such Contract Adjustment Payments on the Purchase Contracts underlying the Units, shall be paid or delivered by the Person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts

remaining unpaid on account of such Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness, before any payment or distribution is made of such Contract Adjustment Payments to the Holders of such Units; and

(iii) in the event that, notwithstanding the foregoing, any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of Contract Adjustment Payments or Deferred Contract Adjustment Payments on the Purchase Contracts underlying the Units, shall be received by the Purchase Contract Agent or the Holders of any of the Units when such payment or distribution is prohibited pursuant to Sections 5.02(e) through (q), such payment or distribution shall be paid over to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any such Senior Indebtedness may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness remaining unpaid until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness.

(g) For purposes of Sections 5.02(e) through (q), the words “cash, property or securities” shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other Person provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided in Sections 5.02(e) through (q) with respect to such Contract Adjustment Payments or Deferred Contract Adjustment Payments on the Units to the payment of all Senior Indebtedness which may at the time be outstanding; provided that (i) the indebtedness or guarantee of indebtedness, as the case may be, that constitutes Senior Indebtedness is assumed by the Person, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without the consent of each such holder adversely affected thereby, altered by such reorganization or readjustment.

(h) Any failure by the Company to make any payment on or perform any other obligation under Senior Indebtedness, other than any indebtedness incurred by the Company or assumed or guaranteed, directly or indirectly, by the Company for money borrowed (or any deferral, renewal, extension or refunding thereof) or any indebtedness or obligation as to which the provisions of Sections 5.02(e) through (g) shall have been waived by the Company in the instrument or instruments by which the Company incurred, assumed, guaranteed or otherwise created such indebtedness or obligation, shall not be deemed a default or event of default if (i) the Company shall be disputing its obligation to make such payment or perform such obligation and (ii) either (A) no final judgment relating to such dispute shall have been issued against the Company which is in

full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, and (B) in the event a judgment that is subject to further review or appeal has been issued, the Company shall in good faith be prosecuting an appeal or other proceeding for review and a stay of execution shall have been obtained pending such appeal or review.

(i) Subject to the payment in full of all Senior Indebtedness, the Holders of the Purchase Contracts underlying the Units shall be subrogated (equally and ratably with the holders of all obligations of the Company which by their express terms are subordinated to Senior Indebtedness of the Company to the same extent as payment of the Contract Adjustment Payments or Deferred Contract Adjustment Payments in respect of the Purchase Contracts underlying the Units is subordinated and which are entitled to like rights of subrogation) to the rights of the holders of Senior Indebtedness to receive payments or distributions of cash, property or securities of the Company applicable to the Senior Indebtedness until all such Contract Adjustment Payments or Deferred Contract Adjustment Payments owing on the Purchase Contracts underlying the Units shall be paid in full, and as between the Company, its creditors other than holders of such Senior Indebtedness and the Holders, no such payment or distribution made to the holders of Senior Indebtedness by virtue of Sections 5.02(e) through (q) that otherwise would have been made to the Holders shall be deemed to be a payment by the Company on account of such Senior Indebtedness, it being understood that the provisions of Sections 5.02(e) through (q) are and are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of Senior Indebtedness, on the other hand.

(j) Nothing contained in Sections 5.02(e) through (q) or elsewhere in this Agreement or in the Units is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Indebtedness and the Holders, the obligation of the Company, which, subject to the occurrence of a Termination Event as described in Section 5.02(b) and the Company's right pursuant to Section 5.03 to defer Contract Adjustment Payments, is absolute and unconditional, to pay to the Holders such Contract Adjustment Payments on the Purchase Contracts underlying the Units as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Indebtedness, nor shall anything herein or therein prevent the Purchase Contract Agent or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Agreement, subject to the rights, if any, under these Sections 5.02(e) through (q), of the holders of Senior Indebtedness in respect of cash, property or securities of the Company received upon the exercise of any such remedy.

(k) Upon payment or distribution of assets of the Company referred to in these Sections 5.02(e) through (q), the Purchase Contract Agent and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which any such dissolution, winding up, liquidation or reorganization proceeding affecting the affairs of the Company is pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors, liquidating trustee or agent or

other Person making any payment or distribution, delivered to the Purchase Contract Agent or to the Holders, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to these Sections 5.02(e) through (q).

(l) The Purchase Contract Agent shall be entitled to conclusively rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness (or a trustee or representative on behalf of such holder) to establish that such notice has been given by a holder of Senior Indebtedness or a trustee or representative on behalf of any such holder or holders. In the event that the Purchase Contract Agent determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to Sections 5.02(e) through (q), the Purchase Contract Agent may request such Person to furnish evidence to the reasonable satisfaction of the Purchase Contract Agent as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under Sections 5.02(e) through (q), and, if such evidence is not furnished, the Purchase Contract Agent may defer payment to such Person pending judicial determination as to the right of such Person to receive such payment.

(m) Nothing contained in Sections 5.02(e) through (q) shall affect the obligations of the Company to make, or prevent the Company from making, payment of the Contract Adjustment Payments, except as provided in these Sections 5.02(e) through (q).

(n) Each Holder of Units, by his acceptance thereof, authorizes and directs the Purchase Contract Agent on his, her or its behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in Sections 5.02(e) through (q) and appoints the Purchase Contract Agent his, her or its attorney-in-fact, as the case may be, for any and all such purposes.

(o) The Company shall give prompt written notice to the Purchase Contract Agent of any fact known to the Company that would prohibit the making of any payment of moneys to or by the Purchase Contract Agent in respect of the Purchase Contracts underlying the Units pursuant to the provisions of this Section 5.02. Notwithstanding the provisions of Sections 5.02(e) through (q) or any other provisions of this Agreement, the Purchase Contract Agent shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment of moneys to or by the Purchase Contract Agent, or the taking of any other action by the Purchase Contract Agent, unless and until a Responsible Officer of the Purchase Contract Agent shall have received written notice thereof from the Company, any Holder, any paying agent or the holder or representative of any Senior Indebtedness; provided that, if at least two Business Days prior to the date upon which by the terms hereof any such moneys may become payable for any purpose, the Purchase Contract Agent shall not have received

with respect to such moneys the notice provided for in this Section 5.02(o), then, anything herein contained to the contrary notwithstanding, the Purchase Contract Agent shall have full power and authority to receive such moneys and to apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary that may be received by it within two Business Days prior to or on or after such date.

(p) The Purchase Contract Agent in its individual capacity shall be entitled to all the rights set forth in this Section 5.02 with respect to any Senior Indebtedness at the time held by it, to the same extent as any other holder of Senior Indebtedness and nothing in this Agreement shall deprive the Purchase Contract Agent of any of its rights as such holder.

(q) No right of any present or future holder of any Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any noncompliance by the Company with the terms, provisions and covenants of this Agreement, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

(r) Nothing in this Section 5.02 shall apply to claims of, or payments to, the Purchase Contract Agent under or pursuant to Section 7.07 hereof.

(s) All monies paid by the Company to a paying agent for contract adjustment related to any Unit which remains unclaimed at the end of one year after such payment has become due and payable will be repaid, up its written request therefor, to the Company, and the holders of such Unit thereafter may only look to the Company for payment thereof.

SECTION 5.03. Deferral of Contract Adjustment Payments. (a) The Company shall have the right, at any time prior to the Stock Purchase Date, to defer the payment of any or all of the Contract Adjustment Payments otherwise payable on any Payment Date, but only if the Company shall give the Holders and the Purchase Contract Agent written notice of its election to defer each such deferred Contract Adjustment Payment (specifying the amount to be deferred) at least ten Business Days prior to the earlier of (i) the next succeeding Payment Date or (ii) the date the Company is required to give notice of the Payment Date with respect to payment of such Contract Adjustment Payments to the NYSE or other applicable self-regulatory organization or to Holders of the Units, but in any event not less than one Business Day prior to such Record Date. Any Contract Adjustment Payments so deferred shall, to the extent permitted by law, accrue additional Contract Adjustment Payments thereon at the rate of 0.505% per year (computed on the basis of a 360-day year of twelve 30-day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the additional Contract Adjustment Payments, if any, accrued thereon, being referred to herein as the “Deferred Contract Adjustment Payments”). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent that payment is deferred pursuant to this Section 5.03. No Contract Adjustment Payments may be deferred to a date that is

after the Settlement Date and no such deferral period may end other than on a Payment Date. If the Purchase Contracts are terminated upon the occurrence of a Termination Event or Early Settlement, the Holder's right to receive Contract Adjustment Payments, if any, and any Deferred Contract Adjustment Payments, will terminate.

(b) In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until a Payment Date prior to the Stock Purchase Date, then all Deferred Contract Adjustment Payments, if any, shall be payable to the registered Holders as of the close of business on the Record Date immediately preceding such Payment Date.

(c) In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until the Stock Purchase Date, each Holder will receive on the Stock Purchase Date in lieu of a cash payment a number of Common Stock (in addition to a number of Common Stock equal to the Settlement Rate) equal to a number of shares of Common Stock equal to the sum of the "share amounts" calculated for each of the 20 Trading Days beginning on April 15, 2008. For each of such 20 Trading Days, the share amount shall be equal to (a) the aggregate amount of deferred contract adjustment payments payable to the holder divided by (b) the product of 20 multiplied by the Closing Price of the Common Stock for the respective trading day.

(d) No fractional shares of Common Stock will be issued by the Company with respect to settlement or payment of Deferred Contract Adjustment Payments on the Stock Purchase Date. In lieu of fractional shares otherwise issuable, the Holder will be entitled to receive an amount in cash as provided in Section 5.12.

(e) In the event the Company exercises its option to defer the payment of Contract Adjustment Payments then, until the date on which the Deferred Contract Adjustment Payments have been paid, the Company shall not, and will not permit any subsidiary of the Company to, declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of the Company's Common Stock other than:

(i) repurchases, redemptions or acquisitions of Common Stock of the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a share purchase or dividend reinvestment plan, or the satisfaction by the Company of its obligations pursuant to any contract or security outstanding on the date the Company exercises its right to defer the payment of Contract Adjustment Payments;

(ii) as a result of a reclassification of the Company's Capital Stock or the exchange or conversion of one class or series of the Company's Capital Stock for another class or series of the Company's Capital Stock;

(iii) the purchase of fractional interests of the Company's Capital Stock pursuant to the conversion or exchange provisions of such Capital Stock or the security being converted or exchanged;

(iv) dividends or distributions in the Company's Capital Stock (or rights to acquire the Company's Capital Stock) or repurchases, redemptions or acquisitions of the Company's Capital Stock in exchange for or out of the net cash proceeds of the sale of the Company's Capital Stock (or securities convertible into or exchangeable for shares of the Company's Capital Stock); or

(v) redemptions, exchanges or repurchases of any rights outstanding under a shareholder rights plan on the date the Company exercises its right to defer the payment of Contract Adjustment Payments or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future, or the redemption or repurchase of any rights pursuant thereto.

(f) In the event that the Company elects to defer the payment of Contract Adjustment Payments then, the Company's subsidiaries shall not be restricted from making payments similar to those specified in 5.03(e) on their respective capital stock.

SECTION 5.04. Payment of Purchase Price; Remarketing. (a) Unless a Special Event Redemption or Termination Event has occurred, or a Holder of a Unit has settled the underlying Purchase Contract through an Early Settlement pursuant to Section 5.09 or a Merger Early Settlement pursuant to Section 5.10, each Holder of a Normal Unit may pay in cash ("Cash Settlement") the Purchase Price for the Common Stock to be purchased pursuant to a Purchase Contract if such Holder notifies the Purchase Contract Agent by surrender of the Normal Unit Certificate, if in certificated form, and delivery of a notice in substantially the form of Exhibit E hereto of its intention to make a Cash Settlement. Such notice shall be made on or prior to 5:00 p.m., New York City time, on the thirteenth Business Day immediately preceding the Stock Purchase Date. The Purchase Contract Agent shall promptly notify the Collateral Agent of the receipt of such a notice from a Holder intending to make a Cash Settlement.

(i) A Holder of a Normal Unit who has so notified the Purchase Contract Agent of its intention to make a Cash Settlement is required to pay the Purchase Price to the Collateral Agent prior to 5:00 p.m., New York City time, on the thirteenth Business Day immediately preceding the Stock Purchase Date in lawful money of the United States by certified or cashier's check or wire transfer, in each case in immediately available funds payable to or upon the order of the Collateral Agent for deposit in the Collateral Account. Any cash received by the Collateral Agent will be paid to the Company on the Stock Purchase Date in settlement of the Purchase Contract in accordance with the terms of this Agreement and the Pledge Agreement, and any funds received by the Collateral Agent in excess of the Purchase Price for the Common Stock to be purchased by such Holder shall be distributed to the Purchase Contract Agent when received for payment to the Holder.

(ii) If a Holder of a Normal Unit fails to notify the Purchase Contract Agent of its intention to make a Cash Settlement in accordance with paragraph (a)(i) above, the Holder shall be deemed to have consented to the disposition of the Pledged Notes pursuant to the remarketing as described in paragraph (b) below. If a Holder of a Normal Unit does notify the Purchase Contract Agent as provided in paragraph (a)(i) above of its intention to pay the Purchase Price in cash, but fails to make such payment as required by paragraph (a)(i) above, the Holder shall be deemed to have consented to the disposition of the Pledged Notes pursuant to the remarketing as described in paragraph (b) below.

(b) (i) Unless a Special Event Redemption has occurred, the Company and Lazard Group Finance shall engage, no later than 30 days prior to the Remarketing Date, a nationally recognized investment bank (the "Remarketing Agent") pursuant to a Remarketing Agreement to be entered into among the Company, Lazard Group Finance and the Remarketing Agent (but providing for remarketing procedures substantially as set forth below) to sell the Notes of Holders of Normal Units, other than Holders that have elected not to participate in the remarketing pursuant to the procedures set forth in clause (iv) below, and holders of Separate Notes that have elected to participate in the remarketing pursuant to the procedures set forth in Section 4.05(d) of the Pledge Agreement. The Company or the Purchase Contract Agent, at the Company's request, shall notify (the "Remarketing Notice"), not later than 10:00 a.m. (New York City time) on the seventh Business Day immediately preceding the Remarketing Date, Holders of Normal Units, and holders of Separate Notes, of the remarketing to take place on the Remarketing Date, and if necessary, on the eighth Business Day immediately preceding the Stock Purchase Date, and if necessary, on the seventh Business Day immediately preceding the Stock Purchase Date, and if necessary, on the sixth Business Day immediately preceding the Stock Purchase Date, and if necessary, on the fifth Business Day immediately preceding the Stock Purchase Date, and if necessary, on the fourth Business Day immediately preceding the Stock Purchase Date, and if necessary, on the third Business Day immediately preceding the Stock Purchase Date (each such date other than the Remarketing Date a "Subsequent Remarketing Date") (and if such Normal Units or Separate Notes are held in global form, the Company, or the Purchase Contract Agent, at the Company's request, will cause the Clearing Agency to notify the Clearing Agency Participants of such remarketing by no later than the seventh Business Day preceding the Remarketing Date). The Remarketing Notice will include the amount of cash that must be delivered by the Holders of Normal Units that elect not to participate in the remarketing and the deadline for such delivery. The Purchase Contract Agent shall notify, by 10:00 a.m., New York City time, on the eleventh Business Day immediately preceding the Stock Purchase Date, the Remarketing Agent and the Collateral Agent of the aggregate principal amount of Notes of Normal Unit Holders to be remarketed. On the eleventh Business Day preceding the Stock Purchase Date, no later than by 10:00 a.m., New York City time, pursuant to the terms of the Pledge Agreement, the Custodial Agent will notify the Remarketing Agent of the aggregate principal amount of Separate Notes to be remarketed. Upon receipt of such notice from the Purchase Contract Agent and the Custodial Agent, the Remarketing Agent will, on the Remarketing Date, and if necessary, on each Subsequent Remarketing Date, use its reasonable best efforts to sell such Notes on such dates at an aggregate price equal to

100.5% of the aggregate principal amount of such Notes. If the Remarketing Agent is able to remarket such Notes at a price equal to 100.5% of the aggregate principal amount of such Notes, the proceeds will be paid to the Collateral Agent, on behalf of the Company, in direct settlement of the obligations of the Holders under the related Purchase Contracts to purchase Common Stock of the Company. In the event of a successful remarketing pursuant to this Section 5.04, the Remarketing Agent will deduct as a remarketing fee an amount not exceeding 25 basis points (0.25%) of the Remarketing Value of such Notes (the "Remarketing Fee"). The Remarketing Agent will remit (1) to the Custodial Agent, for the benefit of the holders of Separate Notes that were remarketed, the portion of the proceeds from the remarketing attributable to such Separate Notes and (2) the remaining portion of the proceeds, less those proceeds paid to the Collateral Agent, for the benefit of the Company, and used to pay the Company in direct settlement of the Holders' obligations under the Purchase Contracts, to the Purchase Contract Agent for the benefit of the Holders of the Normal Units that were remarketed, all determined on a pro rata basis, in each case, on or prior to the third Business Day following the date on which the Notes were successfully remarketed. Holders whose Notes are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith.

(ii) If, in spite of using its reasonable best efforts, the Remarketing Agent cannot remarket the Notes included in the remarketing at a price equal to 100.5% of the principal amount of the Notes included in the remarketing on the Remarketing Date, the Remarketing Agent will attempt to establish a Remarketing Rate meeting these requirements on each of the Subsequent Remarketing Dates. If, in spite of using its reasonable best efforts, the Remarketing Agent fails to remarket the Notes included in the remarketing at a price equal to 100.5% of the principal amount of the Notes included in the remarketing on or before 4:00 p.m., New York City time on the third Business Day immediately preceding the Stock Purchase Date, the remarketing will be deemed to have failed (the "Last Failed Remarketing"), and in this case, the Remarketing Agent will agree to advise the Collateral Agent in writing that it cannot remarket the Notes. The maturity date of the Notes will be the Stock Purchase Date in the event that the remarketing agent fails to remarket the Notes. The Collateral Agent, for the benefit of the Company may exercise its rights as a secured party with respect to such Notes, including those actions specified in clause (b)(iii) below; provided that if upon the Last Failed Remarketing, the Collateral Agent exercises such rights for the benefit of the Company with respect to such Notes, any accumulated and unpaid interest on such Notes will become payable by Lazard Group Finance to the Purchase Contract Agent for payment to the Holders of the Normal Units to which such Notes relate. Such payment will be made by Lazard Group Finance on or prior to 2:00 p.m., New York City time, on the Stock Purchase Date. The Company will cause a notice of any failed remarketing and of the Last Failed Remarketing to be published before 9:00 a.m., New York City time, on the Business Day following each failed remarketing and the Last Failed Remarketing, as the case may be. The Company will also release this information by means of Bloomberg and Reuters newswire (or any successor or equivalent of such newswires).

(iii) With respect to any Notes which constitute part of Normal Units which are subject to the Last Failed Remarketing, the Collateral Agent for the benefit of the Company reserves all of its rights as a secured party with respect thereto and, subject to applicable law and Section 5.04 (e) below, may, among other things permit the Company to, (A) retain and cancel such Notes or (B) cause the Notes to be sold, in either case, in full satisfaction of the Holders' obligations under the Purchase Contracts.

(iv) A Holder of Normal Units may elect not to participate in the remarketing and retain the Notes underlying such Units by notifying the Purchase Contract Agent of such election on or prior to 5:00 p.m. New York City time on the thirteenth Business Day immediately preceding the Stock Purchase Date and delivering the requisite amount of cash in lawful money of the United States by certified or cashier's check or wire transfer, in each case, in immediately available funds, equal to the Purchase Price per Purchase Contract (the "Cash Consideration") to the Purchase Contract Agent not later than 5:00 p.m. New York City time on the thirteenth Business Day prior to the Stock Purchase Date as set forth in the Remarketing Notice and following the procedures to exchange its Normal Units for Stripped Units (substituting references to Treasury Securities with references to Cash Consideration) as described in Section 3.13 (an "Opt-Out"). In such event, all references to the Treasury Securities or Pledged Treasury Securities herein, including for purposes of Sections 3.15 and 5.8, shall be deemed to include such Cash Consideration in addition to the Treasury Securities. Upon receipt thereof by the Purchase Contract Agent, the Purchase Contract Agent shall deliver such Cash Consideration to the Collateral Agent, which will for the benefit of the Company, thereupon apply such Cash Consideration to secure such Holder's obligations under the Purchase Contracts. On the Business Day immediately preceding the first day of the Remarketing Period, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will deliver the Pledged Notes of such Holder to the Purchase Contract Agent and within three Business Days thereof, the Purchase Contract Agent shall distribute such Notes to the Holders thereof. A Holder that does not so deliver the requisite Cash Consideration or does not so notify the Agent of its election not to participate in the remarketing pursuant to this clause (b)(iv) shall be deemed to have elected to participate in the remarketing. Any Cash Consideration received by the Collateral Agent will be paid to the Company on the Stock Purchase Date in settlement of the Purchase Contract in accordance with the terms of this Agreement and the Pledge Agreement, and any funds received by the Collateral Agent in excess of the Purchase Price for the Common Stock to be purchased by such Holder shall be distributed to the Purchase Contract Agent when received for payment to the Holder.

(c) Upon the maturity of the Pledged Treasury Securities underlying the Stripped Units and, in the event of a Special Event Redemption, the Pledged Treasury Consideration underlying the Normal Units, on the Stock Purchase Date the Collateral Agent shall remit to the Company an amount equal to the aggregate Purchase Price applicable to such Units, as payment for the Common Stock issuable upon settlement

thereof without needing to receive any instructions from the Holders of such Units. In the event the payments in respect of the Pledged Treasury Securities or the Pledged Treasury Consideration underlying a Unit is in excess of the Purchase Price of the Purchase Contract being settled thereby, the Collateral Agent will distribute such excess to the Purchase Contract Agent for the benefit of the Holder of such Unit when received.

(d) Any distribution to Holders of excess funds and interest described in Section 5.04(b) and (c) above shall be payable at the office of the Purchase Contract Agent in the Borough of Manhattan, New York City, or, if the Units do not remain in book-entry only form, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Register or by wire transfer to the account maintained in the United States designated by written notice given ten Business Days prior to the applicable payment date by such Person.

(e) Notwithstanding anything to the contrary herein or in the Pledge Agreement, subject to Section 3.02 of the Pledge Agreement, the obligations of each Holder to pay the Purchase Price are non-recourse obligations and are payable solely out of the proceeds of any Collateral pledged to secure the obligations of the Holders (except to the extent paid by Cash Settlement, Early Settlement or Merger Early Settlement) and in no event will Holders be liable for any deficiency between such payments and the Purchase Price.

(f) Notwithstanding anything to the contrary herein, the Company shall not be obligated to issue any Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder of the related Unit unless the Company shall have (i) received payment in full of the aggregate Purchase Price for the Common Stock to be purchased thereunder by such Holder in the manner herein set forth or (ii) become entitled to exercise its rights as a secured party under Section 5.04(b)(iii).

SECTION 5.05. Issuance of Common Stock. Unless a Termination Event shall have occurred on or prior to the Stock Purchase Date or an Early Settlement or a Merger Early Settlement shall have occurred, on the Stock Purchase Date, upon the Company's receipt of payment in full of the Purchase Price for the Common Stock purchased by the Holders pursuant to the foregoing provisions of this Article and subject to Section 5.06(b) or the Company's exercise of its rights as a secured party pursuant to Section 5.04(b)(iii), the Company shall issue and deposit with the Purchase Contract Agent, for the benefit of the Holders of the Outstanding Units, one or more certificates representing the newly issued shares of Common Stock, registered in the name of the Purchase Contract Agent (or its nominee) as custodian for the Holders (such certificates for Common Stock, together with any dividends or distributions for which both a record date and payment date for such dividend or distribution has occurred after the Stock Purchase Date, being hereinafter referred to as the "Purchase Contract Settlement Fund"), to which the Holders are entitled hereunder. Subject to the foregoing, upon surrender of a Certificate to the Purchase Contract Agent on or after the Stock Purchase Date, together with settlement instructions thereon duly completed and executed, the Holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole Shares of Common Stock which such Holder is entitled to receive

pursuant to the provisions of this Article V (after taking into account all Units then held by such Holder) together with cash in lieu of fractional shares as provided in Section 5.12 and any dividends or distributions with respect to such shares constituting part of the Purchase Contract Settlement Fund, but without any interest thereon, and the Certificate so surrendered shall forthwith be cancelled. Such shares shall be registered in the name of the Holder or the Holder's designee as specified in the settlement instructions provided by the Holder to the Purchase Contract Agent. If any Common Stock issued in respect of a Purchase Contract are to be registered to a Person other than the Person in whose name the Certificate evidencing such Purchase Contract is registered, no such registration shall be made unless the Person requesting such registration has paid any transfer and other taxes required by reason of such registration in a name other than that of the registered Holder of such Certificate or has established to the satisfaction of the Company that such tax either has been paid or is not payable.

SECTION 5.06. Adjustment of Settlement Rate. The Daily Amount used in determining the Settlement Rate and the number of shares of Common Stock to be delivered upon an Early Settlement will be subject to adjustment, without duplication, under the following circumstances:

(a) Adjustments for Dividends, Distributions, Stock Splits, Etc.

(1) Adjustment for Change in Capital Stock. If, after the date of this Agreement, the Company: (A) pays a dividend or makes another distribution on Common Stock to all holders of Common Stock payable exclusively in shares of Common Stock; (B) subdivides or splits the outstanding shares of Common Stock into a greater number of shares; or (C) combines the outstanding shares of Common Stock into a smaller number of shares, then the share components in effect immediately prior to such action shall be adjusted so that the Holder of a Purchase Contract forming a part of a Unit thereafter settled may receive the number of shares of Common Stock which such Holder would have owned immediately following such action if such Holder had settled the Purchase Contract immediately prior to such action.

The adjustment shall become effective immediately after the record date in the case of a dividend, distribution or subdivision and immediately after the effective date in the case of a combination.

(2) Adjustment for Rights Issue. If, after the date of this Agreement, the Company distributes any rights, options or warrants, other than pursuant to any dividend reinvestment, share purchase or similar plans, to all holders of the Company's Common Stock entitling them to purchase or subscribe for, for a period expiring within 60 days, shares of Common Stock at a price per share less than the Current Market Price as of the Time of Determination (except that no adjustment will be made if Holders of the Units may participate in the distribution on a basis and with the notice that the Company's Board of Directors determines to be fair and appropriate), the share components shall be adjusted by multiplying them by a fraction:

- the numerator of which is the sum of (a) the number of shares of Common Stock outstanding on the record date fixed for the applicable distribution plus (b) the total number of additional shares of Common Stock offered for subscription or purchase, and
- the denominator of which is the sum of (a) the number of shares of Common Stock outstanding on the record date fixed for the distribution plus (b) the total number of shares of Common Stock that the aggregate offering price of the total number of shares offered for subscription or purchase would purchase at the Current Market Price.

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the rights, warrants or options to which this Section 5.06(a)(2) applies. To the extent that such rights or warrants are not exercised prior to their expiration (and as a result no additional shares of common stock are delivered or issued pursuant to such rights or warrants), the share components shall be readjusted to the share components that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery or issuance of only the number of shares of Common Stock actually delivered or issued.

(3) Adjustments for Other Distributions. If, after the date of this Agreement, the Company dividends or distributes to all or substantially all holders of its Common Stock any of its debt, Capital Stock, securities or assets or any rights, warrants or options to purchase securities of the Company (including securities or cash, but excluding (x) distributions of Common Stock referred to in Section 5.06(a)(1)(A) and distributions of rights, warrants or options referred to in Section 5.06(a)(2) and (y) dividends or distributions that are paid exclusively in cash referred to in Section 5.06(a)(4)) the share components shall be adjusted, subject to the provisions of the last paragraph of this Section 5.06(a)(3), by multiplying them by a fraction:

- the numerator of which is the Current Market Price of Common Stock, and
- the denominator of which is the Current Market Price of Common Stock minus the fair market value of the portion of those assets distributed in respect of each share of Common Stock.

In the event the Company distributes shares of Capital Stock of a subsidiary, the share components will be adjusted, if at all, based on the market value of the subsidiary stock so distributed relative to the market value of the Common Stock, as discussed below. The Board of Directors shall determine fair market values for the purposes of this Section 5.06(a)(3), except that in respect of a dividend or other distribution of shares of Capital Stock of any class or series, or

similar equity interests, of or relating to a subsidiary or other business unit of the Company (a "Spin-off"), the fair market value of the securities to be distributed shall equal the average of the daily Closing Prices of those securities for the five consecutive Trading Days commencing on and including the sixth day of trading of those securities after the effectiveness of the Spin-off. In the event, however, that an underwritten initial public offering of the securities in the Spin-off occurs simultaneously with the Spin-off, fair market value of the securities distributed in the Spin-off shall mean the initial public offering price of such securities and the Current Market Price shall mean the Closing Price for the Common Stock on the same Trading Day.

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the distribution to which this Section 5.06(a)(3) applies, except that an adjustment related to a Spin-off shall become effective at the earlier to occur of (i) 10 Trading Days after the effective date of the Spin-off and (ii) the initial public offering of the securities distributed in the Spin-off.

(4) Cash Distributions. In case the Company shall, by dividend or otherwise, pay regular quarterly, semi-annual or annual cash dividends or make any other distributions consisting exclusively of cash to all holders of its Common Stock, excluding any regular cash dividend or distribution on the Common Stock to the extent that the aggregate cash dividend or distribution per share of Common Stock in any quarter does not exceed $.09 (the "Dividend Threshold Amount") (the Dividend Threshold Amount is subject to adjustment on the same basis as the Daily Amounts for any adjustment made pursuant to Section 5.06(a)(1)), then the share components will be adjusted as follows:

In the event of a regular dividend to which this Section 5.06(4) applies, the share components will be adjusted by multiplying them by a fraction,

- the numerator of which is the Current Market Price of Common Stock, and
- the denominator of which is the Current Market Price of Common Stock, minus the excess, if any, of the amount per share of such dividend or distribution over the Dividend Threshold Amount.

In the event of a cash dividend or distribution that is not a regular dividend, the share components will be adjusted by multiplying them by a fraction,

- the numerator of which is the Current Market Price of Common Stock, and

- the denominator of which is the Current Market Price of Common Stock minus the amount per share of such dividend or distribution.

In either case, the adjustment shall be made on the date fixed for the determination of shareholders entitled to receive such dividend or distribution, to be effective at the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such dividend or distribution. In the event that any such dividend or distribution is not so paid or made, the share components shall again be adjusted to be the share components that would then be in effect if such dividend or distribution had not been declared.

(5) Adjustment for Company Tender Offer. If, after the date of this Agreement, the Company or any subsidiary of the Company pays holders of the Common Stock in respect of a tender or exchange offer, other than an odd-lot offer, by the Company or any of its subsidiaries for Common Stock to the extent that the offer involves aggregate consideration that, together with (i) any cash and the fair market value of any other consideration payable in respect of any tender offer by the Company or any of its subsidiaries for shares of Common Stock consummated within the preceding 12 months not triggering a Settlement Rate adjustment and (ii) all-cash distributions to all or substantially all holders of Common Stock made within the preceding 12 months (other than regular quarterly, semi-annual or annual cash dividends), exceeds an amount equal to 10% of the aggregate market capitalization of the Common Stock on the expiration date of the tender offer, the share components will be adjusted by multiplying them by a fraction,

- the numerator of which is the sum of (a) the fair market value, as determined by the Board of Directors, of the aggregate consideration payable based upon the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares of Common Stock validly tendered or exchanged and not withdrawn as of the last time tenders or exchanges may be made pursuant to such tender or exchange offer (the "Expiration Time") (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (b) the product of (i) the number of shares of Common Stock outstanding (less any Purchased Shares) at the Expiration Time and (ii) the closing price of Common Stock on the Trading Day next succeeding the Expiration Time, and
- the denominator of which will be the product of (a) the number of shares of Common Stock outstanding, including any Purchased Shares, at the Expiration Time and (b) the closing price of Common Stock on the Trading Day next succeeding the Expiration Time.

(6) Calculation of Adjustments. All adjustments to the Settlement Rate shall be calculated by the Company to the nearest 1/10,000th of one share of Common Stock (or if there is not a nearest 1/10,000th of a share, to the next lower 1/10,000th of a share). No adjustment to the Settlement Rate shall be required unless such adjustment would require an increase or a decrease of at least one percent; provided that any adjustments not made shall be carried forward and taken into account in any subsequent adjustment and notwithstanding whether or not such one percent threshold shall have been met, all such adjustments shall be made on the Stock Purchase Date. If an adjustment is made to the Settlement Rate pursuant to paragraph (1) through (5) or (7) of this Section 5.06(a), an adjustment shall also be made to the Closing Price for the Company's Common Stock solely to determine which of clauses (i), (ii) or (iii) of the definition of Settlement Rate in Section 5.01(a) will apply on each of the 20 Trading Days beginning on April 15, 2008. Such adjustment shall be made by multiplying the Closing Price for the Company's Common Stock by a fraction, the numerator of which shall be the Settlement Rate immediately after such adjustment pursuant to paragraph (1) through (5) or (7) of this Section 5.06(a) and the denominator of which shall be the Settlement Rate immediately before such adjustment; provided that if such adjustment to the Settlement Rate is required to be made pursuant to the occurrence of any of the events contemplated by paragraph (1) through (5) or (7) of this Section 5.06(a) during the period taken into consideration for determining the Daily Amounts, appropriate and customary adjustments shall be made to the Settlement Rate.

(7) When No Adjustment Required. No adjustment of the Daily Amounts used in determining the Settlement Rate, and the number of shares to be delivered on Early Settlement need be made as a result of: (i) the issuance of the rights; (ii) the distribution of separate certificates representing the rights; (iii) the exercise or redemption of the rights in accordance with any rights agreement; or (iv) the termination or invalidation of the rights, in each case, pursuant to the Company's stockholders rights plan existing on the date of this Agreement, as amended, modified, or supplemented from time to time, or any newly adopted stockholders rights plans; provided, however, that to the extent that the Company has a stockholder rights plan in effect upon settlement of a Purchase Contract (including the Company's rights plan existing on the date of this Agreement), the Holder shall receive, in addition to the shares of Common Stock, the rights under such rights plan, unless, prior to any settlement of a Purchase Contract, the rights have separated from the Common Stock, in which case the Settlement Rate will be adjusted at the time of separation as if the Company made a distribution to all holders of Common Stock as described in clause (3) above, subject to readjustment in the event of the expiration, termination or redemption of the rights. In addition, no adjustment to the Daily Amounts used in determining the Settlement Rate need be made:

(A) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or

interest payable on securities of the Company and the investment of additional optional amounts in Common Stock under any plan;

(B) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of its subsidiaries; or

(C) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right, or exercisable, exchangeable or convertible security outstanding as of the date the Units were first issued.

No adjustment to the Settlement Rate need be made for a transaction referred to in 5.06(a)(2) or 5.06(a)(3) if Holders of the Units may participate in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction. No adjustment to the Settlement Rate need be made for a change in the par value or no par value of the Common Stock.

(8) Use of Terms. "Time of Determination" means the time and date of the earlier of (i) the determination of stockholders entitled to receive rights, warrants or options or a distribution in each case, to which Section 5.06(a)(2) or Section 5.06(a)(3) applies and (ii) the time ("Ex-Dividend Time") immediately prior to the commencement of "ex-dividend" trading for such rights, warrants or options or distribution on the NYSE or such other U.S. national or regional exchange or market on which the Common Stock are then listed or quoted.

"Current Market Price" per share of Common Stock on any day means the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the earlier of the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex date," when used with respect to any issuance or distribution, means the first date on which the shares of Common Stock trade without the right to receive the issuance or distribution.

(9) Adjustments During Settlement Period. (a) If an event requiring an adjustment occurs on any day during the 20 Trading Days beginning on April 15, 2008, the Daily Amount calculated for each trading day in this period before the event requiring an adjustment occurs will be adjusted in the same manner as the adjustment to the share components for each trading day in this period on or after the event requiring an adjustment occurs pursuant to the procedures described above.

(b) Adjustment for Consolidation, Merger or Other Reorganization Event. In the event of

(1) any consolidation or merger of the Company with or into another Person (other than a merger or consolidation in which the Company is the continuing corporation and in which the shares of Common Stock outstanding immediately prior to the merger or consolidation are not exchanged for cash, securities other property of the Company or another corporation),

(2) any sale, transfer, lease or conveyance to another Person of the property of the Company as an entirety or substantially as an entirety,

(3) any statutory exchange of securities of the Company with another Person (other than in connection with a merger or acquisition) or any binding share exchange which reclassifies or changes its outstanding Common Stock, or

(4) any liquidation, dissolution or winding up of the Company other than as a result of or after the occurrence of a Termination Event (any such event, a "Reorganization Event"),

each share of Common Stock covered by each Purchase Contract forming part of a Unit immediately prior to such Reorganization Event shall, after such Reorganization Event, be converted for purposes of the Purchase Contract into the kind and amount of securities, cash and other property receivable in such Reorganization Event (without any interest thereon, and without any right to dividends or distribution thereon which have a record date that is prior to the Stock Purchase Date) per share of Common Stock by a holder of Common Stock that (i) is not a Person with which the Company consolidated or into which the Company merged or which merged into the Company or to which such sale or transfer was made, as the case may be (any such Person, a "Constituent Person"), or an Affiliate of a Constituent Person to the extent such Reorganization Event provides for different treatment of Common Stock held by Affiliates of the Company and non-Affiliates, and (ii) failed to exercise his rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such Reorganization Event (provided that if the kind or amount of securities, cash and other property receivable upon such Reorganization Event is not the same for each share of Common Stock held immediately prior to such Reorganization Event by a Person other than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("Non-electing Share"), then for the purpose of this Section the kind and amount of securities, cash and other property receivable upon such Reorganization Event by each Non-electing Share shall be deemed to be the kind and amount so receivable per share of Common Stock by a plurality of the Non-electing Shares). On the Stock Purchase Date, the Settlement Rate then in effect will be applied to the value on the Stock Purchase Date of such securities, cash or other property.

In the event of such a Reorganization Event, the Person formed by such consolidation, merger or exchange or the Person which acquires the assets of the Company or, in the event of a liquidation or dissolution of the Company, the Company or a liquidating trust created in connection therewith, shall execute and deliver to the Purchase Contract Agent an agreement supplemental hereto providing that the Holder of each Outstanding Unit shall have the rights provided by this Section 5.06. Such

supplemental agreement shall provide for adjustments which, for events subsequent to the effective date of such supplemental agreement, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section. The above provisions of this Section shall similarly apply to successive Reorganization Events.

(c) Successive Adjustments. After an adjustment to the Settlement Rate under this Section 5.06, any subsequent event requiring an adjustment under this Section 5.06 shall cause an adjustment to the Settlement Rate as so adjusted.

(d) Multiple Adjustments. For the avoidance of doubt, if an event occurs that would trigger an adjustment to the Settlement Rate pursuant to this Section 5.06 under more than one subsection hereof, such event, to the extent fully taken into account in a single adjustment, shall not result in multiple adjustments hereunder.

SECTION 5.07. Notice of Adjustments and Certain Other Events. (a) Whenever the Settlement Rate is adjusted as herein provided, the Company shall as soon as practicable following the occurrence of an event that requires or permits the Settlement Rate to be adjusted, (i) provide written notice to the Purchase Contract Agent of the occurrence of that event and (ii) compute the Settlement Rate and the Daily Amount in accordance with Section 5.06 and prepare and transmit to the Purchase Contract Agent an Officers' Certificate setting forth the Settlement Rate and the Daily Amount, as the case may be, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based.

(b) The Purchase Contract Agent shall not at any time be under any duty or responsibility to any Holder of Units to determine whether any facts exist which may require any adjustment of the Settlement Rate and the Daily Amount, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Purchase Contract Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Stock, or of any securities or property, which may at the time be issued or delivered with respect to any Purchase Contract, and the Purchase Contract Agent makes no representation with respect thereto. The Purchase Contract Agent shall not be responsible for any failure of the Company to issue, transfer or deliver any Common Stock pursuant to a Purchase Contract or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article.

SECTION 5.08. Termination Event; Notice. The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of Holders to receive Contract Adjustment Payments, if any, or any Deferred Contract Adjustment Payments and obligations of Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Purchase Contract Agent or the Company, if, on or prior to the Stock Purchase Date, a Termination Event shall have occurred. Upon and after the occurrence of a Termination Event, the Normal Units shall thereafter represent the right to receive the Notes or the Treasury Consideration, as the case may be, forming a part of such Normal Units, and the Stripped Units shall thereafter represent the right to receive

the Treasury Securities forming a part of such Stripped Units, in each case in accordance with the provisions of Section 4.03 of the Pledge Agreement. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Purchase Contract Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Register.

SECTION 5.09. Early Settlement. (a) Subject to and upon compliance with the provisions of this Section 5.09, Purchase Contracts underlying Units having an aggregate Stated Amount equal to $1,000 or an integral multiple thereof may, at the option of the Holder thereof, be settled early ("Early Settlement") on or prior to 10:00 a.m., New York City time, on the thirteenth Business Day immediately preceding the Stock Purchase Date. Holders of Stripped Units may only effect Early Settlement of the related Purchase Contracts in integral multiples of 40 Stripped Units, and if Treasury Consideration has been substituted for the Notes as a component in the Normal Units due to the occurrence of a Special Event Redemption, Purchase Contracts underlying such Normal Units may only be settled early in integral multiples of Normal Units such that the Treasury Consideration to be deposited and the Treasury Consideration to be released are in integral multiples of $1,000. In order to exercise the right to effect Early Settlement with respect to any Purchase Contracts, the Holder of the Certificate evidencing the related Units shall deliver such Certificate to the Purchase Contract Agent at the Corporate Trust Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early on the reverse thereof duly completed and accompanied by payment payable to the Company in immediately available funds in an amount (the "Early Settlement Amount" equal to (A) the product of (i) the Purchase Price multiplied by (ii) the number of Purchase Contracts with respect to which the Holder has elected to effect Early Settlement, plus (B) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments, if any, payable on such Payment Date with respect to such Purchase Contracts; provided that no payment shall be required pursuant to clause (B) of this sentence if the Company shall have elected to defer the Contract Adjustment Payments which would otherwise be payable on such Payment Date. Except as provided in the immediately preceding sentence and subject to Section 5.02(d), no payment or adjustment shall be made upon Early Settlement of any Purchase Contract on any Contract Adjustment Payments accrued on such Purchase Contract or on account of any dividends on the Common Stock issued upon such Early Settlement. If the foregoing requirements are first satisfied with respect to Purchase Contracts underlying any Unit at or prior to 5:00 p.m., New York City time, on a Business Day, such day shall be the "Early Settlement Date" with respect to such Unit and if such requirements are first satisfied after 5:00 p.m., New York City time, on a Business Day or on a day that is not a Business Day, the "Early Settlement Date" with respect to such Units shall be the next succeeding Business Day.

(b) No later than the third Business Day after an Early Settlement of any Purchase Contract by the Holder of the related Units, the Company shall issue, and the Holder shall be entitled to receive, shares of 0.8333 Common Stock on account of such Purchase Contract (the "Early Settlement Rate"). The Early Settlement Rate shall be

adjusted in the same manner and at the same time as the Settlement Rate is adjusted pursuant to Section 5.06. As promptly as practicable after Early Settlement of Purchase Contracts in accordance with the provisions of this Section 5.09, the Company shall issue and shall deliver to the Purchase Contract Agent at the Corporate Trust Office a certificate or certificates for the full number of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.12.

(c) No later than the third Business Day after the applicable Early Settlement Date the Company shall cause (i) the Common Stock issuable upon Early Settlement of Purchase Contracts to be issued and delivered, and (ii) the related Pledged Notes or Pledged Treasury Consideration, in the case of Normal Units, or the related Pledged Treasury Securities, in the case of Stripped Units, to be released from the Pledge by the Collateral Agent and transferred, in each case, to the Purchase Contract Agent for delivery to the Holder thereof or the Holder's designee.

(d) Upon Early Settlement of any Purchase Contracts, and subject to receipt of Common Stock from the Company and the Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, from the Collateral Agent, as applicable, the Purchase Contract Agent shall, in accordance with the instructions provided by the Holder thereof on the applicable form of Election to Settle Early on the reverse of the Certificate evidencing the related Units, (i) transfer to the Holder the Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, forming a part of such Units, and (ii) deliver to the Holder a certificate or certificates for the full number of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.12.

(e) In the event that Early Settlement is effected with respect to Purchase Contracts underlying less than all the Units evidenced by a Certificate, upon such Early Settlement the Company shall execute and the Purchase Contract Agent shall authenticate and execute on behalf of the Holder and deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Units as to which Early Settlement was not effected.

(f) No Early Settlement will be permitted under this Section 5.09 unless, at the time of delivery of the Election to Settle Early form or the time the Early Settlement is effected, there is an effective shelf or other registration statement with respect to the Common Stock to be issued and delivered in connection with such Early Settlement (unless the Company has been advised by counsel that no such registration statement is required under the Securities Act and that no prospectus is required to be delivered in connection therewith). In addition, the Company may suspend the use of any such prospectus up to four times in any 360-day period not to exceed 90 days in any such 360-day period if (i) any such prospectus would, in the Company's judgment, contain a material misstatement or omission as a result of an event that has occurred and is continuing or as a result of any proposed or pending material business transaction, event or announcement; and (ii) the Company reasonably determines that the disclosure of such

material non-public information could have a material adverse effect on the Company and its subsidiaries taken as a whole or could impede the consummation of any proposed or pending material business transaction.

SECTION 5.10. Early Settlement upon Cash Merger. (a) Prior to the Stock Purchase Date, in the event of a merger or consolidation of the Company of the type described in clause (1) of Section 5.06(b) in which the Common Stock outstanding immediately prior to such merger or consolidation are exchanged for consideration consisting of at least 30% cash or cash equivalents (any such event a "Cash Merger"), then the Company (or the successor to the Company hereunder) shall be required to offer the Holder of each Unit the right to settle the Purchase Contract underlying such Unit prior to the Stock Purchase Date ("Merger Early Settlement") as provided herein. On or before the fifth Business Day after the consummation of a Cash Merger, the Company or, at the request and expense of the Company, the Purchase Contract Agent, shall give all Holders notice of the occurrence of the Cash Merger and of the right of Merger Early Settlement arising as a result thereof. For purposes of calculating the Settlement Rate in effect as a result of such Cash Merger, the Daily Amounts will be calculated on each of the 20 consecutive trading days ending on the fifth trading day immediately preceding date of the cash merger. The Company also shall deliver a copy of such notice to the Purchase Contract Agent and the Collateral Agent.

Each such notice shall contain:

(i) the date, which shall be not less than 20 or more than 30 calendar days after the date of such notice, on which the Merger Early Settlement will be effected (the "Merger Early Settlement Date");

(ii) the date, which shall be on or one Business Day prior to the Merger Early Settlement Date, by which the Merger Early Settlement right must be exercised;

(iii) the Settlement Rate in effect as a result of such Cash Merger and the kind and amount of securities, cash and other property receivable by the Holder upon settlement of each Purchase Contract pursuant to Section 5.06(b);

(iv) a statement to the effect that all or a portion of the Purchase Price payable by the Holder to settle the Purchase Contract will be offset against the amount of cash so receivable upon exercise of Merger Early Settlement, as applicable; and

(v) the instructions a Holder must follow to exercise the Merger Early Settlement right.

(b) To exercise a Merger Early Settlement right, a Holder shall deliver to the Purchase Contract Agent at the Corporate Trust Office on or before 5:00 p.m., New York City time, on the date specified in the notice the Certificate(s) evidencing the Units, if the Units are held in certificated form, with respect to which the Merger Early Settlement right is being exercised duly endorsed for transfer to the Company or in blank

with the form of Election to Settle Early on the reverse thereof duly completed and accompanied by payment payable to the Company in immediately available funds in an amount equal to the Early Settlement Amount less the amount of cash that otherwise would be deliverable by the Company or its successor upon settlement of the Purchase Contract in lieu of Common Stock pursuant to Section 5.06(b) and as described in the notice to Holders (the "Merger Early Settlement Amount").

(c) On the Merger Early Settlement Date, the Company shall deliver or cause to be delivered (i) the net cash, securities and other property to be received by such exercising Holder, equal to the Settlement Rate, as adjusted pursuant to Section 5.06, in respect of the number of Purchase Contracts for which such Merger Early Settlement right was exercised, and (ii) the related Pledged Notes or Pledged Treasury Consideration, in the case of Normal Units, or Pledged Treasury Securities, in the case of Stripped Units, to be released from the Pledge by the Collateral Agent and transferred, in each case, to the Corporate Trust Office for delivery to the Holder thereof or its designee. In the event a Merger Early Settlement right shall be exercised by a Holder in accordance with the terms hereof, all references herein to Stock Purchase Date shall be deemed to refer to such Merger Early Settlement Date. If a Holder effects a Merger Early Settlement of some or all of its Purchase Contracts, such Holder shall be entitled to receive, on the Merger Early Settlement Date, the aggregate amount of any Deferred Contract Adjustment Payments and any accumulated and unpaid Contract Adjustment Payments since the immediately preceding Payment Date with respect to such Purchase Contracts. The Company shall pay such amount as a credit against the amount otherwise payable by the Holders to effect such Specified Merger Early Settlement and in any remainder in the form of a cash payment.

(d) Upon Merger Early Settlement of any Purchase Contracts, and subject to receipt of such net cash, securities or other property from the Company and the Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, from the Collateral Agent, as applicable, the Purchase Contract Agent shall, in accordance with the instructions provided by the Holder thereof on the applicable form of Election to Settle Early on the reverse of the Certificate evidencing the related Units, (i) transfer to the Holder the Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, forming a part of such Units, and (ii) deliver to the Holder such net cash, securities or other property issuable upon such Merger Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.12.

(e) In the event that Merger Early Settlement is effected with respect to Purchase Contracts underlying less than all the Units evidenced by a Certificate, upon such Merger Early Settlement the Company (or the successor to the Company hereunder) shall execute and the Purchase Contract Agent shall authenticate, execute on behalf of the Holder and deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Units as to which Merger Early Settlement was not effected.

SECTION 5.11. Charges and Taxes. The Company will pay, or cause one of its subsidiaries to pay, all stock transfer, stamp and similar taxes or duties

attributable to the initial issuance and delivery of the Common Stock pursuant to the Purchase Contracts and in payment of any Deferred Contract Adjustment Payments, provided that the Company shall not be required to pay any such tax or taxes which may be payable in respect of any exchange of or substitution for a Certificate evidencing a Unit or any issuance of a share of Common Stock in a name other than that of the registered Holder of a Certificate surrendered in respect of the Units evidenced thereby, other than in the name of the Purchase Contract Agent, as custodian for such Holder, and the Company shall not be required to issue or deliver such Certificate or share of Common Stock unless and until the Person or Persons requesting the transfer or issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

SECTION 5.12. No Fractional Shares. No fractional shares or scrip representing fractional Common Stock shall be issued or delivered upon settlement or payment of Deferred Contract Adjustment Payments on the Stock Purchase Date or upon Early Settlement or Merger Early Settlement of any Purchase Contracts. If Certificates evidencing more than one Purchase Contract shall be surrendered for settlement at one time by the same Holder, the number of full Common Stock which shall be delivered upon settlement (and as a result of Deferred Contract Adjustment Payments) shall be computed on the basis of the aggregate number of Purchase Contracts evidenced by the Certificates so surrendered. Instead of any fractional share of Common Stock which would otherwise be deliverable upon such settlement or payment, the Company, through the Purchase Contract Agent, shall make a cash payment in respect of such fractional shares in an amount equal to the fraction of a share of Common Stock, based on the Closing Price of the Common Stock on the trading day immediately preceding the stock purchase date. The Company shall provide the Purchase Contract Agent with sufficient funds to permit the Purchase Contract Agent to make all cash payments required by this Section 5.12 in a timely manner.

ARTICLE VI

Remedies

SECTION 6.01. Unconditional Right of Holders to Receive Purchase Contract Adjustment Payments and Purchase Common Stock. The Holder of any Unit shall have the right, which is absolute and unconditional,

(a) subject to the right of the Company to defer payment thereof pursuant to Section 5.03, and to the forfeiture of any Deferred Contract Adjustment Payments upon Early Settlement pursuant to Section 5.09 or upon the occurrence of a Termination Event, to receive payment of each installment of the Contract Adjustment Payments, if any, with respect to the Purchase Contract constituting a part of such Unit on the respective Payment Date for such Unit, and to institute suit for the enforcement of such right to receive Contract Adjustment Payments, and

(b) to purchase Common Stock pursuant to the Purchase Contract constituting a part of such Unit and to institute suit for the enforcement of any such right to purchase Common Stock, and such rights shall not be impaired without the consent of such Holder.

SECTION 6.02. Restoration of Rights and Remedies. If any Holder has instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to such Holder, then and in every such case, subject to any determination in such proceeding, the Company and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of such Holder shall continue as though no such proceeding had been instituted.

SECTION 6.03. Rights and Remedies Cumulative. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates in Section 3.10(f), no right or remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 6.04. Delay or Omission Not Waiver. No delay or omission of any Holder to exercise any right or remedy upon a default shall impair any such right or remedy or constitute a waiver of any such right. Every right and remedy given by this Article or by law to the Holders may be exercised from time to time, and as often as may be deemed expedient, by such Holders.

SECTION 6.05. Undertaking for Costs. All parties to this Agreement agree, and each Holder of a Unit, by its acceptance of such Unit shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Agreement, or in any suit against the Purchase Contract Agent for any action taken, suffered or omitted by it as Purchase Contract Agent, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Purchase Contract Agent, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% of the Outstanding Units, or to any suit instituted by any Holder for the enforcement of distributions on any Notes or Contract Adjustment Payments, if any, on any Purchase Contract on or after the respective Payment Date therefor in respect of any Unit held by such Holder, or for enforcement of the right to purchase Common Stock under the Purchase Contract constituting part of any Unit held by such Holder.

SECTION 6.06. Waiver of Stay or Extension Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Agreement; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

The Purchase Contract Agent

SECTION 7.01. Certain Duties and Responsibilities. (a) The Purchase Contract Agent shall act as agent and attorney-in-fact for the Holders of the Normal Units and Stripped Units hereunder with such powers as are specifically vested in the Purchase Contract Agent by the terms of this Agreement, the Pledge Agreement, the Remarketing Agreement, the Notes, the Normal Units and Stripped Units, and any documents evidencing them or related thereto, together with such other powers as are reasonably incidental thereto. The Purchase Contract Agent:

(1) undertakes to perform, with respect to the Units and Separate Notes, such duties and only such duties as are specifically set forth in this Agreement and the Pledge Agreement, and no implied covenants or obligations shall be read into this Agreement against the Purchase Contract Agent; and

(2) in the absence of bad faith, willful misconduct or negligence on its part, the Purchase Contract Agent may, with respect to the Units and Separate Notes, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Purchase Contract Agent reasonably believed by the Purchase Contract Agent to be genuine and correct and conforming to the requirements of this Agreement, but in the case of any certificates or opinions which by any provision hereof are specifically required to be furnished to the Purchase Contract Agent, the Purchase Contract Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement (but need not confirm or investigate the accuracy of the mathematical calculations or other facts stated therein).

(b) No provision of this Agreement shall be construed to relieve the Purchase Contract Agent from liability for its own negligent action, its own negligent failure to act, its own bad faith or its own willful misconduct, except that:

(1) this paragraph (b) shall not be construed to limit the effect of paragraph (a) of this Section;

(2) the Purchase Contract Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Purchase Contract Agent was negligent in ascertaining the pertinent facts; and

(3) no provision of this Agreement shall require the Purchase Contract Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(c) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Purchase Contract Agent shall be subject to the provisions of this Section.

(d) The Purchase Contract Agent is authorized to execute and deliver the Pledge Agreement in its capacity as Purchase Contract Agent.

SECTION 7.02. Notice of Default. Within 30 days after the occurrence of any default by the Company hereunder or under a Purchase Contract of which a Responsible Officer of the Purchase Contract Agent has actual knowledge, the Purchase Contract Agent shall transmit by mail to the Company and the Holders of Units, as their names and addresses appear in the applicable Register, notice of such default hereunder, unless such default shall have been cured or waived.

SECTION 7.03. Certain Rights of Purchase Contract Agent. Subject to the provisions of Section 7.01:

(a) the Purchase Contract Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate, Issuer Order or Issuer Request, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Agreement the Purchase Contract Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Purchase Contract Agent (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate of the Company;

(d) the Purchase Contract Agent may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by

it hereunder in good faith and in reliance thereon; the Purchase Contract Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Purchase Contract Agent, in its discretion, may make reasonable further inquiry or investigation into such facts or matters related to the

(e) execution, delivery and performance of the Purchase Contracts as it may see fit, and, if the Purchase Contract Agent shall determine to make such further inquiry or investigation, it shall be given a reasonable opportunity to examine the books, records and premises of the Company, personally or by agent or attorney;

(f) the Purchase Contract Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or an Affiliate of the Purchase Contract Agent and the Purchase Contract Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney or an affiliate of the Purchase Contract Agent appointed with due care hereunder;

(g) the Purchase Contract Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement solely at the request or direction of any of the Holders pursuant to this Agreement, unless such Holders shall have offered to the Purchase Contract Agent security or indemnity reasonably satisfactory to the Purchase Contract Agent against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(h) the Purchase Contract Agent shall not be deemed to have notice of any default unless a Responsible Officer of the Purchase Contract Agent has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Purchase Contract Agent at the Corporate Trust Office of the Purchase Contract Agent, and such notice references the Units and this Agreement and states that it is a notice of default; and

(i) the Purchase Contract Agent may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Agreement, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such Certificate previously delivered and not superseded.

SECTION 7.04. Not Responsible for Recitals or Issuance of Units. The recitals contained herein, in the related documents and in the Certificates shall be taken as the statements of the Company and the Purchase Contract Agent assumes no responsibility for their accuracy. The Purchase Contract Agent makes no representations

as to the validity or sufficiency of either this Agreement or of the Units, or of the Pledge Agreement or the Pledge. The Purchase Contract Agent shall not be accountable for the use or application by the Company of the Units or the proceeds therefrom or in respect of the Purchase Contracts.

SECTION 7.05. May Hold Units. Any Registrar or any other agent of the Company, or the Purchase Contract Agent and its Affiliates, in their individual or any other capacity, may become the owner or pledgee of Units and may otherwise deal with the Company, the Collateral Agent or any other Person with the same rights it would have if it were not Registrar or such other agent, or the Purchase Contract Agent.

SECTION 7.06. Money Held in Custody. Money held by the Purchase Contract Agent in custody hereunder need not be segregated from the Purchase Contract Agent's other funds except to the extent required by law or provided herein. The Purchase Contract Agent shall be under no obligation to invest or pay interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 7.07. Compensation and Reimbursement. The Company agrees:

(a) to pay to the Purchase Contract Agent from time to time reasonable compensation as the Company and the Purchase Contract Agent shall agree in writing for all services rendered by it hereunder;

(b) except as otherwise expressly provided herein, to reimburse the Purchase Contract Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Purchase Contract Agent in accordance with any provision of this Agreement (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence, willful misconduct or bad faith; and

(c) to indemnify the Purchase Contract Agent and any predecessor Purchase Contract Agent, their officers, directors, employees and agents for, and to hold it harmless against, any loss, damage, claim, liability or expense incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its duties hereunder, including the costs and expenses of defending itself against any claim (regardless of who asserts such claim) or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Purchase Contract Agent shall promptly notify the Company of any third-party claim which may give rise to the indemnity hereunder and give the Company the opportunity to control the defense of such claim with counsel reasonably satisfactory to the indemnified party, and no such claim shall be settled without the written consent of the Company, which consent shall not be unreasonably withheld.

For purposes of this Section 7.07, "Purchase Contract Agent" shall include any predecessor Purchase Contract Agent, provided that the negligence, bad faith or willful misconduct of any Purchase Contract Agent hereunder shall not affect the rights of any other Purchase Contract Agent hereunder.

The provisions of this Section 7.07 shall survive the termination of this Agreement, the satisfaction or discharge of the Units and/or the Separate Notes and/or the resignation or removal of the Purchase Contract Agent.

The Company will also pay all fees and expenses relating to the enforcement by the Purchase Contract Agent of the rights of the Holders of the Purchase Contracts and the retention of the Collateral Agent.

In no event shall the Purchase Contract Agent be liable for any indirect, special, punitive or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, even if the Purchase Contract Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

In no event shall the Purchase Contract Agent be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, government action, including any laws, ordinances, regulations, governmental action or the like which delay, restrict or prohibit the providing of services contemplated by this Agreement.

SECTION 7.08. Corporate Purchase Contract Agent Required; Eligibility. There shall at all times be a Purchase Contract Agent hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having (or being a member of a bank holding company having) a combined capital and surplus of at least $50,000,000, subject to supervision or examination by federal or state authority and having a Corporate Trust Office in the Borough of Manhattan, The City of New York, if there be such a corporation, qualified and eligible under this Article and willing to act on reasonable terms. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Purchase Contract Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 7.09. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Purchase Contract Agent and no appointment of a successor Purchase Contract Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Purchase Contract Agent in accordance with the applicable requirements of Section 7.10.

(b) The Purchase Contract Agent may resign at any time by giving written notice thereof to the Company 60 days prior to the effective date of such resignation. If the instrument of acceptance by a successor Purchase Contract Agent required by Section 7.10 shall not have been delivered to the Purchase Contract Agent within 30 days after the giving of such notice of resignation, the resigning Purchase Contract Agent may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Purchase Contract Agent.

(c) The Purchase Contract Agent may be removed at any time by Act of the Holders of a majority in number of the Outstanding Units delivered to the Purchase Contract Agent and the Company. If the instrument of acceptance by a successor Purchase Contract Agent required by Section 7.10 shall not have been delivered to the Purchase Contract Agent within 30 days after the giving of such notice of removal, the removed Purchase Contract Agent may petition any court of competent jurisdiction for the appointment of a successor Purchase Contract Agent.

(d) If at any time:

(1) the Purchase Contract Agent fails to comply with Section 310(b) of the Trust Indenture Act, as if the Purchase Contract Agent were an indenture trustee under an indenture qualified under the Trust Indenture Act, after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Unit for at least six months; or

(2) the Purchase Contract Agent shall cease to be eligible under Section 7.08 and shall fail to resign after written request therefor by the Company or by any such Holder; or

(3) the Purchase Contract Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Purchase Contract Agent or of its property shall be appointed or any public officer shall take charge or control of the Purchase Contract Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, (x) the Company by a Board Resolution may remove the Purchase Contract Agent, or (y) any Holder who has been a bona fide Holder of a Unit for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Purchase Contract Agent and the appointment of a successor Purchase Contract Agent.

(e) If the Purchase Contract Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Purchase Contract Agent for any reason, the Company, by a Board Resolution, shall promptly appoint a successor Purchase Contract Agent and shall comply with the applicable requirements of Section 7.10. If no successor Purchase Contract Agent shall have been so appointed by the Company and accepted appointment in the manner required by Section 7.10, any Holder who has been a bona fide Holder of a Unit for at least six months may, on behalf

of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Purchase Contract Agent.

(f) The Company shall give, or shall cause such successor Purchase Contract Agent to give, notice of each resignation and each removal of the Purchase Contract Agent and each appointment of a successor Purchase Contract Agent by mailing written notice of such event by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the applicable Register. Each notice shall include the name of the successor Purchase Contract Agent and the address of its Corporate Trust Office.

SECTION 7.10. Acceptance of Appointment by Successor. (a) In case of the appointment hereunder of a successor Purchase Contract Agent, every such successor Purchase Contract Agent so appointed shall execute, acknowledge and deliver to the Company and to the retiring Purchase Contract Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Purchase Contract Agent shall become effective and such successor Purchase Contract Agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, agencies and duties of the retiring Purchase Contract Agent. On the request of the Company or the successor Purchase Contract Agent, such retiring Purchase Contract Agent shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Purchase Contract Agent all the rights, powers and trusts of the retiring Purchase Contract Agent and shall duly assign, transfer and deliver to such successor Purchase Contract Agent all property and money held by such retiring Purchase Contract Agent hereunder.

(b) Upon request of any such successor Purchase Contract Agent, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Purchase Contract Agent all such rights, powers and agencies referred to in paragraph (a) of this Section.

No successor Purchase Contract Agent shall accept its appointment unless at the time of such acceptance such successor Purchase Contract Agent shall be qualified and eligible under this Article.

SECTION 7.11. Merger, Conversion, Consolidation or Succession to Business. Any Person into which the Purchase Contract Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Purchase Contract Agent shall be a party, or any Person succeeding to all or substantially all the corporate trust business of the Purchase Contract Agent, shall be the successor of the Purchase Contract Agent hereunder, provided such Person shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Certificates shall have been authenticated and executed on behalf of the Holders, but not delivered, by the Purchase Contract Agent then in office, any successor to such Purchase Contract Agent shall adopt such authentication and execution

and deliver the Certificates so authenticated and executed with the same effect as if such successor Purchase Contract Agent had itself authenticated and executed such Units.

SECTION 7.12. Preservation of Information. The Purchase Contract Agent shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders received by the Purchase Contract Agent in its capacity as Registrar.

SECTION 7.13. No Obligations of Purchase Contract Agent. Except to the extent otherwise provided in this Agreement, the Purchase Contract Agent assumes no obligation and shall not be subject to any liability under this Agreement, the Pledge Agreement or any Purchase Contract in respect of the obligations of the Holder of any Unit thereunder. The Company agrees, and each Holder of a Certificate, by such Holder's acceptance thereof, shall be deemed to have agreed, that the Purchase Contract Agent's execution of the Certificates on behalf of the Holders shall be solely as agent and attorney-in-fact for the Holders, and that the Purchase Contract Agent shall have no obligation to perform such Purchase Contracts on behalf of the Holders, except to the extent expressly provided in Article V.

SECTION 7.14. Tax Compliance. (a) The Purchase Contract Agent, on its own behalf and on behalf of the Company, will comply with all applicable certification, information reporting and withholding (including "backup" withholding) requirements imposed by applicable tax laws, regulations or administrative practice with respect to (i) any payments made with respect to the Units or (ii) the issuance, delivery, holding, transfer, redemption or exercise of rights under the Units. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated agent. For purposes of United States backup withholding tax and information reporting requirements, each Holder will provide the Purchase Contract Agent with an executed copy of Internal Revenue Service Form W-9 (for United States persons) or Form W-8 (for non-United States persons) or any successor forms.

(b) The Purchase Contract Agent shall comply with any reasonable written direction timely received from the Company with respect to the execution or certification of any required documentation and the application of such requirements to particular payments or Holders or in other particular circumstances, and may for purposes of this Agreement conclusively rely on any such direction in accordance with the provisions of Section 7.01(a)(2).

(c) The Purchase Contract Agent shall maintain all appropriate records documenting compliance with such requirements, and shall make such records available, on written request, to the Company or its authorized representative within a reasonable period of time after receipt of such request.

ARTICLE VIII

Supplemental Agreements

SECTION 8.01. Supplemental Agreements Without Consent of Holders. Without the consent of any Holders, the Company and the Purchase Contract Agent, at any time and from time to time, may enter into one or more agreements supplemental hereto, in form satisfactory to the Company and the Purchase Contract Agent, for any of the following purposes:

(a) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Certificates;

(b) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company so long as such covenants or such surrender shall not adversely affect the validity, perfection or priority of the security interests granted or created under the Pledge Agreement;

(c) to evidence and provide for the acceptance of appointment hereunder by a successor Purchase Contract Agent;

(d) to make provision with respect to the rights of Holders pursuant to the requirements of Section 5.06(b) or 5.10; or

(e) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders.

SECTION 8.02. Supplemental Agreements With Consent of Holders. (a) With the consent of the Holders of not less than a majority of the Outstanding Units voting together as one class, by Act of said Holders delivered to the Company and the Purchase Contract Agent, the Company and the Purchase Contract Agent may enter into an agreement or agreements supplemental hereto, in form satisfactory to the Company and the Purchase Contract Agent, for the purpose of modifying in any manner the terms of the Purchase Contracts, or the provisions of this Agreement or the rights of the Holders in respect of the Units, provided that, except as contemplated herein, no such supplemental agreement shall, as to any Holder affected thereby, without the consent of such Holder:

(1) change any Payment Date;

(2) change the amount or the type of Collateral required to be Pledged to secure a Holder's obligations under the Purchase Contracts (except for the rights of Holders of Normal Units to substitute the Treasury Securities for the Pledged Notes or Pledged Treasury Consideration, as the case may be, or the rights of

holders of Stripped Units to substitute Notes or Treasury Consideration, as applicable, for the Pledged Treasury Securities), impair the right of the Holder of any Purchase Contract or Unit to receive distributions on the related Collateral or otherwise materially adversely affect the Holder's rights in or to such Collateral;

(3) reduce any Contract Adjustment Payments or any Deferred Contract Adjustment Payment, or change the place or currency in which, any Contract Adjustment Payment or other payment under this Agreement is payable or increase any amounts payable by the Holders in respect of the Units or decrease any other amounts receivable by Holders in respect of the Units;

(4) impair the right to institute suit for the enforcement of any Purchase Contract, any Contract Adjustment Payment, if any, or any Deferred Contract Adjustment Payment, if any;

(5) reduce the number of shares of Common Stock to be purchased pursuant to any Purchase Contract, increase the price to purchase shares of Common Stock upon settlement of any Purchase Contract, change the Stock Purchase Date or otherwise materially adversely affect the Holder's rights under any Purchase Contract; or

(6) reduce the percentage of the outstanding Purchase Contracts the consent of whose Holders is required for any such supplemental agreement;

provided that if any amendment or proposal referred to above would adversely affect only the Normal Units or the Stripped Units, then only the affected class of Holder as of the record date for the Holders entitled to vote thereon will be entitled to vote on or consent to such amendment or proposal; provided, however, that no such agreement, whether with or without the consent of Holders, shall affect Section 3.16.

(b) It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental agreement, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 8.03. Execution of Supplemental Agreements. In executing, or accepting the additional agencies created by, any supplemental agreement permitted by this Article or the modifications thereby of the agencies created by this Agreement, the Purchase Contract Agent shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement and that all conditions precedent to the execution of such supplemental agreement have been satisfied. The Purchase Contract Agent shall enter into any such supplemental agreement which does not materially adversely affect the Purchase Contract Agent's own rights, duties or immunities under this Agreement or otherwise.

SECTION 8.04. Effect of Supplemental Agreements. Upon the execution of any supplemental agreement under this Article, this Agreement shall be modified in accordance therewith, and such supplemental agreement shall form a part of this

Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered hereunder shall be bound thereby.

SECTION 8.05. Reference to Supplemental Agreements. Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any supplemental agreement pursuant to this Article may, and shall if required by the Purchase Contract Agent, bear a notation in form approved by the Purchase Contract Agent as to any matter provided for in such supplemental agreement. If the Company shall so determine, new Certificates so modified as to conform, in the opinion of the Purchase Contract Agent and the Company, to any such supplemental agreement may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Purchase Contract Agent in exchange for Outstanding Certificates.

ARTICLE IX

Consolidation, Merger, Sale or Conveyance

SECTION 9.01. Covenant Not To Merge, Consolidate, Sell or Convey Property Except under Certain Conditions. The Company covenants that, so long as any Units are outstanding, it will not (a) merge or amalgamate with or into or consolidate with any other Person or (b) transfer, lease or convey all or substantially all its assets to any Person or buy all or substantially all of the assets of another Person, unless (i) either (A) the Company shall be the surviving person or (B) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or amalgamated or the Person which acquires by conveyance, transfer or lease all or substantially all of the properties and assets of the Company is an entity organized and existing under the laws of the United States of America (including any State thereof or the District of Columbia) or Bermuda, and such person expressly assumes all the obligations of the Company under the Purchase Contracts, this Agreement, the Remarketing Agreement and the Pledge Agreement by one or more supplemental agreements in form reasonably satisfactory to the Purchase Contract Agent and the Collateral Agent, executed and delivered to the Purchase Contract Agent and the Collateral Agent by such Person, and (ii) the Company or such successor Person, as the case may be, shall not, immediately after such merger or consolidation, or such transfer, lease or conveyance, be in default in the performance of any covenant or condition hereunder, under any of the Purchase Contracts, under the Remarketing Agreement or under the Pledge Agreement.

SECTION 9.02. Rights and Duties of Successor Corporation. (a) In case of any such consolidation, merger, amalgamation, transfer, lease, purchase or conveyance and upon any such assumption by a successor entity in accordance with Section 9.01, such successor entity shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the Company. Such successor entity thereupon may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of the Certificates evidencing Units issuable hereunder which

theretofore shall not have been signed by the Company and delivered to the Purchase Contract Agent, and, upon the order of such successor corporation, instead of the Company, and subject to all the terms, conditions and limitations in this Agreement prescribed, the Purchase Contract Agent shall authenticate and execute on behalf of the Holders and deliver any Certificates which previously shall have been signed and delivered by the officers of the Company to the Purchase Contract Agent for authentication, execution on behalf of the Holder and delivery, and any Certificate evidencing Units which such successor entity thereafter shall cause to be signed and delivered to the Purchase Contract Agent for that purpose. All the Certificates so issued shall in all respects have the same legal rank and benefit under this Agreement as the Certificates theretofore or thereafter issued in accordance with the terms of this Agreement as though all of such Certificates had been issued at the date of the execution hereof.

(b) In case of any such consolidation, merger, amalgamation, transfer, lease, purchase or conveyance such change in phraseology and form (but not in substance) may be made in the Certificates evidencing Units thereafter to be issued as may be appropriate.

SECTION 9.03. Opinion of Counsel Given to Purchase Contract Agent. The Purchase Contract Agent, subject to Sections 7.01 and 7.03, shall receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, transfer, lease, purchase or conveyance, and any such assumption, complies with the provisions of this Article and that all conditions precedent to the consummation of any such consolidation, merger, sale, assignment, transfer, lease, purchase or conveyance have been met.

ARTICLE X

Covenants

SECTION 10.01. Performance under Purchase Contracts. The Company covenants and agrees for the benefit of the Holders from time to time that it will duly and punctually perform its obligations under the Purchase Contracts in accordance with the terms of the Purchase Contracts and this Agreement.

SECTION 10.02. Maintenance of Office or Agency. (a) The Company will maintain in the Borough of Manhattan, The City of New York an office or agency, which may be the office of the Purchase Contract Agent, where Certificates may be presented or surrendered for payment of Contract Adjustment Payments, acquisition of Common Stock upon settlement of the Purchase Contracts on any Settlement Date and for transfer of Collateral upon occurrence of a Termination Event, where Certificates may be surrendered for registration of transfer or exchange, for a Collateral Substitution or reestablishment of Normal Units and where notices and demands to or upon the Company in respect of the Units and this Agreement may be served. The Company will give prompt written notice to the Purchase Contract Agent of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Purchase Contract

Agent with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Company hereby appoints the Purchase Contract Agent as its agent to receive all such presentations, surrenders, notices and demands.

(b) The Company may also from time to time designate one or more other offices or agencies where Certificates may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company will give prompt written notice to the Purchase Contract Agent of any such designation or rescission and of any change in the location of any such other office or agency. The Company hereby designates as the place of payment for the Units the Corporate Trust Office and appoints the Purchase Contract Agent at its Corporate Trust Office as paying agent in such city.

SECTION 10.03. Company To Reserve Common Stock. The Company shall at all times prior to the Stock Purchase Date reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock the maximum number of Common Stock issuable against tender of payment in respect of all Purchase Contracts constituting a part of the Units evidenced by Outstanding Certificates.

SECTION 10.04. Covenants as to Common Stock. The Company covenants that all Common Stock which may be issued against tender of payment in respect of any Purchase Contract constituting a part of the Outstanding Units will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable and shall be free from preemptive rights and free of any lien or adverse claim. The Company will endeavor to promptly list or cause to have quoted such Common Stock on each national exchange or in the over-the-counter market or other such market on which the Common Stock are then listed or quoted.

SECTION 10.05. Statements of Officer of the Company as to Default. The Company will deliver to the Purchase Contract Agent, within 120 days after the end of each fiscal year of the Company ending after the date hereof, a statement by an officer regarding the Company's compliance with the terms, provisions and conditions hereof. Upon becoming aware of any event of non-compliance, the Company will deliver to the Agent a statement specifying such default. In the event the Company shall change its fiscal year at any time the Units are outstanding, the Company shall notify the Purchase Contract Agent of the effective date of such change.

SECTION 10.06. Listing. In the event that the Stripped Units or Notes become separately traded from the Normal Units to the extent that applicable exchange listing requirements are met, the Company covenants and agrees to use its commercially reasonable efforts to cause such Stripped Units or Notes, as the case may be, to be listed on the securities exchange on which the Normal Units are then listed.

SECTION 10.07. Registration Statement. The Company agrees to use its commercially reasonable efforts to ensure that, if required by applicable law, a registration statement with regard to the full amount of the Notes to be remarketed in the remarketing shall be effective with the Securities and Exchange Commission in a form that will enable the Remarketing Agent to rely on it in connection with such remarketing.

SECTION 10.08. Securities Contract. Without limiting the applicability of Section 365 of the Bankruptcy Code, it is the intention of the Company that this Agreement shall constitute a "securities contract" for purposes of and subject to the provisions of Section 555 of the Bankruptcy Code. The Company agrees that (i) prior to an exercise by the Collateral Agent on behalf of the Company of its rights as a secured party pursuant to the Pledge Agreement, the Company does not have any ownership right, title or interest in and to the Pledged Notes and (ii) the Holders of a Unit shall not be deemed to have purchased, and the Company shall not be deemed to have sold any Common Stock pursuant to a Purchase Contract related to such Security prior to a Cash Settlement, an Early Settlement or the occurrence of the Stock Purchase Date (provided that no prior occurrence of a Termination Event with respect to such Common Stock has occurred).

SECTION 10.09. Payment to Holders of Units on the Stock Purchase Date. Each Holder of a Unit, by its acceptance thereof, further covenants and agrees that, to the extent and in the manner provided in Section 5.04 and the Pledge Agreement, but subject to the terms thereof, payments in respect of the Pledged Notes, the Pledged Treasury Consideration or the Pledged Treasury Securities to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, shall be paid on the Stock Purchase Date by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such payments.

SECTION 10.10. Consent to Treatment for Tax Purposes. The Company and each Holder of a Normal Unit or a Stripped Unit, by its acceptance thereof, covenants and agrees (a) to treat a Holder's acquisition of the Normal Unit as the acquisition of the Note and Purchase Contract constituting the Normal Unit, (b) to treat a Holder's acquisition of a Stripped Unit as the acquisition of a Treasury Security and Purchase Contract constituting the Stripped Unit, (c) to treat each Holder as the owner, for federal, state and local income and franchise tax purposes of (i) the related Notes or the Treasury Consideration, in the case of the Normal Units, or (ii) the Treasury Securities, in the case of the Stripped Units, (d) to treat the Notes as indebtedness of Lazard Group for federal, state and local income and franchise tax purposes and (e) to allocate 100% of the issue price of a Normal Unit to the beneficial interest in the Note and 0.00% of the issue price to the Purchase Contract.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

LAZARD LTD,

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director, Vice President and Secretary

THE BANK OF NEW YORK,
as Purchase Contract Agent,

By /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

EXHIBIT A

FORM OF NORMAL UNITS CERTIFICATE

(Form Of Global Certificate Legend)

[THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS DEFINED ON THE REVERSE HEREOF) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.]* [so long as DTC is the Depositary, insert: Unless this Certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Company or its agent for registration of transfer, exchange or payment, and any Certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company, and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of The Depository Trust Company, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

[UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR CERTIFICATES IN DEFINITIVE REGISTERED FORM IN THE LIMITED CIRCUMSTANCES REFERRED TO IN THE PURCHASE CONTRACT AGREEMENT, THIS GLOBAL CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.]*

* To be inserted in Global Certificates only.

(FORM OF FACE OF NORMAL UNITS CERTIFICATE)

LAZARD LTD

6.625% Equity Security Units

No. CUSIP No. G54050110

Number of Normal Units

This Normal Units Certificate certifies that _____ is the registered Holder of the number of Normal Units set forth above [If the Certificate is a Global Certificate, insert - , as such number may be increased or decreased as set forth on the Schedule of Increases or Decreases in Global Certificate annexed hereto]. Each Normal Unit represents (i) either (a) a 1/40, or 2.5%, beneficial ownership interest of the Holder in one 6.120% Senior Note initially due 2035 (the "Note") of Lazard Group Finance LLC, a Delaware limited liability company, having a principal amount of $1,000, subject to the Pledge of such Note by such Holder pursuant to the Pledge Agreement, or (b) after a Special Event Redemption, the Treasury Consideration, subject to the Pledge of such Treasury Consideration by such Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Holder under one Purchase Contract with the Lazard Ltd, an exempted Bermuda limited corporation (the "Company"). Each Normal Unit will have a stated amount of $25 (the "Stated Amount"). All capitalized terms used herein which are defined in the Purchase Contract Agreement have the meaning set forth therein.

Pursuant to the Pledge Agreement, the interest in the Note or the Treasury Consideration, as the case may be, constituting part of each Normal Unit evidenced hereby has been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Purchase Contract comprising a part of such Normal Unit to purchase Common Stock of the Company. Prior to the purchase of Common Stock under each Purchase Contract, such Purchase Contracts shall not entitle the Holders of Normal Units Certificates to any of the rights of a holder of Common Stock, including without limitation, the right to vote or receive any dividends or other payments or to consent or to receive notice as shareholders in respect of the meetings of shareholders, or for the election of directors of the Company or for any other matter or any other rights whatsoever as shareholder of the Company.

The Pledge Agreement provides that all payments in respect of the Pledged Notes or Pledged Treasury Consideration received by the Collateral Agent shall be paid by the Collateral Agent by wire transfer in same day funds (i) in the case of (A) any interest payments on Normal Units which include Pledged Notes or Pledged Treasury Consideration, as the case may be, and (B) any payments in respect of the Notes or Treasury Consideration, as the case may be, that have been released from the Pledge pursuant to the Pledge Agreement, to the Purchase Contract Agent to the account designated by the Purchase Contract Agent, no later than 11:00 a.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided

that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 10:30 a.m., New York City time, on a Business Day, then such payment shall be made no later than 9:30 a.m., New York City time, on the next succeeding Business Day) and (ii) in the case of payments in respect of any Pledged Notes or Pledged Treasury Consideration, as the case may be, to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, to the Company on the Stock Purchase Date (as defined herein) in accordance with the terms of the Pledge Agreement, in full satisfaction of the respective obligations of the Holders of the Normal Units of which such Pledged Notes or Pledged Treasury Consideration are a part under the Purchase Contracts forming a part of such Normal Units. Interest payments payable on each Payment Date (as defined below) with respect to Pledged Notes or the Pledged Treasury Consideration included in the Normal Units shall be made quarterly in arrears on such Payment Date, subject to receipt thereof by the Purchase Contract Agent from the Trustee or Collateral Agent, as the case may be, to the Person in whose name this Normal Units Certificate (or a Predecessor Normal Units Certificate) is registered at the close of business on the Record Date for such Payment Date.

Each Purchase Contract evidenced hereby obligates the Holder of this Normal Units Certificate to purchase, and the Company to sell, on May 15, 2008 (the "Stock Purchase Date"), at a price equal to $25 (the "Purchase Price"), a number of Class A Common Stock, par value $0.01 per share ("Common Stock"), of the Company, equal to the Settlement Rate, unless on or prior to the Stock Purchase Date there shall have occurred a Termination Event or an Early Settlement or Merger Early Settlement with respect to the Normal Units of which such Purchase Contract is a part, all as provided in the Purchase Contract Agreement, as defined and more fully described on the reverse hereof. The Purchase Price for the Common Stock purchased pursuant to each Purchase Contract evidenced hereby, if not paid earlier, shall be satisfied on the Stock Purchase Date by either (i) the application of payments received with regard to Pledged Treasury Consideration, or (ii) the exercise of the Company's rights as a secured party in connection with the Pledged Notes, as the case may be.

The Company shall pay on each February 15, May 15, August 15 and November 15 each year, commencing August 15, 2005 (each a "Payment Date") in respect of each Purchase Contract forming part of a Normal Unit evidenced hereby an amount (the "Contract Adjustment Payments") equal to 0.505% per year of the Stated Amount through but excluding the Stock Purchase Date, computed on the basis of a 360-day year of twelve 30-day months, subject to deferral at the option of the Company as provided in the Purchase Contract Agreement and more fully described on the reverse hereof (provided that if on any date on which Contract Adjustment Payments are to be made on the Purchase Contracts is not a Business Day, then payment of the Contract Adjustment Payments payable on that date will be made on the next succeeding day which is a Business Day, and no interest or payment will be paid in respect of the delay, except that if such next succeeding Business Day is in the next succeeding calendar year, such payment will be made on the immediately preceding Business Day). Such Contract Adjustment Payments shall be payable to the Person in whose name this Normal Units

Certificate (or a Predecessor Normal Units Certificate) is registered at the close of business on the Record Date for such Payment Date.

Contract Adjustment Payments and payments on the Treasury Consideration will be payable at the office of the Purchase Contract Agent in the Borough of Manhattan, New York City, or, if the Units do not remain in book-entry only form, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Normal Units Register or by wire transfer to the account maintained in the United States designated by written notice given ten Business Days prior to the applicable payment date by such Person. Payments on the Notes will be payable at the Corporate Trust Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Normal Units Register or by wire transfer to the account maintained in the United States designated by written notice given ten Business Days prior to the applicable payment date by such Person.

Reference is hereby made to the further provisions set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Purchase Contract Agent by manual signature, this Normal Units Certificate shall not be entitled to any benefit under the Pledge Agreement or the Purchase Contract Agreement or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

LAZARD LTD,

By: _____

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Purchase Contracts evidenced hereby)

By: _____

THE BANK OF NEW YORK,
not individually but solely as Attorney-in-Fact of such Holder

By: _____

PURCHASE CONTRACT AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Normal Units Certificates referred to in the within mentioned Purchase Contract Agreement.

THE BANK OF NEW YORK,
as Purchase Contract Agent

Dated:_____ By:_____
Authorized Signatory

(Form of Reverse of Normal Units Certificate)

Each Purchase Contract evidenced hereby is governed by a Purchase Contract Agreement, dated as of May 10, 2005 (as may be supplemented from time to time, the "Purchase Contract Agreement"), between the Company and The Bank of New York, as Purchase Contract Agent (including its successors thereunder, herein called the "Purchase Contract Agent"), to which Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Purchase Contract Agent, the Company, and the Holders and of the terms upon which the Normal Units Certificates are, and are to be, executed and delivered. All defined terms used but not defined in this Certificate have the meanings set forth in the Purchase Contract Agreement.

Each Purchase Contract evidenced hereby obligates the Holder of this Normal Units Certificate to purchase, and the Company to sell, on the Stock Purchase Date at a price equal to $25 (the "Purchase Price"), a number of Common Stock of the Company equal to the Settlement Rate unless, on or prior to the Stock Purchase Date, there shall have occurred a Termination Event or a Cash Settlement, Early Settlement or Merger Early Settlement with respect to the Unit of which such Purchase Contract is a part. The "Settlement Rate" is an amount equal to the sum of the "Daily Amounts" (as defined below) calculated for each of the 20 Trading Days beginning on April 15, 2008.

The Daily Amount for each of the 20 Trading Days beginning on April 15, 2008 is equal to, subject to adjustment as provided in the Purchase Contract Agreement:

(i) for each of those 20 Trading Days on which the closing price for the Common Stock is less than or equal to the Reference Price (as defined below), a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Reference Price,

(ii) for each of those 20 Trading Days on which the Closing Price for the Common Stock is greater than the Reference Price but less than the Threshold Appreciation Price (as defined below), a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Closing Price,

and

(iii) for each of those 20 Trading Days on which the closing price for the Common Stock is greater than or equal to the Threshold Appreciation Price, a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Threshold Appreciation Price.

The “Reference Price” is $25.00, which is the initial public offering price per share of Common Stock. The “Threshold Appreciation Price” is $30.00, which is 120% of the Reference Price. No fractional Common Stock will be issued upon settlement of Purchase Contracts, as provided in the Purchase Contract Agreement.

The “Closing Price” of the Common Stock on any date of determination means the closing sale price (or, if no closing sale price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the “NYSE”) on such date or, if the Common Stock are not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which the Common Stock are so listed, or if the Common Stock are not so listed on a United States national or regional securities exchange, as reported by The Nasdaq Stock Market, or, if the Common Stock are not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

A “Trading Day” means a day on which the Common Stock (A) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Company’s Common Stock at the close of business on such day. If 20 Trading Days for our Common Stock have not occurred during the period beginning on April 15, 2008 and ending on May 12, 2008 (1) all remaining Trading Days will be deemed to occur on May 12, 2008 (or the first trading day thereafter if such day is not a trading day) and (2) the Closing Price for each of the remaining Trading Days will be the Closing Price on May 12, 2008.

Each Purchase Contract evidenced hereby may be settled prior to the Stock Purchase Date through Cash Settlement, Early Settlement or Merger Early Settlement, in accordance with the terms of the Purchase Contract Agreement.

In accordance with the terms of the Purchase Contract Agreement, the Holder of this Normal Units Certificate shall pay the Purchase Price for the Common Stock purchased pursuant to each Purchase Contract evidenced hereby (i) by effecting a Cash Settlement, an Early Settlement or Merger Early Settlement; (ii) if the Holder has elected not to participate in the remarketing described in Section 2.14 of the First Supplemental Indenture, by application of the cash payment delivered in respect thereof deposited by such Holder in respect of such Purchase Contract in accordance with the procedures set forth in Section 5.04(b)(iv) of the Purchase Contract Agreement or (iii) if a Special Event Redemption has occurred prior to the successful remarketing of the Notes as contemplated by Section 5.04 of the Purchase Contract Agreement, by application of payments received in respect of the Pledged Treasury Consideration purchased by the Collateral Agent on behalf of the Holder of this Normal Units Certificate. The Company shall not be obligated to issue any Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full

of the aggregate Purchase Price for the Common Stock to be purchased thereunder or become entitled to exercise its rights as a secured party in the manner set forth in the Purchase Contract Agreement. If, as provided in the Purchase Contract Agreement, upon the occurrence of a Last Failed Remarketing the Collateral Agent, for the benefit of the Company, exercises its rights as a secured creditor with respect to the Pledged Notes related to this Normal Units Certificate, any accrued and unpaid interest on such Pledged Notes will become payable by Lazard Group Finance to the Purchase Contract Agent for payment to the Holder of this Normal Units Certificate to which such Pledged Notes relate in the manner provided for in the Purchase Contract Agreement.

The Purchase Contract Agent will be entitled to exercise the voting and any other consensual rights pertaining to the Pledged Notes, but only to the extent instructed by the Holders as described below. Upon receipt of notice of any meeting at which holders of Notes are entitled to vote or upon the solicitation of consents, waivers or proxies of holders of Notes, the Purchase Contract Agent shall, as soon as practicable thereafter, mail, at the expense of the Company or any one of its subsidiaries, to the Holders of Normal Units a notice prepared by the Company (a) containing such information as is contained in the notice or solicitation, (b) stating that each such Holder on the record date set by the Purchase Contract Agent therefor (which, to the extent possible, shall be the same date as the record date for determining the holders of Notes entitled to vote) shall be entitled to instruct the Purchase Contract Agent as to the exercise of the voting rights pertaining to the Pledged Notes constituting a part of such Holder's Normal Units and (c) stating the manner in which such instructions may be given. Upon the written request of any Holder of Normal Units on such record date, the Purchase Contract Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such request the maximum number of Pledged Notes as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of a Normal Unit, the Purchase Contract Agent shall abstain from voting the Pledged Note evidenced by such Normal Unit.

The Normal Units Certificates are issuable only in registered form and only in denominations of a single Normal Unit and any integral multiple thereof. The transfer of any Normal Units Certificate will be registered and Normal Units Certificates may be exchanged as provided in the Purchase Contract Agreement. The Normal Units Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange of a Normal Units Certificate, but the Company and the Purchase Contract Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Certificates, other than exchanges not involving any transfer as provided for in the Purchase Contract Agreement. The Holder of a Normal Unit may substitute for the Pledged Notes or Pledged Treasury Consideration securing its obligations under the related Purchase Contract Treasury Securities in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement. From and after such Collateral Substitution, the Unit for which such Pledged Treasury Securities secures the Holder's obligation under

the Purchase Contract shall be referred to as a "Stripped Unit". A Holder that elects to substitute Treasury Securities for Pledged Notes or Pledged Treasury Consideration, thereby creating Stripped Units, shall be responsible for any fees or expenses payable in connection therewith. Except as provided in the Purchase Contract Agreement, for so long as the Purchase Contract underlying a Normal Unit remains in effect, such Normal Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Normal Units in respect of the Pledged Note or Pledged Treasury Consideration and Purchase Contract comprising such Normal Unit may be acquired, and may be transferred and exchanged, only as a Normal Unit.

A Holder of Stripped Units may reestablish Normal Units at any time from and after the date of the Purchase Contract Agreement and on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date by depositing with the Collateral Agent the Notes or the Treasury Consideration in exchange for the release of the Pledged Treasury Securities in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement.

Subject to the next succeeding paragraph, the Company shall pay, on each Payment Date, the Contract Adjustment Payments, if any, payable in respect of each Purchase Contract to the Person in whose name the Normal Units Certificate (or one or more Predecessor Normal Units Certificates) evidencing such Purchase Contract is registered on the Normal Units Register at the close of business on the Record Date next preceding such Payment Date. The Contract Adjustment Payments, if any, will be payable at the office of the Purchase Contract Agent in The City of New York or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Normal Units Register or by wire transfer to the account designated by such Person in writing.

The Company shall have the right, at any time prior to the Stock Purchase Date, to defer the payment of any or all of the Contract Adjustment Payments otherwise payable on any Payment Date, but only if the Company shall give the Holders and the Purchase Contract Agent written notice of its election to defer each such Contract Adjustment Payments as provided in the Purchase Contract Agreement. Any Contract Adjustment Payments so deferred shall, to the extent permitted by law, accrue additional Contract Adjustment Payments thereon at the rate of 0.505% per year (computed on the basis of a 360-day year of twelve 30-day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the additional Contract Adjustment Payments, if any, accrued thereon, are referred to herein as the "Deferred Contract Adjustment Payments"). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent that payment is deferred pursuant to the Purchase Contract Agreement. No Contract Adjustment Payments may be deferred to a date that is after the Stock Purchase Date and no such deferral period may end other than on a Payment Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until a Payment Date prior to the Stock

Purchase Date, then all Deferred Contract Adjustment Payments, if any, shall be payable to the registered Holders as of the close of business on the Record Date immediately preceding such Payment Date.

The Company's obligations with respect to Contract Adjustment Payments (including any accrued or Deferred Contract Adjustment Payments) will be subordinated and junior in right of payment to the Company's obligations under any Senior Indebtedness in the manner and to the extent set forth in the Purchase Contract Agreement.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until the Stock Purchase Date, the Holder of this Normal Units Certificate will receive on the Stock Purchase Date, in lieu of a cash payment, a number of Common Stock (in addition to the number of Common Stock equal to the Settlement Rate) equal to a number of shares of Common Stock equal to the sum of the "share amounts" calculated for each of the 20 Trading Days beginning on April 15, 2008. For each of such 20 Trading Days, the share amount shall be equal to (a) the aggregate amount of deferred contract adjustment payments payable to the holder divided by (b) the product of 20 multiplied by the Closing Price of the Common Stock for the respective trading day.

In the event the Company exercises its option to defer the payment of Contract Adjustment Payments, then, until the date on which the Deferred Contract Adjustment Payments have been paid, the Company shall not, and will not permit any subsidiary of the Company to, declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of the Company's Common Stock other than (i) repurchases, redemptions or acquisitions of Common Stock of the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction by the Company of its obligations pursuant to any contract or security outstanding on the date the Company exercises its rights to defer the Contract Adjustment Payments; (ii) as a result of a reclassification of the Company's Capital Stock or the exchange or conversion of one class or series of the Company's Capital Stock for another class or series of the Company's Capital Stock; (iii) the purchase of fractional interests in shares of any series of the Company's Capital Stock pursuant to the conversion or exchange provisions of such Capital Stock or the security being converted or exchanged; (iv) dividends or distributions in any series of the Company's Capital Stock (or rights to acquire the Company's Capital Stock) or repurchases, redemptions or acquisitions of the Company's Capital Stock in exchange for or out of the net cash proceeds of the sale of the Company's Capital Stock (or securities convertible into or exchangeable for shares of the Company's Capital Stock); or (v) redemptions, exchanges or repurchases of any rights outstanding under a shareholder rights plan on the date the Company exercises its right to defer the payment of Contract Adjustment Payments or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future, or the redemption or repurchase of any rights pursuant thereto.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive accumulated Contract Adjustment Payments, if any, or any Deferred Contract Adjustment Payments and the obligations of the Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Purchase Contract Agent or the Company, if, on or prior to the Stock Purchase Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Purchase Contract Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Normal Units Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Pledged Notes or Pledged Treasury Consideration from the Pledge in accordance with the provisions of the Pledge Agreement.

Upon registration of transfer of this Normal Units Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Purchase Contract Agent pursuant to the Purchase Contract Agreement), under the terms of the Purchase Contract Agreement, the Purchase Contracts evidenced hereby and the Pledge Agreement and the transferor shall be released from the obligations under the Purchase Contract Agreement, the Purchase Contracts evidenced by this Normal Units Certificate and the Pledge Agreement. The Company covenants and agrees, and the Holder, by its acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Normal Units Certificate, by its acceptance hereof, irrevocably authorizes the Purchase Contract Agent to enter into and perform the related Purchase Contracts forming part of the Normal Units evidenced hereby on his behalf as his attorney-in-fact, expressly withholds any consent to the assumption (i.e., affirmance) of the Purchase Contracts by the Company, any receiver, liquidator or person or entity performing similar functions or its trustee in the event that the Company becomes the debtor under the Bankruptcy Code or subject to other similar state or federal or other law, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform such Holder's obligations under such Purchase Contracts, consents to the provisions of the Purchase Contract Agreement, irrevocably authorizes the Purchase Contract Agent to enter into and perform the Pledge Agreement on such Holder's behalf as attorney-in-fact, and consents to the Pledge of the Notes or the Treasury Consideration underlying this Normal Units Certificate pursuant to the Pledge Agreement; provided that, upon a Termination Event, the rights of the Holder of such Notes may be enforced without regard to any other rights or obligations.

The Holder further covenants and agrees, that, to the extent and in the manner provided in the Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, payments in respect of the Pledged Notes or the Pledged Treasury Consideration to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, shall be paid on the Stock Purchase Date by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or

interest in such payments. The obligations of each Holder to pay the Purchase Price are non-recourse obligations and except to the extent paid by Cash Settlement, Early Settlement or Merger Early Settlement, are payable solely out of the proceeds of any Collateral pledged to secure the obligations of the Holders and in no event will Holders be liable for any deficiency between such payments and the Purchase Price.

Notwithstanding anything to the contrary herein, the Company shall not be obligated to issue any Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder of the related Unit unless the Company shall have (i) received payment in full of the aggregate Purchase Price for the Common Stock to be purchased thereunder by such Holder in the manner herein set forth or (ii) exercised its rights as a secured party under Section 5.04(b)(iii) of the Purchase Contract Agreement.

The Company and each Holder of a Normal Unit, by its acceptance thereof, covenants and agrees (a) to treat a Holder's acquisition of the Normal Unit as the acquisition of the Note and Purchase Contract constituting the Normal Unit, (b) to treat each Holder as the owner, for federal, state and local income and franchise tax purposes of the related Notes or the Treasury Consideration, (d) to treat the Notes as indebtedness of Lazard Group LLC for federal, state and local income and franchise tax purposes and (d) to allocate 100% of the issue price of a Normal Unit to the beneficial interest in the Note and 0% of the issue price to the Purchase Contract.

Subject to certain exceptions, the provisions of the Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the outstanding Purchase Contracts.

The Purchase Contracts shall for all purposes be governed by, deemed to be a contract under, and construed in accordance with, the laws of the State of New York, without regard to conflicts of laws principles thereof.

The Company, the Purchase Contract Agent and its Affiliates and any agent of the Company or the Purchase Contract Agent may treat the Person in whose name this Normal Units Certificate is registered as the owner of the Normal Units evidenced hereby for the purpose of receiving quarterly payments of interest on the Notes or the Treasury Consideration, as the case may be, receiving payments of Contract Adjustment Payments, if any, and any Deferred Contract Adjustment Payments, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Purchase Contract Agent, such Affiliates nor any such agent shall be affected by notice to the contrary.

The Purchase Contracts shall not, prior to the settlement thereof, entitle the Holder to any of the rights of a holder of Common Stock.

A copy of the Purchase Contract Agreement is available for inspection at the offices of the Purchase Contract Agent.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

UNIF GIFT MIN ACT – Custodian

(cust) (minor)
Under Uniform Gifts to Minors Act

TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with right of survivorship and not as tenants in common Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto _____ (Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee) _____ (Please Print or Type Name and Address Including Postal Zip Code of Assignee) the within Normal Units Certificates and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Normal Units Certificates on the books of Lazard Ltd with full power of substitution in the premises.

Dated: Signature:

_____ _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Normal Units Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

_____

SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for Common Stock deliverable upon settlement on or after the Stock Purchase Date of the Purchase Contracts underlying the number of Normal Units evidenced by this Normal Units Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated:

Signature:

Signature Guarantee:

(if assigned to another person)

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

Name

Address

Social Security or other Taxpayer Identification Number, if any:

REGISTERED HOLDER

Please print name and address of Registered Holder:

Name

Address

ELECTION TO SETTLE EARLY

The undersigned Holder of this Normal Units Certificate hereby irrevocably exercises the option, subject to Section 5.09 of the Purchase Contract Agreement, to effect Early Settlement in accordance with the terms of the Purchase Contract Agreement with respect to the Purchase Contracts underlying the number of Normal Units evidenced by this Normal Units Certificate specified below. The option to effect Early Settlement may be exercised only with respect to Purchase Contracts underlying Normal Units with an aggregate Purchase Price equal to $1,000 or an integral multiple thereof. The undersigned Holder directs that a certificate for Common Stock deliverable upon such Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Normal Units Certificate representing any Normal Units evidenced hereby as to which Early Settlement of the related Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Notes or Pledged Treasury Consideration deliverable upon such Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares of Common Stock are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: _____

Signature: _____

Signature Guarantee:

Number of Units evidenced hereby as to which Early Settlement of the related Purchase Contracts is being elected:

_____

If shares of Common Stock are to be registered in the name of and delivered to and Pledged Notes or Pledged Treasury Consideration are to be transferred to a Person other than the Holder, please print such Person's address:

Name

Address

REGISTERED HOLDER

Please print name and address of Registered Holder:

Name

Address

Social Security or other Taxpayer Identification Number, if any:

_____

Transfer instructions for Pledged Notes or Pledged Treasury Consideration transferable upon Early Settlement or a Termination Event:

_____

_____

[TO BE ATTACHED TO GLOBAL CERTIFICATES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL CERTIFICATE

The following increases or decreases in this Global Certificate have been made:

Date	Amount of Decrease in Stated Amount of the Global Certificate	Amount of Increase in Stated Amount of the Global Certificate	Stated Amount of the Global Certificate Following Such Decrease or Increase	Signature of Authorized Signatory of Purchase Contract Agent

EXHIBIT B

FORM OF STRIPPED UNITS CERTIFICATE

(Form of Global Certificate Legend)

[THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS DEFINED ON THE REVERSE HEREOF) AND IS REGISTERED IN THE NAME OF A CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.]

[so long as DTC is the Depositary, insert: Unless this Certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Company or its agent for registration of transfer, exchange or payment, and any Certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company, and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of The Depository Trust Company, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

[UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR CERTIFICATES IN DEFINITIVE REGISTERED FORM IN THE LIMITED CIRCUMSTANCES REFERRED TO IN THE PURCHASE CONTRACT AGREEMENT, THIS GLOBAL CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.]*

* To be inserted in Global Certificates only.

(Form of Face of Stripped Units Certificate)

Lazard Ltd

6.625% Equity Security Units

No. CUSIP No. [·]
Number of Stripped Units

This Stripped Units Certificate certifies that _____ is the registered Holder of the number of Stripped Units set forth above [If the Certificate is a Global Certificate, insert -, as such number may be increased or decreased as set forth on the Schedule of Increases or Decreases in Global Certificate annexed hereto]. Each Stripped Unit represents (i) a 1/40 undivided beneficial ownership interest in a Treasury Security or, in the case of an Opt-Out, the Cash Consideration, subject to the Pledge of such interest in such Treasury Security or Cash Consideration, as the case may be, by such Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Holder under one Purchase Contract with Lazard Ltd, an exempted Bermuda limited company (the "Company"). Each Stripped Unit will have a stated amount of $25 (the "Stated Amount"). In the event a Holder creates a Stripped Unit as a result of an Opt-Out pursuant to Section 5.04(b)(iv) of the Purchase Contract Agreement, all references herein to Treasury Securities or Pledged Treasury Securities, including for purposes of Sections 3.15 and 5.8 of the Purchase Contract Agreement, shall be deemed to include the Cash Consideration in addition to the Treasury Securities. All capitalized terms used herein which are defined in the Purchase Contract Agreement have the meaning set forth therein.

Pursuant to the Pledge Agreement, the Treasury Security constituting part of each Stripped Unit evidenced hereby has been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Purchase Contract comprising a part of such Stripped Unit to purchase Common Stock of the Company. Prior to the purchase of Common Stock under each Purchase Contract, such Purchase Contracts shall not entitle the Holders of Normal Units Certificates to any of the rights of a holder of Common Stock, including, without limitation, the right to vote or receive any dividends or other payments or to consent or to receive notice as shareholders in respect of the meetings of shareholders, or for the election of directors of the Company or for any other matter or any other rights whatsoever as shareholder of the Company.

Each Purchase Contract evidenced hereby obligates the Holder of this Stripped Units Certificate to purchase, and the Company to sell, on May 15, 2008 (the "Stock Purchase Date"), at a price equal to $25 (the "Purchase Price"), a number of Class A Common Stock, par value $0.01 per share ("Common Stock"), of the Company, equal to the Settlement Rate, unless on or prior to the Stock Purchase Date there shall have occurred a Termination Event or an Early Settlement or Merger Early Settlement with respect to the Stripped Units of which such Purchase Contract is a part, all as provided in the Purchase Contract Agreement and more fully described on the reverse hereof. The Purchase Price (as defined herein) for the Common Stock purchased pursuant to each

Purchase Contract evidenced hereby, if not paid earlier, shall be paid on the Stock Purchase Date by application of payments received in respect of the Pledged Treasury Securities pledged to secure the obligations of the Holder under such Purchase Contract in accordance with the terms of the Pledge Agreement.

The Company shall pay on each Payment Date in respect of each Purchase Contract forming part of a Stripped Unit evidenced hereby an amount (the "Contract Adjustment Payments") equal to 0.505% per year of the Stated Amount through but excluding the Stock Purchase Date, computed on the basis of a 360-day year of twelve 30-day months, subject to deferral at the option of the Company as provided in the Purchase Contract Agreement and more fully described on the reverse hereof (provided that if on any date on which Contract Adjustment Payments are to be made on the Purchase Contracts is not a Business Day, then payment of the Contract Adjustment Payments payable on that date will be made on the next succeeding day which is a Business Day, and no interest or payment will be paid in respect of the delay, except that if such next succeeding Business Day is in the next succeeding calendar year, such payment will be made on the immediately preceding Business Day). Such Contract Adjustment Payments shall be payable to the Person in whose name this Stripped Units Certificate (or a Predecessor Stripped Units Certificate) is registered at the close of business on the Record Date for such Payment Date.

Contract Adjustment Payments will be payable at the office of the Purchase Contract Agent in the City of New York or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Stripped Units Register or by wire transfer to the account designated by such Person in writing.

Reference is hereby made to the further provisions set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Purchase Contract Agent by manual signature, this Stripped Units Certificate shall not be entitled to any benefit under the Pledge Agreement or the Purchase Contract Agreement or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

LAZARD LTD,

By: _____

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Purchase Contracts evidenced hereby)

By: _____

THE BANK OF NEW YORK,
not individually but solely as Attorney-in-Fact of such Holder

By: _____

PURCHASE CONTRACT AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Stripped Units Certificates referred to in the within-mentioned Purchase Contract Agreement.

THE BANK OF NEW YORK,
as Purchase Contract Agent

By: _____
Authorized Signatory

(Form of Reverse of Stripped Units Certificate)

Each Purchase Contract evidenced hereby is governed by a Purchase Contract Agreement, dated as of May 10, 2005 (as may be supplemented from time to time, the "Purchase Contract Agreement"), between the Company and The Bank of New York, as Purchase Contract Agent (including its successors thereunder, herein called the "Purchase Contract Agent"), to which the Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Purchase Contract Agent, the Company and the Holders and of the terms upon which the Stripped Units Certificates are, and are to be, executed and delivered. All defined terms used but not defined in this Certificate have the meanings ascribed to them in the Purchase Contract Agreement.

Each Purchase Contract evidenced hereby obligates the Holder of this Stripped Units Certificate to purchase, and the Company to sell, on the Stock Purchase Date at a price equal to $25 (the "Purchase Price"), a number of Common Stock of the Company equal to the Settlement Rate, unless, on or prior to the Stock Purchase Date, there shall have occurred a Termination Event or a Cash Settlement, an Early Settlement or Merger Early Settlement with respect to the Unit of which such Purchase Contract is a part. The "Settlement Rate" is an amount equal to the sum of the "Daily Amounts" (as defined below) calculated for each of the 20 Trading Days beginning on April 15, 2008.

The Daily Amount for each of the 20 Trading Days beginning on April 15, 2008 is equal to, subject to adjustment as provided in the Purchase Contract Agreement:

(i) for each of those 20 Trading Days on which the closing price for the Common Stock is less than or equal to the Reference Price (as defined below), a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Reference Price,

(ii) for each of those 20 Trading Days on which the Closing Price for the Common Stock is greater than the Reference Price but less than the Threshold Appreciation Price (as defined below), a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Closing Price,

and

(iii) for each of those 20 Trading Days on which the closing price for the Common Stock is greater than or equal to the Threshold Appreciation Price, a fraction of a share of Common Stock per purchase contract equal to:

1/20 x $25/Threshold Appreciation Price.

The “Reference Price” is $25.00, which is the initial public offering price per share of Common Stock. The “Threshold Appreciation Price” is $30.00, which is 120% of the Reference Price. No fractional Common Stock will be issued upon settlement of Purchase Contracts, as provided in the Purchase Contract Agreement.

The “Closing Price” of the Common Stock on any date of determination means the closing sale price (or, if no closing sale price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the “NYSE”) on such date or, if the Common Stock are not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which the Common Stock are so listed, or if the Common Stock are not so listed on a United States national or regional securities exchange, as reported by The Nasdaq Stock Market, or, if the Common Stock are not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

A “Trading Day” means a day on which the Common Stock (A) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock at the close of business of such day. If 20 Trading Days for the Company’s Common Stock have not occurred during the period beginning on April 15, 2008 and ending on May 12, 2008 (1) all remaining Trading Days will be deemed to occur on May 12, 2008 (or the first trading day thereafter if such day is not a trading day) and (2) the Closing Price for each of the remaining Trading Days will be the Closing Price on May 12, 2008.

Each Purchase Contract evidenced hereby may be settled prior to the Stock Purchase Date through Cash Settlement, Early Settlement or Merger Early Settlement, in accordance with the terms of the Purchase Contract Agreement.

In accordance with the terms of the Purchase Contract Agreement, the Holder of this Stripped Units Certificate shall pay the Purchase Price for the Common Stock purchased pursuant to each Purchase Contract evidenced hereby (i) by effecting a Cash Settlement, an Early Settlement or Merger Early Settlement or (ii) by application of payments received in respect of the Pledged Treasury Securities underlying the Stripped Units represented by this Stripped Units Certificate.

The Company shall not be obligated to issue any Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full of the aggregate Purchase Price for the Common Stock to be purchased thereunder in the manner herein set forth.

The Stripped Units Certificates are issuable only in registered form and only in denominations of a single Stripped Unit and any integral multiple thereof. The

transfer of any Stripped Units Certificate will be registered and Stripped Units Certificates may be exchanged as provided in the Purchase Contract Agreement. The Stripped Units Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange of a Stripped Units Certificate, but the Company and the Purchase Contract Agent may require payment from the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Certificates, other than exchanges not involving any transfer as provided for in the Purchase Contract Agreement. The Holder of a Stripped Unit may substitute for the Pledged Treasury Securities securing its obligations under the related Purchase Contract Notes or the Treasury Consideration in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement. From and after such Collateral Substitution, the Unit for which such Pledged Notes or Pledged Treasury Consideration secures the Holder's obligation under the Purchase Contract shall be referred to as a "Normal Unit". A Holder that elects to substitute Notes or the Treasury Consideration for Pledged Treasury Securities, thereby reestablishing Normal Units, shall be responsible for any fees or expenses payable in connection therewith. Except as provided in the Purchase Contract Agreement, for so long as the Purchase Contract underlying a Stripped Unit remains in effect, such Stripped Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Stripped Unit in respect of the Pledged Treasury Security and the Purchase Contract comprising such Stripped Unit may be acquired, and may be transferred and exchanged, only as a Stripped Unit.

A Holder of Normal Units may establish Stripped Units at any time from and after the date of the Purchase Contract Agreement and on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date by depositing with the Collateral Agent Treasury Securities in exchange for the release of the Pledged Notes or the Pledged Treasury Consideration in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement.

Subject to the next succeeding paragraph, the Company shall pay, on each Payment Date, the Contract Adjustment Payments, if any, payable in respect of each Purchase Contract to the Person in whose name the Stripped Units Certificate (or one or more Predecessor Stripped Units Certificates) evidencing such Purchase Contract is registered on the Stripped Units Register at the close of business on the Record Date next preceding such Payment Date. Contract Adjustment Payments, if any, will be payable at the office of the Purchase Contract Agent in the Borough of Manhattan, New York City, or, if the Units do not remain in book-entry only form, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Stripped Units Register or by wire transfer to the account maintained in the United States designated by written notice given ten Business Days prior to the applicable payment date by such Person.

The Company shall have the right, at any time prior to the Stock Purchase Date, to defer the payment of any or all of the Contract Adjustment Payments otherwise

payable on any Payment Date, but only if the Company shall give the Holders and the Purchase Contract Agent written notice of its election to defer each such Contract Adjustment Payments as provided in the Purchase Contract Agreement. Any Contract Adjustment Payments so deferred shall, to the extent permitted by law, accrue additional Contract Adjustment Payments thereon at the rate of 0.505% per year (computed on the basis of a 360-day year of twelve 30-day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the additional Contract Adjustment Payments, if any, accrued thereon, are referred to herein as the "Deferred Contract Adjustment Payments"). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent that payment is deferred pursuant to the Purchase Contract Agreement. No Contract Adjustment Payments may be deferred to a date that is after the Stock Purchase Date and no such deferral period may end other than on a Payment Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until a Payment Date prior to the Stock Purchase Date, then all Deferred Contract Adjustment Payments, if any, shall be payable to the registered Holders as of the close of business on the Record Date immediately preceding such Payment Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until the Stock Purchase Date, the Holder of this Stripped Units Certificate will receive on the Stock Purchase Date, in lieu of a cash payment, a number of Common Stock (in addition to the number of Common Stock equal to the Settlement Rate) equal to a number of shares of Common Stock equal to the sum of the "share amounts" calculated for each of the 20 Trading Days beginning on April 15, 2008. For each of such 20 Trading Days, the share amount shall be equal to (a) the aggregate amount of deferred contract adjustment payments payable to the holder divided by (b) the product of 20 multiplied by the Closing Price of the Common Stock for the respective trading day.

The Company's obligations with respect to Contract Adjustment Payments (including any accrued or Deferred Contract Adjustment Payments) will be subordinated and junior in right of payment to the Company's obligations under any Senior Indebtedness in the manner and to the extent set forth in the Purchase Contract Agreement.

In the event the Company exercises its option to defer the payment of Contract Adjustment Payments, then, until the date on which the Deferred Contract Adjustment Payments have been paid, the Company shall not, and will not permit any subsidiary of the Company to, declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of the Company's Common Stock other than (i) repurchases, redemptions or acquisitions of Common Stock of the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the

satisfaction by the Company of its obligations pursuant to any contract or security outstanding on the date the Company exercises its rights to defer the Contract Adjustment Payments; (ii) as a result of a reclassification of the Company's Capital Stock or the exchange or conversion of one class or series of the Company's Capital Stock for another class or series of the Company's Capital Stock; (iii) the purchase of fractional interests in shares of any series of the Company's Capital Stock pursuant to the conversion or exchange provisions of such Capital Stock or the security being converted or exchanged; (iv) dividends or distributions in any series of the Company's Capital Stock (or rights to acquire the Company's Capital Stock) or repurchases, redemptions or acquisitions of the Company's Capital Stock in exchange for or out of the net cash proceeds of the sale of the Company's Capital Stock (or securities convertible into or exchangeable for shares of the Company's Capital Stock); or (v) redemptions, exchanges or repurchases of any rights outstanding under a shareholder rights plan on the date the Company exercises its right to defer the payment of Contract Adjustment Payments or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future, or the redemption or repurchase of any rights pursuant thereto.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive accumulated Contract Adjustment Payments, if any, or any Deferred Contract Adjustment Payments, and the obligations of the Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Purchase Contract Agent or the Company, if, on or prior to the Stock Purchase Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two business days thereafter give written notice to the Purchase Contract Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Stripped Units Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Pledged Treasury Securities from the Pledge in accordance with the provisions of the Pledge Agreement.

Upon registration of transfer of this Stripped Units Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Purchase Contract Agent pursuant to the Purchase Contract Agreement), under the terms of the Purchase Contract Agreement, the Purchase Contracts evidenced hereby and the Pledge Agreement and the transferor shall be released from the obligations under the Purchase Contract Agreement, the Purchase Contracts evidenced by this Stripped Units Certificate and the Pledge Agreement. The Company covenants and agrees, and the Holder, by his acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Stripped Units Certificate, by its acceptance hereof, irrevocably authorizes the Purchase Contract Agent to enter into and perform the related Purchase Contracts forming part of the Stripped Units evidenced hereby on his behalf as its attorney-in-fact, expressly withholds any consent to the assumption (i.e., affirmance) of the Purchase Contracts by the Company, any receiver, liquidator or person or entity performing similar functions or its trustee in the event that the Company becomes the

debtor under the Bankruptcy Code or subject to other similar state or federal or other law, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform such Holder's obligations under such Purchase Contracts, consents to the provisions of the Purchase Contract Agreement, irrevocably authorizes the Purchase Contract Agent to enter into and perform the Pledge Agreement on such Holder's behalf as attorney-in-fact, and consents to the Pledge of the Treasury Securities underlying this Stripped Units Certificate pursuant to the Pledge Agreement, provided that upon a Termination Event, the rights of the Holder of such Stripped Units may be enforced without regard to any other rights or obligations. The Holder further covenants and agrees, that, to the extent and in the manner provided in the Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, payments in respect of the Pledged Treasury Securities, to be paid upon settlement of such Holder's obligations to purchase Common Stock under the Purchase Contract, shall be paid on the Stock Purchase Date by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such payments. The obligations of each Holder to pay the Purchase Price are non-recourse obligations and except to the extent paid by Early Settlement or Merger Early Settlement, are payable solely out of the proceeds of any Collateral pledged to secure the obligations of the Holders and in no event will Holders be liable for any deficiency between such payments and the Purchase Price.

Each Holder of any Unit, and each Beneficial Owner thereof, by its acceptance thereof or of its interest therein, further agrees to treat (i) the formation of Stripped Units as the acquisition of a Unit consisting of the Purchase Contract and the Treasury Securities and (ii) itself as the owner of the related Notes, Treasury Consideration or Treasury Securities, as the case may be.

Subject to certain exceptions, the provisions of the Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Purchase Contracts.

The Purchase Contracts shall for all purposes be governed by and deemed to be a contract under, and construed in accordance with, the laws of the State of New York, without regard to conflicts of laws principles thereof.

The Company, the Purchase Contract Agent and its Affiliates and any agent of the Company or the Purchase Contract Agent may treat the Person in whose name this Stripped Units Certificate is registered as the owner of the Stripped Units evidenced hereby for the purpose of receiving any Contract Adjustment Payments and any Deferred Contract Adjustment Payments, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Purchase Contract Agent, such Affiliate, nor any such agent shall be affected by notice to the contrary.

The Purchase Contracts shall not, prior to the settlement thereof, entitle the Holder to any of the rights of a holder of Common Stock.

A COPY OF THE PURCHASE CONTRACT AGREEMENT IS AVAILABLE FOR INSPECTION AT THE OFFICES OF THE PURCHASE CONTRACT AGENT.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

UNIF GIFT MIN ACT – Custodian

(cust) (minor)
Under Uniform Gifts to Minors Act

TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

_____

(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

_____

(Please Print or Type Name and Address Including Postal Zip Code of Assignee) the within Normal Units Certificates and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Normal Units Certificates on the books of Lazard Ltd with full power of substitution in the premises.

Dated: Signature:

_____ _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Normal Units Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for Common Stock deliverable upon settlement on or after the Stock Purchase Date of the Purchase Contracts underlying the number of Stripped Units evidenced by this Stripped Units Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated:

Signature:

Signature Guarantee:

(if assigned to another person)

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

Name

Address

Social Security or other Taxpayer Identification Number, if any:

REGISTERED HOLDER

Please print name and address of Registered Holder:

Name

Address

ELECTION TO SETTLE EARLY

The undersigned Holder of this Stripped Units Certificate hereby irrevocably exercises the option, subject to Section 5.09 of the Purchase Contract Agreement, to effect Early Settlement in accordance with the terms of the Purchase Contract Agreement with respect to the Purchase Contracts underlying the number of Stripped Units evidenced by this Stripped Units Certificate specified below. The option to effect Early Settlement may be exercised only with respect to Purchase Contracts underlying Stripped Units with an aggregate Purchase Price equal to $1,000 or an integral multiple thereof. The undersigned Holder directs that a certificate for Common Stock deliverable upon such Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Stripped Units Certificate representing any Stripped Units evidenced hereby as to which Early Settlement of the related Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Treasury Securities deliverable upon such Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares of Common Stock are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated:

Signature:

Signature Guarantee:

Number of Units evidenced hereby as to which Early Settlement of the related Purchase Contracts is being elected:

If shares of Common Stock are to be registered in the name of and delivered to and Pledged Notes or Pledged Treasury Consideration are to be transferred to a Person other than the Holder, please print such Person's address:

Name

Address

REGISTERED HOLDER

Please print name and address of Registered Holder:

Name

Address

Social Security or other Taxpayer Identification Number, if any:

Transfer instructions for Pledged Treasury Securities, transferable upon Early Settlement or a Termination Event:

[TO BE ATTACHED TO GLOBAL CERTIFICATES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL CERTIFICATE

The following increases or decreases in this Global Certificate have been made:

Date	Amount of Decrease in Stated Amount of the Global Certificate	Amount of Increase in Stated Amount of the Global Certificate	Stated Amount of the Global Certificate Following Such Decrease or Increase	Signature of Authorized Signatory of Purchase Contract Agent

EXHIBIT C

INSTRUCTION FROM PURCHASE CONTRACT AGENT
TO COLLATERAL AGENT

The Bank of New York
101 Barclay Street
Floor 8 West
New York, NY 10286

Attention:

Re: 6.625% Equity Security Units of Lazard Ltd (the "Company")

We hereby notify you in accordance with Section 4.01 of the Pledge Agreement, dated as of May 10, 2005, among the Company, you, as Collateral Agent, Custodial Agent and Securities Intermediary, and us, as Purchase Contract Agent and as attorney-in-fact for the holders of [Normal Units] [Stripped Units] from time to time, that the holder of securities listed below (the "Holder") has elected to substitute [$_____aggregate principal amount of Treasury Securities (CUSIP No. 912833GC8)] [$_____principal amount of Notes or the Treasury Consideration, as the case may be,] in exchange for the related [Pledged Notes or Pledged Treasury Consideration] [Pledged Treasury Securities (CUSIP No. [_____]),] held by you in accordance with the Pledge Agreement and has delivered to us a notice stating that the Holder has transferred [Treasury Securities] [Notes or the Treasury Consideration] to you, as Collateral Agent. We hereby instruct you, upon receipt of such [Pledged Treasury Securities] [Pledged Notes or Pledged Treasury Consideration], and upon the payment by such Holder of any applicable fees, to release the [Notes or Treasury Consideration, as the case may be,] [Treasury Securities] related to such [Normal Units] [Stripped Units] to us in accordance with the Holder's instructions. Capitalized terms used herein but not defined shall have the meaning set forth in the Purchase Contract Agreement.

THE BANK OF NEW YORK,
as Purchase Contract Agent under the Purchase Contract Agreement, dated as of May 10, 2005, between the Company and the Purchase Contract Agent

By: _____

Please print name and address of Registered Holder electing to substitute [Treasury Securities] Notes or Treasury Consideration, as the case may be,] for the Notes or Pledged Treasury Consideration, as the case may be,] [Pledged Treasury Securities]:

Name:

Social Security or other Taxpayer Identification Number, if any:

cc: Lazard Ltd
Attention:

EXHIBIT D

INSTRUCTION TO PURCHASE CONTRACT AGENT

The Bank of New York
101 Barclay Street
Floor 8 West
New York, NY 10286

Attention:

Re: 6.625% Equity Security Units of Lazard Capital Ltd (the "Company")

The undersigned Holder hereby notifies you, as Purchase Contract Agent under the Purchase Contract Agreement, dated as of May 10, 2005, between the Company and you, that it has delivered to The Bank of New York, as Collateral Agent, Custodial Agent and Securities Intermediary [$_____aggregate principal amount of Treasury Securities] [$_____ principal amount of Notes or the Treasury Consideration, as the case may be,] in exchange for the related [Pledged Notes or Pledged Treasury Consideration, as the case may be,] [Pledged Treasury Securities] held by the Collateral Agent, in accordance with Section 4.01 of the Pledge Agreement, dated as of May 10, 2005, among you, the Company and the Collateral Agent. The undersigned Holder has paid the Collateral Agent all applicable fees relating to such exchange. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the [Pledged Notes or Pledged Treasury Consideration, as the case may be,] [Pledged Treasury Securities] related to such [Normal Units] [Stripped Units]. Capitalized terms used herein but not defined shall have the meaning set forth in the Purchase Contract Agreement.

Date: _____

By: _____

Please print name and address of Registered Holder:

Social Security or other Taxpayer Identification Number, if any:

_____

_____

cc: Lazard Ltd
Attention:

EXHIBIT E

NOTICE TO SETTLE BY SEPARATE CASH

The Bank of New York
101 Barclay Street
Floor 8 West
New York, NY 10286

Attention:

Re: 6.625% Equity Security Units of Lazard Ltd (the "Company")

The undersigned Holder hereby notifies you in accordance with Section 5.04 of the Purchase Contract Agreement, dated as of May 10, between the Company and you, as Purchase Contract Agent, Attorney-in-Fact and Trustee for the Holders of the Purchase Contracts, that it has delivered to The Bank of New York, as Collateral Agent, Custodial Agent and Securities Intermediary, that such Holder has elected to pay to the Collateral Agent, on or prior to 5:00 p.m. New York City time, on the thirteenth Business Day immediately preceding the Stock Purchase Date, (in lawful money of the United States by certified or cashier's check or wire transfer, in each case in immediately available funds), $_____ as the Purchase Price for the Common Stock issuable to such Holder by the Company under the related Purchase Contract on the Stock Purchase Date. The undersigned Holder hereby instructs you to notify promptly the Collateral Agent of the undersigned Holder's election to make such cash settlement with respect to the Purchase Contracts related to such Holder's Normal Units. Capitalized terms used herein but not defined shall have the meaning set forth in the Purchase Contract Agreement.

Dated: _____

Signature: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please print name and address of Registered Holder: _____

Social Security or other Taxpayer Identification Number, if any: _____

EXHIBIT 4.5

PLEDGE AGREEMENT

between

LAZARD LTD

THE BANK OF NEW YORK,

as Collateral Agent, Custodial Agent and Securities Intermediary

and

THE BANK OF NEW YORK,

as Purchase Contract Agent

Dated as of May 10, 2005

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PLEDGE AGREEMENT, dated as of May 10, 2005, among Lazard Ltd, an exempted Bermuda limited company (the "Company"), The Bank of New York, a New York banking corporation, not individually but solely as collateral agent (in such capacity, together with its successors in such capacity, the "Collateral Agent"), as custodial agent (in such capacity, together with its successors in such capacity, the "Custodial Agent") and as "securities intermediary" as defined in Section 8-102(a)(14) of the Code (as defined herein) (in such capacity, together with its successors in such capacity, the "Securities Intermediary"), and The Bank of New York, a New York banking corporation, not individually but solely as purchase contract agent and as attorney-in-fact of the holders from time to time of the units described herein (in such capacity, together with its successors in such capacity, the "Purchase Contract Agent") under the Purchase Contract Agreement (as defined herein).

RECITALS

WHEREAS, the Company and the Purchase Contract Agent are parties to the Purchase Contract Agreement dated as of the date hereof (as modified, amended or supplemented, the "Purchase Contract Agreement"), pursuant to which there may be issued Units (such term, and each other capitalized term used in these recitals, having the meaning set forth herein or, if not defined herein, the meaning set forth in the Purchase Contract Agreement) having a Stated Amount of $25 per Unit, all of which will initially be Normal Units.

WHEREAS, each Normal Unit will consist of (a) a Purchase Contract and (b) either (i) a 1/40, or 2.5%, beneficial ownership interest in a Note having a $1,000 principal amount or (ii) following a Special Event Redemption in accordance with the Purchase Contract Agreement and the terms of the Notes, beneficial ownership of the Treasury Consideration.

WHEREAS, in accordance with the terms of the Purchase Contract Agreement, a Holder of Normal Units may separate the Notes or the Treasury Consideration, as applicable, from the related Purchase Contracts by substituting for such Notes or the Treasury Consideration, as the case may be, Treasury Securities that will pay in the aggregate an amount equal to the aggregate Stated Amount of such Normal Units. Upon such separation, the Normal Units will become Stripped Units. Each Stripped Unit will consist of (a) a Purchase Contract and (b) a 1/40 undivided beneficial interest in a Treasury Security or, in the case of an opt-out pursuant to Section 6.04, the Cash Consideration.

WHEREAS, pursuant to the terms of the Purchase Contract Agreement and the Purchase Contracts, the Holders, from time to time, of the Units have irrevocably authorized the Purchase Contract Agent, as attorney-in-fact of such Holders, among other things, to execute and deliver this Agreement on behalf of such Holders and to grant the pledge provided hereby of the Notes, any Treasury Consideration and any Treasury Securities delivered in exchange therefor to secure each Holder's obligations under the related Purchase Contract, as provided herein and subject to the terms hereof.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Collateral Agent, the Securities Intermediary, the Custodial Agent and the Purchase Contract Agent agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) capitalized terms used but not defined herein shall have the meaning set forth in the Purchase Contract Agreement;

(b) the terms defined in this Agreement include the plural as well as the singular, and nouns and pronouns of the masculine gender include the feminine and neuter genders;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States;

(d) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Recital, Article, Section or other subdivision; and

(e) the following terms shall have the following meanings:

“Agent” has the meaning set forth in Section 7.02.

“Agreement” means this agreement as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

“Code” has the meaning set forth in Section 6.01.

“Collateral” has the meaning set forth in Section 2.01(a).

“Collateral Account” means the securities account (number 210180) maintained at The Bank of New York, in the name of “The Bank of New York, as Purchase Contract Agent on behalf of the holders of certain securities of Lazard Ltd, Collateral Account subject to the security interest of The Bank of New York, as Collateral Agent, for the benefit of Lazard Ltd, as pledgee” and any successor account.

“Collateral Agent” has the meaning set forth in the preamble to this Agreement.

“Company” has the meaning set forth in the preamble to this Agreement.

"Custodial Agent" has the meaning set forth in the preamble to this Agreement.

"Intermediary" means any entity that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

"Pledge" has the meaning set forth in Section 2.01(c).

"Pledged Notes" has the meaning set forth in Section 2.01(c).

"Pledged Treasury Consideration" has the meaning set forth in Section 2.01(c).

"Pledged Treasury Securities" has the meaning set forth in Section 2.01(c).

"Proceeds" means all interest, dividends, cash, instruments, securities, financial assets (as defined in Section 8-102(a)(9) of the Code) and other property from time to time received, receivable or otherwise distributed upon the sale, exchange, collection or disposition of the Collateral or any proceeds thereof.

"Purchase Contract Agent" has the meaning set forth in the preamble to this Agreement.

"Purchase Contract Agreement" has the meaning set forth in the Recitals to this Agreement.

"Securities Intermediary" has the meaning set forth in the preamble to this Agreement.

"Security Entitlement" has the meaning set forth in Section 8-102(a)(17) of the Code.

"Separate Notes" means any Notes that are not Pledged Notes.

"TRADES Regulations" means the regulations of the United States Department of the Treasury, published at 31 C.F.R. Part 357, as amended from time to time. Unless otherwise defined herein, all terms defined in the TRADES Regulations are used herein as therein defined.

"Transfer" means, with respect to the Collateral and in accordance with the instructions of the Collateral Agent, the Purchase Contract Agent or the Holder, as applicable:

(i) in the case of Collateral consisting of certificated securities, delivery as provided in 8-301(a) of the UCC in appropriate physical form to the recipient accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient; and

(ii) in the case of Collateral consisting of security entitlements relating to securities maintained in book-entry form, by causing a "securities intermediary" (as defined in Section 8-102(a)(14) of the Code) to (a) credit such "security entitlement" (as

defined in Section 8-102(a)(17) of the Code) to a "securities account" (as defined in Section 8-501(a) of the Code) maintained by or on behalf of the recipient and (b) to issue a confirmation to the recipient with respect to such credit.

In the case of Collateral to be delivered to the Collateral Agent, the securities intermediary shall be the Securities Intermediary and the securities account shall be the Collateral Account. In addition, any Transfer of Treasury Securities and Treasury Consideration hereunder shall be made in accordance with the TRADES Regulations and other applicable law.

ARTICLE II

Pledge; Control and Perfection

SECTION 2.01. The Pledge. (a) The Purchase Contract Agent and the Holders from time to time, acting through the Purchase Contract Agent, as their attorney-in-fact, hereby pledge and grant to the Collateral Agent, for the benefit of the Company, as collateral security for the payment and performance when due by such Holders of their respective obligations to the Company under the related Purchase Contracts, a security interest in, and right of set-off against, all of the right, title and interest of the Purchase Contract Agent and such Holders in:

(i) the Notes constituting a part of the Units that have not been released by the Collateral Agent to such Holders under the provisions of this Agreement;

(ii) (A) the Treasury Consideration or Treasury Securities constituting a part of the Units, (B) any Treasury Securities delivered in exchange for any Notes or Treasury Consideration, as applicable, in accordance with Section 4.01 hereof and (C) any Notes or Treasury Consideration, as applicable, delivered in exchange for any Treasury Securities in accordance with Section 4.02 hereof, in each case that have been Transferred to or otherwise received by the Collateral Agent and not released by the Collateral Agent to such Holders under the provisions of this Agreement;

(iii) the Collateral Account and all securities, financial assets, security entitlements, cash and other property credited thereto and all Security Entitlements related thereto;

(iv) upon the occurrence of a Special Event Redemption, the Treasury Portfolio Transferred to the Collateral Account;

(v) all Proceeds of the foregoing; and

(vi) all powers and rights now owned or hereafter acquired under or with respect to any of the foregoing (all of the foregoing, collectively, the "Collateral").

(b) Prior to or concurrently with the execution and delivery of this Agreement, the Purchase Contract Agent, on behalf of the initial Holders of the Units, shall cause the Notes

comprising a part of the Normal Units, which will be subject to the Pledge set forth in this Section 2.01, to be Transferred to the Collateral Agent for the benefit of the Company.

(c) The pledge provided in this Section 2.01 is herein referred to as the "Pledge" and the Notes (including any Notes that are delivered pursuant to Section 6.02 hereof), Treasury Consideration and Treasury Securities subject to the Pledge, excluding any Notes, Treasury Consideration or Treasury Securities released from the Pledge as provided in Sections 4.01, 4.02 and 4.03 hereof, respectively, are hereinafter referred to as "Pledged Notes," "Pledged Treasury Consideration" and "Pledged Treasury Securities," respectively. Subject to the Pledge and the provisions of Section 2.02 hereof, the Holders from time to time shall have full beneficial ownership of the Collateral. For purposes of perfecting the Pledge under applicable law, including, to the extent applicable, the TRADES Regulations or the Uniform Commercial Code as adopted and in effect in any applicable jurisdiction, the Collateral Agent shall be the agent of the Company as provided herein. Whenever directed by the Collateral Agent acting on behalf of the Company, the Securities Intermediary shall have the right to reregister in its name the Notes or any other securities held in physical form.

(d) Except as may be required in order to release Notes or Treasury Consideration, as applicable, in connection with a Special Event Redemption or with a Holder's election to convert its investment from a Normal Unit to a Stripped Unit, or except as may be required in order to release Treasury Securities in connection with a Holder's election to convert its investment from a Stripped Unit to a Normal Unit, or except as otherwise required to release Notes, Treasury Consideration or Treasury Securities as specified herein, the Collateral Agent, shall not relinquish physical possession of any certificate evidencing Notes, Treasury Securities or Treasury Consideration, as applicable, prior to the termination of this Agreement, provided that the Collateral Agent and the Remarketing Agent shall jointly determine the process for releasing Notes in connection with a remarketing (including the timing of release thereof). If it becomes necessary for the Collateral Agent to relinquish physical possession of a certificate in order to release a portion of the Notes evidenced thereby from the Pledge, the Company shall use its commercially reasonable best efforts to arrange for the Securities Intermediary to obtain physical possession of a replacement certificate evidencing any Notes remaining subject to the Pledge hereunder registered to the Securities Intermediary or endorsed in blank (or accompanied by a bond power endorsed in blank) within fifteen calendar days of the date the Securities Intermediary relinquished possession. The Securities Intermediary shall promptly notify the Company and the Collateral Agent of its inability to obtain possession of any such replacement certificate as required hereby.

(e) Notwithstanding anything contained herein to the contrary, for avoidance of doubt, (i) interest payments on the Notes and (ii) after a Special Event Redemption, the periodic payments with respect to the Treasury Consideration (as specified in clauses (i)(B) and (ii)(B) of the definition of Treasury Consideration) that are a part of the Normal Units to Holders of Normal Units shall not be subject to the Pledge and therefore are not part of the Collateral.

SECTION 2.02. Delivery, Control and Perfection. (a) The Purchase Contract Agent shall immediately deliver to the Collateral Agent all certificates or instruments representing the Collateral accompanied by stock or bond powers duly executed in blank or other instruments of reasonable satisfaction to the Collateral Agent.

(b) Except as provided in Section 5.01, at all times prior to the termination of the Pledge, the Collateral Agent shall have sole control of the Collateral Account, and the Securities Intermediary shall take instructions and directions with respect to the Collateral Account solely from the Collateral Agent. In connection with the Pledge granted in Section 2.01, and subject to the other provisions of this Agreement, the Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, hereby authorize and direct the Securities Intermediary (without the necessity of obtaining the further consent of the Purchase Contract Agent or any of the Holders), and the Securities Intermediary agrees, to comply with and follow any instructions and entitlement orders (as defined in Section 8-102(a)(8) of the Code) that the Collateral Agent may deliver pursuant to the terms hereof or upon the written direction of the Company with respect to the Collateral Account, the Collateral credited thereto and any Security Entitlements with respect thereto. Such instructions and entitlement orders may, without limitation, direct the Securities Intermediary to transfer, redeem, assign, or otherwise deliver the Notes, the Treasury Consideration and the Treasury Securities, and any Security Entitlements with respect thereto, or sell, liquidate or dispose of such assets through a broker designated by the Company, and to pay and deliver any income, proceeds or other funds derived therefrom to the Company. The Collateral Agent shall be the agent of the Company and shall act only in accordance with the terms hereof or as otherwise directed in writing by the Company. Without limiting the generality of the foregoing, the Collateral Agent shall issue entitlement orders to the Securities Intermediary when and as required by the terms hereof or as otherwise directed in writing by the Company.

(c) The Securities Intermediary hereby confirms and agrees that:

(i) all securities or other property underlying any financial assets credited to the Collateral Account shall be registered in the name of the Securities Intermediary, or its nominee, endorsed to the Securities Intermediary, or its nominee, or in blank or credited to another Collateral Account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Collateral Account be registered in the name of the Purchase Contract Agent, the Collateral Agent, the Company or any Holder, payable to the order of, or specially endorsed to, the Purchase Contract Agent, the Collateral Agent, the Company or any Holder except to the extent the foregoing have been specially endorsed to the Securities Intermediary or in blank;

(ii) all property delivered to the Securities Intermediary pursuant to this Agreement (including, without limitation, any Notes, Treasury Consideration or Treasury Securities) will be promptly credited to the Collateral Account;

(iii) the Collateral Account is an account to which financial assets are or may be credited, and the Securities Intermediary shall, subject to the terms of this Agreement, treat the Purchase Contract Agent as entitled to exercise the rights of any financial asset credited to the Collateral Account;

(iv) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with any other Person relating to the Collateral Account or any financial assets credited thereto pursuant to which it has agreed

to comply with entitlement orders (as defined in Section 8-102(a)(8) of the Code) of such other Person; and

(v) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Company, the Collateral Agent or the Purchase Contract Agent purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in this Section 2.02 hereof.

(d) The Securities Intermediary hereby agrees that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Collateral Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the Code.

(e) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement, as may be amended pursuant to Article IX hereof, shall prevail.

(f) The Purchase Contract Agent hereby irrevocably constitutes and appoints the Collateral Agent and the Company, with full power of substitution, as the Purchase Contract Agent's attorney-in-fact to take on behalf of, and in the name, place and stead of the Purchase Contract Agent and the Holders, any action necessary or desirable to perfect and to keep perfected the security interest in the Collateral referred to in Section 2.01. The grant of such power-of-attorney shall not be deemed to require of the Collateral Agent any specific duties or obligations not otherwise assumed by the Collateral Agent hereunder. Notwithstanding the foregoing, in no event shall the Collateral Agent, the Custodial Agent, the Securities Intermediary or the Purchase Contract Agent be responsible for the preparation or filing of any financing or continuation statements in the appropriate jurisdictions or responsible for maintenance or perfection of any security interest hereunder.

(g) The Purchase Contract Agent shall file with the United States Internal Revenue Service (and deliver to the Holders) Forms 1099 (or successor or comparable forms), to the extent required by law, with respect to payments to the Holders.

ARTICLE III

Payments on Collateral

SECTION 3.01. Payments. So long as the Purchase Contract Agent is the registered owner of the Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, it shall receive all payments thereon. If the Pledged Notes are reregistered such that the Collateral Agent becomes the registered holder, all payments of the principal of, or interest or other amounts on, the Pledged Notes and all payments of the principal of, or cash distributions on, any Pledged Treasury Consideration or Pledged Treasury Securities, that are received by the Collateral Agent and that are properly payable hereunder shall be paid by the Collateral Agent by wire transfer in same day funds:

(i) in the case of (A) any interest payments with respect to the Pledged Notes or Pledged Treasury Consideration (including as specified in clauses (i)(B) or (ii)(B) of the definition of Treasury Consideration), as the case may be, with respect to Normal Units and (B) any payments with respect to any Notes or Treasury Consideration (including as specified in clauses (i)(A) or (ii)(A) of the definition of Treasury Consideration), as the case may be, that have been released from the Pledge pursuant to Section 4.03 hereof, to the Purchase Contract Agent, for the benefit of the relevant Holders, to the account designated by the Purchase Contract Agent for such purpose no later than 11:00 a.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment or payment instructions are received by the Collateral Agent on a day that is not a Business Day or after 10:30 a.m., New York City time, on a Business Day, then such payment shall be made no later than 9:30 a.m., New York City time, on the next succeeding Business Day);

(ii) in the case of any payments with respect to any Treasury Securities that have been released from the Pledge pursuant to Section 4.03 hereof to the Holders of the Stripped Units, to the accounts and in such amounts designated by the Purchase Contract Agent (subject to the Purchase Contract Agent receiving such information from the relevant Holders) in writing for such purpose no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment or payment instructions are received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day); and

(iii) in the case of payments in respect of any Pledged Notes, Pledged Treasury Consideration (as specified in clauses (i)(A) and (ii)(A) of the definition of Treasury Consideration) or Pledged Treasury Securities, as the case may be, to be paid upon settlement of such Holder's obligations to purchase shares of Common Stock under the Purchase Contract, to the Company on the Stock Purchase Date in accordance with the procedure set forth in Section 4.05(a) or 4.05(b) hereof, in full satisfaction of the respective obligations of the Holders under the related Purchase Contracts and, to the extent such payments exceed the Purchase Price, to the Purchase Contract Agent for the benefit of the Holders.

SECTION 3.02. Application of Payments. All payments received by the Purchase Contract Agent as provided herein shall be applied by the Purchase Contract Agent pursuant to the provisions of the Purchase Contract Agreement. If, notwithstanding the foregoing, the Purchase Contract Agent shall receive any payments of principal on account of any Notes or Treasury Consideration (as specified in clauses (i)(A) and (ii)(A) of the definition of Treasury Consideration), as applicable, that, at the time of such payments, are Pledged Notes or Pledged Treasury Consideration (which, shall be as specified in clauses (i)(A) and (ii)(A) of the definition of Treasury Consideration), as the case may be, or a Holder of a Stripped Unit shall receive any payments of principal on account of any Treasury Securities that, at the time of such payment, are Pledged Treasury Securities, the Purchase Contract Agent or such Holder shall hold the same as trustee of an express trust for the benefit of the Company (and promptly deliver the same over to the Company) for application to the obligations of the Holders under the

related Purchase Contracts, and the Holders shall acquire no right, title or interest in any such payments of principal so received, except as provided herein.

ARTICLE IV

Substitution, Release, Repledge and Settlement of Notes

SECTION 4.01. Collateral Substitution and the Creation of Stripped Units. (a) At any time on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date, a Holder of Normal Units shall have the right to substitute Treasury Securities for the Pledged Notes or Pledged Treasury Consideration, as the case may be, securing such Holder's obligations under the Purchase Contracts comprising a part of such Normal Units, in integral multiples of 40 Normal Units, or after a Special Event Redemption, in integral multiples of Normal Units so that Treasury Securities to be deposited and the Treasury Consideration, as the case may be, to be released are in integral multiples of $1,000, by (a) Transferring to the Collateral Agent Treasury Securities having an aggregate principal amount equal to the aggregate Stated Amount of such Normal Units and (b) delivering such Normal Units to the Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Purchase Contract Agent, with a copy of such notice to the Company, stating that such Holder has Transferred Treasury Securities to the Collateral Agent pursuant to this Section 4.01 (stating the principal amount, the maturities and the CUSIP numbers of the Treasury Securities Transferred by such Holder) and requesting that the Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Notes or Pledged Treasury Consideration related to such Normal Units, whereupon the Purchase Contract Agent shall promptly give such instruction to the Collateral Agent, with a copy of such instruction to the Company, in the form provided in Exhibit A. Upon receipt of Treasury Securities from a Holder of Normal Units and the related instruction from the Purchase Contract Agent, the Collateral Agent shall release the Pledged Notes or Pledged Treasury Consideration and shall promptly Transfer such Pledged Notes or Pledged Treasury Consideration free and clear of any lien, pledge or security interest created hereby, to the Purchase Contract Agent. All items Transferred or substituted by any Holder pursuant to this Section 4.01, Section 4.02 or any other Section of this Agreement shall be Transferred or substituted free and clear of all liens, claims and encumbrances, except as otherwise set forth herein.

(b) Holders who elect to separate the Pledged Notes or Pledged Treasury Consideration, as the case may be, from the related Purchase Contract and to substitute Treasury Securities for such Pledged Notes or Pledged Treasury Consideration shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

SECTION 4.02. Collateral Substitution and the Re-creation of Normal Units. (a) At any time on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date, a Holder of Stripped Units shall have the right to reestablish Normal Units (i) consisting of the Purchase Contracts and Notes in integral multiples of 40 Normal Units or (ii) after a Special Event Redemption, consisting of the Purchase Contracts and the Treasury

Consideration (identified and calculated by reference to the Treasury Consideration then comprising Normal Units) or the appropriate portion of the Treasury Portfolio in integral multiples of Stripped Units so that the Treasury Consideration to be deposited and the Treasury Securities to be released are in integral multiples of $1,000, by (x) Transferring to the Collateral Agent Notes or the Treasury Consideration, as the case may be, then comprising such number of Normal Units as is equal to such Stripped Units and (y) delivering such Stripped Units to the Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Purchase Contract Agent, with a copy of such notice to the Company, stating that such Holder has transferred Notes or Treasury Consideration to the Collateral Agent pursuant to this Section 4.02 and requesting that the Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Treasury Securities related to such Stripped Units, whereupon the Purchase Contract Agent shall give such instruction to the Collateral Agent, with a copy of such instruction to the Company, in the form provided in Exhibit A. Upon receipt of the Notes or the Treasury Consideration, as the case may be, from such Holder and the instruction from the Purchase Contract Agent, the Collateral Agent shall release the Pledged Treasury Securities and shall promptly Transfer such Treasury Securities, free and clear of any lien, pledge or security interest created hereby, to the Purchase Contract Agent.

(b) Holders of Stripped Units who reestablish Normal Units shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

SECTION 4.03. Termination Event. (a) Upon receipt by the Collateral Agent of written notice from the Company or the Purchase Contract Agent that there has occurred a Termination Event and identifying the nature of the Termination Event, the Collateral Agent shall release all Collateral from the Pledge and shall promptly Transfer any Pledged Notes or Pledged Treasury Consideration, as the case may be, and Pledged Treasury Securities to the Purchase Contract Agent for the benefit of the Holders of the Normal Units and the Stripped Units, respectively, free and clear of any lien, pledge or security interest or other interest created in favor of the Collateral Agent hereby.

(b) If such Termination Event shall result from any of the Company, Lazard Group or Lazard Group Finance becoming a debtor under the Bankruptcy Code or, in the case of the Company, becoming subject to a petition under clause (ii) of the definition of Bankruptcy Law (for the purposes of this Section 4.03(b), a "bankruptcy event"), and if the Collateral Agent shall fail for any reason to promptly effectuate, the release and Transfer of all Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, as provided by this Section 4.03, the Purchase Contract Agent, shall:

(i) use its best efforts to obtain, at the expense of the Company, an opinion of a nationally recognized law firm reasonably acceptable to the Collateral Agent to the effect that, as a result of such bankruptcy event, the Collateral Agent will not be prohibited from releasing or Transferring the Collateral as provided in this Section 4.03 and shall deliver such opinion to the Collateral Agent within ten days after the occurrence of such Termination Event, and if (A) the Purchase Contract Agent shall be unable to obtain such opinion within ten days after the occurrence of such Termination Event or (B) the

Collateral Agent shall continue, after delivery of such opinion, to refuse to effectuate the release and Transfer of all Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, as provided in this Section 4.03, then the Purchase Contract Agent shall within fifteen days after the occurrence of such Termination Event commence an action or proceeding in the court having jurisdiction of such bankruptcy event, seeking an order requiring the Collateral Agent to effectuate the release and transfer of all Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, as provided by this Section 4.03; or

(ii) commence an action or proceeding like that described in subsection (i)(B) hereof within ten days after the occurrence of such Termination Event.

SECTION 4.04. Early Settlement; Merger Early Settlement; Cash Settlement. Upon written notice to the Collateral Agent by the Purchase Contract Agent that one or more Holders of Units have elected to effect Early Settlement, Merger Early Settlement or Cash Settlement of their respective obligations under the Purchase Contracts forming a part of such Units in accordance with the terms of the Purchase Contracts and the Purchase Contract Agreement (setting forth the number of such Purchase Contracts as to which such Holders have elected to effect Early Settlement, Merger Early Settlement or Cash Settlement), and that the Purchase Contract Agent has received from such Holders, and paid to the Company as confirmed by written notice to the Collateral Agent by the Company, the related Early Settlement Amounts, Merger Early Settlement Amounts or Cash Settlement Amounts, as the case may be, pursuant to the terms of the Purchase Contracts and the Purchase Contract Agreement and that all conditions to such Early Settlement, Merger Early Settlement or Cash Settlement, as the case may be, have been satisfied, then the Collateral Agent shall release from the Pledge (a) Pledged Notes or Pledged Treasury Consideration, as the case may be, in the case of a Holder of Normal Units or (b) Pledged Treasury Securities, in the case of a Holder of Stripped Units, identified by the Purchase Contract Agent as relating to such Purchase Contracts as to which such Holders have paid such Early Settlement Amounts, Merger Early Settlement Amounts or Cash Settlement Amounts, and shall Transfer all such Pledged Notes, Pledged Treasury Consideration or Pledged Treasury Securities, as the case may be, free and clear of the Pledge created hereby, to the Purchase Contract Agent for the benefit of the Holders.

SECTION 4.05. Remarketing; Application of Proceeds; Settlement. (a) Pursuant to the Purchase Contract Agreement, the Purchase Contract Agent shall notify, by 10:00 a.m., New York City time, on the second Business Day immediately preceding the Remarketing Date, the Remarketing Agent and the Collateral Agent of the aggregate principal amount of Notes comprising part of Normal Units to be remarketed. The Remarketing Agent and the Collateral Agent shall jointly determine the process for releasing Pledged Notes subject to remarketing. Pledged Notes not subject to remarketing shall be released to the Purchase Contract Agent in accordance with the terms of the Purchase Contract Agreement promptly following such time as the Collateral Agent determines that such Pledged Securities are no longer subject to the security interest created hereunder (or are being disposed of to satisfy such secured obligations), subject to Section 4.05(c).

(b) Upon completion of a successful remarketing, after deducting as the remarketing fee an amount not exceeding 25 basis points (0.25%) of the Remarketing Value of

such Pledged Notes, the Remarketing Agent will deliver the proceeds of such remarketing to the Collateral Agent for the benefit of the Company to be held in trust for the Company. Upon receipt of the proceeds following a successful remarketing, (i) the Collateral Agent, for the benefit of the Company, shall thereupon apply such proceeds in an amount equal to the aggregate Stated Amount of the related Normal Units in direct settlement and satisfaction in full of such Normal Units Holders' obligations to pay to the Company the Purchase Price under the Purchase Contracts on the Stock Purchase Date and (ii) the remaining portion, if any, of the proceeds of such successful remarketing shall be distributed by the Remarketing Agent to the Purchase Contract Agent for payment on a pro rata basis to such Normal Units Holders participating in such remarketing.

(c) The Remarketing Agent shall agree to make one or more attempts to remarket the Notes in accordance with the procedures set forth in the Purchase Contract Agreement and the Remarketing Agreement between the Remarketing Date and the last Subsequent Remarketing Date. If by 4:00 p.m., New York City time, on the third Business Day immediately preceding the Stock Purchase Date the Remarketing Agent has failed to remarket the Notes at a price equal to 100.5% of the aggregate principal amount of the Notes participating in the remarketing, the Last Failed Remarketing shall be deemed to have occurred. In this case, the Remarketing Agent will agree to advise the Collateral Agent in writing that it cannot remarket the related Pledged Notes of such Holders of Normal Units. The Collateral Agent, for the benefit of the Company will, at the written direction of the Company, deliver or dispose of the Pledged Notes in accordance with the Company's written instructions to satisfy in full, from any such disposition or retention, such Holders' obligations to pay the Purchase Price for the Ordinary Shares (provided that any accumulated and unpaid interest on such Notes will remain payable by the Company to the Purchase Contract Agent for payment to the Holder of the Normal Units to which such Notes relate in accordance with the Purchase Contract Agreement).

(d) In the event a Holder of Stripped Units has not made an Early Settlement, Merger Early Settlement or Cash Settlement of the Purchase Contracts underlying its Stripped Units, such Holder shall be deemed to have elected to pay for the Ordinary Shares to be issued under such Purchase Contracts from the payments received in respect of the related Pledged Treasury Securities. Without receiving any instruction from any such Holder of Stripped Units, the Collateral Agent shall apply such payments to the Company in settlement of such Purchase Contracts on the Stock Purchase Date pursuant to written instructions from the Purchase Contract Agent. In the event the payments received in respect of the related Pledged Treasury Securities are in excess of the aggregate Purchase Price of the Purchase Contracts being settled thereby, the Collateral Agent shall distribute such excess, when received, to the Purchase Contract Agent for payment to such Holders of Stripped Units.

(e) Pursuant to the Remarketing Agreement and the Purchase Contract Agreement, on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date, but no earlier than the sixteenth Business Day immediately preceding the Stock Purchase Date, holders of Separate Notes may elect to have their Separate Notes remarketed by delivering their Separate Notes, together with a notice of such election, substantially in the form of Exhibit C hereto, to the Custodial Agent. On the second Business Day immediately prior to the Remarketing Date, by 10:00 a.m., New York City time, the Custodial Agent shall notify the Remarketing Agent of the aggregate principal amount of such Separate Notes to be remarketed.

The Custodial Agent will hold such Separate Notes in an account separate from the Collateral Account. A holder of Separate Notes electing to have its Separate Notes remarketed also will have the right to withdraw such election by written notice to the Custodial Agent, substantially in the form of Exhibit D hereto, on or prior to the thirteenth Business Day immediately preceding the Stock Purchase Date, upon which notice the Custodial Agent will return such Separate Notes to such holder. The Remarketing Agent and the Custodial Agent shall jointly determine the process for releasing such Separate Notes to the Remarketing Agent. In the event of a successful remarketing, after deducting as the remarketing fee an amount not exceeding 25 basis points (0.25%) of the Remarketing Value of such Separate Notes, the Remarketing Agent will remit to the Custodial Agent, for the benefit of the holders of such Separate Notes, the portion of the proceeds from such remarketing equal to the amount calculated in respect of such Separate Notes as set forth in Section 5.4(b) of the Purchase Contract Agreement. For purposes of this Section 4.05(d), a "holder" of Separate Notes shall mean the Person in whose name such Separate Notes are registered on the books of the registrar for the Notes.

ARTICLE V

Voting Rights — Notes

SECTION 5.01. Exercise by Purchase Contract Agent. The Purchase Contract Agent may exercise, or refrain from exercising, any and all voting and other consensual rights pertaining to the Pledged Notes, subject to the terms and conditions set forth in Section 4.02 of the Purchase Contract Agreement.

ARTICLE VI

Rights and Remedies; Special Event Redemption

SECTION 6.01. Rights and Remedies of the Collateral Agent. (a) In addition to the rights and remedies available at law or in equity, after an event of default under any of the Purchase Contracts by a Holder thereof, the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (or any successor thereto) as in effect in the State of New York from time to time (the "Code") (whether or not the Code is in effect in the jurisdiction where the rights and remedies are asserted) and the TRADES Regulations and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted. Wherever reference is made in this Agreement to any section of the Code, such reference shall be deemed to include a reference to any provision of the Code which is a successor to, or amendment of, such section. Without limiting the generality of the foregoing, such remedies may include, to the extent permitted by applicable law, at the direction of the Company (i) retention of the Pledged Notes or other Collateral in full satisfaction of the Holders' obligations under the Purchase Contracts or (ii) sale of the Pledged Notes or other Collateral in one or more public or private sales or otherwise at the written direction of the Company.

(b) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, in the event the Collateral Agent is unable to make payments to the Company on account of any Pledged Treasury Consideration or Pledged Treasury Securities as provided in Article III hereof in full satisfaction of the obligations of the Holder of the Units of which such Pledged Treasury Consideration or Pledged Treasury Securities, as applicable, is a part under the related Purchase Contracts, any such inability to make a payment shall constitute an event of default under the Purchase Contracts and the Collateral Agent shall have and may exercise, with reference to such Pledged Treasury Securities or such Pledged Treasury Consideration, as applicable, and such obligations of such Holder, any and all of the rights and remedies available to a secured party under the Code and the TRADES Regulations after default by a debtor, and as otherwise granted herein or under any other law.

(c) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, the Collateral Agent is hereby irrevocably authorized to receive and collect all payments of (i) the principal amount of, or interest on, the Pledged Notes, or (ii) the principal amount of the Pledged Treasury Consideration or Pledged Treasury Securities, subject, in each case, to the provisions of Article III.

(d) The Purchase Contract Agent, individually and as attorney-in-fact for each Holder of Units, agrees that, from time to time, upon the written request of the Company or the Collateral Agent (acting upon the written request of the Company), the Purchase Contract Agent or such Holder shall execute and deliver such further documents and do such other acts and things as may be necessary, including as the Company or the Collateral Agent (acting upon the written request of the Company) may reasonably request in order to maintain the Pledge, and the perfection and priority thereof, and to confirm the rights of the Collateral Agent hereunder. The Purchase Contract Agent shall have no liability to any Holder for executing any documents or taking any such acts requested by the Company or the Collateral Agent (acting upon the written request of the Company) hereunder, except for liability for its own grossly negligent act, its own grossly negligent failure to act, its own bad faith or its own willful misconduct.

SECTION 6.02. Substitutions. Whenever a Holder has the right to substitute Treasury Securities, Notes, or Treasury Consideration, as the case may be, for Collateral held by the Collateral Agent, such substitution shall not constitute a novation of the security interest created hereby.

SECTION 6.03. Special Event Redemption. Upon the occurrence of a Special Event Redemption prior to the Stock Purchase Date and the receipt of the Redemption Price of the Pledged Notes by the Collateral Agent, the Collateral Agent will, at the written direction of the Company, apply the Redemption Price to purchase on behalf of the Holders of Normal Units the Treasury Portfolio. The Collateral Agent shall Transfer the Treasury Portfolio to the Collateral Account to secure the obligation of all Holders of Normal Units to purchase Ordinary Shares of the Company under the Purchase Contracts constituting a part of such Normal Units, in substitution for the Pledged Notes. Thereafter, the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as it had in respect of the Pledged Notes as provided in Articles II, III, IV, V and VI, and any reference herein to the Notes shall be deemed to be reference to such Treasury Portfolio, and any reference herein to interest on the Notes shall be deemed to be a reference to corresponding distributions on such Treasury

Portfolio. Upon the occurrence of a Special Event Redemption and the satisfaction of all terms and conditions related thereto as forth in the Indenture, including receipt of the Redemption Price, the Collateral Agent shall be authorized to surrender the Notes in accordance with the provisions of the Indenture.

SECTION 6.04. Cash Received from Holders of Normal Units not Participating in the Remarketing. If a Holder of Normal Units shall opt not to participate in the remarketing in accordance with the Purchase Contract Agreement and upon the receipt by the Collateral Agent of the Cash Consideration paid by such Holder sufficient to satisfy the Holder's obligations to the Company under the related Purchase Contracts in full, the Collateral Agent shall transfer such Cash Consideration to the Collateral Account to secure and be applied in direct settlement and satisfaction in full of the obligations of such Holder to purchase Ordinary Shares of the Company under the Purchase Contracts constituting a part of such Normal Units. Thereupon, the Collateral Agent shall deliver the related Pledged Notes to the Purchase Contract Agent on the Business Day immediately preceding the first day of the Remarketing Period, free and clear of any lien, claim and security interest created hereby. Thereafter, such Units will be Stripped Units and the Collateral Agent shall have a first priority perfected security interest in such Cash Consideration paid by such Holder. In such event, all references in this Agreement, including for purposes of Section 4.03, to the Treasury Securities or Pledged Treasury Securities shall be deemed to include such Cash Consideration (the Cash Consideration subject to the Pledge referred to as the "Pledged Cash Consideration") or Pledged Cash Consideration, as the case may be, in addition to the Treasury Securities or Pledged Treasury Securities, as the case may be, with respect to the applicable Units.

ARTICLE VII

Representations and Warranties; Covenants

SECTION 7.01. Representations and Warranties of the Holders. The Holders from time to time, acting through the Purchase Contract Agent as their attorney-in-fact (it being understood that the Purchase Contract Agent shall not be liable for any representation or warranty made by or on behalf of a Holder), hereby represent and warrant to the Collateral Agent, which representations and warranties shall be deemed repeated on each day a Holder Transfers Collateral, and on each day a person becomes a Holder, that:

(a) such Holder has the power to grant a security interest in and lien on the Collateral;

(b) such Holder is the sole beneficial owner of the Collateral and, in the case of Collateral delivered in physical form, is the sole holder of such Collateral and is the sole beneficial owner of, or has the right to Transfer, the Collateral it Transfers to the Collateral Agent, free and clear of any security interest, lien, encumbrance, call, liability to pay money or other restriction other than the security interest and lien granted under Section 2.01;

(c) upon the Transfer of the Collateral to the Collateral Account, the Collateral Agent, for the benefit of the Company, will have a valid and perfected first priority security interest therein (assuming that any central clearing operation or any Intermediary or other entity not within the control of the Holder involved in the Transfer of the Collateral, including the Collateral Agent, gives the notices and takes the action required of it hereunder and under applicable law for perfection of that interest and assuming the establishment and exercise of control pursuant to Section 2.02); and

(d) the execution and performance by the Holder of its obligations under this Agreement will not result in the creation of any security interest, lien or other encumbrance on the Collateral other than the security interest and lien granted under Section 2.01 or violate any provision of any existing law or regulation applicable to it or of any mortgage, charge, pledge, indenture, contract or undertaking to which it is a party or which is binding on it or any of its assets.

SECTION 7.02. Representations and Warranties of the Collateral Agent, Custodial Agent and Securities Intermediary. Each of the Collateral Agent, Custodial Agent and Securities Intermediary (each an "Agent") hereby represents and warrants:

(a) such Agent is a New York banking corporation;

(b) the Securities Intermediary is a "securities intermediary" as defined in Article 8-102(a)(14) of the Code and the Collateral Account is a "securities account" as such term is defined in Section 8-501(a) of the Code;

(c) the execution, delivery and performance by such Agent of this Agreement has been duly authorized by all necessary corporate action on the part of such Agent; this Agreement has been duly executed and delivered by such Agent and constitutes a valid and legally binding obligation of such Agent, enforceable against such Agent in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(d) the execution, delivery and performance by such Agent of this Agreement does not violate or constitute a breach of the charter or by-laws of such Agent; and

(e) no consent of any federal or state banking authority having regulatory authority over such Agent in its individual capacity is required for the execution and delivery of, or performance by its Agent of its respective obligations under, this Agreement.

SECTION 7.03. Covenants. The Holders from time to time, acting through the Purchase Contract Agent as their attorney-in-fact (it being understood that the Purchase Contract Agent shall not be liable for any covenant made by or on behalf of a Holder), hereby covenant to the Collateral Agent that for so long as the Collateral remains subject to the Pledge:

(a) neither the Purchase Contract Agent nor such Holders will create or purport to create or allow to subsist any mortgage, charge, lien, pledge or any other security interest

whatsoever over the Collateral or any part of it other than pursuant to this Agreement; and

(b) neither the Purchase Contract Agent nor such Holders will sell or otherwise dispose (or attempt to dispose) of the Collateral or any part of it except for the beneficial interest therein, subject to the pledge hereunder, transferred in connection with the Transfer of the Units.

ARTICLE VIII

The Agents

SECTION 8.01. Appointment, Powers and Immunities. (a) Each Agent shall act as agent for the Company hereunder with such powers as are specifically vested in such Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Each Agent:

(i) shall have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants or obligations shall be inferred from this Agreement against any of them, nor shall any of them be bound by the provisions of any agreement by any party hereto beyond the specific terms hereof;

(ii) shall not be responsible for any recitals contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by it under, this Agreement, the Units or the Purchase Contract Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement (other than as against such Agent), the Units or the Purchase Contract Agreement or any other document referred to or provided for herein or therein or for any failure by the Company or any other Person (except such Agent) to perform any of its obligations hereunder or thereunder or, except as expressly required hereby, for the existence, validity, perfection, priority or maintenance of any security interest created hereunder;

(iii) shall not be required to initiate or conduct any litigation or collection proceedings hereunder (except in the case of the Collateral Agent, pursuant to written directions furnished under Section 8.02 hereof, subject to Section 8.06 hereof);

(iv) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith or therewith, except for its own gross negligence, bad faith or willful misconduct;

(v) shall not be required to advise any party as to selling or retaining, or taking or refraining from taking any action with respect to, the Units or other property deposited hereunder;

(vi) may perform any of their duties hereunder directly or by or through agents or attorneys appointed with due care;

(vii) shall be entitled to consult with counsel of its selection and to act in full reliance upon the advice of such counsel concerning matters pertaining to the agencies created hereby and its duties hereunder, and shall not be liable for any action taken or omitted to be taken by it in good faith and in reliance upon and in accordance with the reasonable advice of counsel selected by it;

(viii) shall not be liable with respect to any action taken by it in good faith in accordance with any direction of the Company or its agents except for its own gross negligence or willful misconduct; and

(ix) shall not be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, government action, including any laws, ordinances, regulations, governmental action or the like which delay, restrict or prohibit the providing of services contemplated by this Agreement.

Subject to the foregoing, during the term of this Agreement, each Agent, in connection with the safekeeping and preservation of the Collateral hereunder, shall use the same standard of care it applies for similar property held for its own account.

(b) No provision of this Agreement shall require any Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. In no event shall any Agent be liable for any amount in excess of the value of the Collateral. Notwithstanding the foregoing, each Agent in its individual capacity, hereby waive any right of set-off, banker's lien, liens or perfection rights as securities intermediary or any counterclaim with respect to any of the Collateral.

(c) No Agent shall have any liability whatsoever for the action or inaction of any Clearing Agency or any book-entry system thereof. In no event shall any Clearing Agency or any book-entry system thereof be deemed an agent or subcustodian of any Agent.

SECTION 8.02. Instructions of the Company. The Company shall have the right, by one or more instruments in writing executed and delivered to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, to direct the time, method and place of conducting any proceeding for the realization of any right or remedy available to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or of exercising any power conferred on the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or to direct the taking or refraining from taking of any action authorized by this Agreement; provided that (i) such direction shall be in writing and shall not conflict with the provisions of any law or of this Agreement and (ii) the applicable Agent shall receive indemnity reasonably satisfactory to it as provided herein. Nothing in this Section 8.02 shall impair the right of each Agent in its discretion to take any action or omit to take any action which it deems proper and which is not inconsistent with such direction.

SECTION 8.03. Reliance. Each Agent, in absence of bad faith, shall be entitled conclusively to rely upon any certification, order, judgment, instructions, opinion, notice or other communication (including, without limitation, any thereof by telephone or facsimile) reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons (without being required to determine the correctness of any fact stated therein), and upon advice and written statements of legal counsel and other experts selected by such Agent. As to any matters not expressly provided for by this Agreement, each Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with written instructions given by the Company in accordance with this Agreement.

SECTION 8.04. Rights in Other Capacities. Each Agent and its affiliates may (without having to account therefor to the Company) accept deposits from, lend money to, make their investments in and generally engage in any kind of banking, trust or other business with the Purchase Contract Agent, any Holder of Units and any holder of Separate Notes (and any of their respective subsidiaries or affiliates) as if it were not acting as such Agent, and each Agent and its affiliates may accept fees and other consideration from the Purchase Contract Agent, any Holder of Units or any holder of Separate Notes without having to account for the same to the Company; provided that each Agent covenants and agrees with the Company that it shall not accept, receive or permit there to be created in favor of itself (and waives any right of set-off or banker's lien with respect to) and shall take no affirmative action to permit there to be created in favor of any other Person, any security interest, lien or other encumbrance of any kind in or upon the Collateral and the Collateral shall not be commingled with any other assets of any such Person.

SECTION 8.05. Non-reliance on Collateral Agent. None of the Agents shall be required to keep itself informed as to the performance or observance by the Purchase Contract Agent or any Holder of Units of this Agreement, the Purchase Contract Agreement, the Units or any other document referred to or provided for herein or therein or to inspect the properties or books of the Purchase Contract Agent or any Holder of Units. None of the Agents shall have any duty or responsibility to provide the Company or the Remarketing Agent with any credit or other information concerning the affairs, financial condition or business of the Purchase Contract Agent, any Holder of Units or any holder of Separate Notes (or any of their respective subsidiaries or affiliates) that may come into its possession or any of its affiliates.

SECTION 8.06. Compensation and Indemnity. The Company agrees:

(a) to pay each Agent from time to time such compensation as shall be agreed in writing between the Company and such Agent for all services rendered by it hereunder; and

(b) to indemnify the Collateral Agent, the Custodial Agent and the Securities Intermediary and their officers, directors and agents for, and to hold each of them harmless from and against, any loss, liability or reasonable out-of-pocket expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its powers and duties under this Agreement, including the reasonable out-of-pocket costs and expenses (including reasonable fees and expenses of one counsel) of defending itself against any claim or liability in connection with the exercise or performance of such powers and duties or

collecting such amounts. Each Agent shall promptly notify the Company of any third party claim which may give rise to the indemnity hereunder and give the Company the opportunity to control the defense of such claim with counsel reasonably satisfactory to the indemnified party, provided no conflict of interest exists (if such a conflict of interests exists, the Collateral Agent, the Custodial Agent and the Securities Intermediary collectively will be entitled to one separate counsel payable by the Company), and if the Company so elects to assume such defense, the Company shall in good faith defend the Collateral Agent, the Custodial Agent or the Securities Intermediary (in which case all attorney's fees and expenses shall be borne by the Company). No compromise or settlement of any claims may be effected by any party without the other parties' consent (which consent shall not be unreasonably withheld) unless (i) there is no finding or omission of any violation of law and no effect on any other claims that may be made against any of such other parties and (ii) the sole relief provided is monetary damages that are paid in full by the party seeking the compromise or settlement. The provisions of this Section 8.06(b) shall survive the termination of this Agreement or the resignation or removal of any of the Agents.

SECTION 8.07. Failure to Act. In the event of any ambiguity in the provisions of this Agreement or any dispute between or conflicting claims by or among the parties hereto or any other Person with respect to any funds or property deposited hereunder, each Agent shall be entitled, after prompt notice to the Company and the Purchase Contract Agent, at its sole option, to refuse to comply with any and all claims, demands or instructions with respect to such property or funds so long as such dispute or conflict shall continue, and no Agent shall be or become liable in any way to any of the parties hereto for its failure or refusal to comply with such conflicting claims, demands or instructions. Each Agent shall be entitled to refuse to act until either (i) such conflicting or adverse claims or demands shall have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting parties as evidenced in a writing, reasonably satisfactory to such Agent, or (ii) such Agent shall have received security or an indemnity reasonably satisfactory to it sufficient to save such Agent harmless from and against any and all loss, liability or reasonable out-of-pocket expense which such Agent may incur by reason of its acting without bad faith, willful misconduct or negligence. Each Agent may, but shall not be required, in addition elect to commence an interpleader action or seek other judicial relief or orders at the expense of the Company as such Agent may deem necessary. Notwithstanding anything contained herein to the contrary, no Agent shall be required to take any action that is in the reasonable opinion of its counsel contrary to law or to the terms of this Agreement, or which would in its reasonable opinion subject it or any of its officers, employees or directors to liability.

SECTION 8.08. Resignation; Replacement of Collateral Agent, Custodial Agent or Securities Intermediary. Subject to the appointment and acceptance of a successor Agent, as provided below, (a) any Agent may resign at any time by giving notice thereof to the Company and the Purchase Contract Agent as attorney-in-fact for the Holders of Units, (b) any Agent may be removed at any time by the Company (with or without cause) by notice to the Purchase Contract Agent and the Collateral Agent, the Custodial Agent and the Securities Intermediary and (c) if any Agent fails to perform any of its material obligations hereunder in any material respect for a period of not less than 20 days after receiving written notice of such failure by the Purchase Contract Agent and such failure shall be continuing, such Agent may be removed by

the Purchase Contract Agent (including with respect to other Agent responsibilities). The Purchase Contract Agent shall promptly notify the Company of any removal of an Agent pursuant to clause (c) of the immediately preceding sentence. Upon notice of any such resignation or removal, the Company shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed and shall have accepted such appointment within 30 days after any notice of such resignation or such removal, then the retiring Agent may at the Company's expense petition any court of competent jurisdiction for the appointment of a successor Agent. Upon removal of an Agent, no fees paid to the retiring Agent pursuant to Section 8.06(a) of this Agreement shall be refunded. Each successor Agent shall be a financial institution which has an office or agency in New York, New York with a combined capital and surplus of at least $50,000,000 or any affiliate of a financial institution having such capital and surplus. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent, upon payment of any of its unpaid fees and expenses, shall take all appropriate action to transfer any money and property held by it hereunder (including the Collateral) to such successor. The retiring Agent shall, upon such succession, be discharged from its duties and obligations as such Agent hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 8.08 and Section 8.06 hereof, shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as such Agent. Any resignation or removal of the Collateral Agent hereunder shall be deemed for all purposes of this Agreement as the simultaneous resignation or removal of the Custodial Agent and the Securities Intermediary hereunder.

So long as it meets the requirements of this Section 8.08, any corporation into which the Collateral Agent, the Custodial Agent or the Securities Intermediary, in its individual capacity, may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Collateral Agent in its individual capacity shall be a party, or any corporation to which substantially all the corporate trust business of the Collateral Agent in its individual capacity may be transferred, shall be the Collateral Agent, the Custodial Agent, or the Securities Intermediary, as the case may be, respectively, under this Agreement without further act.

SECTION 8.09. Right to Appoint Agent or Advisor. The Collateral Agent shall have the right to appoint agents or advisors in connection with any of its duties hereunder, and the Collateral Agent shall not be liable for any action taken or omitted by, or in reliance upon the advice of, such agents or advisors reasonably selected in good faith. The appointment of agents (other than legal counsel) pursuant to this Section 8.09 shall be subject to prior written consent of the Company, which consent shall not be unreasonably withheld or delayed.

SECTION 8.10. Survival. The provisions of this Article VIII shall survive termination of this Agreement and the resignation or removal of the Collateral Agent, the Custodial Agent or the Securities Intermediary.

SECTION 8.11. Exculpation. Anything in this Agreement to the contrary notwithstanding, in no event shall any of the Agents or their respective officers, employees or agents be liable under this Agreement to any third party for indirect, special, punitive or

consequential loss or damage of any kind whatsoever, including lost profits or loss of business, relating to, arising from or in connection with this Agreement, whether or not the likelihood of such loss or damage was known to such Agent, incurred without any act or deed that is found to be attributable to negligence, bad faith or willful misconduct on the part of such Agent.

ARTICLE IX

Amendment

SECTION 9.01. Amendment Without Consent of Holders. Without the consent of any Holders or the holders of any Separate Notes, the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, at any time and from time to time, may amend this Agreement, in form satisfactory to the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, for any of the following purposes:

(i) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company; or

(ii) to add covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company so long as such covenants or such surrender do not adversely affect the validity, perfection or priority of the security interests granted or created hereunder; or

(iii) to evidence and provide for the acceptance of appointment hereunder by a successor Collateral Agent, Custodial Agent, Securities Intermediary or Purchase Contract Agent; or

(iv) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other such provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders.

SECTION 9.02. Amendment with Consent of Holders. With the consent of the Holders of not less than a majority of the Purchase Contracts at the time outstanding, by Act of said Holders delivered to the Company, the Purchase Contract Agent or the Collateral Agent, as the case may be, the Company, the Purchase Contract Agent, the Collateral Agent, the Custodial Agent and the Securities Intermediary may amend this Agreement for the purpose of modifying in any manner the provisions of this Agreement or the rights of the Holders in respect of the Units, provided that no such amendment shall, as to any Holder of an Outstanding Unit affected thereby, without the consent of such Holder,

(i) change the amount or type of Collateral underlying a Unit (except for the rights of holders of Normal Units to substitute the Treasury Securities for the Pledged Notes or the Pledged Treasury Consideration, as the case may be, or the rights of Holders of Stripped Units to substitute Notes or the Treasury Consideration, as applicable, for the

Pledged Treasury Securities), impair the right of the Holder of any Unit to receive distributions on the underlying Collateral or otherwise adversely affect the Holder's rights in or to such Collateral;

(ii) otherwise effect any action that would require the consent of the Holder of each Outstanding Unit affected thereby pursuant to the Purchase Contract Agreement if such action were effected by an agreement supplemental thereto; or

(iii) reduce the percentage of Purchase Contracts the consent of whose Holders is required for any such amendment;

provided that if any amendment or proposal referred to above would adversely affect only the Normal Units or the Stripped Units, then only the affected class of Holders as of the record date for the Holders entitled to vote thereon will be entitled to vote on or consent to such amendment or proposal.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 9.03. Execution of Amendments. In executing any amendment permitted by this Article IX, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent shall be entitled to receive and (subject to Section 8.01 hereof, with respect to the Collateral Agent, and Section 7.01 of the Purchase Contract Agreement, with respect to the Purchase Contract Agent) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and that all conditions precedent, if any, to the execution and delivery of such amendment have been satisfied and, in the case of an amendment pursuant to Section 9.01, that such amendment does not adversely affect the validity, perfection or priority of the security interests granted or created hereunder.

SECTION 9.04. Effect of Amendments. Upon the execution of any amendment under this Article IX, this Agreement shall be modified in accordance therewith, and such amendment shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered under the Purchase Contract Agreement shall be bound thereby.

SECTION 9.05. Reference to Amendments. Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any amendment pursuant to this Article IX may, and shall if required by the Collateral Agent or the Purchase Contract Agent, bear a notation in form approved by the Purchase Contract Agent and the Collateral Agent as to any matter provided for in such amendment. If the Company shall so determine, new Certificates so modified as to conform, in the opinion of the Collateral Agent, the Purchase Contract Agent and the Company, to any such amendment may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Purchase Contract Agent in accordance with the Purchase Contract Agreement in exchange for outstanding Certificates.

ARTICLE X

Miscellaneous

SECTION 10.01. No Waiver. No failure on the part of any party hereto or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by any party hereto or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

SECTION 10.02. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF. Without limiting the foregoing, the above choice of law is expressly agreed to by the Securities Intermediary, the Collateral Agent, the Custodial Agent and the Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, in connection with the establishment and maintenance of the Collateral Account, which law, for purposes of the Code, shall be deemed to be the law governing all Security Entitlements related thereto. In addition, such parties agree that, for purposes of the Code, New York shall be the Securities Intermediary's jurisdiction. The Company, the Collateral Agent and the Holders from time to time of the Units, acting through the Purchase Contract Agent as their attorney-in-fact, hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in the Borough of Manhattan in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Company, the Collateral Agent and the Holders from time to time of the Units, acting through the Purchase Contract Agent as their attorney-in-fact, irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 10.03. Judgment Currency. The Company agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Purchase Contract Agent could purchase in The City of New York the requisite amount of the Required Currency with the Judgment Currency on the New York Banking Day preceding the day on which a final unappealable judgment is given and (b) its obligations under this Agreement to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with clause (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so

expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Agreement. For purpose of the foregoing, "New York Banking Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to be closed.

SECTION 10.04. Notices. Unless otherwise stated herein, all notices, requests, instructions, consents and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) and, if sent to the Company, will be mailed, delivered or telecopied to Lazard Ltd, 30 Rockefeller Plaza, New York, New York, 10020, Attention: General Counsel, telecopy: (212) 332-5972; or if sent to the Purchase Contract Agent as attorney-in-fact of the Holders from time to time of the Units, will be mailed, delivered or telefaxed to The Bank of New York, 101 Barclay Street, Floor 8 West, New York, New York, 10286, Attention: Corporate Trust Administration (fax no.: (212) 815-5707); or if sent to the Collateral Agent, Custodial Agent and Securities Intermediary, will be mailed, delivered or telefaxed to Corporate Trust Administration (fax no.: (212) 815-5705), or as to any party, at such other address as shall be designated by such party in a notice to the other parties. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when personally delivered or, in the case of a mailed notice or notice transmitted by telecopier, upon receipt, in each case given or addressed as aforesaid.

SECTION 10.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, and the Holders from time to time of the Units, by their acceptance of the same, shall be deemed to have agreed to be bound by the provisions hereof and to have ratified the agreements of, and the grant of the Pledge hereunder by, the Purchase Contract Agent.

SECTION 10.06. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

SECTION 10.07. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 10.08. Expenses, etc. The Company agrees to reimburse the Collateral Agent, the Securities Intermediary and the Custodial Agent for:

(a) all reasonable out-of-pocket costs and all reasonable expenses of the Collateral Agent, the Custodial Agent and the Securities Intermediary (including, without limitation, the reasonable fees and expenses of one counsel to the Collateral Agent, the Custodial Agent and the Securities Intermediary), in connection with (i) the negotiation,

preparation, execution and delivery or performance of this Agreement and (ii) any modification, supplement or waiver of any of the terms of this Agreement;

(b) all reasonable costs and expenses of the Collateral Agent, the Custodial Agent and the Securities Intermediary (including, without limitation, reasonable fees and expenses of one counsel) in connection with (i) any enforcement or proceedings resulting or incurred in connection with causing any Holder of Units to satisfy its obligations under the Purchase Contracts forming a part of the Units and (ii) the enforcement of this Section 10.07; and

(c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any other document referred to herein and all costs, expenses, taxes, assessments and other charges, if any, incurred in connection with any filing, registration, recording or perfection of any security interest to the extent contemplated hereby.

SECTION 10.09. Security Interest Absolute. All rights of the Collateral Agent and security interests hereunder, and all obligations of the Holders from time to time hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any provision of the Purchase Contracts or the Units or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or any other term of, or any increase in the amount of, all or any of the obligations of Holders of Units under the related Purchase Contracts, or any other amendment or waiver of any term of, or any consent to any departure from any requirement of, the Purchase Contract Agreement or any Purchase Contract or any other agreement or instrument relating thereto; or

(c) any other circumstance which might otherwise constitute a defense available to, or discharge of, a borrower, a guarantor or a pledgor.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 10.11. Incorporation by Reference. Each of the Company, the Collateral Agent and the Securities Intermediary agrees that the Purchase Contract Agent is, in acting hereunder with respect to the Company, entitled to all rights, privileges, benefits, protections, immunities and indemnities provided to it under the Purchase Contract Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

LAZARD LTD,

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director, Vice President and Secretary

THE BANK OF NEW YORK,
as Purchase Contract Agent and as attorney-in-fact
of the Holders from time to time of the Units,

By /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

THE BANK OF NEW YORK,
as Collateral Agent, Custodial Agent and Securities
Intermediary,

By /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

EXHIBIT A

INSTRUCTION FROM PURCHASE CONTRACT AGENT TO COLLATERAL AGENT

The Bank of New York
101 Barclay Street, 8th Floor West
New York, New York 10286

Attention: Corporate Trust Administration

Re: 6.625% EQUITY SECURITY UNITS
OF LAZARD LTD (THE "COMPANY")

We hereby notify you in accordance with Section [4.01] [4.02] of the Pledge Agreement dated as of May 10, 2005 (the "Pledge Agreement"), among the Company, yourselves, as Collateral Agent, Custodial Agent and Securities Intermediary and ourselves, as Purchase Contract Agent and as attorney-in-fact for the holders of [Normal Units] [Stripped Units] from time to time, that the holder of Units listed below (the "Holder") has elected to substitute [$_____ aggregate principal amount of Treasury Securities (CUSIP No. 912833GC8)] [$_____ aggregate principal amount of Notes or $_____ aggregate principal amount of Treasury Consideration (CUSIP No. _____)] in exchange for the related [Pledged Notes or Pledged Treasury Consideration] [Pledged Treasury Securities] held by you in accordance with the Pledge Agreement and has delivered to us a notice stating that the Holder has Transferred [Treasury Securities] [Notes or the Treasury Consideration] to you, as Collateral Agent. We hereby instruct you, upon receipt of such [Pledged Treasury Securities] [Pledged Notes or Pledged Treasury Consideration], to release the [Notes or the Treasury Consideration] [Treasury Securities] related to such [Normal Units] [Stripped Units] to us in accordance with the Holder's instructions. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

THE BANK OF NEW YORK,
as Purchase Contract Agent,

By _____
Name:
Title:

Please print name and address of Registered Holder electing to substitute [Treasury Securities] [Notes or Treasury Consideration] for the [Pledged Notes or the Pledged Treasury Consideration] [Pledged Treasury Securities]:

Name:

Social Security or other Taxpayer
Identification Number, if any:

Address:

EXHIBIT B

INSTRUCTION TO PURCHASE CONTRACT AGENT

The Bank of New York
101 Barclay Street, 8th Floor West
New York, New York 10286

Attention: Corporate Trust Administration

Re: 6.625% EQUITY SECURITY UNITS
OF LAZARD LTD (THE "COMPANY")

The undersigned Holder hereby notifies you that it has delivered to The Bank of New York, as Collateral Agent, [$_____ aggregate principal amount of Treasury Securities (CUSIP No. 912833GC8)] [$_____ aggregate principal amount of Notes or $_____ principal amount of Treasury Consideration (CUSIP No. _____)] in exchange for the related [Pledged Notes or Pledged Treasury Consideration] [Pledged Treasury Securities] held by the Collateral Agent, in accordance with Section [4.01][4.02] of the Pledge Agreement, dated as of May 10, 2005 (the "Pledge Agreement"), between you, the Company and the Collateral Agent. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the [Pledged Notes or the Pledged Treasury Consideration] [Pledged Treasury Securities] related to such [Normal Units] [Stripped Units]. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

Signature: _____

Signature Guarantee: _____

Please print name and address of Registered Holder:

Name:

Social Security or other Taxpayer
Identification Number, if any:

Address:

EXHIBIT C

INSTRUCTION TO CUSTODIAL AGENT REGARDING REMARKETING

The Bank of New York
101 Barclay Street, 8th Floor West
New York, New York 10286

Attention: Corporate Trust Administration

Re: NOTES OF LAZARD GROUP FINANCE LLC

The undersigned hereby notifies you in accordance with Section 4.05(d) of the Pledge Agreement dated as of May 10, 2005 (the "Pledge Agreement"), among Lazard Ltd, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent, and The Bank of New York, as Purchase Contract Agent and as attorney-in-fact for the Holders of Normal Units and Stripped Units from time to time, that the undersigned elects to deliver on the fourth Business Day immediately preceding the Remarketing Date commencing on _____, 2008 $_____ aggregate principal amount of Notes for delivery to the Remarketing Agent for remarketing pursuant to Section 4.05(d) of the Pledge Agreement.

The undersigned will, upon request of the Remarketing Agent, execute and deliver any additional documents deemed by the Remarketing Agent or by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered hereby. The undersigned hereby instructs you, upon receipt of the proceeds of such remarketing from the Remarketing Agent, net of amounts payable to the Remarketing Agent in accordance with the Pledge Agreement, to deliver such proceeds to the undersigned in accordance with the instructions indicated herein under "A. Payment Instructions." The undersigned hereby instructs you, in the event of the Last Failed Remarketing upon receipt of the Notes tendered herewith from the Remarketing Agent, to deliver such Notes to the person(s) and the address(es) indicated herein under "B. Delivery Instructions."

With this notice, the undersigned hereby (i) represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Notes tendered hereby and that the undersigned is the record owner of any Notes tendered herewith in physical form or a participant in The Depository Trust Company ("DTC") and the beneficial owner of any Notes tendered herewith by book-entry transfer to your account at DTC and (ii) agrees to be bound by the terms and conditions of Section 4.05(d) of the Pledge Agreement. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

Signature: _____

Signature Guarantee: _____

Name: _____
(Please Print)

Address: _____
(Please Print)

Zip Code:

Country:

Telecopy (include country code if outside U.S.):

Telephone (include country code if outside U.S.):

(Tax Identification or Social Security Number):

A. PAYMENT INSTRUCTIONS

Proceeds of the remarketing should be paid by check in the name of the person(s) set forth below and mailed to the address set forth below.

Name(s): _____
(Please Print)

Address: _____
(Please Print)

Zip Code:

Country:

Telecopy (include country code if outside U.S.):

Telephone (include country code if outside U.S.):

(Special Identification or Social Security Number):

B. DELIVERY INSTRUCTIONS

In the event of the Last Failed Remarketing, Notes which are in physical form should be delivered to the person(s) set forth below and mailed to the address set forth below.

Name(s): _____
(Please Print)

Address: _____
(Please Print)

Zip Code:

Country:

Telecopy (include country code if outside U.S.):

Telephone (include country code if outside U.S.):

(Special Identification or Social Security Number):

In the event of [a/the Last] Failed Remarketing, Notes which are in book-entry form should be credited to the account at The Depository Trust Company set forth below.

Name of Account Party:

DTC Account Number:

EXHIBIT D

INSTRUCTION TO CUSTODIAL AGENT REGARDING
WITHDRAWAL FROM REMARKETING

The Bank of New York
101 Barclay Street, 8th Floor West
New York, New York 10286

Attention: Corporate Trust Administration

Re: NOTES OF LAZARD GROUP FINANCE LLC

The undersigned hereby notifies you in accordance with Section 4.05(d) of Pledge Agreement dated as of May 10, 2005 (the "Pledge Agreement"), among Lazard Ltd, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent, and The Bank of New York, as Purchase Contract Agent and as attorney-in-fact for the Holders of Normal Units and Stripped Units from time to time, that the undersigned elects to withdraw the $_____ aggregate principal amount of Notes delivered to the Custodial Agent on _____, 2008 for remarketing pursuant to Section 4.05(d) of the Pledge Agreement. The undersigned hereby instructs you to return such Notes to the undersigned in accordance with the undersigned's instructions. With this notice, undersigned hereby agrees to be bound by the terms and conditions 4.5(d) of the Pledge Agreement. Capitalized terms used herein but shall have the meaning set forth in the Pledge Agreement.

Date: _____

Signature: _____

Signature Guarantee: _____

Name: _____
(Please Print)

Address: _____
(Please Print)

Zip Code:

Country:

Telecopy (include country code if outside U.S.):

Telephone (include country code if outside U.S.):

(Tax Identification or Social Security Number):

A. DELIVERY INSTRUCTIONS

In the event of [a/the Last] Failed Remarketing, Notes which are in physical form should be delivered to the person(s) set forth below and mailed to the address set forth below.

Name(s): _____
(Please Print)

Address: _____
(Please Print)

Zip Code:

Country:

Telecopy (include country code if outside U.S.):

Telephone (include country code if outside U.S.):

(Special Identification or Social Security Number):

In the event of [a/the Last] Failed Remarketing, Notes which are in book-entry form should be credited to the account at The Depository Trust Company set forth below.

Name of Account Party:

DTC Account Number:

EXHIBIT 4.6

PLEDGE AGREEMENT

among

LAZARD GROUP FINANCE LLC,

THE BANK OF NEW YORK,

as Collateral Agent, Custodial Agent and Securities Intermediary

and

THE BANK OF NEW YORK,

as Trustee

Dated as of May 10, 2005

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PLEDGE AGREEMENT, dated as of May 10, 2005, among Lazard Group Finance LLC, a Delaware limited liability company (the "Company"), The Bank of New York, not individually but solely as collateral agent (in such capacity, together with its successors in such capacity, the "Collateral Agent"), as custodial agent (in such capacity, together with its successors in such capacity, the "Custodial Agent") and as "securities intermediary" as defined in Section 8-102(a)(14) of the Code (as defined herein) (in such capacity, together with its successors in such capacity, the "Securities Intermediary"), and The Bank of New York, a New York banking corporation, not individually but solely as trustee and as attorney-in-fact of the holder of the senior notes of the Company described herein (in such capacity, together with its successors in such capacity, the "Trustee") under the Notes Indenture (as defined herein).

RECITALS

WHEREAS, Lazard Ltd and the Purchase Contract Agent are parties to the Purchase Contract Agreement dated as of the date hereof (as modified, amended or supplemented, the "Purchase Contract Agreement"), pursuant to which there may be issued Units (such term, and each other capitalized term used in these recitals, having the meaning set forth herein or, if not defined herein, the meaning set forth in the Purchase Contract Agreement) having a Stated Amount of $25 per Unit, all of which will initially be Normal Units.

WHEREAS, each Normal Unit will consist of (a) a Purchase Contract and (b) either (i) a 1/40, or 2.5%, beneficial ownership interest in a Note having a $1,000 principal amount or (ii) following a Special Event Redemption in accordance with the Purchase Contract Agreement and the terms of the Notes, beneficial ownership of the Treasury Consideration.

WHEREAS, pursuant to the terms of the Purchase Contract Agreement and the Purchase Contracts, the Holders, from time to time, of the Units have irrevocably authorized the Purchase Contract Agent, as attorney-in-fact of such Holders, among other things, to execute and deliver the Notes Pledge Agreement on behalf of such Holders and to grant the pledge provided thereby of the Notes, any Treasury Consideration and any Treasury Securities delivered in exchange therefor to secure each Holder's obligations under the related Purchase Contract, as provided therein and subject to the terms thereof.

WHEREAS, the Company as holder of the Senior Notes has irrevocably authorized the Trustee, as its attorney-in-fact, to, among other things, execute and deliver this Agreement on behalf of the Company and to grant the pledge provided hereby of the Senior Notes to secure the Company's obligations under the Notes comprising a part of the Units, as provided herein and subject to the terms hereof.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Collateral Agent, the Securities Intermediary, the Custodial Agent and the Trustee agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) capitalized terms used but not defined herein shall have the meaning set forth in the Purchase Contract Agreement;

(b) the terms defined in this Agreement include the plural as well as the singular, and nouns and pronouns of the masculine gender include the feminine and neuter genders;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States;

(d) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Recital, Article, Section or other subdivision; and

(e) the following terms shall have the following meanings:

"Agent" has the meaning set forth in Section 6.02.

"Agreement" means this agreement as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Code" has the meaning set forth in Section 5.01.

"Collateral" has the meaning set forth in Section 2.01(a).

"Collateral Account" means the securities account (number 210180) maintained at The Bank of New York, in the name of "The Bank of New York, as Trustee on behalf of the holder of certain securities of Lazard Group LLC, Collateral Account subject to the security interest of The Bank of New York, as Collateral Agent, for the benefit of Lazard Group Finance LLC, as pledgee" and any successor account.

"Collateral Agent" has the meaning set forth in the preamble to this Agreement.

"Company" has the meaning set forth in the preamble to this Agreement.

"Custodial Agent" has the meaning set forth in the preamble to this Agreement.

“Intermediary” means any entity that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

“Lazard Group” means Lazard Group LLC, a Delaware limited liability company.

“Lazard Ltd” means Lazard Ltd, an exempted Bermuda limited company.

“Notes” means the 6.120% senior notes of Lazard Group Finance LLC initially due 2035 issued pursuant to the Notes Indenture, including the notes issued pursuant to the First Supplemental Notes Indenture and the restricted notes issued to the Private Purchaser pursuant to the Second Supplemental Notes Indenture.

“Notes Indenture” means the Indenture dated as of May 10, 2005, between the Company and The Bank of New York, as trustee, as supplemented by the First Supplemental Notes Indenture and the Second Supplemental Notes Indenture, each dated as of May 10, 2005.

“Notes Pledge Agreement” means the Pledge Agreement dated as of May 10, 2005, among Lazard Ltd, The Bank of New York, as collateral agent (as defined therein), custodial agent (as defined therein) and securities intermediary (as defined therein) and The Bank of New York, as purchase contract agent.

“Pledge” has the meaning set forth in Section 2.01(c).

“Pledged Senior Notes” has the meaning set forth in Section 2.01(c).

“Private Purchaser” means IXIS — Corporate & Investment Bank, an entity organized under the laws of France.

“Proceeds” means all interest, dividends, cash, instruments, securities, financial assets (as defined in Section 8-102(a)(9) of the Code) and other property from time to time received, receivable or otherwise distributed upon the sale, exchange, collection or disposition of the Collateral or any proceeds thereof.

“Purchase Contract Agreement” has the meaning set forth in the Recitals to this Agreement.

“Securities Intermediary” has the meaning set forth in the preamble to this Agreement.

“Security Entitlement” has the meaning set forth in Section 8-102(a)(17) of the Code.

“Senior Notes” means the 6.120% senior notes of Lazard Group LLC initially due 2035 issued pursuant to the Senior Notes Indenture, as supplemented by the Second Supplemental Senior Notes Indenture.

"Senior Notes Indenture" means the Indenture dated as of May 10, 2005, between Lazard Group LLC and The Bank of New York, as trustee, as supplemented by the Second Supplemental Senior Notes Indenture.

"TRADES Regulations" means the regulations of the United States Department of the Treasury, published at 31 C.F.R. Part 357, as amended from time to time. Unless otherwise defined herein, all terms defined in the TRADES Regulations are used herein as therein defined.

"Transfer" means, with respect to the Collateral and in accordance with the instructions of the Collateral Agent, the Trustee or the Company, as applicable:

(i) in the case of Collateral consisting of certificated securities, delivery as provided in 8-301(a) of the UCC in appropriate physical form to the recipient accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient; and

(ii) in the case of Collateral consisting of security entitlements relating to securities maintained in book-entry form, by causing a "securities intermediary" (as defined in Section 8-102(a)(14) of the Code) to (a) credit such "security entitlement" (as defined in Section 8-102(a)(17) of the Code) to a "securities account" (as defined in Section 8-501(a) of the Code) maintained by or on behalf of the recipient and (b) to issue a confirmation to the recipient with respect to such credit.

In the case of Collateral to be delivered to the Collateral Agent, the securities intermediary shall be the Securities Intermediary and the securities account shall be the Collateral Account. In addition, any Transfer of Treasury Securities and Treasury Consideration hereunder shall be made in accordance with the TRADES Regulations and other applicable law.

"Trustee" has the meaning set forth in the preamble of this Agreement.

ARTICLE II

Pledge; Control and Perfection

SECTION 2.01. The Pledge. (a) The Trustee and the Company, acting through the Trustee, as its attorney-in-fact, hereby pledges and grants to the Collateral Agent, for the benefit of the holders from time to time of the Notes, as collateral security for the payment and performance when due by the Company of its obligations to such holders under the Notes, a security interest in, and right of set-off against, all of the right, title and interest of the Trustee and the Company in:

(i) the Senior Notes;

(ii) the Collateral Account and all securities, financial assets, security entitlements, cash and other property credited thereto and all Security Entitlements related thereto;

(iii) all Proceeds of the foregoing; and

(iv) all powers and rights now owned or hereafter acquired under or with respect to any of the foregoing (all of the foregoing, collectively, the "Collateral").

(b) Prior to or concurrently with the execution and delivery of this Agreement, the Trustee, on behalf of the Company, shall cause the Senior Notes, which will be subject to the Pledge set forth in this Section 2.01, to be Transferred to the Collateral Agent for the benefit of the holders from time to time of the Notes.

(c) The pledge provided in this Section 2.01 is herein referred to as the "Pledge" and the Senior Notes, subject to the Pledge, are hereinafter referred to as "Pledged Senior Notes". Subject to the Pledge and the provisions of Section 2.02 hereof, the Company shall have full beneficial ownership of the Collateral. For purposes of perfecting the Pledge under applicable law, including, to the extent applicable, the TRADES Regulations or the Uniform Commercial Code as adopted and in effect in any applicable jurisdiction, the Collateral Agent shall be the agent of the holders from time to time of the Notes as provided herein. Whenever directed by the Collateral Agent acting on behalf of such holders, the Securities Intermediary shall have the right to reregister in its name the Senior Notes or any other securities held in physical form.

(d) Except as may be required in order to release Senior Notes in connection with a Special Event Redemption, or except as otherwise required to release Senior Notes as specified herein, the Collateral Agent, shall not relinquish physical possession of any certificate evidencing Senior Notes prior to the termination of this Agreement. If it becomes necessary for the Collateral Agent to relinquish physical possession of a certificate in order to release a portion of the Senior Notes evidenced thereby from the Pledge, the Company shall use its commercially reasonable best efforts to arrange for the Securities Intermediary to obtain physical possession of a replacement certificate evidencing any Senior Notes remaining subject to the Pledge hereunder registered to the Securities Intermediary or endorsed in blank (or accompanied by a bond power endorsed in blank) within fifteen calendar days of the date the Securities Intermediary relinquished possession. The Securities Intermediary shall promptly notify the Company and the Collateral Agent of its inability to obtain possession of any such replacement certificate as required hereby.

(e) Notwithstanding anything contained herein to the contrary, for avoidance of doubt, interest payments on the Senior Notes shall not be subject to the Pledge and therefore are not part of the Collateral.

SECTION 2.02. Delivery, Control and Perfection. (a) The Trustee shall immediately deliver to the Collateral Agent all certificates or instruments representing the Collateral accompanied by stock or bond powers duly executed in blank or other instruments of reasonable satisfaction to the Collateral Agent.

(b) Except as provided in Section 4.01, at all times prior to the termination of the Pledge, the Collateral Agent shall have sole control of the Collateral Account, and the Securities Intermediary shall take instructions and directions with respect to the Collateral Account solely from the Collateral Agent. In connection with the Pledge granted in Section 2.01, and subject to the other provisions of this Agreement, the Company acting through the Trustee, as its attorney-in-fact, hereby authorizes and directs the Securities Intermediary (without the necessity of obtaining the further consent of the Trustee or the Company), and the Securities Intermediary agrees, to comply with and follow any instructions and entitlement orders (as defined in Section 8-102(a)(8) of the Code) that the Collateral Agent may deliver pursuant to the terms hereof or upon the written direction of the holders with respect to the Collateral Account, the Collateral credited thereto and any Security Entitlements with respect thereto. Such instructions and entitlement orders may, without limitation, direct the Securities Intermediary to transfer, redeem, assign, or otherwise deliver the Senior Notes, and any Security Entitlements with respect thereto, or sell, liquidate or dispose of such assets through a broker designated by the holders, and to pay and deliver any income, proceeds or other funds derived therefrom to the holders. The Collateral Agent shall be the agent of the holders and shall act only in accordance with the terms hereof or as otherwise directed in writing by the holders. Without limiting the generality of the foregoing, the Collateral Agent shall issue entitlement orders to the Securities Intermediary when and as required by the terms hereof or as otherwise directed in writing by the holders.

(c) The Securities Intermediary hereby confirms and agrees that:

(i) all securities or other property underlying any financial assets credited to the Collateral Account shall be registered in the name of the Securities Intermediary, or its nominee, endorsed to the Securities Intermediary, or its nominee, or in blank or credited to another Collateral Account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Collateral Account be registered in the name of the Trustee, the Collateral Agent, the Company or any holder, payable to the order of, or specially endorsed to, the Trustee, the Collateral Agent, the Company or any holder except to the extent the foregoing have been specially endorsed to the Securities Intermediary or in blank;

(ii) all property delivered to the Securities Intermediary pursuant to this Agreement (including, without limitation, any Senior Notes) will be promptly credited to the Collateral Account;

(iii) the Collateral Account is an account to which financial assets are or may be credited, and the Securities Intermediary shall, subject to the terms of this Agreement, treat the Trustee as entitled to exercise the rights of any financial asset credited to the Collateral Account;

(iv) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with any other Person relating to the Collateral Account or any financial assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the Code) of such other Person; and

(v) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with any holder, the Collateral Agent or the Trustee purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in this Section 2.02 hereof.

(d) The Securities Intermediary hereby agrees that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Collateral Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the Code.

(e) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement, as may be amended pursuant to Article IX hereof, shall prevail.

(f) The Trustee hereby irrevocably constitutes and appoints the Collateral Agent and the holders, with full power of substitution, as the Trustee's attorney-in-fact to take on behalf of, and in the name, place and stead of the Trustee and the Company, any action necessary or desirable to perfect and to keep perfected the security interest in the Collateral referred to in Section 2.01. The grant of such power-of-attorney shall not be deemed to require of the Collateral Agent any specific duties or obligations not otherwise assumed by the Collateral Agent hereunder. Notwithstanding the foregoing, in no event shall the Collateral Agent, the Custodial Agent, the Securities Intermediary or the Trustee be responsible for the preparation or filing of any financing or continuation statements in the appropriate jurisdictions or responsible for maintenance or perfection of any security interest hereunder.

(g) The Trustee shall file with the United States Internal Revenue Service (and deliver to the Company) Forms 1099 (or successor or comparable forms), to the extent required by law, with respect to payments to the Company.

ARTICLE III

Payments on Collateral

SECTION 3.01. Payments. So long as the Company or the Trustee is the registered owner of the Pledged Senior Notes, the Trustee shall receive all payments thereon. If the Pledged Senior Notes are reregistered such that the Collateral Agent becomes the registered holder, all payments of the principal of, or interest or other amounts on the Pledged Senior Notes that are properly payable hereunder shall be paid by the Collateral Agent by wire transfer in same day funds, in the case of (A) any interest payments with respect to the Pledged Senior Notes and (B) any payments with respect to any Senior Notes that have been released from the Pledge pursuant to Section 4.01 hereof, to the Trustee, for the benefit of the Company, to the account designated by the Trustee for such purpose no later than 11:00 a.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment or payment instructions are received by the Collateral Agent on a day that is not a Business Day or after 10:30 a.m., New York City time, on a Business Day, then such

payment shall be made no later than 9:30 a.m., New York City time, on the next succeeding Business Day);

SECTION 3.02. Application of Payments. All payments received by the Trustee as provided herein shall be applied by the Trustee pursuant to the provisions of the Notes Indenture. If, notwithstanding the foregoing, the Trustee shall receive any payments of principal on account of any Senior Notes, that, at the time of such payments, are Pledged Senior Notes, the Trustee or the Company shall hold the same as trustee of an express trust for the benefit of the holders (and promptly deliver the same over to the holders) for application to the obligations of the Company under the Notes comprising a part of the Purchase Contracts, and the Company shall acquire no right, title or interest in any such payments of principal so received, except as provided herein.

ARTICLE IV

Voting Rights — Senior Notes

SECTION 4.01. Exercise by Trustee. The Trustee may exercise, or refrain from exercising, any and all voting and other consensual rights pertaining to the Pledged Senior Notes, subject to the terms and conditions set forth in the Senior Notes Indenture.

ARTICLE V

Rights and Remedies; Special Event Redemption; Lazard Group Merger

SECTION 5.01. Rights and Remedies of the Collateral Agent. (a) In addition to the rights and remedies available at law or in equity, after an event of default under any of the Senior Notes by the Company, the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (or any successor thereto) as in effect in the State of New York from time to time (the "Code") (whether or not the Code is in effect in the jurisdiction where the rights and remedies are asserted) and the TRADES Regulations and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted. Wherever reference is made in this Agreement to any section of the Code, such reference shall be deemed to include a reference to any provision of the Code which is a successor to, or amendment of, such section. Without limiting the generality of the foregoing, such remedies may include, to the extent permitted by applicable law, at the direction of the Trustee (i) retention of the Pledged Senior Notes or other Collateral in full satisfaction of the Company's obligations under the Notes comprising a part of the Units or (ii) sale of the Pledged Senior Notes or other Collateral in one or more public or private sales or otherwise at the written direction of the Trustee.

(b) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, the Collateral Agent is hereby irrevocably authorized to receive and collect

all payments of the principal amount of, or interest on the Pledged Senior Notes, subject to the provisions of Article III.

(c) The Trustee, as attorney-in-fact for the Company, agrees that, from time to time, upon the written request of the holders or the Collateral Agent (acting upon the written request of the Holders), the Trustee or the Company shall execute and deliver such further documents and do such other acts and things as may be necessary, including as the Company or the Collateral Agent (acting upon the written request of the Company) may reasonably request in order to maintain the Pledge, and the perfection and priority thereof, and to confirm the rights of the Collateral Agent hereunder. The Trustee shall have no liability to the Company for executing any documents or taking any such acts requested by the holders or the Collateral Agent (acting upon the written request of the holders) hereunder, except for liability for its own grossly negligent act, its own grossly negligent failure to act, its own bad faith or its own willful misconduct.

SECTION 5.02. Special Event Redemption. Upon the occurrence of a Special Event Redemption and the satisfaction of all terms and conditions related thereto as set forth in the Notes Indenture and the Senior Notes Indenture, including receipt of the Redemption Price, the Collateral Agent shall be authorized to surrender the Senior Notes in accordance with the provisions of the Senior Notes Indenture.

SECTION 5.03. Lazard Group Merger. Upon the occurrence of a Lazard Group Merger and the satisfaction of all terms and conditions related thereto as set forth in the Notes Indenture and the Senior Notes Indenture, the Collateral Agent shall be authorized to release the Senior Notes in accordance with the provisions of the Notes Indenture and the Senior Notes Indenture. Any such Senior Notes that would replace the Notes constituting part of a Normal Unit shall be transferred to the person acting as collateral agent with respect to the Normal Units.

ARTICLE VI

Representations and Warranties; Covenants

SECTION 6.01. Representations and Warranties of the Company. The Company, acting through the Trustee as its attorney-in-fact (it being understood that the Trustee shall not be liable for any representation or warranty made by or on behalf of the Company), hereby represents and warrants to the Collateral Agent, which representations and warranties shall be deemed repeated on each day the Company Transfers Collateral that:

(a) such Company has the power to grant a security interest in and lien on the Collateral;

(b) the Company is the sole beneficial owner of the Collateral and, in the case of Collateral delivered in physical form, is the sole holder of such Collateral and is the sole beneficial owner of, or has the right to Transfer, the Collateral it Transfers to the Collateral Agent, free and clear of any security interest, lien, encumbrance, call, liability

to pay money or other restriction other than the security interest and lien granted under Section 2.01;

(c) upon the Transfer of the Collateral to the Collateral Account, the Collateral Agent, for the benefit of the holders from time to time of the Notes, will have a valid and perfected first priority security interest therein (assuming that any central clearing operation or any Intermediary or other entity not within the control of the Company involved in the Transfer of the Collateral, including the Collateral Agent, gives the notices and takes the action required of it hereunder and under applicable law for perfection of that interest and assuming the establishment and exercise of control pursuant to Section 2.02); and

(d) the execution and performance by the Company of its obligations under this Agreement will not result in the creation of any security interest, lien or other encumbrance on the Collateral other than the security interest and lien granted under Section 2.01 or violate any provision of any existing law or regulation applicable to it or of any mortgage, charge, pledge, indenture, contract or undertaking to which it is a party or which is binding on it or any of its assets.

SECTION 6.02. Representations and Warranties of the Collateral Agent, Custodial Agent and Securities Intermediary. Each of the Collateral Agent, Custodial Agent and Securities Intermediary (each an "Agent") hereby represents and warrants:

(a) such Agent is a New York banking corporation;

(b) the Securities Intermediary is a "securities intermediary" as defined in Article 8-102(a)(14) of the Code and the Collateral Account is a "securities account" as such term is defined in Section 8-501(a) of the Code;

(c) the execution, delivery and performance by such Agent of this Agreement has been duly authorized by all necessary corporate action on the part of such Agent; this Agreement has been duly executed and delivered by such Agent and constitutes a valid and legally binding obligation of such Agent, enforceable against such Agent in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(d) the execution, delivery and performance by such Agent of this Agreement does not violate or constitute a breach of the charter by-laws of such Agent; and

(e) no consent of any federal or state banking authority having regulatory authority over such Agent in its individual capacity is required for the execution and delivery of, or performance by its Agent of its respective obligations under, this Agreement.

SECTION 6.03. Covenants. The Company, acting through the Trustee as their attorney-in-fact (it being understood that the Trustee shall not be liable for any covenant made by

or on behalf of the Company), hereby covenant to the Collateral Agent that for so long as the Collateral remains subject to the Pledge:

(a) neither the Trustee nor the Company will create or purport to create or allow to subsist any mortgage, charge, lien, pledge or any other security interest whatsoever over the Collateral or any part of it other than pursuant to this Agreement; and

(b) neither the Trustee nor Company will sell or otherwise dispose (or attempt to dispose) of the Collateral or any part of it except for the beneficial interest therein, subject to the pledge hereunder, transferred in connection with the Transfer of the Units.

ARTICLE VII

The Agents

SECTION 7.01. Appointment, Powers and Immunities. (a) Each Agent shall act as agent for the Company hereunder with such powers as are specifically vested in such Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Each Agent:

(i) shall have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants or obligations shall be inferred from this Agreement against any of them, nor shall any of them be bound by the provisions of any agreement by any party hereto beyond the specific terms hereof;

(ii) shall not be responsible for any recitals contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by it under, this Agreement, the Senior Notes or the Senior Notes Indenture, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement (other than as against such Agent), the Senior Notes or the Senior Notes Indenture or any other document referred to or provided for herein or therein or for any failure by the Company or any other Person (except such Agent) to perform any of its obligations hereunder or thereunder or, except as expressly required hereby, for the existence, validity, perfection, priority or maintenance of any security interest created hereunder;

(iii) shall not be required to initiate or conduct any litigation or collection proceedings hereunder (except in the case of the Collateral Agent, pursuant to written directions furnished under Section 7.02 hereof, subject to Section 7.06 hereof);

(iv) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith or therewith, except for its own gross negligence, bad faith or willful misconduct;

(v) shall not be required to advise any party as to selling or retaining, or taking or refraining from taking any action with respect to, the Units or other property deposited hereunder;

(vi) may perform any of their duties hereunder directly or by or through agents or attorneys appointed with due care;

(vii) shall be entitled to consult with counsel of its selection and to act in full reliance upon the advice of such counsel concerning matters pertaining to the agencies created hereby and its duties hereunder, and shall not be liable for any action taken or omitted to be taken by it in good faith and in reliance upon and in accordance with the reasonable advice of counsel selected by it;

(viii) shall not be liable with respect to any action taken by it in good faith in accordance with any direction of the Company or its agents except for its own gross negligence or willful misconduct; and

(ix) shall not be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, government action, including any laws, ordinances, regulations, governmental action or the like which delay, restrict or prohibit the providing of services contemplated by this Agreement.

Subject to the foregoing, during the term of this Agreement, each Agent, in connection with the safekeeping and preservation of the Collateral hereunder, shall use the same standard of care it applies for similar property held for its own account.

(b) No provision of this Agreement shall require any Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. In no event shall any Agent be liable for any amount in excess of the value of the Collateral. Notwithstanding the foregoing, each Agent in its individual capacity, hereby waive any right of set-off, banker's lien, liens or perfection rights as securities intermediary or any counterclaim with respect to any of the Collateral.

(c) No Agent shall have any liability whatsoever for the action or inaction of any Clearing Agency or any book-entry system thereof. In no event shall any Clearing Agency or any book-entry system thereof be deemed an agent or subcustodian of any Agent.

SECTION 7.02. Instructions of the Company. The Company shall have the right, by one or more instruments in writing executed and delivered to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, to direct the time, method and place of conducting any proceeding for the realization of any right or remedy available to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or of exercising any power conferred on the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or to direct the taking or refraining from taking of any action authorized by this Agreement; provided that (i) such direction shall be in writing and shall not conflict with the provisions of any law or of this Agreement and (ii) the applicable Agent shall

receive indemnity reasonably satisfactory to it as provided herein. Nothing in this Section 7.02 shall impair the right of each Agent in its discretion to take any action or omit to take any action which it deems proper and which is not inconsistent with such direction.

SECTION 7.03. Reliance. Each Agent, in absence of bad faith, shall be entitled conclusively to rely upon any certification, order, judgment, instructions, opinion, notice or other communication (including, without limitation, any thereof by telephone or facsimile) reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons (without being required to determine the correctness of any fact stated therein), and upon advice and written statements of legal counsel and other experts selected by such Agent. As to any matters not expressly provided for by this Agreement, each Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with written instructions given by the Company in accordance with this Agreement.

SECTION 7.04. Rights in Other Capacities. Each Agent and its affiliates may (without having to account therefor to the Company) accept deposits from, lend money to, make their investments in and generally engage in any kind of banking, trust or other business with the Trustee and any holder of Notes (and any of their respective subsidiaries or affiliates) as if it were not acting as such Agent, and each Agent and its affiliates may accept fees and other consideration from the Trustee or any holder of Notes without having to account for the same to the Company; provided that each Agent covenants and agrees with the Company that it shall not accept, receive or permit there to be created in favor of itself (and waives any right of set-off or banker's lien with respect to) and shall take no affirmative action to permit there to be created in favor of any other Person, any security interest, lien or other encumbrance of any kind in or upon the Collateral and the Collateral shall not be commingled with any other assets of any such Person.

SECTION 7.05. Non-reliance on Collateral Agent. None of the Agents shall be required to keep itself informed as to the performance or observance by the Trustee or any holder of Notes of this Agreement, the Purchase Contract Agreement, the Units or any other document referred to or provided for herein or therein or to inspect the properties or books of the Trustee or any holder of Notes. None of the Agents shall have any duty or responsibility to provide the Company or the Remarketing Agent with any credit or other information concerning the affairs, financial condition or business of the Trustee or any holder of Notes (or any of their respective subsidiaries or affiliates) that may come into its possession or any of its affiliates.

SECTION 7.06. Compensation and Indemnity. The Company agrees:

(a) to pay each Agent from time to time such compensation as shall be agreed in writing between the Company and such Agent for all services rendered by it hereunder; and

(b) to indemnify the Collateral Agent, the Custodial Agent and the Securities Intermediary and their officers, directors and agents for, and to hold each of them harmless from and against, any loss, liability or reasonable out-of-pocket expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its powers and duties under this

Agreement, including the reasonable out-of-pocket costs and expenses (including reasonable fees and expenses of one counsel) of defending itself against any claim or liability in connection with the exercise or performance of such powers and duties or collecting such amounts. Each Agent shall promptly notify the Company of any third party claim which may give rise to the indemnity hereunder and give the Company the opportunity to control the defense of such claim with counsel reasonably satisfactory to the indemnified party, provided no conflict of interest exists (if such a conflict of interests exists, the Collateral Agent, the Custodial Agent and the Securities Intermediary collectively will be entitled to one separate counsel payable by the Company), and if the Company so elects to assume such defense, the Company shall in good faith defend the Collateral Agent, the Custodial Agent or the Securities Intermediary (in which case all attorney's fees and expenses shall be borne by the Company). No compromise or settlement of any claims may be effected by any party without the other parties' consent (which consent shall not be unreasonably withheld) unless (i) there is no finding or omission of any violation of law and no effect on any other claims that may be made against any of such other parties and (ii) the sole relief provided is monetary damages that are paid in full by the party seeking the compromise or settlement. The provisions of this Section 7.06(b) shall survive the termination of this Agreement or the resignation or removal of any of the Agents.

SECTION 7.07. Failure To Act. In the event of any ambiguity in the provisions of this Agreement or any dispute between or conflicting claims by or among the parties hereto or any other Person with respect to any funds or property deposited hereunder, each Agent shall be entitled, after prompt notice to the Company and the Trustee, at its sole option, to refuse to comply with any and all claims, demands or instructions with respect to such property or funds so long as such dispute or conflict shall continue, and no Agent shall be or become liable in any way to any of the parties hereto for its failure or refusal to comply with such conflicting claims, demands or instructions. Each Agent shall be entitled to refuse to act until either (i) such conflicting or adverse claims or demands shall have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting parties as evidenced in a writing, reasonably satisfactory to such Agent, or (ii) such Agent shall have received security or an indemnity reasonably satisfactory to it sufficient to save such Agent harmless from and against any and all loss, liability or reasonable out-of-pocket expense which such Agent may incur by reason of its acting without bad faith, willful misconduct or negligence. Each Agent may, but shall not be required, in addition elect to commence an interpleader action or seek other judicial relief or orders at the expense of the Company as such Agent may deem necessary. Notwithstanding anything contained herein to the contrary, no Agent shall be required to take any action that is in the reasonable opinion of its counsel contrary to law or to the terms of this Agreement, or which would in its reasonable opinion subject it or any of its officers, employees or directors to liability.

SECTION 7.08. Resignation; Replacement of Collateral Agent, Custodial Agent or Securities Intermediary. Subject to the appointment and acceptance of a successor Agent, as provided below, (a) any Agent may resign at any time by giving notice thereof to the Company and the Trustee as attorney-in-fact for the holders of Notes, (b) any Agent may be removed at any time by the Company (with or without cause) by notice to the Trustee and the Collateral Agent, the Custodial Agent and the Securities Intermediary and (c) if any Agent fails to perform

any of its material obligations hereunder in any material respect for a period of not less than 20 days after receiving written notice of such failure by the Trustee and such failure shall be continuing, such Agent may be removed by the Trustee (including with respect to other Agent responsibilities). The Trustee shall promptly notify the Company of any removal of an Agent pursuant to clause (c) of the immediately preceding sentence. Upon notice of any such resignation or removal, the Company shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed and shall have accepted such appointment within 30 days after any notice of such resignation or such removal, then the retiring Agent may at the Company's expense petition any court of competent jurisdiction for the appointment of a successor Agent. Upon removal of an Agent, no fees paid to the retiring Agent pursuant to Section 7.06(a) of this Agreement shall be refunded. Each successor Agent shall be a financial institution which has an office or agency in New York, New York with a combined capital and surplus of at least $50,000,000 or any affiliate of a financial institution having such capital and surplus. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent, upon payment of any of its unpaid fees and expenses, shall take all appropriate action to transfer any money and property held by it hereunder (including the Collateral) to such successor. The retiring Agent shall, upon such succession, be discharged from its duties and obligations as such Agent hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 7.08 and Section 7.06 hereof, shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as such Agent. Any resignation or removal of the Collateral Agent hereunder shall be deemed for all purposes of this Agreement as the simultaneous resignation or removal of the Custodial Agent and the Securities Intermediary hereunder.

So long as it meets the requirements of this Section 7.08, any corporation into which the Collateral Agent, the Custodial Agent or the Securities Intermediary, in its individual capacity, may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Collateral Agent in its individual capacity shall be a party, or any corporation to which substantially all the corporate trust business of the Collateral Agent in its individual capacity may be transferred, shall be the Collateral Agent, the Custodial Agent, or the Securities Intermediary, as the case may be, respectively, under this Agreement without further act.

SECTION 7.09. Right To Appoint Agent or Advisor. The Collateral Agent shall have the right to appoint agents or advisors in connection with any of its duties hereunder, and the Collateral Agent shall not be liable for any action taken or omitted by, or in reliance upon the advice of, such agents or advisors reasonably selected in good faith. The appointment of agents (other than legal counsel) pursuant to this Section 7.09 shall be subject to prior written consent of the Company, which consent shall not be unreasonably withheld or delayed.

SECTION 7.10. Survival. The provisions of this Article VII shall survive termination of this Agreement and the resignation or removal of the Collateral Agent, the Custodial Agent or the Securities Intermediary.

SECTION 7.11. Exculpation. Anything in this Agreement to the contrary notwithstanding, in no event shall any of the Agents or their respective officers, employees or agents be liable under this Agreement to any third party for indirect, special, punitive or consequential loss or damage of any kind whatsoever, including lost profits or loss of business, relating to, arising from or in connection with this Agreement, whether or not the likelihood of such loss or damage was known to such Agent, incurred without any act or deed that is found to be attributable to negligence, bad faith or willful misconduct on the part of such Agent.

ARTICLE VIII

Amendment

SECTION 8.01. Amendment Without Consent of the Holders. Without the consent of the Holders, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Trustee, at any time and from time to time, may amend this Agreement, in form satisfactory to the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Trustee, for any of the following purposes:

(i) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company to the extent permitted by the Notes Indenture; or

(ii) to add covenants of the Company, or to surrender any right or power herein conferred upon the Company so long as such covenants or such surrender do not adversely affect the validity, perfection or priority of the security interests granted or created hereunder; or

(iii) to evidence and provide for the acceptance of appointment hereunder by a successor Collateral Agent, Custodial Agent, Securities Intermediary or Trustee; or

(iv) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other such provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders.

SECTION 8.02. Amendment with Consent of the Holders. With the consent of the majority of the Holders, the Trustee or the Collateral Agent, as the case may be, the Company, the Trustee, the Collateral Agent, the Custodial Agent and the Securities Intermediary may amend this Agreement for the purpose of modifying in any manner the provisions of this Agreement or the rights of the Company in respect of the Senior Notes, provided that the approval of each Holder shall be required to change the amount or type of Collateral, impair the right of the Trustee on behalf of the Holders, to receive distributions on the underlying Collateral or otherwise adversely affect the Trustee’s rights in or to such Collateral.

It shall not be necessary under this Section for the Holders to approve the particular form of any proposed amendment, but it shall be sufficient if such action approves the substance thereof.

SECTION 8.03. Execution of Amendments. In executing any amendment permitted by this Article VIII, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Trustee shall be entitled to receive and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and that all conditions precedent, if any, to the execution and delivery of such amendment have been satisfied and, in the case of an amendment pursuant to Section 8.01, that such amendment does not adversely affect the validity, perfection or priority of the security interests granted or created hereunder.

SECTION 8.04. Effect of Amendments. Upon the execution of any amendment under this Article VIII, this Agreement shall be modified in accordance therewith, and such amendment shall form a part of this Agreement for all purposes.

SECTION 8.05. Reference to Amendments. Certificates authenticated, executed on behalf of the Company and delivered after the execution of any amendment pursuant to this Article VIII may, and shall if required by the Collateral Agent or the Trustee, bear a notation in form approved by the Trustee and the Collateral Agent as to any matter provided for in such amendment.

ARTICLE IX

Miscellaneous

SECTION 9.01. No Waiver. No failure on the part of any party hereto or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by any party hereto or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

SECTION 9.02. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. Without limiting the foregoing, the above choice of law is expressly agreed to by the Securities Intermediary, the Collateral Agent, the Custodial Agent and the company acting through the Trustee, as its attorney-in-fact, in connection with the establishment and maintenance of the Collateral Account, which law, for purposes of the Code, shall be deemed to be the law governing all Security Entitlements related thereto. In addition, such parties agree that, for purposes of the Code, New York shall be the Securities Intermediary's jurisdiction. The Company, the Collateral Agent and the Holders from time to time of the Units, acting through the Purchase Contract Agent as their attorney-in-fact, hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any

New York state court sitting in the Borough of Manhattan in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Company, the Collateral Agent and the Holders from time to time of the Units, acting through the Purchase Contract Agent as their attorney-in-fact, irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 9.03. Judgment Currency. The Company agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Purchase Contract Agent could purchase in The City of New York the requisite amount of the Required Currency with the Judgment Currency on the New York Banking Day preceding the day on which a final unappealable judgment is given and (b) its obligations under this Agreement to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with clause (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Agreement. For purpose of the foregoing, "New York Banking Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to be closed.

SECTION 9.04. Notices. Unless otherwise stated herein, all notices, requests, instructions, consents and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) and, if sent to the Company, will be mailed, delivered or telecopied to Lazard Group Finance LLC, 30 Rockefeller Plaza, New York, New York, 10020, Attention: General Counsel, telecopy: (212-) 335-5972; or if sent to the Purchase Contract Agent as attorney-in-fact of the Holders from time to time of the Units, will be mailed, delivered or telefaxed to The Bank of New York, 101 Barclay Street, Floor 8 West, New York, New York 10286, Attention: Corporate Trust Administration (fax no.: (212) 815-5707); or if sent to the Collateral Agent, Custodial Agent and Securities Intermediary, will be mailed, delivered or telefaxed to The Bank of New York, 101 Barclay Street, Floor 8 West, New York, New York 10286, Attention: Corporate Trust Administration (fax no.: (212) 815-5707), or as to any party, at such other address as shall be designated by such party in a notice to the other parties. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when personally delivered or, in the case of a mailed notice or notice transmitted by telecopier, upon receipt, in each case given or addressed as aforesaid.

SECTION 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Trustee, and the Company as holder of the Senior Notes, by its acceptance of the same, shall be deemed to have agreed to be bound by the provisions hereof and to have ratified the agreements of, and the grant of the Pledge hereunder by, the Trustee.

SECTION 9.06. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

SECTION 9.07. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 9.08. Expenses, etc. The Company agrees to reimburse the Collateral Agent, the Securities Intermediary and the Custodial Agent for:

(a) all reasonable out-of-pocket costs and all reasonable expenses of the Collateral Agent, the Custodial Agent and the Securities Intermediary (including, without limitation, the reasonable fees and expenses of one counsel to the Collateral Agent, the Custodial Agent and the Securities Intermediary), in connection with (i) the negotiation, preparation, execution and delivery or performance of this Agreement and (ii) any modification, supplement or waiver of any of the terms of this Agreement;

(b) all reasonable costs and expenses of the Collateral Agent, the Custodial Agent and the Securities Intermediary (including, without limitation, reasonable fees and expenses of one counsel) in connection with (i) any enforcement or proceedings resulting or incurred in connection with causing any Holder of Units to satisfy its obligations under the Purchase Contracts forming a part of the Units and (ii) the enforcement of this Section 9.08; and

(c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any other document referred to herein and all costs, expenses, taxes, assessments and other charges, if any, incurred in connection with any filing, registration, recording or perfection of any security interest to the extent contemplated hereby.

SECTION 9.09. Security Interest Absolute. All rights of the Collateral Agent and security interests hereunder, and all obligations of the Holders from time to time hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any provision of the Purchase Contracts or the Units or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or any other term of, or any increase in the amount of, all or any of the obligations of Holders of Units under the related Purchase Contracts, or any other amendment or waiver of any term of, or any consent to any departure from any requirement of, the Purchase Contract Agreement or any Purchase Contract or any other agreement or instrument relating thereto; or

(c) any other circumstance which might otherwise constitute a defense available to, or discharge of, a borrower, a guarantor or a pledgor.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 9.11. Incorporation by Reference. Each of the Company, the Collateral Agent and the Securities Intermediary agrees that the Trustee is, in acting hereunder with respect to the Company, entitled to all rights, privileges, benefits, protections, immunities and indemnities provided to it under the Notes Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

LAZARD GROUP FINANCE LLC,

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director and Vice President

THE BANK OF NEW YORK,
as Trustee and as attorney-in-fact of the Company,

By /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

THE BANK OF NEW YORK,
as Collateral Agent, Custodial Agent and Securities Intermediary,

By /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

EXHIBIT 10.1

STOCKHOLDERS' AGREEMENT

This STOCKHOLDERS' AGREEMENT (including Appendix A hereto, as such Appendix A may be amended from time to time pursuant to the provisions hereof, this "Agreement"), is made and entered into as of May 10, 2005, by and among LAZ-MD Holdings LLC, a Delaware limited liability corporation ("LAZ-MD"), the individuals listed on the signature page hereto, and, solely for the purposes of Articles I, II, IV and V hereto, Lazard Ltd, an exempted Bermuda limited company ("Lazard Ltd").

W I T N E S S E T H:

WHEREAS, the Covered Persons (as defined below) are beneficial owners of Class II Interests (as defined below) of LAZ-MD; and

WHEREAS, LAZ-MD holds the outstanding share of Class B Common Stock, par value $0.01 per share, of Lazard Ltd ("Class B Common Stock"); and

WHEREAS, LAZ-MD and Lazard Ltd are parties to that certain Master Separation Agreement (the "Master Separation Agreement"), dated as of the date hereof, with Lazard Group (as defined below) and LFCM Holdings LLC, a Delaware limited liability company, pursuant to which, *inter alia*, the parties thereto have agreed to the exchange of Class II Interests effectively for Class A Common Stock, par value $0.01 per share, of Lazard Ltd (the "Common Stock"); and

WHEREAS, the Covered Persons desire to set forth herein agreements with respect to the voting of the Class B Common Stock and various other matters; and

WHEREAS, Lazard Ltd desires to provide the Covered Persons with registration rights with respect to shares of Common Stock underlying their Class II Interests.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, covenants and provisions herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND OTHER MATTERS

Section 1.1 Definitions. Capitalized terms used in this Agreement without other definition shall, unless expressly stated otherwise, have the meanings specified in this Section 1.1:

(a) "Agreement" has the meaning ascribed to such term in the Recitals.

(b) A "beneficial owner" of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares: (i) voting power, which includes the

power to vote, or to direct the voting of, such security and/or (ii) investment power, which includes the power to dispose, or to direct the disposition of, such security, but for purposes of this Agreement a person shall not be deemed a beneficial owner of (A) Covered Interests solely by virtue of the application of Exchange Act Rule 13d-3(d) or Exchange Act Rule 13d-5 as in effect on the date hereof, (B) Covered Interests solely by virtue of the possession of the legal right to vote securities under applicable state or other law (such as by proxy or power of attorney), or (C) Covered Interests held of record by a "private foundation" subject to the requirements of Section 509 of the Code. "Beneficially own" and "beneficial ownership" shall have correlative meanings.

(c) "Board" means the Board of Directors of LAZ-MD.

(d) "Board Review" has the meaning set forth in Section 5.4(b).

(e) "Class B Common Stock" has the meaning ascribed to such term in the Recitals.

(f) "Class II Interest" means, with respect to any Covered Person, such Covered Person's "Class II Interest" as defined in the Operating Agreement.

(g) "Common Stock" has the meaning ascribed to such term in the Recitals.

(h) "Continuing Provisions" has the meaning ascribed to such term in Section 5.1(b).

(i) "Covered Interest" means, with respect to a Covered Person, such Covered Person's Class II Interest or Lazard Group Common Interest, as the case may be.

(j) "Covered Persons" means those persons from time to time who are listed on Appendix A hereto and who have become parties to this Agreement, in each case in accordance with the terms hereof.

(k) "Damages" has the meaning set forth in Section 4.6.

(l) "Delaware Arbitration Act" has the meaning set forth in Section 5.4(d).

(m) "Demand Notice" has the meaning set forth in Section 4.2(a).

(n) "Demand Registration" has the meaning set forth in Section 4.2(a).

(o) "Demand Requesting Covered Persons" has the meaning set forth in Section 4.2(a).

(p) "Disputes" has the meaning set forth in Section 5.4(b).

(q) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, and as each of the foregoing may be further amended from time to time.

(r) "Filing" has the meaning set forth in Section 3.5.

(s) "Governmental Authority" means any national, local or foreign (including U.S. federal, state or local) or supranational (including European Union) governmental, judicial, administrative or regulatory (including self-regulatory) agency, commission, department, board, bureau, entity or authority of competent jurisdiction.

(t) "ICC" has the meaning set forth in Section 5.4(b).

(u) "ICC Rules" has the meaning set forth in Section 5.4(b).

(v) "Indemnified Party" has the meaning set forth in Section 4.8.

(w) "Indemnifying Party" has the meaning set forth in Section 4.8.

(x) "IPO Date" means the closing date of the initial public offering of the Common Stock, which occurred on the date hereof.

(y) "LAZ-MD" has the meaning ascribed to such term in the Recitals.

(z) "Lazard Ltd" has the meaning ascribed to such term in the Recitals.

(aa) "Lazard Group" means Lazard Group LLC, a Delaware limited liability company.

(bb) "Lazard Group Common Interest" means, with respect to any Covered Person, such Covered Person's "Common Interest" as defined in the Lazard Group Operating Agreement.

(cc) "Lazard Group Operating Agreement" means the Operating Agreement of Lazard Group LLC, as amended and restated as of the date hereof, as it may be amended from time to time.

(dd) "LFCM" means LFCM Holdings LLC, a Delaware limited liability company.

(ee) "LFCM Operating Agreement" means the Operating Agreement of LFCM Holdings LLC, as of the date hereof, as it may be amended from time to time.

(ff) "Master Separation Agreement" has the meaning ascribed to such term in the Recitals.

(gg) "Minimum Demand Number" means, as of any particular date, that number of shares of Common Stock equal to the quotient obtained by dividing (i) $50,000,000 by (ii) the Stock Price as of such date; provided, however, that on and after the six months following the nine-year anniversary of the IPO Date, "$50,000,000" in this definition shall be replaced with "$20,000,000".

(hh) "Minimum Share Number" means that number of shares of Common Stock equal to the quotient obtained by dividing (i) $50,000,000 by (ii) the Stock Price as of the applicable anniversary of the IPO Date.

(ii) "Operating Agreement" means the Operating Agreement of LAZ-MD Holdings LLC, as amended and restated as of the date hereof, as it may be amended from time to time.

(jj) "Periodic Filing Date" means the date of the first to occur following the applicable anniversary of the IPO Date of the filing of the Form 10-K or Form 10-Q of Lazard Ltd with the SEC under the Exchange Act.

(kk) "Permitted Transfer" has the meaning set forth in Section 5.1©.

(ll) "Piggyback Registration" has the meaning set forth in Section 4.3(a).

(mm) "Preliminary Vote" has the meaning set forth in Section 3.1.

(nn) "Public Offering" means an underwritten public offering pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Forms S-4 or S-8 or any similar or successor form.

(oo) "Registration Expenses" means any and all expenses incident to the performance of or compliance with any registration or marketing of securities, including all (i) registration and filing fees, and all other fees and expenses payable in connection with the listing of securities on any securities exchange or automated interdealer quotation system, (ii) fees and expenses of

compliance with any securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the securities registered), (iii) expenses in connection with the preparation, printing, mailing and delivery of any registration statements, prospectuses and other documents in connection therewith and any amendments or supplements thereto, (iv) security engraving and printing expenses, (v) internal expenses of Lazard Ltd (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (vi) reasonable fees and disbursements of counsel for Lazard Ltd and customary fees and expenses for independent certified public accountants retained by Lazard Ltd (including the expenses relating to any comfort letters or costs associated with the delivery by independent certified public accountants of any comfort letters requested pursuant to Section 4.5(h)), (vii) reasonable fees and expenses of any special experts retained by Lazard Ltd in connection with such registration, (viii) reasonable fees, out-of-pocket costs and expenses of the Covered Persons, including one counsel for all of the Covered Persons participating in the offering selected by the Covered Persons holding the majority of the Registrable Securities to be sold for the account of all Covered Persons in the offering, (ix) fees and expenses in connection with any review by the NASD of the underwriting arrangements or other terms of the offering, and all fees and expenses of any "qualified independent underwriter," including the fees and expenses of any counsel thereto, (x) fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding any underwriting fees, discounts and commissions attributable to the sale of Registrable Securities, (xi) costs of printing and producing any agreements among underwriters, underwriting agreements, any "blue sky" or legal investment memoranda and any selling agreements and other documents in connection with the offering, sale or delivery of the Registrable Securities, (xii) transfer agents' and registrars' fees and expenses and the fees and expenses of any other agent or trustee appointed in connection with such offering, (xiii) expenses relating to any analyst or investor presentations or any "road shows" undertaken in connection with the registration, marketing or selling of the Registrable Securities, (xiv) fees and expenses payable in connection with any ratings of the Registrable Securities, including expenses relating to any presentations to rating agencies and (xv) all out-of-pocket costs and expenses incurred by Lazard Ltd or its appropriate officers in connection with their compliance with Section 4.5(l).

(pp) "Registrable Securities" means all shares of Common Stock (and any securities issued or issuable in respect of such Common Stock by way of conversion, exchange, stock dividend, split or combination, recapitalization, merger, amalgamation, consolidation, other reorganization or otherwise) that are received by Covered Persons in exchange for (1) Class II Interests of Covered Persons or (2) Lazard Group Common Interests of Covered Persons that are received in exchange for such Covered Persons' Class II Interests, in each case, pursuant to Section 7.04 of the Operating Agreement ("Covered Shares") and that may be deemed "restricted securities" as defined in Rule 144(a)(3) under the Securities Act; provided, that Covered Shares that are

eligible for sale under Rule 144(k) of the Securities Act shall cease to be Registrable Securities; provided, however, that in the event that a Covered Person beneficially owns Covered Shares that, in the aggregate, total a number of shares of Common Stock equal to or greater than the quotient obtained by dividing (x) $25,000,000 by (y) the Stock Price as of five Business Days prior to the expected effectiveness of the applicable registration statement, any such Covered Shares that would have ceased to be Registrable Securities pursuant to the immediately foregoing proviso shall continue to be Registrable Securities so long as such Covered Person beneficially owns Covered Shares totaling at least such value as of each such applicable measurement date. A share of Common Stock (and any securities issued or issuable in respect of such Common Stock by way of conversion, exchange, stock dividend, split or combination, recapitalization, merger, amalgamation, consolidation, other reorganization or otherwise) shall cease to be a Registrable Security upon any sale of such share of Common Stock (or, as applicable, such securities issued or issuable in respect of Common Stock by way of conversion, exchange, stock dividend, split or combination, recapitalization, merger, amalgamation, consolidation, other reorganization or otherwise) to the public pursuant to, and in accordance with, a registration statement, including any registration statements contemplated hereby, or pursuant to Rule 144 under the Securities Act, Regulation S under the Securities Act or Section 4(1) of the Securities Act.

(qq) "Restricted Person" means any person that is not (i) a Covered Person or (ii) a director, officer or employee of LAZ-MD acting in such person's capacity as a director, officer or employee.

(rr) "SEC" means the Securities and Exchange Commission.

(ss) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, and as each of the foregoing may be further amended from time to time.

(tt) "Stock Price" means, as of any particular date, the closing price as of such date of a share of Common Stock on the primary national securities exchange on which the Common Stock is traded, as reported by Bloomberg L.P. or, if Bloomberg L.P. is not available, as determined by another reputable third-party information source selected by Lazard Ltd.

(uu) "Subsidiary" means, with respect to any person, any corporation, limited liability company, company, partnership, trust, association or other legal entity or organization of which such person (either directly or through one or more subsidiaries of such person) (a) owns, directly or indirectly, a majority of the capital stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation, limited liability company, partnership, trust, association or other legal entity or organization, or (b) is otherwise entitled to exercise (1) a majority of the voting power generally in the election of the board

of directors or other governing body of such corporation, limited liability company, partnership, trust, association or other legal entity or organization or (2) control of such corporation, limited liability company, partnership, trust, association or other legal entity or organization.

(vv) "Transfer" means, with respect to any Covered Interests, (i) when used as a verb, to sell, assign, dispose of, exchange, pledge, encumber, hypothecate or otherwise transfer such Covered Interests or any participation or interest therein, whether directly or indirectly, or agree or commit to do any of the foregoing, and (ii) when used as a noun, a direct or indirect sale, assignment, disposition, exchange, pledge, encumbrance, hypothecation, or other transfer of such Covered Interests or any participation or interest therein or any agreement or commitment to do any of the foregoing.

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

(a) the word "or" is not exclusive;

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

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

(d) the word "person" means any individual, corporation, limited liability company, trust, joint venture, association, company, partnership or other legal entity or a government or any department or agency thereof or self-regulatory organization; and

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

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of Covered Persons.

(a) Each Covered Person severally represents and warrants to each of LAZ-MD and Lazard Ltd, as of the date hereof and as of the date of the registration of any of such Covered Person's Registrable Securities and as of the date of any Demand

Notice delivered by or on behalf of such Covered Person, that: such Covered Person has good, valid and marketable title to the Covered Interests and Registrable Securities, as applicable, in each case free and clear of any pledge, lien, security interest, charge, claim, equity or encumbrance of any kind, other than (A) pursuant to this Agreement or another agreement with the issuer of the Covered Interest or Registrable Securities, as the case may be, by which such Covered Person is bound and to which the Covered Interest or Registrable Securities, as applicable, are subject, and (B) in the case of Covered Interests, the Operating Agreement or Lazard Group Operating Agreement, as applicable; and

(b) Each Covered Person severally represents and warrants to each of LAZ-MD and Lazard Ltd, as of the date hereof and as of the date of the registration of any of such Covered Person's Registrable Securities and as of the date of any Demand Notice delivered by or on behalf of such Covered Person, if the Covered Person is other than a natural person, with respect to subsections (i) through (x), and if the Covered Person is a natural person, with respect to subsections (iv) through (x) only: (i) such Covered Person is duly organized and validly existing in good standing under the laws of the jurisdiction of such Covered Person's formation; (ii) such Covered Person has full right, power and authority to enter into and perform this Agreement; (iii) the execution and delivery of this Agreement and the performance of the transactions contemplated herein have been duly authorized, and no further proceedings on the part of such Covered Person are necessary to authorize the execution, delivery and performance of this Agreement; and this Agreement has been duly executed by such Covered Person; (iv) the person signing this Agreement on behalf of such Covered Person has been duly authorized by such Covered Person to do so; (v) this Agreement constitutes the legal, valid and binding obligation of such Covered Person, enforceable against such Covered Person in accordance with its terms (subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles); (vi) neither the execution and delivery of this Agreement by such Covered Person nor the consummation of the transactions contemplated herein conflicts with or results in a breach of any of the terms, conditions or provisions of any agreement or instrument to which such Covered Person is a party or by which the material assets of such Covered Person are bound (including the organizational documents of such Covered Person, if such Covered Person is other than a natural person), or constitutes a default under any of the foregoing, or violates any law or regulation; (vii) such Covered Person has obtained all authorizations, consents, approvals and clearances of all courts, governmental agencies and authorities, and any other person, if any (including the spouse of such Covered Person with respect to the interest of such spouse in the Covered Interests or Registrable Securities of such Covered Person if the consent of such spouse is required), required to permit such Covered Person to enter into this Agreement and to consummate the transactions contemplated herein; (viii) there are no actions, suits or proceedings pending, or, to the knowledge of such Covered Person, threatened against or affecting such Covered Person or such Covered Person's assets in any court or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which, if adversely determined, would impair the ability of such Covered Person to perform this Agreement; (ix) the performance of this Agreement will not violate any order, writ, injunction, decree or demand of any court or federal, state, municipal or other governmental department,

commission, board, bureau, agency or instrumentality to which such Covered Person is subject; and (x) no statement, representation or warranty made by such Covered Person in this Agreement, nor any information provided by such Covered Person for inclusion in a report filed pursuant to Section 4.5 hereof or in a registration statement filed by Lazard Ltd, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements, representations or warranties contained herein or information provided therein not misleading.

Each Covered Person shall promptly notify LAZ-MD and Lazard Ltd of any breaches of such representations or covenants.

ARTICLE III
VOTING AGREEMENT

Section 3.1 Preliminary Vote of Covered Persons. Prior to any vote of the stockholders of Lazard Ltd, there shall be a separate, preliminary vote, on each matter upon which a stockholder vote of Lazard Ltd is then proposed to be taken (each, a "Preliminary Vote"), of the Covered Interests beneficially owned by the Covered Persons. The Preliminary Vote shall be conducted pursuant to procedures established by LAZ-MD, including meetings or by proxy or written instruction by or of the Covered Persons.

Section 3.2 Voting of the Covered Interests. Each Covered Person shall be entitled to instruct LAZ-MD to vote the Class B Common Stock in proportion to the number of votes represented by the shares of Common Stock into which such Covered Interests are then exchangeable under the terms of the Operating Agreement, the Lazard Group Operating Agreement and the Master Separation Agreement on the matter in question by the Covered Interests in the Preliminary Vote, provided, however, that notwithstanding anything herein to the contrary the Board shall have the ability to vote the Class B Common Stock in its discretion (including in a manner different than as instructed by the Covered Persons) if it determines in good faith that such action is in the best interests of LAZ-MD. In the event that a Covered Person fails to participate in the Preliminary Vote, the votes of that Covered Person will be abstained and excluded from the vote for such matters. LAZ-MD shall be obligated (a) to attend as proxy, or cause a person designated by it and acting as lawful proxy to attend as proxy, each meeting of the stockholders of Lazard Ltd and to vote or to cause such designee to vote the Class B Common Stock over which it has the power to vote in accordance with the results of the Preliminary Vote as set forth in this Section 3.2, and (b) to develop procedures governing Preliminary Votes.

Section 3.3 Acknowledgements; Determinations.

(a) Each Covered Person acknowledges and agrees as follows: (i) in the event that any matters shall come before a meeting of stockholders of Lazard Ltd, or of any class of stockholders of Lazard Ltd, or any adjournment or postponement thereof (including matters related to adjournment or postponement thereof), that were not voted upon in a Preliminary Vote, LAZ-MD may vote on such matters as LAZ-MD sees fit in

its sole discretion, (ii) LAZ-MD shall be the sole record holder and legal and beneficial owner of the Class B Common Stock and, notwithstanding anything herein to the contrary, this Agreement shall not confer any right, title or interest in, to or under the Class B Common Stock to any Covered Person, and (iii) except as expressly provided in this Article III with respect to the voting of the Class B Common Stock, LAZ-MD shall have the right to take all action, and exercise all rights, with respect to the Class B Common Stock in its sole discretion if it determines in good faith that such action is in the best interest of LAZ-MD, and, notwithstanding anything herein to the contrary, no Covered Person shall, by virtue of being a party to this Agreement, have any right to direct LAZ-MD to exercise, or otherwise directly or indirectly exercise, any rights relating to the Class B Common Stock, whether arising under the Companies Act 1981 of Bermuda and Bye-Laws of Lazard Ltd or otherwise, including the right to nominate directors of Lazard Ltd, propose business for meetings of stockholders of Lazard Ltd or otherwise submit stockholder proposals, call any special meetings of stockholders (or any class thereof) of Lazard Ltd, tender or otherwise transfer the Class B Common Stock or to take any other action in respect of the Class B Common Stock.

(b) Each Covered Person acknowledges and agrees that all determinations necessary or advisable under this Article III shall be made by the Board, whose determinations shall be final and binding. The Board's determinations and actions (including waivers) under this Article III need not be uniform and may be made selectively among Covered Persons that are not similarly situated.

(c) Each Covered Person acknowledges and agrees that the members of the Board in acting under this Agreement shall at all times be acting in their individual capacities and not as directors or officers of LAZ-MD, Lazard Group or Lazard Ltd and in so acting or failing to act under this Agreement shall not have any fiduciary duties to the Covered Persons as a member of the Board by virtue of the fact that one or more of such members may also be serving as a director or officer of LAZ-MD, Lazard Group, Lazard Ltd or otherwise.

Section 3.4 Voting Related Expenses. LAZ-MD shall be responsible for all expenses of LAZ-MD and the Board incurred in the operation and administration of Article III, including expenses of proxy solicitation for and tabulation of the Preliminary Vote, expenses incurred in preparing appropriate filings of LAZ-MD and correspondence with the SEC, lawyers', accountants', agents', consultants', experts', investment banking and other professionals' fees, expenses incurred in enforcing the provisions of this Agreement and expenses incurred in maintaining any necessary or appropriate books and records relating to this Agreement.

Section 3.5 Governmental Authorities. Each Covered Person hereby acknowledges and agrees that, unless otherwise directed by LAZ-MD or Lazard Ltd in writing, such Covered Person shall be solely responsible for making, and shall in a timely manner make, any and all reports, filings or other notifications with any Governmental Authorities, including any reports of beneficial ownership on Schedule 13D or 13G under the Exchange Act, with respect to any rights or interests of such Covered Person under this Article III (each a "Filing") and shall be solely responsible for the cost and expense

thereof. Such Covered Person understands and agrees that neither LAZ-MD nor Lazard Ltd has any related obligations relating to or responsibility for any such Filings. Such Covered Person shall cooperate fully with the other Covered Persons to achieve the timely filing of any such Filings and any amendments thereto as may be required, and such Covered Person agrees that any information concerning such Covered Person which such Covered Person furnishes in connection with the preparation and filing of any such Filing will be complete and accurate. No fewer than five business days prior to the submission of a Filing, each Covered Person submitting such Filing shall furnish to LAZ-MD and Lazard Ltd copies of such Filing as proposed to be filed. LAZ-MD and Lazard Ltd shall each have the right to request that the filing Covered Person modify any information contained in such Filing or amendment or supplement thereto, and such Covered Person shall use his reasonable best efforts to comply with such request; provided that compliance with such request shall not cause any Covered Person to violate applicable law or regulation.

Section 3.6 Adjustment upon Changes in Capitalization; Adjustments upon Changes of Control. In the event of any business combination, restructuring, recapitalization or other extraordinary transaction involving LAZ-MD or Lazard Group as a result of which securities of a person other than LAZ-MD or Lazard Group that are exchangeable for Common Stock shall be issued or distributed in exchange for or in replacement of Covered Interests, LAZ-MD and the Covered Persons agree that this Agreement shall also continue in full force and effect with respect to such securities of such other person, and the terms "Covered Interests," "Class II Interests," "Lazard Group Common Interests," "LAZ-MD" and "Lazard Group" shall refer to, as applicable, such securities and such person, respectively. If the Board deems it desirable, any such adjustments may take effect from the record date or another appropriate date. In the event of any business combination, restructuring, recapitalization or other extraordinary transaction involving Lazard Ltd that affects the capital stock of Lazard Ltd, the Board may, in its sole discretion, (a) terminate the provisions of this Article III or (b) adjust the voting structure set forth in this Article III as necessary to preserve the initial intent of such provisions.

Section 3.7 Further Assurances. Each Covered Person agrees to execute such additional documents and take such further action as may be reasonably necessary to effect the provisions of this Article III.

ARTICLE IV
REGISTRATION RIGHTS

Section 4.1 Annual Registration.

(a) With respect to each of the third through the ninth anniversaries of the IPO Date, Lazard Ltd shall use its reasonable best efforts to effect the registration under the Securities Act of sales by Covered Persons of the following Registrable Securities: (i) all Registrable Securities to be issued to Covered Persons in respect of the exchange of Covered Interests in connection with such anniversary date pursuant to the Master Separation Agreement for such period and (ii) all other Registrable Securities of

any Covered Persons which Registrable Securities are reasonably expected to continue to be Registrable Securities at the expected filing date for the registration statement with respect to such registration and which Covered Persons shall have provided Lazard Ltd with a written request for registration at least 20 business days prior to the applicable anniversary date requesting registration of such Registrable Securities (each such registration, an "Annual Registration"); provided, however, that Lazard Ltd shall not be obligated to file any such registration statement or effect such registration if the amount of such Registrable Securities does not equal or exceed the Minimum Share Number as of the date of such filing or registration. Lazard Ltd shall use its reasonable best efforts, subject to the restrictions in Section 4.1(d), to file a registration statement under the Securities Act with respect to each Annual Registration as promptly as reasonably practicable following the applicable Periodic Filing Date.

(b) Lazard Ltd shall have the right to require that sales or other dispositions in connection with any Annual Registration are subject to reasonable limitations or restrictions on size and manner of sale.

(c) Lazard Group shall be liable for and pay all Registration Expenses in connection with any Annual Registration, regardless of whether such Registration is effected.

(d) Upon notice to each Covered Person participating in the applicable Annual Registration, Lazard Ltd may postpone effecting a registration pursuant to this Section 4.1 on one occasion during any period of six consecutive months for a reasonable time specified in the notice but not exceeding 120 days (which period may not be extended or renewed), if (i) Lazard Ltd shall determine in good faith that effecting the registration would materially and adversely affect an offering of securities of such company the preparation of which had then been commenced or (ii) Lazard Ltd is in possession of material non-public information the disclosure of which during the period specified in such notice Lazard Ltd believes in good faith would not be in the best interests of Lazard Ltd.

Section 4.2 Demand Registration.

(a) If at any time following the third anniversary of the IPO Date, Lazard Ltd shall receive a written request (a "Demand Notice") from a Covered Person or group of Covered Persons (a "Demand Requesting Covered Person") that Lazard Ltd effect the registration under the Securities Act of all or any portion of such Covered Person's Registrable Securities representing Registrable Securities requested to be included in such registration equal to or in excess of the Minimum Demand Number as of the date on which the Demand Registration is made (a "Demand Registration"), specifying the intended method of disposition thereof, then Lazard Ltd shall use its reasonable best efforts to effect, as expeditiously as reasonably practicable, subject to the restrictions in Section 4.2(d) and Section 4.3 and such Demand Requesting Covered Person's compliance with its obligations under the other applicable provisions of this Article IV, the registration under the Securities Act of the Registrable Securities for which such Demand Requesting Covered Person has requested registration under this

Section 4.2, all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered. Notwithstanding the foregoing, (i) a Demand Requesting Covered Person shall be entitled to no more than one demand registration during any six-month period, and (ii) Lazard Ltd shall not be obligated to make a Demand Registration with respect to a Demand Requesting Covered Person in the event that an Annual Registration or Piggyback Registration (as defined below) had been available to any such Demand Requesting Covered Person within the 180 days preceding the date of the Demand Notice.

(b) At any time prior to the effective date of the registration statement relating to such registration, the Demand Requesting Covered Person may revoke such Demand Registration request by providing a notice to Lazard Ltd revoking such request. Lazard Group shall be liable for and pay all Registration Expenses in connection with any Demand Registration.

(c) Lazard Ltd shall have the right (but not the obligation) to conduct any Demand Registration as a Public Offering and to register additional shares of Common Stock and other securities together with such Demand Registration. If a Demand Registration involves an underwritten Public Offering and the managing underwriter advises Lazard Ltd and the Demand Requesting Covered Person that, in its view, the number of shares of Common Stock requested to be included in such registration exceeds the largest number of shares that can be sold without having an adverse effect on such offering, including the price at which such shares can be sold (the "Maximum Offering Size"), Lazard Ltd shall include in such registration, in the priority listed below, up to the Maximum Offering Size:

(i) first, all Registrable Securities requested to be registered in the Demand Registration by the Demand Requesting Covered Person and all other Registrable Securities requested to be included in such registration by any Covered Persons (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such Covered Persons on the basis of the relative number of shares of Registrable Securities so requested to be included in such registration by each);

(ii) second, any securities proposed to be registered by Lazard Ltd or any securities proposed to be registered for the account of any other persons, with such priorities among them as Lazard Ltd shall determine.

(d) Upon notice to the Demand Requesting Covered Person, Lazard Ltd may postpone effecting a registration pursuant to this Section 4.1 on one occasion during any period of six consecutive months for a reasonable time specified in the notice but not exceeding 120 days (which period may not be extended or renewed), if (i) Lazard Ltd shall determine in good faith that effecting the registration would materially and adversely affect an offering of securities of such company the preparation of which had then been commenced, (ii) Lazard Ltd is in possession of material non-public information the disclosure of which during the period specified in such notice Lazard Ltd believes in good faith would not be in the best interests of Lazard Ltd, or (iii) an Annual Registration

shall have commenced (or is reasonably expected to commence within 30 days of such Demand Registration) (it being understood that, in lieu of any such Demand Registration, Lazard Ltd may elect to include any Demand Requesting Covered Person's Registrable Securities subject to a Demand Registration hereunder with such Annual Registration in full satisfaction of its obligations under this Section 4.2 with respect to such Demand Registration).

Section 4.3 Piggyback Registration.

(a) Subject to any contractual obligations to the contrary, if Lazard Ltd proposes to register any of the equity securities issued by it under the Securities Act (other than a registration on Form S-8 or S-4, or any successor forms, relating to shares of Common Stock issuable upon exercise of employee stock options or in connection with any employee benefit or similar plan of Lazard Ltd or in connection with a direct or indirect acquisition by Lazard Ltd of another Person or as a recapitalization or reclassification of securities of Lazard Ltd), whether or not for sale for its own account, Lazard Ltd shall each such time give prompt notice at least 15 business days prior to the anticipated filing date of the registration statement relating to such registration to each Covered Person holding Registrable Securities, which notice shall set forth such Covered Person's rights under this Section 4.3 and shall offer such Covered Person the opportunity to include in such registration statement the number of Registrable Securities of the same class or series as those proposed to be registered as such Covered Person may request (a "Piggyback Registration"), subject to the provisions of Section 4.3(b) and such Covered Person's compliance with its obligations under the other applicable provisions of this Article IV. Upon the request of such Covered Person made within five business days after the receipt of notice from Lazard Ltd (which request shall specify the number of Registrable Securities intended to be registered by such Covered Person), Lazard Ltd shall use its reasonable best efforts to effect the registration under the Securities Act of all Registrable Securities that Lazard Ltd has been so requested to register by all such other Covered Persons, to the extent necessary to permit the disposition of the Registrable Securities so to be registered, provided that (i) if such registration involves an underwritten Public Offering, all such Covered Persons requesting to be included in Lazard Ltd's registration must sell their Registrable Securities to the underwriters selected by Lazard Ltd on the same terms and conditions as apply to Lazard Ltd or the Requesting Covered Persons, as applicable, and (ii) if, at any time after giving notice of its intention to register any securities pursuant to this Section 4.3(a) and prior to the effective date of the registration statement filed in connection with such registration, Lazard Ltd shall determine for any reason not to register such securities, Lazard Ltd shall give notice to all such Covered Persons and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration. No registration effected under this Section 4.3 shall relieve Lazard Ltd of its obligations to effect an Annual Registration or Demand Registration to the extent required by Section 4.1 or Section 4.2, respectively. Lazard Group shall pay all Registration Expenses in connection with each Piggyback Registration.

(b) Subject to any contractual obligations to the contrary, if a Piggyback Registration involves an underwritten Public Offering (other than any Demand

Registration, in which case the provisions with respect to priority of inclusion in such offering set forth in Section 4.2(c) shall apply) and the managing underwriter advises Lazard Ltd that, in its view, the number of Registrable Securities that Lazard Ltd and such Covered Persons intend to include in such registration exceeds the Maximum Offering Size, Lazard Ltd shall include in such registration, in the following priority, up to the Maximum Offering Size:

(i) first, so much of Lazard Ltd securities proposed to be registered for the account of Lazard Ltd;

(ii) second, to Lazard Ltd securities proposed to be registered pursuant to any demand registration rights of third parties;

(iii) third, all Registrable Securities requested to be included in such registration by any Covered Persons (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such Covered Persons on the basis of the relative number of shares of Registrable Securities so requested to be included in such registration by each); and

(iv) fourth, any securities proposed to be registered for the account of any other Persons with such priorities among them as Lazard Ltd shall determine.

Section 4.4 Lock-Up Agreements. If any registration of Registrable Securities shall be effected in connection with a Public Offering, no Covered Person shall effect any public sale or distribution, including any sale pursuant to Rule 144, of any shares of Common Stock or other security of Lazard Ltd (except as part of such Public Offering) during the period beginning 14 days prior to the effective date of the applicable registration statement until the earlier of (i) such time as Lazard Ltd and the lead managing underwriter shall agree and (ii) 180 days (such period, the "Lock-Up Period" for the applicable registration statement).

Section 4.5 Registration Procedures. Whenever a Covered Person requests that any Registrable Securities be registered pursuant to Section 4.2 or 4.3 or in respect of any Annual Registration pursuant to Section 4.1, subject to the provisions of such Sections, Lazard Ltd shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as promptly as practicable, and, in connection with any such request:

(a) Lazard Ltd shall as expeditiously as reasonably practicable prepare and file with the SEC and the Registrar of Companies in Bermuda a registration statement on any form for which Lazard Ltd then qualifies or that counsel for Lazard Ltd shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its reasonable best efforts to cause such filed registration statement to become and remain effective for a period of not less than 40 days or, in the case of a shelf registration

statement, 60 days (or such shorter period in which all of the Registrable Securities of the Registering Covered Persons included in such registration statement shall have actually been sold thereunder).

(b) Prior to filing a registration statement or prospectus or any amendment or supplement thereto, Lazard Ltd shall, if requested, furnish to each participating Covered Person and each underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter Lazard Ltd shall furnish to such Covered Person and underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 or Rule 430A under the Securities Act and such other documents as such Covered Person or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Covered Person. The Covered Person shall have the right to request that Lazard Ltd modify any information contained in such registration statement, amendment and supplement thereto pertaining to such Covered Person and Lazard Ltd shall use its reasonable best efforts to comply with such request, provided, however, that Lazard Ltd shall not have any obligation so to modify any information if Lazard Ltd reasonably expects that so doing would cause the prospectus to contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) After the filing of the registration statement, Lazard Ltd shall (i) cause the related prospectus to be supplemented by any required prospectus supplement, and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act and the Companies Act 1981 of Bermuda, (ii) comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such registration statement during the applicable period in accordance with the intended methods of disposition by the Registering Covered Persons thereof set forth in such registration statement or supplement to such prospectus and (iii) promptly notify each Registering Covered Person holding Registrable Securities covered by such registration statement of any stop order issued or threatened by the SEC or any state securities commission and take all reasonable best efforts to prevent the entry of such stop order or to remove it if entered.

(d) Lazard Ltd shall use its reasonable best efforts to (i) register or qualify the Registrable Securities covered by such registration statement under such other securities or “blue sky” laws of such jurisdictions in the United States as any Registering Covered Person holding such Registrable Securities reasonably (in light of such Covered Person’s intended plan of distribution) requests, (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be

necessary by virtue of the business and operations of Lazard Ltd, and (iii) do any and all other acts and things that may be reasonably necessary or advisable to enable such Covered Person to consummate the disposition of the Registrable Securities owned by such Covered Person, provided that Lazard Ltd shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 4.5(d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) Lazard Ltd shall immediately notify each Registering Covered Person holding such Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly prepare and make available to each such Covered Person and file with the SEC and the Registrar of Companies in Bermuda any such supplement or amendment.

(f) Lazard Ltd shall select an underwriter or underwriters in connection with any Public Offering. In connection with any Public Offering, Lazard Ltd shall enter into customary agreements (including an underwriting agreement in customary form) and take such all other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities in any such Public Offering, including the engagement of a "qualified independent underwriter" in connection with the qualification of the underwriting arrangements with the NASD.

(g) Subject to execution of confidentiality agreements satisfactory in form and substance to Lazard Ltd in the exercise of its good faith judgment, Lazard Ltd will give to each Registering Covered Person, its counsel and accountants (i) reasonable and customary access to its books and records and (ii) such opportunities to discuss the business of Lazard Ltd with its directors, officers, employees, counsel and the independent public accountants who have certified its financial statements, as shall be appropriate, in the reasonable judgment of counsel, to such Registering Covered Person, to enable them to exercise their due diligence responsibility.

(h) Lazard Ltd shall use its reasonable best efforts to furnish to each Registering Covered Person and to each such underwriter, if any, a signed counterpart, addressed to such Covered Person or underwriter, of (i) any opinion or opinions of counsel to Lazard Ltd and (ii) any comfort letter or comfort letters from Lazard Ltd's independent public accountants, each in customary form and covering such matters of the kind customarily covered by opinions or comfort letters and in each case if and to the extent such opinion or comfort letter shall be

furnished to Lazard Ltd in connection therewith, as the case may be, if such Registering Covered Persons who collectively represent a majority of the Registrable Securities being sold in such registration so reasonably request.

(i) Each such Covered Person registering securities under this Article IV shall promptly furnish in writing to Lazard Ltd such information regarding the distribution of the Registrable Securities as Lazard Ltd may from time to time reasonably request and such other information as may be legally required or advisable in connection with such registration. Lazard Ltd shall have the right to require that sales or other dispositions in connection with any registration hereunder are subject to reasonable limitations or restrictions on size and manner of sale.

(j) The Covered Person agrees that, upon receipt of any notice from Lazard Ltd of the happening of any event of the kind described in Section 4.5(e), such Covered Person shall forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Covered Person's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4.5(e), and, if so directed by Lazard Ltd, such Covered Person shall deliver to Lazard Ltd all copies, other than any permanent file copies then in such Covered Person's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. If Lazard Ltd shall give such notice, Lazard Ltd shall extend the period during which such registration statement shall be maintained effective (including the period referred to in Section 4.5(a)) by the number of days during the period from and including the date of the giving of notice pursuant to Section 4.5(e) to the date when Lazard Ltd shall make available to such Covered Person a prospectus supplemented or amended to conform with the requirements of Section 4.5(e).

(k) Lazard Ltd shall use its reasonable efforts to list all Registrable Securities covered by such registration statement on any securities exchange or quotation system on which any of the Registrable Securities are then listed or traded.

(l) Lazard Ltd shall have appropriate officers of Lazard Ltd (i) prepare and make presentations at any "road shows" and before analysts and rating agencies, as the case may be, (ii) take other actions to obtain ratings for any Registrable Securities, if applicable, and (iii) otherwise use their reasonable best efforts to cooperate in the offering, marketing or selling of the Registrable Securities, in each case as reasonably requested by the underwriters in connection with any Public Offering hereunder.

Section 4.6 Indemnification by Lazard Ltd. Lazard Ltd agrees to indemnify and hold harmless the Registering Covered Person holding Registrable Securities covered by a registration statement, its officers, directors, employees, partners and agents, and each Person, if any, who controls such Covered Person within the

meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages, liabilities and expenses (including reasonable expenses of investigation and reasonable attorneys' fees and expenses) ("Damages") caused by or relating to any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if Lazard Ltd shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by or relating to any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such Damages are caused by or related to any such untrue statement or omission or alleged untrue statement or omission so made based upon information furnished in writing to Lazard Ltd by such Covered Person or on such Covered Person's behalf (in each case, in such person's capacity as a Covered Person) expressly for use therein; provided that, with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus, or in any prospectus, as the case may be, the indemnity agreement contained in this paragraph shall not apply to the extent that any Damages result from the fact that a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) was not sent or given to the Person asserting any such Damages at or prior to the written confirmation of the sale of the Registrable Securities to such Person if it is determined that Lazard Ltd provided such prospectus to such Covered Person and it was the responsibility of such Covered Person to provide such Person with a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) and such current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) would have cured the defect giving rise to such Damages.

Section 4.7 Indemnification by Participating Covered Persons. Each Covered Person who holds Registrable Securities covered by any registration statement agrees to indemnify and hold harmless Lazard Ltd, its affiliates and their respective officers, directors and agents and each Person, if any, who controls Lazard Ltd within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from Lazard Ltd to such Covered Person, but only (i) with respect to information furnished in writing by such Covered Person or on such Covered Person's behalf (in each case, in such person's capacity as a Covered Person) expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus or (ii) to the extent that any Damages result from the fact that a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) was not sent or given to the Person asserting any such Damages at or prior to the written confirmation of the sale of the Registrable Securities concerned to such Person if it is determined that it was the responsibility of such Covered Person to provide such Person with a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) and such current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) would have cured the defect giving rise to such loss, claim, damage, liability or expense. The Covered Person also agrees to indemnify and hold harmless underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters within the meaning of either

Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of Lazard Ltd provided in this Section 4.5. As a condition to including Registrable Securities in any registration statement filed in accordance with Article IV, Lazard Ltd may require that it shall have received an undertaking reasonably satisfactory to it from any underwriter to indemnify and hold it harmless to the extent customarily provided by underwriters with respect to similar securities. No Registering Covered Person shall be liable under this Section 4.7 for any Damages in excess of the net proceeds realized by such Covered Person in the sale of Registrable Securities of such Covered Person to which such Damages relate.

Section 4.8 Conduct of Indemnification Proceedings. If any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to this Article IV, such Person (an "Indemnified Party") shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses, provided that the failure of any Indemnified Party so to notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure to notify. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) in the reasonable judgment of such Indemnified Party and in the opinion of counsel to such Indemnified Party, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that, in connection with any proceeding or related proceedings in the same jurisdiction, the Indemnifying Party shall not be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. Without the prior written consent of the Indemnified Party, no Indemnifying Party shall effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding.

Section 4.9 Contribution. If the indemnification provided for in this Article VI is unavailable to the Indemnified Parties in respect of any Damages, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute

to the amount paid or payable by such Indemnified Party as a result of such Damages (i) as between Lazard Ltd and the Registering Covered Person holding Registrable Securities covered by a registration statement on the one hand and the underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by Lazard Ltd and such Covered Person on the one hand and the underwriters on the other, from the offering of the Registrable Securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of Lazard Ltd and such Covered Person on the one hand and of such underwriters on the other in connection with the statements or omissions that resulted in such Damages, as well as any other relevant equitable considerations and (ii) as between Lazard Ltd on the one hand and such Covered Person on the other, in such proportion as is appropriate to reflect the relative fault of Lazard Ltd and of such Covered Person in connection with such statements or omissions, as well as any other relevant equitable considerations. The relative benefits received by Lazard Ltd and such Covered Person, on the one hand, and such underwriters, on the other hand, shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by Lazard Ltd and such Covered Person bear to the total underwriting discounts and commissions received by such underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of Lazard Ltd and such Covered Person on the one hand and of such underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by Lazard Ltd and such Covered Person or by such underwriters. The relative fault of Lazard Ltd on the one hand and of such Covered Person on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

Lazard Ltd and the Covered Person agree that it would not be just and equitable if contribution pursuant to this Section 4.9 were determined by pro rata allocation (even if the underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Damages referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4.9, no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any Damages that such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Registering Covered Person shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities of such Covered Person were offered to the public (less underwriters' discounts and commissions) exceeds the amount

of any Damages that such Covered Person has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Section 4.10 Participation in Public Offering. No Covered Person may participate in any Public Offering hereunder unless such Covered Person (a) agrees to sell such Covered Person's securities on the basis provided in any underwriting arrangements approved by the Covered Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements and the provisions of this Agreement in respect of registration rights.

Section 4.11 Other Indemnification. Indemnification similar to that specified herein (with appropriate modifications) shall be given by Lazard Ltd and the Registering Covered Person participating therein with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

Section 4.12 Cooperation by Lazard Ltd. If the Covered Person shall transfer any Registrable Securities pursuant to Rule 144, Lazard Ltd shall use its commercially reasonable efforts to cooperate with the Covered Person and shall provide to the Covered Person such information as the Covered Person shall reasonably request.

Section 4.13 No Transfer of Registration Rights. Except as set forth in Section 4.14, none of the rights of the Covered Person under this Article VI shall be assignable by any Covered Person to any person acquiring securities unless the person so acquiring such securities shall already be a Covered Person.

Section 4.14 Parties in Interest. Each Covered Person shall be entitled to receive the benefits of this Agreement and shall be bound by the terms and provisions of this Agreement by reason of such Covered Person's election to participate in a registration under this Article IV. All of the terms and provisions of this Article IV shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and permitted assigns of Lazard Ltd and any Covered Person with respect to registrations hereunder. Unless otherwise specified by Lazard Ltd in its sole discretion, any transferee (including, without limitation, any charitable foundation or public charities) of any Covered Person permitted in accordance with the applicable (in the case of Covered Interests) limited liability company agreement and otherwise in accordance with this Agreement that shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, shall, without any further action of any kind, be entitled to receive the benefits of and be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement to the aforesaid extent as if such person was a Covered Person hereunder with respect to the relevant registration. Lazard Ltd may, however, as a condition thereto require any such

transferee to be added to Appendix A hereto in accordance with Section 5.2(b) hereof or otherwise sign an agreement acknowledging that is bound by the terms and provisions of the Agreement as if such transferee were a Covered Person with respect to the relevant registration.

Section 4.15 Acknowledgement Regarding Lazard Ltd. All determinations necessary or advisable under this Article IV shall be made by Lazard Ltd, the determinations of which shall be final and binding.

Section 4.16 Mergers, Recapitalizations, Exchanges or Other Transactions Affecting Registrable Securities. The provisions of this Agreement shall apply to the full extent set forth herein with respect to the Registrable Securities, to any and all securities or capital stock of LAZ-MD, Lazard Group or Lazard Ltd or any successor or assign of any such company (whether by merger, amalgamation, consolidation, sale of assets or otherwise) that may be issued in respect of, in exchange for, or in substitution of such Registrable Securities, by reason of any dividend, split, issuance, reverse split, combination, recapitalization, reclassification, merger, amalgamation, consolidation or otherwise.

ARTICLE V
MISCELLANEOUS

Section 5.1 Term of the Agreement; Termination of Certain Provisions.

(a) The term of this Agreement shall begin immediately upon execution hereof by each of Lazard Ltd and LAZ-MD and shall continue until the first to occur of (i) such time as no Covered Person holds any Covered Interests or Registrable Securities and (ii) such time as this Agreement is terminated by the affirmative vote of Covered Persons that beneficially own not less than 66 2/3% of the outstanding Covered Interests (based on the number of units represented by such Covered Interests). Each of the Continuing Provisions and Section 4.6 shall survive such expiration of the term of this Agreement.

(b) Unless this Agreement is theretofore terminated pursuant to Section 5.1(a) hereof, a Covered Person shall be bound by the provisions of this Agreement with respect to any Covered Interest or Registrable Security until such time as such Covered Person ceases to hold any Covered Interest or Registrable Security. Thereafter, such Covered Person shall no longer be bound by the provisions of this Agreement other than Sections 4.7, 4.8, 4.9 and 4.11 and Article V (the "Continuing Provisions"), and such Covered Person's name shall be removed from Appendix A to this Agreement.

(c) Each holder of a Class II Interest on the date hereof and any transferee of a Covered Interest pursuant to, and in accordance with, a permitted transfer under the Operating Agreement or the Lazard Group Operating Agreement (each, a "Permitted Transferee") shall be added to Appendix A as a Covered Person; provided that such holder of a Class II Interest or Permitted Transferee, as applicable, shall first

sign an agreement in the form approved by Lazard Ltd acknowledging that such holder of a Class II Interest or Permitted Transferee, as applicable is bound by the terms and provisions of the Agreement.

Section 5.2 Amendments; Waiver.

(a) The provisions of this Agreement may be amended only by the affirmative vote of a majority of the outstanding Covered Interests and the consent of Lazard Ltd and LAZ-MD; provided, that (a) any amendment to Section 5.1(a) shall require the affirmative approval of 66 2/3% of the outstanding Covered Interests (based on the number of units represented by such Covered Interests) and (b) with respect to Article III hereof (and the defined terms to the extent used therein), any amendment of the provisions of such article shall only require the affirmative vote of a majority of the outstanding Covered Interests (based on the number of units represented by such Covered Interests) and the consent of LAZ-MD; and, provided, further, that with respect to Article IV hereof (and the defined terms to the extent used therein), any amendment of the provisions of such article shall only require the affirmative vote of a majority of the outstanding Covered Interests (based on the number of units represented by such Covered Interests) and the consent of Lazard Ltd.

(b) In addition to any other vote or approval that may be required under this Section 5.2, any amendment of this Agreement that has the effect of changing the obligations of LAZ-MD or Lazard Ltd hereunder to make such obligations materially more onerous to LAZ-MD or Lazard Ltd shall require the approval of LAZ-MD or Lazard Ltd, as the case may be.

(c) Each Covered Person understands that it is intended that each Class II Member on the date hereof will be a Covered Person under this Agreement, and each Covered Person further understands that from time to time certain other persons may become Covered Persons and certain Covered Persons will cease to be bound by the provisions of this Agreement pursuant to the terms hereof. This Agreement may be amended from time to time by LAZ-MD (without the approval of any other person), but solely for the purposes of (i) adding to Appendix A such holders of Class II Interests and Permitted Transferees of the Covered Interests as provided in Section 5.1(c) in each case who sign this Agreement and (ii) removing from Appendix A such persons as shall cease to be bound by the provisions of this Agreement pursuant to Sections 5.1(b) hereof, (which additions and removals pursuant to clauses (i) and (ii) of this sentence shall be given effect from time to time by appropriate changes to Appendix A) and (iii) correcting any technicality, incorrect statement or error apparent on the face hereof in order to further the intent of the parties hereto.

(d) No provision of this Agreement may be waived except by an instrument in writing executed by the party against whom the waiver is to be effective.

Section 5.3 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF

THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Section 5.4 Resolution of Disputes.

(a) Notwithstanding anything herein to the contrary, LAZ-MD shall have the sole and exclusive power to seek enforcement of the provisions contained in Articles IV of this Agreement on behalf of the Covered Persons against Lazard Ltd. The Covered Persons shall have the right to request LAZ-MD to seek and conduct such enforcement on their behalf.

(b) All disputes arising under this Agreement (each a "Disputes") shall be determined in accordance with this Section 5.4. Each Dispute shall first be reviewed by the Board ("Board Review"). Any party to a Dispute may invoke Board Review by written notice to the other party or parties thereto and the Board. As soon as practicable and in any event within thirty (30) days after receipt of notice of a Dispute, the Board shall attempt in good faith to resolve such Dispute. In the event that any Dispute remains unresolved forty-five (45) days after notice thereof to the Board, such Dispute shall be finally determined by an arbitral tribunal under the Rules of Arbitration (the "ICC Rules") of the International Chamber of Commerce (the "ICC") and in accordance with Section 5.4(c).

(c) The arbitral tribunal determining any Dispute shall be comprised of three arbitrators. Each party to a Dispute shall designate one arbitrator. If a party fails to designate an arbitrator within a reasonable period, the ICC shall designate an arbitrator for such party, including upon a request by another party. The two arbitrators designated by the parties to a Dispute (or, if applicable, the ICC) shall designate a third arbitrator. In the event that the two arbitrators designated by the parties to a Dispute (or, if applicable, the ICC) are unable to agree upon a third arbitrator within a reasonable period, the third arbitrator shall be selected in accordance with the ICC Rules by the ICC. The language, place and procedures of the arbitration of any Dispute shall be as agreed upon by the parties to such Dispute or, failing such agreement within a reasonable period, as determined in accordance with the ICC Rules in order to ensure a speedy, efficient and just resolution of such Dispute. If neither the parties nor the arbitral tribunal can agree upon procedures, the arbitration shall be conducted in accordance with the ICC's procedures. The hearings and taking of evidence of any Dispute may be conducted at any locations that will, in the judgment of the arbitral tribunal, result in a speedy, efficient and just resolution of such Dispute. The parties to any dispute shall use their best efforts to cooperate with each other and the arbitral tribunal in order to obtain a resolution as quickly as possible, including by adopting the ICC's "fast-track" procedure (as provided for in Article 32(1) of the ICC Rules) if appropriate.

(d) Notwithstanding any provision of the Agreement to the contrary, this Section 5.4(c) shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the "Delaware Arbitration Act"). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 5.4(c),

including the ICC Rules and any rules of the American Arbitration Association, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 5.4(c). In that case, this Section 5.4(c) shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 5.4(c) shall be construed to omit such invalid or unenforceable provision.

(e) Notwithstanding the foregoing provisions, Lazard Ltd may bring, or may cause LAZ-MD to bring, on behalf of Lazard Ltd or on behalf of one or more Covered Persons, an action or special proceeding in a state or federal court of competent jurisdiction sitting in the State of Delaware, whether or not an arbitration proceeding has theretofore been or is ever initiated, for the purpose of temporarily, preliminarily or permanently enforcing the provisions of Article IV and, for the purposes of this paragraph (e), each Covered Person (i) expressly consents to the application of paragraph (f) to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate and (iii) irrevocably appoints the Board, c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 as such Covered Person's agent for service of process in connection with any such action or proceeding, who shall promptly advise such Covered Person of any such service of process.

(f) EACH COVERED PERSON HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE STATE OF DELAWARE OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT THAT IS NOT OTHERWISE ARBITRATED ACCORDING TO THE PROVISIONS OF PARAGRAPH (E) HEREOF. This includes any suit, action or proceeding to compel arbitration or to enforce an arbitration award. The parties acknowledge that the forum designated by this paragraph (f) has a reasonable relation to this Agreement, and to the parties' relationship with one another. Notwithstanding the foregoing, nothing herein shall preclude the LAZ-MD or Lazard Ltd from bringing any action or proceeding in any other court for the purpose of enforcing the provisions of this Section 5.4.

(g) The agreement of the parties as to forum is independent of the law that may be applied in the action, and they each agree to such forum even if the forum may under applicable law choose to apply non-forum law. The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in any court referred to in paragraph (f). The parties undertake not to commence any action arising out of or relating to or concerning this Agreement pursuant to paragraph (e) in any forum other than a forum described in paragraph (f). The parties agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such suit, action or proceeding in any such court shall be conclusive and binding upon the parties.

Section 5.5 Relationship of Parties; Acknowledgements.

(a) The terms of this Agreement are intended not to create a separate entity for U.S. federal income tax purposes, and nothing in this Agreement shall be read to create any partnership, joint venture or separate entity among the parties or to create any trust or other fiduciary relationship between them.

(b) Each Covered Person, by agreeing to become a party to this Agreement, acknowledges and agrees that such person is a member of each of LAZ-MD and LFCM and bound by the terms of the Operating Agreement and the LFCM Operating Agreement, respectively.

Section 5.6 Transfer Restrictions; Legends.

(a) General Restrictions on Transfer. Each Covered Person acknowledges and agrees that the Covered Interests have not been registered under the Securities Act. Each Covered Person agrees that such person shall not Transfer any Covered Interests (or solicit any offers in respect of any Transfer of any Covered Interests), except in compliance with the Securities Act, any other applicable securities or "blue sky" laws, and the terms and conditions of this Agreement and the Operating Agreement or the Lazard Group Operating Agreement, as applicable. Any attempt to Transfer any Covered Interests not in compliance with this Agreement or the Operating Agreement or the Lazard Group Operating Agreement, as applicable, shall be null and void, and neither LAZ-MD nor Lazard Ltd, as the case may be, shall, and each of them shall cause any transfer agent not to, give any effect in the applicable company's stock records or equivalent limited liability company records to such attempted Transfer.

(b) Legends. Each Covered Person acknowledges that the following legend shall appear on the certificates for Covered Shares reflecting the restrictions set forth in Section 5.6(a). Lazard Ltd shall, at the request of any Covered Person, remove from each certificate evidencing Covered Shares the following legend if Lazard Ltd is reasonably satisfied (based upon an opinion of counsel to such Covered Person reasonably acceptable to Lazard Ltd) that the securities evidenced thereby may be publicly sold without registration under the Securities Act:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY FOREIGN OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR OTHERWISE DISPOSED OF EXCEPT (1) IN COMPLIANCE THEREWITH OR (2) UPON THE FURNISHING TO LAZARD LTD BY THE HOLDER OF THIS CERTIFICATE AN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO LAZARD LTD THAT SUCH TRANSACTION IS NOT REQUIRED TO BE REGISTERED UNDER APPLICABLE SECURITIES LAWS.

Section 5.7 Notices.

(a) Any communication, demand or notice to be given hereunder will be duly given (and shall be deemed to be received) when delivered in writing by hand or first class mail or by telecopy to a party at its address as indicated below:

If to a Covered Person,

Name of Applicable Covered Person
c/o LAZ-MD Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Telecopy: (212) 332-5972
Attention: Board of Directors

If to LAZ-MD, at

LAZ-MD Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Telecopy: (212) 332-5972
Attention: Board of Directors

If to Lazard Ltd, at

Lazard Ltd
30 Rockefeller Plaza
New York, New York 10020
Telecopy: (212) 632-2000
Attention: General Counsel

LAZ-MD shall be responsible for notifying each Covered Person of the receipt of a communication, demand or notice under this Agreement relevant to such Covered Person at the address of such Covered Person then in the records of LAZ-MD (and each Covered Person shall notify LAZ-MD of any change in such address for communications, demands and notices).

(b) Unless otherwise provided to the contrary herein, any notice which is required to be given in writing pursuant to the terms of this Agreement may be given by telecopy.

Section 5.8 Severability. If any provision of this Agreement is finally held to be invalid, illegal or unenforceable, (a) the remaining terms and provisions hereof shall be unimpaired and (b) the invalid or unenforceable term or provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

Section 5.9 Specific Performance. Each party hereto acknowledges that the remedies at law of the other parties for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, any part to this Agreement, without posting any bond, and in addition to all other remedies that may be available, shall, subject to Section 5.4, be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy that may be then available.

Section 5.10 Assignment; Successors. This Agreement shall be binding upon and inure to the benefit of the respective legatees, legal representatives, successors and assigns of the Covered Persons; provided, however, that a Covered Person may not assign this Agreement or any of his rights or obligations hereunder, and any purported assignment in breach hereof by a Covered Person shall be void, without the prior written consent of each of LAZ-MD and Lazard Ltd; and provided further that no assignment of this Agreement by LAZ-MD, Lazard Ltd or to a successor of LAZ-MD or Lazard Ltd (by operation of law or otherwise) shall be valid unless such assignment is made to a person which succeeds to the business of such Person substantially as an entirety. Notwithstanding anything herein to the contrary, in the event of the liquidation or dissolution of LAZ-MD following the exchange of all Covered Interests, (a) references to LAZ-MD in this Section 5.10 and in Sections 5.1, 5.2 and 5.7 shall be deemed to refer to Lazard Ltd, (b) references in Section 5.4 to LAZ-MD and the Board shall be deemed to refer to the person or persons designated by LAZ-MD for such purpose (with the consent of Lazard Ltd) and (c) references to the Board in Section 5.4(e)(iii) shall be deemed to refer to the General Counsel of Lazard Ltd.

Section 5.11 No Third-Party Rights. Other than as expressly provided herein, nothing in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

Section 5.12 Section Headings. The headings of sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

Section 5.13 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed or caused to be duly executed this Agreement as of the dates indicated.

LAZ-MD HOLDINGS LLC

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Member

LAZARD LTD (solely for the purposes of Articles I, II, IV and V hereto)

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director, Vice President and Secretary

EXHIBIT 10.2

OPERATING AGREEMENT

OF

LAZARD GROUP LLC

Dated as of May 10, 2005

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Exhibits

Exhibit A Certain Tax Related Matters

OPERATING AGREEMENT (together with all exhibits, annexes and schedules hereto, this "Agreement") of Lazard Group LLC (formerly known as Lazard LLC), a Delaware limited liability company (the "Company"), dated as of May 10, 2005.

WHEREAS, the Amended and Restated Limited Partnership Agreement made as of May 6, 1988, as amended (the "Partnership Agreement"), constituted the partnership agreement of Lazard Partners Limited Partnership, a Delaware limited partnership (the "Partnership"); and

WHEREAS, effective as of 5:00 a.m., New York City time, on March 3, 2000, the Partnership was converted into the Company under the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.) (as amended from time to time and any successor statute thereto, the "Act") and the ownership, capital and profit sharing interests in the Partnership were reorganized into ownership, capital and profit sharing interests in the Company; and

WHEREAS, on March 3, 2000, certain members of Lazard Frères & Co. LLC, a New York limited liability company ("LFNY"), and certain shareholders of Lazard Frères S.A.S., a French *Société par Actions Simplifiée* ("LF"), and Maison Lazard S.A.S., a French *Société par Actions Simplifiée* ("ML" and, together with LF, "LFP"), transferred their ownership, capital and profit sharing interests in LFNY and LFP to the Company in exchange for ownership, capital and profit sharing interests in the Company; and

WHEREAS, as of March 16, 2001, the members of the Company entered into an Amended and Restated Operating Agreement of the Company, dated as of March 16, 2001 (the "First Amended Operating Agreement"), amending and restating in its entirety the Operating Agreement of the Company dated March 3, 2000 (the "Original Operating Agreement") to reflect certain amendments thereto; and

WHEREAS, as of May 30, 2001, the members of the Company entered into a Second Amended and Restated Operating Agreement of the Company, dated as of May 30, 2001 (the "Second Amended Operating Agreement"), amending and restating in its entirety the First Amended Operating Agreement to reflect certain amendments thereto; and

WHEREAS, as of January 1, 2002, the members of the Company entered into a Third Amended and Restated Operating Agreement of the Company, dated as of January 1, 2002 (the "Initial Third Amended Operating Agreement"), amending and restating in its entirety the Second Amended Operating Agreement to reflect certain amendments thereto; and

WHEREAS, the members of the Company amended the Initial Third Amended Operating Agreement pursuant to Amendment No.1 dated as of January 10, 2003, Amendment No. 2, dated as of December 10, 2003, and Amendment No. 3, dated as of December 15, 2004, to reflect certain amendments thereto; and

WHEREAS, on December 16, 2004, the Company entered into that certain Class B-1 and Class C Members Transaction Agreement relating to Lazard LLC (the "Transaction Agreement"); and

WHEREAS, the members of the Company further amended the Initial Third Amended Operating Agreement pursuant to Amendment No. 3.1, dated as of April 7, 2005, Amendment No. 4, dated as of the date hereof and Amendment No. 5, dated as of the date hereof, to reflect certain amendments thereto (as so amended through Amendment No. 5, the "Third Amended Operating Agreement"); and

WHEREAS, on the date hereof after the effectiveness of the amendments to the Third Amended Operating Agreement on the date hereof, the Company entered into that certain Master Separation Agreement (the "Master Separation Agreement") with Lazard Ltd, a Bermuda company ("Lazard Ltd"), LAZ-MD Holdings LLC, a Delaware limited liability company ("LAZ-MD"), and LFCM Holdings LLC, a Delaware limited liability company and currently wholly owned subsidiary of the Company ("LFCM"); and

WHEREAS, pursuant to the Transaction Agreement, on the date hereof and after entry into the Master Separation Agreement, certain Class B-1 Members and Class C Members (each as defined in the Third Amended Operating Agreement) transferred Class B-1 Interests and Class C Interests (each as defined in the Third Amended Operating Agreement) to LAZ-MD, and simultaneously therewith, pursuant to Section 6.02(b) of the Third Amended Operating Agreement, all other Interests (as defined in the Third Amended Operating Agreement) were transferred to LAZ-MD in exchange for limited liability company interests in LAZ-MD (the "Forced Sale"); and

WHEREAS, pursuant to and simultaneously with the consummation of the Exchange and the Forced Sale, all members of the Company immediately prior to the Exchange and the Forced Sale ceased to be members of the Company, and LAZ-MD was admitted to the Company as the sole member and is continuing the Company without dissolution; and

WHEREAS, LAZ-MD, as the sole member of the Company, is entering into this Agreement to amend and restate in its entirety the Third Amended Operating Agreement, effective immediately, to reflect, among other things, (1) the recapitalization of the Company's limited liability company interests into new classes of limited liability company interests having the rights and obligations set forth herein, (2) the reconstitution of the management and governance of the Company as set forth herein, and (3) the change in the name of the Company to "Lazard Group LLC"; and

WHEREAS, on the date hereof, immediately after the effectiveness of this Agreement, the Company is causing the filing of a Certificate of Amendment to its Certificate of Formation with the Secretary of State of the State of Delaware to reflect the change in the Company's name from "Lazard LLC" to "Lazard Group LLC"; and

WHEREAS, pursuant to, and subject to satisfaction or waiver of the conditions set forth in, the Transaction Agreement and the Master Separation Agreement, on the date hereof, LAZ-MD shall redeem the limited liability company interests in LAZ-MD that were issued in exchange for Class B-1 Interests and Class C Interests (each as defined in the Third Amended Operating Agreement) for the Redeemable Interests (as defined below), effective immediately after effectiveness of this Agreement (the "First Redemption"); and

WHEREAS, pursuant to, and subject to satisfaction or waiver of the conditions set forth in, the Transaction Agreement and the Master Separation Agreement, immediately after consummation of the First Redemption, the Company shall contribute all of its right, title and interests in and to certain businesses and assets of the Company (the "Separated Business") to LFCM, and the Company shall delegate, and LFCM shall assume, certain liabilities, including liabilities relating to the Separated Business, and the Company shall distribute all of the limited liability company interests in LFCM to LAZ-MD, in each case, on the terms and subject to the conditions set forth in the Master Separation Agreement (collectively, the "Separation"); and

WHEREAS, pursuant to, and subject to satisfaction or waiver of the conditions set forth in, the Transaction Agreement and the Master Separation Agreement, immediately after consummation of the Separation, (1) Lazard Ltd shall consummate the initial public offering of shares of Class A common stock, par value $.01 per share, of Lazard Ltd (the "Lazard Ltd Common Stock"), (2) Lazard Ltd shall cause Lazard Ltd Sub A (as defined below) to contribute to the Company a portion of the net proceeds from such initial public offering on the terms and subject to the conditions set forth in the Master Separation Agreement (the "Lazard Ltd Sub A Contribution"), and Lazard Ltd shall cause Lazard Ltd Sub B (as defined below) to contribute to the Company a portion of the net proceeds from such initial public offering on the terms and subject to the conditions set forth in the Master Separation Agreement (the "Lazard Ltd Sub B Contribution"), and (3) in exchange therefor, the Company shall issue to Lazard Ltd Sub A a Common Interest (each as defined herein) and to Lazard Ltd Sub B a Common Interest and admit each of Lazard Ltd Sub A and Lazard Ltd Sub B as Common Members and Lazard Group Finance LLC, a Delaware limited liability company ("FinanceCo"), as the Managing Member, in each case in accordance with the Master Separation Agreement and effective immediately upon consummation of the contributions in accordance with this Agreement (the "Common Stock IPO Transaction"); and

WHEREAS, pursuant to, and subject to satisfaction or waiver of the conditions set forth in, the Transaction Agreement and the Master Separation Agreement, immediately after the consummation of the Separation, the Company shall sell debt securities to certain institutional investors and shall sell debt securities to FinanceCo (such sales, together with the Common Stock IPO Transaction, the "Financing Transactions"); and

WHEREAS, pursuant to, and subject to satisfaction or waiver of the conditions set forth in, the Transaction Agreement and the Master Separation Agreement, immediately after consummation of the Financing Transactions, the Company shall redeem the Redeemable Interests for the Redemption Consideration (as defined below) (the "Second Redemption"); and

WHEREAS, each of the Lazard Board (as defined in the Third Amended Operating Agreement) and LAZ-MD, in its capacity as the sole member of the Company, has approved and adopted this Agreement.

NOW, THEREFORE, the Member hereby amends and restates in its entirety the Third Amended Operating Agreement and adopts the following as the "limited liability company agreement" of the Company within the meaning of the Act:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Accounting Period" means (i) in the case of the first Accounting Period, the period commencing on the date of this Agreement and ending at the next Closing of the Books Event, and (ii) in the case of each subsequent Accounting Period, the period commencing immediately after a Closing of the Books Event and ending at the next Closing of the Books Event.

"Acknowledgment" means a Membership Acknowledgement and Agreement with respect to the Profit Participation Interests in the form to be approved by the Chief Executive Officer, the Chief Financial Officer and the General Counsel (or any of them).

"Act" has the meaning set forth in the recitals to this Agreement.

"Adjusted Percentage Interest" means, with respect to a Common Member (other than a Lazard Ltd Member) the product of (i) the Tax Rate (as determined by the Company in its sole discretion) applicable to such Common Member and (ii) a fraction, the numerator of which is the Percentage Interest of such Common Member and the denominator of which is the sum of the Percentage Interests for all Common Members (other than the Lazard Ltd Members).

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

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

"Alternative Tax Rate" means the weighted average of the Tax Rates (weighted in proportion to relative Percentage Interests) applicable to Common Members other than the Lazard Ltd Members.

"Ancillary Agreements" means "Ancillary Agreements" as defined in that Master Separation Agreement.

"Applicable Tax Rate" means the greater of the Lazard Ltd Tax Rate and the Alternative Tax Rate.

"Bankruptcy Event" means the occurrence of any of the events described in Section 18-304 of the Act or any similar provision of any successor statute.

"Cap" has the meaning set forth in Section 5.04.

"Capital" means, with respect to any Member, such Member's Common Capital and/or Profit Participation Capital, as applicable.

"Capital Account" has the meaning set forth in Section 5.01.

"Certificate of Conversion" means the certificate of conversion converting the Partnership into the Company filed with the office of the Secretary of State of the State of Delaware on March 2, 2000.

"Certificate of Formation" means the certificate of formation of the Company filed with the office of the Secretary of State of the State of Delaware on March 2, 2000.

"Closing of the Books Event" means any of (i) the close of the last day of each calendar year and each calendar quarter, (ii) the close of any date on which there occurs a dissolution of the Company, the admission of a new Common Member or the withdrawal of a Common Member, or (iii) any other time that the Lazard Board determines to be appropriate for an interim closing of the Company's books.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"Common Capital" means, with respect to any Common Member, the balance in such Member's Common Capital Account from time to time.

"Common Capital Account" has the meaning set forth in Section 5.01.

"Common Interest" means, with respect to any Common Member, such Member's Common Units and Common Capital and rights and obligations with respect to the Company pursuant to this Agreement and applicable law by virtue of such Member holding such Common Units and having such Common Capital.

"Common Member" means any person who, from time to time, is entitled to a Common Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Company as a Common Member in accordance with this Agreement and shall not have ceased to be a Common Member under the terms of this Agreement.

"Common Member's Proportionate Tax Share" means (i) with respect to a Lazard Ltd Member, the product of (x) the Lazard Ltd Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, and (y) a fraction, the numerator of which is the Percentage Interest of such Lazard Ltd Member for such fiscal year, fiscal quarter or other period and the denominator of which is the sum of the Percentage Interests for all Lazard Ltd Members for such fiscal year, fiscal quarter or other period and (ii) with respect to a Common Member other than a Lazard Ltd Member, the product of (x) the Remaining Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, and (y) a fraction, the numerator of which is the Adjusted Percentage Interest of such Common Member for such fiscal year, fiscal quarter or other period and the denominator of which is the sum of the Adjusted Percentage Interests for all Common Members (other than the Lazard Ltd Members) for such fiscal year, fiscal quarter or other period. In the event that the Percentage Interest of a Common Member changes during any fiscal year, fiscal quarter or other period, the Common Member's Proportionate Tax Share of such Common Member and the other Common Members, as the case may be, for such fiscal year, fiscal quarter

or other period shall be appropriately adjusted to take into account the Common Members' varying interests.

"Common Stock IPO Transaction" has the meaning set forth in the recitals to this Agreement.

"Common Tax Distribution" means, for each fiscal year, fiscal quarter or other period of the Company during the term of the Company, the product of (i) the aggregate amount of taxable income or gain allocated to the Common Members pursuant to Section 5.04(a)(ii) for such fiscal year, fiscal quarter or other period and (ii) the Applicable Tax Rate for such fiscal year, fiscal quarter or other period.

"Common Units" has the meaning set forth in Section 4.03(b).

"Company" has the meaning set forth in the preamble to this Agreement.

"Conversion Agreement" means the Conversion Agreement dated as of March 3, 2000, among the requisite percentage of the partners of the Partnership.

"Coordination Agreement" means the Amended and Restated Coordination Agreement, to be entered into as of the date hereof, by and among the Company, LFP, LB, LFNY and LAM.

"Delaware Arbitration Act" has the meaning set forth in Section 10.05(d).

"Directors" has the meaning set forth in Section 3.02(a).

"Disputes" has the meaning set forth in Section 10.05.

"Dividend Distribution" means, for each Common Member, the product of (1) the number of Common Units held by such Member and (2) the per share cash dividend, if any, to be paid on such date by Lazard Ltd as declared by the Board of Directors of Lazard Ltd.

"Documents" has the meaning set forth in Section 2.07.

"Elective Lazard Group Exchange" has the meaning set forth in Section 7.05(b).

"Encumbrance" has the meaning set forth in Section 7.07.

"Estate Transfer" has the meaning set forth in Section 7.06.

"Estate Transferee" has the meaning set forth in Section 7.06.

"Executive Review" has the meaning set forth in Section 10.05(b).

"FinanceCo" has the meaning set forth in the recitals to this Agreement.

"Financing Documents" means the agreements to which the Company is a party to be entered into in connection with the Financing Transactions, including (1) the Underwriting

Agreement, dated as of May 4, 2005, by and among Lazard Ltd, the Company and Goldman, Sachs & Co., as representative of the underwriters, with respect to the Common Stock IPO Transaction, (2) the Underwriting Agreement, dated as of May 4, 2005, by and among Lazard Ltd, the Company, FinanceCo and Goldman, Sachs & Co., as representative of the underwriters, with respect to the initial public offering of the Lazard Ltd equity security units pursuant to the Financing Transactions, (3) the purchase agreement, dated as of May 4, 2005, by and between the Company, Citigroup Global Markets, Inc. and J.P. Morgan Securities Inc., (4) the registration rights agreement, dated as of the date hereof, by and between the Company, Citigroup Global Markets, Inc. and J.P. Morgan Securities Inc., (5) the Indenture, with The Bank of New York as Trustee, dated as of the date hereof, (6) the First Supplemental Indenture, with The Bank of New York as Trustee, dated as of the date hereof, (7) the Second Supplemental Indenture, with The Bank of New York as Trustee, dated as of the date hereof, (8) the Investment Letter, dated as of March 15, 2005, by and among the Company, Lazard Ltd and IXIS-Corporate & Investment Bank, an entity organized under the laws of France ("IXIS"), (9) the Registration Rights Agreement to be entered into by and among FinanceCo, the Company and IXIS, (10) the Senior Revolving Credit Agreement to be entered into among the Company, JPMorgan Chase Bank, N.A., Citibank, N.A., The Bank of New York and JPMorgan Chase Bank, N.A., as Administrative Agent, (11) each of the Revolving Subordination Loan Agreements to be entered into by and between LFNY and each of JPMorgan Chase Bank, N.A., Citibank, N.A. and The Bank of New York, (12) the Intercreditor Agreement to be entered into among the Lenders time to time parties thereto, Citibank, N.A., The Bank of New York, JPMorgan Chase Bank, N.A., as a lender and as Administrative Agent, and LFNY, (13) the Guarantee Agreement made by the Company in favor of JPMorgan Chase Bank, N.A., as Administrative Agent, and (14) each other agreement to be entered to pursuant to the foregoing.

"Financing Transactions" has the meaning set forth in the recitals to this Agreement.

"First Amended Operating Agreement" has the meaning set forth in the recitals to this Agreement.

"First Redemption" has the meaning set forth in the recitals to this Agreement.

"Forced Sale" has the meaning set forth in the recitals to this Agreement.

"Governing Agreements" means the constitutional or organizational documents (including, if applicable, any limited liability company agreement, certificate of incorporation or formation, articles of incorporation or formation, bylaws, *statuts* or similar documents or agreements) of each House.

"Head of Lazard and Chairman of the Executive Committee" means the Chief Executive Officer of the Company.

"Houses" means LB, LFNY, LFP and the Other Houses.

"ICC" has the meaning set forth in Section 10.05(b).

"ICC Rules" has the meaning set forth in Section 10.05(b).

"Immediate Lazard Group Exchange" has the meaning set forth in Section 7.05(a).

"Initial Third Amended Operating Agreement" has the meaning set forth in the recitals to this Agreement.

"Interest" means a Common Interest, a Profit Participation Interest and, until the consummation of the Second Redemption, a Redeemable Interest.

"LAM" means Lazard Asset Management LLC, a Delaware limited liability company and a Subsidiary of the Company.

"LAZ-MD" has the meaning set forth in the recitals to this Agreement.

"LAZ-MD Co II" means LAZ-MD Co II, a Delaware limited liability company.

"LAZ-MD Common Members" means all of the Common Members other than Lazard Ltd and its Subsidiaries (including Lazard Ltd Sub A and Lazard Ltd Sub B).

"LAZ-MD Electing Exchanging Member" means an "Electing LAZ-MD Exchanging Member" as defined in the LAZ-MD Operating Agreement.

"LAZ-MD Exchange" means a "LAZ-MD Exchange" as defined in the LAZ-MD Operating Agreement.

"LAZ-MD Exchangeable Interest" means a "Class II Interest" of LAZ-MD having the rights and obligations set forth in the limited liability company agreement of LAZ-MD as in effect from time to time.

"LAZ-MD Exchanging Member" means a "LAZ-MD Exchanging Member" as defined in the LAZ-MD Operating Agreement.

"LAZ-MD Operating Agreement" means the Operating Agreement of LAZ-MD Holdings LLC, dated as of the date hereof, as it may be amended from time to time.

"Lazard Board" has the meaning set forth in Section 3.01.

"Lazard Group Exchange" has the meaning set forth in Section 7.05(b).

"Lazard Group Exchange Consideration" has the meaning set forth in Section 7.05(a).

"Lazard Ltd" has the meaning set forth in the recitals to this Agreement.

"Lazard Ltd Affiliate" has the meaning set forth in Section 10.17(a).

"Lazard Ltd Board" has the meaning set forth in Section 3.02(f).

"Lazard Ltd Bye-Laws" means the Bye-Laws of Lazard Ltd, as amended and restated as of the date hereof and as further amended or supplemented from time to time.

"Lazard Ltd Common Stock" has the meaning set forth in the recitals to this Agreement.

"Lazard Ltd Member" means Lazard Ltd Sub A and Lazard Ltd Sub B.

"Lazard Ltd Nominating Committee" has the meaning set forth in Section 3.02(f).

"Lazard Ltd Recipient" has the meaning set forth in Section 7.02(a).

"Lazard Ltd Sub A" means the Subsidiary of Lazard Ltd designated as such on Schedule 1.01.

"Lazard Ltd Sub A Contribution" has the meaning set forth in the recitals to this Agreement.

"Lazard Ltd Sub B" means the Subsidiary of Lazard Ltd designated as such on Schedule 1.01.

"Lazard Ltd Sub B Contribution" has the meaning set forth in the recitals to this Agreement.

"Lazard Ltd Tax Distribution" means the product of (i) the Common Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable and (ii) the aggregate Percentage Interest of the Lazard Ltd Members.

"Lazard Ltd Tax Rate" means the greater of Lazard Ltd Sub A's Tax Rate and Lazard Ltd Sub B's Tax Rate.

"Lazard Mark" means (a) any service mark or trademark which includes the word "Lazard" or the initials "LF," including fund names and designations such as "Lazard Asset Management," or (b) any other word or design service mark or trademark which (1) has been used or licensed by any of LB (or any of its predecessor companies), LFNY, LF, ML or the Company or (2) has been designated as a Lazard Mark by the Lazard Board on or after the date hereof.

"Lazard Name" means any of the firm names Lazard, Lazard Brothers or Lazard Frères or any other firm name which includes the word "Lazard."

"LB" means Lazard & Co., Holdings Limited, an English private limited company.

"LF" means Lazard Frères S.A.S., a French *Société par Actions Simplifiée*.

"LFCM" has the meaning set forth in the recitals to this Agreement.

"LFNY" means Lazard Frères & Co. LLC, a New York limited liability company.

"LFP" means each of LF and ML.

"Managing Director" means (a) a managing director or limited managing director of LFNY, (b) an Associé-Gérant of LF, (c) a managing director or limited managing director of LB or (d) a managing director, limited managing director or comparable executive of one of the Other Houses, as applicable; provided, however, that "Managing Director" shall exclude any managing director or limited managing director of LAM, in their capacity as such.

"Managing Member" has the meaning set forth in Section 4.02.

"Mandatory Lazard Group Exchange" has the meaning set forth in Section 7.05(b).

"Mandatory LAZ-MD Exchange" means a "Mandatory Exchange" as defined in the LAZ-MD Operating Agreement.

"Master Separation Agreement" has the meaning set forth in the recitals to this Agreement.

"MD Common Member" has the meaning set forth in Section 7.05(b).

"Members" means the Common Members, Profit Participation Members, the Managing Member and, until the consummation of the Second Redemption, a Redeemable Member, and "Member" means any of the foregoing.

"ML" means Maison Lazard S.A.S., a French *Société par Actions Simplifiée*.

"Original Operating Agreement" has the meaning set forth in the recitals to this Agreement.

"Other Houses" means LAM and all Subsidiaries of the Company that shall be designated by the Company as a house (but excluding LB, LFNY and LFP).

"Partial LAZ-MD Mandatory Exchange" means a "Partial LAZ-MD Mandatory Exchange" as defined in the Master Separation Agreement.

"Partnership" has the meaning set forth in the recitals to this Agreement.

"Partnership Agreement" has the meaning set forth in the recitals to this Agreement.

"Percentage Interest" means, with respect to a Common Member, the ratio, expressed as a percentage, of the number of Common Units held by such Common Member over the number of Common Units held by all Common Members.

"Profit Participation Capital" means, with respect to any Profit Participation Member, the balance in such Member's Profit Participation Capital Account from time to time.

"Profit Participation Capital Account" has the meaning set forth in Section 5.01.

"Profit Participation Interest" means, with respect to any Profit Participation Member, such Member's Profit Participation Percentage and Profit Participation Capital and rights and obligations with respect to the Company pursuant to this Agreement and applicable law by virtue of such Member holding such Profit Participation Percentage and having such Profit Participation Capital.

"Profit Participation Member" means any person who has acquired a Profit Participation Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Company as a Profit Participation Member in accordance with this Agreement and shall not have ceased to be a Profit Participation Member under the terms of this Agreement.

"Profit Participation Percentage" means, with respect to any Accounting Period, (1) the profit percentage of a Profit Participation Member under the terms of this Agreement for such Accounting Period determined in accordance with Section 4.03, or (2) the profit percentage constituting the Unallocated Float.

"Profit Participation Member's Proportionate Tax Share" means, with respect to a Profit Participation Member, the product of (x) the Profit Participation Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, and (y) the Profit Participation Percentage of such Profit Participation Member for such fiscal year, fiscal quarter or other period. In the event that the Profit Participation Percentage of a Profit Participation Member changes during any fiscal year, fiscal quarter or other period, the Profit Participation Member's Proportionate Tax Share of such Profit Participation Member and the other Profit Participation Members, as the case may be, for such fiscal year, fiscal quarter or other period shall be appropriately adjusted to take into account the Profit Participation Members' varying interests.

"Profit Participation Tax Distribution" means, for each fiscal year, fiscal quarter or other period of the Company during the term of the Company, the product of (i) the aggregate amount of taxable income or gain allocated to the Profit Participation Members pursuant to Section 5.04(a)(i) for such fiscal year, fiscal quarter or other period and (ii) the Applicable Tax Rate for such fiscal year, fiscal quarter or other period.

"Proportionate Distribution Amount" has the meaning set forth in Section 8.03(a).

"Quarterly Common Tax Distribution" means, for each Common Member for each of the first three fiscal quarters of the Company during the term of the Company, such Common Member's Proportionate Tax Share for such fiscal quarter.

"Quarterly Profit Participation Tax Distribution" means, for each Profit Participation Member for each of the first three fiscal quarters of the Company during the term of the Company, such Profit Participation Member's Proportionate Tax Share for such fiscal quarter.

"Redeemable Class B-1 Interest" means, with respect to any Redeemable Class B-1 Member, such Member's interest in the Company designated as a "Redeemable Class B-1 Interest" and such Member's rights and obligations with respect to the Company pursuant to this Agreement and applicable law by virtue of such Member holding such Redeemable Class B-1 Interest.

"Redeemable Class B-1 Member" means any person who has acquired a Redeemable Class B-1 Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Company as a Redeemable Class B-1 Member in accordance with this Agreement and shall not have ceased to be a Redeemable Class B-1 Member under the terms of this Agreement.

"Redeemable Class C Interest" means, with respect to any Redeemable Class C Member, such Member's interest in the Company designated as a "Redeemable Class C Interest" and such Member's rights and obligations with respect to the Company pursuant to this Agreement and applicable law by virtue of such Member holding such Redeemable Class C Interest.

"Redeemable Class C Member" means any person who has acquired a Redeemable Class C Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Company as a Redeemable Class C Member in accordance with this Agreement and shall not have ceased to be a Redeemable Class C Member under the terms of this Agreement.

"Redeemable Interest" means, with respect to any Redeemable Member, such Member's Redeemable Class B-1 Interest and Redeemable Class C Interest.

"Redeemable Member" means any Redeemable Class B-1 Member or Redeemable Class C Member.

"Redemption Consideration" has the meaning set forth in Section 4.03(d).

"Remaining Tax Distribution" means the excess of the Common Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, over the Lazard Ltd Tax Distribution.

"Retirement" means, with respect to any Profit Participation Member, (1) the resignation, removal (including, for the avoidance of doubt, for cause) or withdrawal of such Member from the Company, (2) such Member ceasing to be a Managing Director, (3) the purported Transfer by such Member of his or her Profit Participation Interest in violation of Article VII, (4) the death of such Member, or (5) the occurrence with respect to such Member of any of the events set forth in Section 18-304 of the Act. "Retired" and "Retiring" have meanings correlative thereto.

"Second Amended Operating Agreement" has the meaning set forth in the recitals to this Agreement.

"Second Redemption" has the meaning set forth in the recitals to this Agreement.

"Separated Business" has the meaning set forth in the recitals to this Agreement.

"Separation" has the meaning set forth in the recitals to this Agreement.

"Subsidiary" means, with respect to any person, any corporation, limited liability company, company, partnership, trust, association or other legal entity or organization of which

such person (either directly or through one or more Subsidiaries of such person) (a) owns, directly or indirectly, a majority of the capital stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation, limited liability company, partnership, trust, association or other legal entity or organization, or (b) is otherwise entitled to exercise (1) a majority of the voting power generally in the election of the board of directors or other governing body of such corporation, limited liability company, partnership, trust, association or other legal entity or organization or (2) control of such corporation, limited liability company, partnership, trust, association or other legal entity or organization.

"Tax Rate" means, with respect to a Common Member, the highest aggregate marginal statutory federal, state, local and foreign income, franchise and branch profits tax rate (determined taking into account the deductibility of state and local income taxes for federal income tax purposes and the creditability or deductibility of foreign income taxes for federal income tax purposes) applicable to a person or entity, as appropriate, whose principal tax residence is in the same national jurisdiction as such Common Member on income of the same character and source as the income allocated to such Common Member pursuant to Section 5.04(a)(ii) for such fiscal year, fiscal quarter or other period; provided, that in the case of a Common Member that is a partnership, grantor trust or other pass-through entity under United States federal income tax law, such Common Member's Tax Rate shall be the weighted average of the Tax Rates of such Common Member's members, grantor-owners or other beneficial owners (weighted in proportion to their relative economic interests in such Common Member) and provided further that if any such member, grantor-owner or other beneficial owner of such Common Member is itself a partnership, grantor trust or other-pass through entity similar principles shall be applied to determine the Tax Rate of such member, grantor-owner or other beneficial owner.

"Third Amended Operating Agreement" has the meaning set forth in the recitals to this Agreement.

"Transaction Agreement" has the meaning set forth in the recitals to this Agreement.

"Transfer" means any transfer, sale, conveyance, assignment, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law, of all or any part of an Interest or any right, title or interest therein.

"Transferee" means the transferee in a Transfer or proposed Transfer.

"Transferor" means the transferor in a Transfer or proposed Transfer.

"Unallocated Float" means any Profit Participation Percentage for any Accounting Period that is not allocated to a particular Member.

SECTION 1.02. Other Definitional Provisions. Wherever required by the context of this Agreement, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa, and references to any

agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein:

(a) the word “or” is not exclusive;

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

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

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

(e) the word “person” means any individual, corporation, limited liability company, trust, joint venture, association, company, partnership or other legal entity or a government or any department or agency thereof or self-regulatory organization; and

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

SECTION 1.03. References to Schedules. The Chief Executive Officer and General Counsel shall maintain and revise from time to time all schedules referred to in this Agreement in accordance with this Agreement. Notwithstanding anything in Section 10.02 to the contrary, any such revision shall not be deemed an amendment to this Agreement, and shall not require any act, vote or approval of any person. The Company shall not be obligated by this Agreement to distribute or otherwise provide to the Members copies of or access to such schedules.

ARTICLE II

FORMATION, CONTINUATION AND POWERS

SECTION 2.01. Formation and Continuation. Effective as of 5:00 a.m., New York City time, on March 3, 2000, the Partnership was converted into a limited liability company pursuant to the provisions of the Act by the filing of the Certificate of Conversion and the Certificate of Formation. Pursuant to the Act, the existence of the Company is deemed to have commenced on June 12, 1984, the date the Partnership was formed. Pursuant to the Conversion Agreement, the Certificate of Conversion and the Certificate of Formation, the business of the Partnership was continued by the Company. The Company became the owner of all the assets of the Partnership and became liable for all the obligations of the Partnership, as provided in the Conversion Agreement. Pursuant to the Act, for all purposes of the laws of the State of Dela-

ware, the Company is deemed to be the same entity as the Partnership. The name of the Company is hereby changed from "Lazard LLC" to "Lazard Group LLC," and a Certificate of Amendment to the Certificate of Formation is being filed by Scott D. Hoffman, as a designated "authorized person" within the meaning of the Act, on the date hereof to reflect such change. This Agreement shall be effective upon execution by LAZ-MD as the sole initial Member.

SECTION 2.02. Name. The name of the Company is "Lazard Group LLC".

SECTION 2.03. Purpose and Scope of Activity. The Company has been formed for the object and purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful business purpose or activity for which limited liability companies may be formed under the Act, and engaging in any and all activities necessary or incidental to the foregoing. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, that are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company.

SECTION 2.04. Principal Place of Business. For purposes of the Act, the principal place of business of the Company shall be located in New York, New York or at such other place as may hereafter be designated from time to time by the Lazard Board. Company, committee and board meetings shall take place at the Company's principal place of business unless decided otherwise for any particular meeting.

SECTION 2.05. Registered Agent and Office. The registered agent for service of process is, and the mailing address of the registered office of the Company in the State of Delaware is in care of, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware. At any time, the Company may designate another registered agent and/or registered office.

SECTION 2.06. Authorized Persons. The execution and causing to be filed of the Certificate of Conversion, the Certificate of Formation and the Certificate of Amendment to the Certificate of Formation by the applicable authorized persons are hereby specifically ratified, adopted and confirmed. The officers of the Company are hereby designated as authorized persons, within the meaning of the Act, to act in connection with executing and causing to be filed, when approved by the appropriate governing body or bodies hereunder, any certificates required or permitted to be filed with the Secretary of State of the State of Delaware and any certificates (and any amendments and/or restatements thereof) necessary for the Company to file in any jurisdiction in which the Company is required to make a filing.

SECTION 2.07. Specific Authorization. The execution, delivery and performance by the Company and Bruce Wasserstein, Steven J. Golub, Michael J. Castellano and Scott D. Hoffman, on behalf of the Company (acting individually or together), of the Transaction Agreement, the Master Separation Agreement, the Financing Documents and Ancillary Agreements to which the Company is a party (the "Documents") are hereby approved and ratified for all purposes hereunder. The Company is hereby authorized to execute, deliver and perform, and each Director and officer on behalf of the Company is hereby authorized to execute and deliver, the Documents and each other document, agreement or notice contemplated by the Documents

and all documents, agreements, certificates, or financing statements contemplated by, or related to, any such agreements or the Documents.

ARTICLE III

MANAGEMENT

SECTION 3.01. Management Generally. Except as otherwise expressly provided in this Agreement with respect to the Managing Member, the business and affairs of the Company shall be managed under the direction of the board of directors of the Company (the "Lazard Board"). In addition to the powers and authorities by this Agreement expressly conferred upon them, the Lazard Board may exercise all such powers of the Company and do all such lawful acts and things as are not by the Act or by this Agreement required to be exercised or done by the Members or the Managing Member. Certain powers and authorities of the Lazard Board may be concurrently allocated to or executed by the Chief Executive Officer, or one or more other officers, when and to the extent expressly delegated thereto by the Lazard Board in accordance with this Agreement; provided, that, subject to the provisions of Section 3.02, any such delegation may be revoked at any time and for any reason by the Lazard Board. Approval by or action taken by the Lazard Board in accordance with this Agreement shall constitute approval or action by the Company and shall be binding on the Members. Each Director on the Lazard Board shall be a "manager" of the Company within the meaning of the Act.

SECTION 3.02. Lazard Board. (a) Composition. The Lazard Board shall consist of three (3) managers (the "Directors"); provided that the number of Directors may be increased or decreased from time to time exclusively by the Managing Member. The members of the Lazard Board are set forth on Schedule 3.02(a). Schedule 3.02(a) shall be amended pursuant to Section 1.03 to reflect any change in the identity of the members of, or increase or decrease in the size of, the Lazard Board in accordance with this Agreement. Each Director shall continue in such position until his or her successor shall have been duly elected and shall have qualified or until the earlier of his or her death, disability, resignation, retirement or removal from such position.

(b) Vacancies; Removal. Vacancies resulting from death, resignation, retirement, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of Directors, may be filled only by the Managing Member. Any Director may be removed at any time, with or without cause, by the Managing Member in its sole discretion.

(c) Compensation of Directors. Directors of the Company, in their capacity as such, shall not be entitled to compensation, unless, and to the extent, approved by the Managing Member.

(d) Meetings. Meetings of the Lazard Board shall be held at the Company's principal place of business or such other place, within or without the State of Delaware, that has been designated from time to time by the Lazard Board. Meetings of the Lazard Board for any purpose or purposes may be called at any time by (i) the Managing Member, (ii) the Chief Executive Officer, (iii) the Chairman of the Board, or (iv) a majority of the Directors then in

office. Notice of any meeting of the Lazard Board shall be given to each Director at his business or residence in writing by hand delivery, first-class or overnight mail or courier service, electronic mail transmission, telegram or facsimile transmission, or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If by electronic mail transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twenty-four (24) hours before such meeting. If by facsimile transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Lazard Board need be specified in the notice of such meeting. A meeting may be held at any time without notice if all the Directors are present or if those not present waive notice of the meeting in accordance with Section 3.02(g) of this Agreement. Notwithstanding anything to the contrary set forth herein, notice of any meeting of the Lazard Board to discuss, resolve or act upon (1) the removal of, or any request for the resignation or retirement of, the Chairman of the Board or the Chief Executive Officer from such office or (2) any revocation, reduction or limitation of the powers or authorities delegated or otherwise granted to the Chairman of the Board or the Chief Executive Officer shall in each case be deemed adequately delivered only if given to each of the Directors and, if such person is not a Director, the Chairman of the Board or Chief Executive Officer, as applicable, in each case in accordance with this Section 3.02(d) at least seven (7) business days before the date of such meeting (it being understood that the failure to provide adequate notice in accordance with this sentence shall invalidate any action or resolution of the Lazard Board to remove, or to request the resignation or retirement of, the Chairman of the Board or the Chief Executive Officer from such office or to revoke, reduce or limit the powers or authorities delegated or otherwise granted to the Chairman of the Board or the Chief Executive Officer taken at such meeting).

(e) Quorum; Alternates; Participation in Meetings by Conference Telephone Permitted. The presence of a majority of the Directors then in office shall constitute a quorum for the transaction of business. If at any meeting of the Lazard Board there shall be less than a quorum present, a majority of the Directors present may adjourn the meeting from time to time without further notice. Directors may participate in a meeting of the Lazard Board through use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can communicate with and hear one another. The Directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

(f) Vote Required for Action. The act of the majority of the Directors present at a meeting of the Lazard Board at which a quorum is present shall be the act of the Lazard Board; provided, however, that, notwithstanding anything herein to the contrary, any action or resolution of the Lazard Board (i) to remove, or to request the resignation or retirement of, the Chairman of the Board or the Chief Executive Officer from such office or (ii) to revoke, reduce or limit the powers or authorities delegated or otherwise granted to the Chairman of the Board or

the Chief Executive Officer shall in each case require (1) the approval of each of the Nominating and Governance Committee of the Board of Directors of Lazard Ltd (the "Lazard Ltd Nominating Committee") and the Board of Directors of Lazard Ltd (the "Lazard Ltd Board") in accordance with Article 24 of the Lazard Ltd Bye-Laws and (2) after each of the approvals set forth in clause (1) of this proviso have been so obtained, the affirmative vote of a majority of the Directors then in office, to be an act of the Lazard Board.

(g) Waiver of Notice; Consent to Meeting. Notice of a meeting need not be given to any Director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the Company's records and made a part of the minutes of the meeting.

(h) Action by Lazard Board Without a Meeting. Any action required or permitted to be taken by the Lazard Board may be taken without a meeting and without prior notice if a majority of the Directors then in office shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Lazard Board. Such action by written consent shall have the same force and effect as a vote of the Lazard Board in favor of such action. Notwithstanding anything to the contrary set forth herein, any action or resolution of the Lazard Board (i) to remove, or request the resignation or retirement of, the Chairman of the Board or the Chief Executive Officer from such office or (ii) to revoke, reduce or limit the powers or authorities delegated or otherwise granted to the Chairman of the Board or the Chief Executive Officer may in each case only be taken or made at a meeting of the Lazard Board held in accordance with Section 3.02(d) (including the last sentence thereof).

(i) Executive and Other Committees. The Lazard Board may, by resolution adopted by a majority of the Lazard Board then in office, designate an Executive Committee to exercise, subject to applicable provisions of law, all the powers of the Lazard Board in the management of the business and affairs of the Company when the Lazard Board is not in session, including without limitation the power to make distributions, to authorize the issuance of Interests if and to the extent permitted by this Agreement and to approve mergers of the Company, and may, by resolution similarly adopted, designate one or more other committees. The Executive Committee and each such other committee shall consist of two or more Directors of the Company. The Lazard Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, other than the Executive Committee (the powers of which are expressly provided for herein), may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Lazard Board to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Lazard Board when required. A majority of any committee may determine its action and fix the time and place of its meetings, unless the Lazard Board shall otherwise provide. Notice of such meetings shall be given to each

member of the committee in the manner provided for in Section 3.02(d). The Lazard Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Lazard Board from appointing one or more committees consisting in whole or in part of persons who are not Directors of the Company; provided, however, that no such committee shall have or may exercise any authority of the Lazard Board. Notwithstanding anything herein to the contrary, no committee (including the Executive Committee) shall have the power or authority (i) to remove, or to request the resignation or retirement of, the Chairman of the Board or the Chief Executive Officer from such office or (ii) to revoke, reduce or limit the powers or authorities delegated or otherwise granted to the Chairman of the Board or the Chief Executive Officer, which actions may only be taken by the Lazard Board in accordance with this Section 3.02.

(j) Records. The Lazard Board shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Lazard Board and of the Members, appropriate books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Company.

(k) Agents. To the extent of their powers set forth in this Agreement, the Directors are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers set forth in this Agreement shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Act, except as provided in this Agreement or in a resolution of the Directors, a Director may not bind the Company.

SECTION 3.03. Officers. (a) The elected officers of the Company shall be a Chairman of the Board of Directors, a Chief Executive Officer, a Vice Chairman, a President, a Chief Financial Officer, a General Counsel, a Treasurer, and such other officers as the Lazard Board from time to time may deem proper. The Chairman of the Board shall be chosen from among the Directors. All officers elected by the Lazard Board shall each have such powers and duties as generally pertain to their respective offices if the Company were a Delaware corporation, subject to the specific provisions of this Section 3.03. Such officers shall also have such powers and duties as from time to time may be conferred by the Lazard Board or by any committee thereof. The Lazard Board or any committee thereof may from time to time elect, or the Chairman of the Board or Chief Executive Officer may appoint, such other officers (including one or more Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers, and Assistant Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Company. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in this Agreement or as may be prescribed by the Lazard Board or such committee or by the Chairman of the Board or Chief Executive Officer, as the case may be; provided that, notwithstanding anything in this Section 3.03 to the contrary, such powers and duties may not impair, and shall be subordinate to, the powers and duties of the Lazard Board set forth in Section 3.01 hereof. The identity and office of the Officers are set forth on Schedule 3.03(a). Schedule 3.03(a) shall be amended pursuant to Section 1.03 to reflect any change in the identity or office of the Officers in accordance with this Agreement.

(b) Term of Office. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or retire, but any officer may be removed from office with or without cause at any

time by the Lazard Board (subject to the provisions of Section 3.02 in the case of the Chairman of the Board and the Chief Executive Officer) or, except in the case of an officer or agent elected by the Lazard Board, by the Chairman of the Board or Chief Executive Officer. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

(c) Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Members (if any shall be called) and of the Lazard Board. The Chairman of the Board may also serve as Chief Executive Officer, if so elected by the Lazard Board.

(d) Chief Executive Officer. The Chief Executive Officer shall act in a general executive capacity and shall be responsible for the general management of the affairs of the Company and shall perform all duties incidental to his or her office that may be required by law and all such other duties as are properly required of him by the Lazard Board. He or she shall make reports to the Lazard Board and the Members, and shall see that all orders and resolutions of the Lazard Board and of any committee thereof are carried into effect. The Chief Executive Officer shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of Members (if any shall be called) and of the Lazard Board.

(e) Vice Chairman. The Vice Chairman shall be the chief administrative officer of the Company. He or she shall assist the Chief Executive Officer in the general supervision of the Company's administration and operations; and, in general, he or she shall perform all the duties incident to the office of Vice Chairman and such other duties as from time to time may be assigned to him by the Lazard Board, the Chairman of the Board or the Chief Executive Officer.

(f) President. The President shall assist the Chief Executive Officer with respect to strategic matters involving the Company; and, in general, he or she shall perform all the duties incident to the office of President and such other duties as from time to time may be assigned to him by the Lazard Board, the Chairman of the Board or the Chief Executive Officer.

(g) Chief Financial Officer. The Chief Financial Officer shall be the chief financial officer of the Company and act in an executive financial capacity. He or she shall assist the Chief Executive Officer in the general supervision of the Company's financial policies and affairs; and, in general, he or she shall perform all the duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned to him by the Lazard Board, the Chairman of the Board or the Chief Executive Officer.

(h) General Counsel. The General Counsel shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Lazard Board, the committees of the Lazard Board and the Members (if any shall be called); he or she shall see that all notices are duly given in accordance with the provisions of this Agreement and as required by law; he or she shall be custodian of the records; and he or she shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and, in general, he or she shall perform all the duties incident to the office of General Counsel and such other duties as from time to time may be assigned to him by the Lazard Board, the Chairman of the Board or the Chief Executive Officer.

(i) Treasurer. The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall cause the funds of the Company to be deposited in such banks as may be authorized by the Lazard Board, or in such banks as may be designated as depositaries in the manner provided by resolution of the Lazard Board. He or she shall have such further powers and duties and shall be subject to such directions as may be granted or imposed upon him from time to time by the Lazard Board, the Chairman of the Board or the Chief Executive Officer.

(j) Executive Vice Presidents. Each Executive Vice President shall have such powers and shall perform such duties as shall be assigned to him by the Lazard Board.

(k) Other Officers. The Lazard Board may from time to time as it deems advisable appoint other officers of the Company and assign titles and functional titles to any such individual. Such officers shall have such functions, powers and obligations, including such power to bind the Company as the Lazard Board shall delegate to them.

(l) Contracts. Notwithstanding any other provision contained in this Agreement and except as required by law, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Company by such officer or officers of the Company as the Lazard Board may from time to time direct. Such authority may be general or confined to specific instances as the Lazard Board may determine. The Chairman of the Board, the Chief Executive Officer, the Vice Chairman, the President, Chief Financial Officer, General Counsel or any Executive Vice President may execute bonds, contracts, deeds, leases and other instruments to be made or executed for or on behalf of the Company. Subject to any restrictions imposed by the Lazard Board, the Chairman of the Board, the Chief Executive Officer, the Vice Chairman, the President, Chief Financial Officer, General Counsel or any Executive Vice President may delegate contractual powers to others under his jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

(m) Proxies. Unless otherwise provided by resolution adopted by the Lazard Board, the Chairman of the Board, the Chief Executive Officer, the Vice Chairman, the President, Chief Financial Officer, General Counsel or any Executive Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Company, in the name and on behalf of the Company, to cast the votes which the Company may be entitled to cast as the holder of stock or other securities in any other person, any of whose stock or other securities may be held by the Company, at meetings of the holders of the stock or other securities of such other person, or to consent in writing, in the name of the Company as such holder, to any action by such other person, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Company and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in the premises.

(n) Removal. Any officer elected, or agent appointed, by the Lazard Board may be removed by the affirmative vote of a majority of the Lazard Board then in office with or without cause, subject, in the case of the Chairman of the Board or the Chief Executive Officer, to the provisions of Section 3.02. Any officer or agent appointed by the Chairman of the Board

or the Chief Executive Officer may be removed by such person with or without cause. No elected officer shall have any contractual rights against the Company for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

(o) Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Lazard Board for the unexpired portion of the term at any meeting of the Lazard Board. Any vacancy in an office appointed by the Chairman of the Board or the Chief Executive Officer because of death, resignation, or removal may be filled by the Chairman of the Board or the Chief Executive Officer.

SECTION 3.04. Resignations. Any Director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board, the Chief Executive Officer or General Counsel, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the Chief Executive Officer or General Counsel, or at such later time as is specified therein. No formal action shall be required of the Lazard Board or the Members (including the Managing Member) to make any such resignation effective.

SECTION 3.05. Members. (a) No Member Voting Rights. The Members shall not have voting rights under the Act, this Agreement or otherwise, and shall not be entitled to consent to, approve or authorize any actions by the Company, except (1) in the case of the Managing Member, as set forth herein, and (2) in the case of the Common Members, as explicitly provided in Section 10.02. Without in any way limiting the foregoing, the Members shall not have voting rights with respect to the matters set forth in Sections 18-209, 18-213, 18-216, 18-702, 18-704, 18-801 and 18-803 of the Act, all of which voting and approval rights shall be vested in the Lazard Board, except as expressly set forth herein with respect to the Managing Member.

(b) Authority of Members. Except as expressly set forth herein with respect to the Managing Member, no Member shall have any power or authority, in such Member's capacity as a Member, to act for or bind the Company except to the extent that such Member is so authorized in writing prior thereto by the Lazard Board. Without limiting the generality of the foregoing, except as expressly set forth herein with respect to the Managing Member, no Member, as such, shall, except as so authorized, have any power or authority to incur any liability or execute any instrument, agreement or other document for or on behalf of the Company, whether in the Company's name or otherwise.

ARTICLE IV

MEMBERS AND INTERESTS

SECTION 4.01. Members. The Company shall have a Managing Member, Common Members, Profit Participation Members and, until the consummation of the Second Redemption, Redeemable Members. Schedule 4.01 sets forth the name and address of the

Members. Schedule 4.01 shall be amended pursuant to Section 1.03 to reflect any change in the identity or address of the Members in accordance with this Agreement. Each person admitted to the Company as a Member pursuant to this Agreement shall be a member of the Company until such person ceases to be a Member in accordance with the provisions of this Agreement.

SECTION 4.02. Managing Member. The Company shall have a managing member (the "Managing Member") who shall have the rights, powers, duties and obligations set forth in this Agreement and no other rights, powers, duties or obligations. The Managing Member shall be a member of the Company that does not hold an Interest in its capacity as the Managing Member. Schedule 4.01 sets forth the name and address of the Managing Member. Schedule 4.01 shall be amended pursuant to Section 1.03 to reflect any change in the identity or address of the Managing Member in accordance with this Agreement. The Managing Member shall not be allocated, distributed or entitled to receive any interest in the profits, losses, assets or capital of the Company by reason of being designated as the Managing Member.

SECTION 4.03. Interests. (a) The Recapitalization of the Interests of the Company. Pursuant to the amendments effected by this Agreement, effective immediately, all of the limited liability company interests in the Company outstanding immediately prior to the effectiveness of this Agreement shall be cancelled, and replaced in their entirety as follows: (1) the Class A Interests and the Class B-2 Interests (each as defined in the Third Amended Operating Agreement) shall be cancelled and replaced in their entirety with the Common Interests set forth on Schedule 4.03, (2) the Class B-1 Interests (as defined in the Third Amended Operating Agreement) shall be cancelled and replaced in their entirety with the Redeemable Class B-1 Interests, (3) the Class C Interests (as defined in the Third Amended Operating Agreement) shall be cancelled and replaced in their entirety with the Redeemable Class C Interests, and (4) all other limited liability company interests in the Company shall be cancelled. The Company shall have three classes of Interests: Common Interests, Profit Participation Interests and, until the consummation of the Second Redemption, Redeemable Interests.

(b) Common Interests. (i) The Common Interests shall consist of, and be issued as, units ("Common Units") and Common Capital. The total number of authorized Common Units is 500,000,000, which is the total number of authorized shares of Lazard Ltd Common Stock on the date hereof. The number of authorized Common Units shall not be changed, modified or adjusted; provided, that in the event that the total number of authorized shares of Lazard Ltd Common Stock shall be increased or decreased after the date hereof in accordance with the Bye-Laws of Lazard Ltd, then the total number of authorized Common Units shall be correspondingly adjusted by the Lazard Board to the same number. Interests representing fractional Units may be issued. The number of Common Units issued to each Common Member is set forth on Schedule 4.03. Schedule 4.03 shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Common Units in accordance with this Agreement.

(ii) Any authorized but unissued Common Units may be issued (1) by the Lazard Board, or (2) as provided in Section 4.04(a)(i) below, in each case without any further action or approval of any other person (except that each person issued Common Units must as a condition to such issuance be admitted to the Company as a Member).

(c) Profit Participation Interests. (i) The Profit Participation Interests shall consist of, and be allocated as, Profit Participation Percentages and Profit Participation Capital. The aggregate of all Profit Participation Percentages shall total 100%. The Profit Participation Percentages allocated to each of the Profit Participation Members and the Profit Participation Percentage contained in the Unallocated Float are set forth on Schedule 4.03. Schedule 4.03 shall be amended pursuant to Section 1.03 to reflect any change in identity of the Profit Participation Members and the Profit Participation Percentages in accordance with this Agreement.

(ii) In any Accounting Period, the Company (by action of the Chief Executive Officer or the Lazard Board) may from time to time change or otherwise modify any or all of the Profit Participation Percentages in his or her sole discretion, including by changing any Member's Profit Participation Percentage to zero, allocating additional Profit Participation Interests from the Unallocated Float to new or existing Profit Participation Members or increasing or decreasing the aggregate Profit Participation Percentages allocated to the Members (with a corresponding decrease or increase in the Profit Participation Percentage contained in the Unallocated Float); provided that the aggregate of all Profit Participation Percentages allocated to the Members and the Profit Participation Percentages contained in the Unallocated Float shall total 100%.

(iii) Notwithstanding anything herein to the contrary, the Lazard Board shall have the power, in its sole discretion, to terminate the Profit Participation Interests, effective at the time specified in the resolutions of the Lazard Board approving such termination or, if not so specified in such resolutions, at the time that the resolutions approving such termination were approved by the Lazard Board. Upon termination of the Profit Participation Interests, all Profit Participation Interests shall immediately cease to be outstanding and shall no longer be allocable by the Company, and such termination shall have the effects set forth in Section 4.04(b)(ii).

(d) Redeemable Interests. (i) The Redeemable Interests shall consist of Redeemable Class B-1 Interests and Redeemable Class C Interests. The Redeemable Class B-1 Interests shall consist solely of the right to receive the type and amount of consideration set forth opposite the applicable Redeemable Class B-1 Member's name set forth on Schedule 4.03(d). The Redeemable Class C Interests shall consist solely of the right to receive the type and amount of consideration set forth opposite the applicable Redeemable Class C Member's name set forth on Schedule 4.03(d) (the consideration to be paid in respect of the Redeemable Class B-1 Interests and Redeemable Class C Interests pursuant to this Section 4.03(d), the "Redemption Consideration"). The Redeemable Interests shall not have or consist of any capital accounts or rights in respect of the profits, gain or capital of the Company. Schedule 4.03(d) shall be amended pursuant to Section 1.03 to reflect any change in the identity of the Redeemable Members in accordance with this Agreement.

(ii) The Company shall have the right to effect the Second Redemption by redeeming the Redeemable Interests for the Redemption Consideration at any time after the First Redemption. Upon the redemption of the Redeemable Interests, all Redeemable Interests shall immediately cease to be outstanding and shall no longer be allocable by the Company, and such termination shall have the effects set forth in Section 4.04(c)(ii) and Section 4.04(c)(iii), as applicable.

SECTION 4.04. Admission and Withdrawal of Members. (a) Common Members. (i) Effective immediately upon the consummation of, in the case of Lazard Ltd Sub A, the Lazard Ltd Sub A Contribution or, in the case of Lazard Ltd Sub B, the Lazard Ltd Sub B Contribution, Lazard Ltd Sub A or Lazard Ltd Sub B, as applicable, shall be admitted to the Company as a Common Member and shall be issued a Common Interest pursuant to the Master Separation Agreement and this Agreement, and Lazard Ltd Sub A shall be issued an additional amount of Common Units and Common Capital pursuant to (A) any exercise of the Over-allotment Option (as defined in the Master Separation Agreement) in the amounts, on the terms and subject to the conditions set forth in the Master Separation Agreement and this Agreement, (B) the Third Party Investment (as defined in the Master Separation Agreement) in the amounts, on the terms and subject to the conditions set forth in the Master Separation Agreement and this Agreement, and (C) the Second Redemption as contemplated by Schedule 4.03(d) in the amounts, on the terms and subject to the conditions set forth in the Master Separation Agreement and this Agreement.

(ii) Any recipient of Common Units pursuant to any issuance under Section 4.03(b)(ii)(1) who is not a Common Member at the time of such issuance shall be admitted as an additional Common Member, and the issuance of the Common Interest shall be only effective, upon the execution, and delivery to the Company, by such recipient of an agreement in which such person agrees to be bound by this Agreement and any other agreements, documents or instruments specified by the Lazard Board. The admission of a Transferee as a Common Member pursuant to any Transfer permitted by Section 7.02(a) shall be governed by Section 7.02.

(iii) Effective immediately upon the Transfer of a Common Member's entire Common Interest as provided in Section 7.02(a), such Member (or his estate) shall cease to have any interest in the profits, losses, assets, properties or capital of the Company (other than, in the event such Member is a Profit Participation Member, such Member's Profit Participation Interest) and shall cease to be a Common Member.

(b) Profit Participation Members. (i) Each of the Managing Directors as of immediately after the consummation of the Separation and the Recapitalization (each as defined in the Master Separation Agreement) who are set forth on Schedule 4.04(b) shall be admitted to the Company as a Profit Participation Member and issued a Profit Participation Interest immediately upon the execution, and delivery to the Lazard Board, by such person of an Acknowledgement; provided that in the event that a Managing Director shall not execute and deliver to the Lazard Board an Acknowledgement within sixty (60) days after the date hereof, such Managing Director shall not be admitted as a Profit Participation Member.

(ii) Effective immediately upon the earliest of (1) Retirement of a Profit Participation Member or (2) termination of the Profit Participation Interests as provided in Section 4.03(c)(iii), such Member (or his estate) shall cease to have any interest in the profits, losses, assets, properties or capital of the Company (other than, in the event such Member is a Common Member, such Member's Common Interest and other than, in respect of such former Profit Participation Member's Profit Participation Capital, the right to receive any distributions in respect of such Profit Participation

Capital to the extent provided in Section 8.03) and shall cease to be a Profit Participation Member; provided that, for the avoidance of doubt, under no circumstances shall any Profit Participation Member be entitled to receive or otherwise be distributed any of the Profit Participation Capital associated with such Member's Profit Participation Interest in the event of the occurrence of any of the events set forth in clauses (1) – (2) of this sentence, which Profit Participation Capital shall thereafter represent solely the right to receive distributions of such Profit Participation Capital to the extent provided in Section 8.03. Upon the Retirement of a Profit Participation Member, the Profit Participation Percentage associated with such Member's Profit Participation Interest shall cease to be allocated and become part of the Unallocated Float.

(c) Redeemable Members. (i) The initial Redeemable Member is set forth on Schedule 4.03(d). The admission of a Transferee as a Redeemable Member pursuant to any Transfer permitted by Section 7.02(c) shall be governed by Section 7.02.

(ii) Effective immediately upon the payment or delivery of a Redeemable Class B-1 Member's Redemption Consideration with respect to such Member's Redeemable Class B-1 Interest, such Member shall cease to have any interest in the profits, losses, assets, properties or capital of the Company (other than, in the event such Member is a Common Member and/or a Profit Participation Member, such Member's Common Interest and/or Profit Participation Interest, as applicable, and, if such Member is a Redeemable Class C Member, such Member's Redeemable Class C Interest (unless redeemed as provided in clause (iii) below)), shall cease to have any right to receive any amounts in respect of its Redeemable Class B-1 Interest, and shall cease to be a Redeemable Class B-1 Member.

(iii) Effective immediately upon the payment or delivery of a Redeemable Class C Member's Redemption Consideration with respect to such Member's Redeemable Class C Interest, such Member shall cease to have any interest in the profits, losses, assets, properties or capital of the Company (other than, in the event such Member is a Common Member and/or a Profit Participation Member, such Member's Common Interest and/or Profit Participation Interest, as applicable, and, if such Member is a Redeemable Class B-1 Member, such Member's Redeemable Class B-1 Interest (unless redeemed as provided in clause (ii) above)), shall cease to have any right to receive any amounts in respect of its Redeemable Class C Interest, and shall cease to be a Redeemable Class C Member.

(d) Managing Member. (i) The initial Managing Member is LAZ-MD. Effective immediately upon consummation of the Common Stock IPO Transaction, LAZ-MD shall automatically cease to be the Managing Member (but shall otherwise remain a Member with respect to its Interests), and FinanceCo shall be admitted as, and become, the Managing Member. Notwithstanding anything in this Agreement to the contrary, the Managing Member may resign from the Company for any reason (with or without cause); provided, that, as a condition to such resignation, (1) such resigning Managing Member shall first appoint another person as the new Managing Member and (2) such person shall be admitted to the Company as the new Managing Member (upon the execution and delivery of an agreement to be bound by the terms of this Agreement). Such admission shall be deemed effective immediately prior to the resignation,

and, immediately following such admission, the resigning Managing Member shall cease to be a member of the Company (but, if applicable, shall otherwise remain a Member with respect to its Interests).

(ii) Notwithstanding anything herein to the contrary, upon the occurrence of a Bankruptcy Event with respect to FinanceCo, FinanceCo shall immediately cease to be the Managing Member of the Company, without any further action required on the part of FinanceCo or the Company, and Lazard Ltd (or, upon execution by such person of an agreement to be admitted to the Company as the Managing Member and be bound by this Agreement, any designee of Lazard Ltd) shall be admitted to the Company as the Managing Member, and such admission shall be deemed effective immediately upon such Bankruptcy Event.

(e) No Additional Members. No additional Members shall be admitted to the Company except in accordance with this Article IV.

SECTION 4.05. Liability to Third Parties; Capital Account Deficits. Except as may otherwise be expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Members (including the Managing Member) and Directors shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being Members or acting as managers or the Managing Member of the Company. The Members shall not be liable to make up any deficit in their Capital Accounts.

SECTION 4.06. Classes. As used in this Agreement, all Common Members, Profit Participation Members and Redeemable Members shall be deemed to be separate Members even if any Member holds more than one class of Interest. References to a certain class of Interest (or Unit or Capital) with respect to any Member shall refer solely to that class of Interest (or Unit or Capital) of such Member and not to any other class of Interest (or Unit or Capital), if any, held by such Member.

SECTION 4.07. Certificates. The Company shall issue all Common Interests, and may in the discretion of the Lazard Board issue other Interests, in certificated form in accordance with Section 18-702(c) of the Act, which certificates shall be held by the Company as custodian for the applicable Members. The form of any such certificates shall be approved by the Lazard Board and include the legend required by Section 7.08.

ARTICLE V

CAPITAL AND ACCOUNTING MATTERS

SECTION 5.01. Capital. (a) Capital Accounts. There shall be established on the books and records of the Company a capital account for each Common Member (a "Common Capital Account") and a capital account for each Profit Participation Member (a "Profit Participation Capital Account"; any of a Profit Participation Capital Account or a Common Capital Account, a "Capital Account"). Schedule 5.01 sets forth the names, Common Capital Accounts and Profit Participation Capital Accounts of the Members as of the date hereof. Such Schedule

shall be deemed to be amended from time to time to reflect any change in the identity, Common Capital Accounts or Profit Participation Capital Accounts in accordance with this Agreement.

(b) Capital Contributions. (i) Pursuant to the Common Stock IPO Transaction, (A) Lazard Ltd Sub A shall make a capital contribution to the Company of an amount in cash equal to the Lazard Ltd Sub A Contribution, and, upon consummation of such capital contribution and admission as a Common Member as provided in Section 4.04(a), Lazard Ltd Sub A's Common Capital Account shall accordingly be credited by an amount equal to the Lazard Ltd Sub A Contribution, and (B) Lazard Ltd Sub B shall make a capital contribution to the Company of an amount in cash equal to the Lazard Ltd Sub B Contribution, and, upon consummation of such capital contribution and admission as a Common Member as provided in Section 4.04(a), Lazard Ltd Sub B's Common Capital Account shall accordingly be credited by an amount equal to the Lazard Ltd Sub B Contribution.

(ii) Except as otherwise provided in Section 5.01(b)(i), no capital contributions shall be required (1) unless otherwise determined by the Lazard Board and agreed to by the contributing Member, (2) unless otherwise determined by the Lazard Board in connection with the admission of a new Member or the issuance of additional Interests to a Member, or (3) except as provided in the Master Separation Agreement.

(iii) The Company may invest or cause to be invested all amounts received by the Company as capital contributions in its sole discretion.

SECTION 5.02. Withdrawals; Return on Capital. No Member shall be entitled to withdraw or otherwise receive any distributions in respect of any Capital, except (a) in the case of Common Interests, as provided in Section 6.02 or Section 8.03 or as approved by the Lazard Board, or (b) in the case of Profit Participation Interests, as provided in Section 6.01 or Section 8.03. The Members shall not be entitled to any return on their Capital.

SECTION 5.03. Allocation of Profits and Losses. As of the end of each Accounting Period, the balance in each Member's Capital Account shall be adjusted by (x) increasing such balance by (i) such Member's allocable share of each item of the Company's income and gain for such Accounting Period (allocated in accordance with Section 5.04(a)) and (ii) the amount of cash or the fair market value of other property (determined in accordance with Section 5.05) contributed to the Company by such Member in respect of such class of Capital during such Accounting Period, net of liabilities assumed by the Company with respect to such other property, and (y) decreasing such balance by (i) the amount of cash or the fair market value of other property (determined in accordance with Section 5.05) distributed to such Member in respect of such class of Capital or Interest pursuant to this Agreement, net of liabilities (if any) assumed by such Member with respect to such other property and (ii) such Member's allocable share of each item of the Company's deduction and loss for such Accounting Period (allocated in accordance with Section 5.04(a)). The balances in each Members' Capital Account shall also be adjusted at the time and in the manner permitted by the capital accounting rules of the U.S. Treasury Regulation section 1.704-1(b)(2)(iv)(f). The foregoing and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with

Treasury Regulation section 1.704-1(b), and shall be interpreted and applied in a manner consistent therewith.

SECTION 5.04. Allocations and Tax Matters. (a) Book Allocations. After giving effect to the allocations set forth in Section 2 of Exhibit A hereto, for purposes of computing Capital Accounts and allocating any items of income, gain, loss or deduction thereto, with respect to each Accounting Period:

(i) first, a net amount of income, gain, loss and deduction (other than any depreciation, amortization or other cost recovery deduction) equal to the Profit Participation Amount for such Accounting Period shall be allocated among the Profit Participation Capital Accounts of the Profit Participation Members in proportion to their respective Profit Participation Percentages as of the end of such Accounting Period; and

(ii) thereafter, all other items of income, gain, loss or deduction of the Company (calculated in the manner contemplated by the capital accounting rules of the Treasury Regulations promulgated under Section 704(b) of the Code) shall be allocated among the Common Capital Accounts of the Common Members in proportion to their respective Common Units as of the end of such Accounting Period.

For the purposes of this Agreement:

(A) "Fixed Percentage" means 20%; provided, however, that in the event that the Profit Participation Amount would in any Accounting Period exceed the product of (1) 8% and (2) the Operating Revenue for such Accounting Period (such product, the "Cap"), the Fixed Percentage shall, for such Accounting Period, be an amount (expressed as a percentage) equal to a fraction, the numerator of which shall be the Cap and the denominator of which shall be the Operating Income, in each case for such Accounting Period;

(B) "Operating Expenses" means, with respect to any Accounting Period, an amount equal to the excess, if any, of (1) the consolidated expenses of the Company over (2) the sum of (a) the aggregate amount of compensation paid or payable to Managing Directors, (b) all minority interest, (c) all interest expense (but excluding all "operating" interest expense, including in respect of Lazard Frères Banque S.A.), (d) all income taxes, and (e) all extraordinary losses, in each case as determined in accordance with generally accepted accounting principles in the United States of America and otherwise in accordance with Section 5.05. For the avoidance of doubt, "Operating Expense" shall exclude amounts allocable to Profit Participation Members in respect of their Profit Participation Interests;

(C) "Operating Income" means, with respect to any Accounting Period, an amount equal to the excess, if any, of (1) the Operating Revenue over (2) the Operating Expenses, in each case for such Accounting Period.

(D) "Operating Revenue" means, with respect to any Accounting Period, an amount equal to the excess, if any, of (1) the sum of (a) the consolidated net revenue of the Company and (b) all interest expense (but excluding all "operating" interest expense,

including in respect of Lazard Frères Banque S.A.), over (2) all extraordinary gains, in each case as determined in accordance with generally accepted accounting principles in the United States of America and otherwise in accordance with Section 5.05; and

(E) "Profit Participation Amount" means, with respect to any Accounting Period, an amount equal to the product of (1) the Fixed Percentage and (2) the Operating Income, in each case for such Accounting Period.

In any calculation of Operating Income, all gains and losses arising from the sale of a business segment or a significant asset outside the ordinary course of business shall be excluded from Operating Revenue and Operating Expense, as applicable.

(b) Tax Allocations. Except as otherwise required under Section 704(c) of the Code and the Treasury Regulations promulgated thereunder, the Company shall cause each item of income, gain, loss or deduction recognized by the Company to be allocated among the Members for U.S. federal, state and local income and, where relevant, non-U.S. tax purposes in the same manner that each such item is allocated to the Members' Capital Accounts or as otherwise provided herein. Allocations required by Section 704(c) of the Code shall be made using any reasonable method permitted by the Treasury Regulations promulgated under Section 704(c) of the Code that is selected by the tax matters partner.

SECTION 5.05. Board Determinations. All determinations, valuations and other matters of judgment required to be made for purposes of this Article V, including with respect to calculations of Profit Participation Amount, Ordinary Revenue and Ordinary Expenses and accounting procedures and tax matters not expressly provided for by the terms of this Agreement, or for determining the value of any type or form of proceeds, contribution or distributions hereunder shall be made by the Lazard Board. In the event an additional Member is admitted to the Company and contributes property to the Company, or an existing Member contributes additional property to the Company, pursuant to this Agreement, the value of such contributed property shall be the fair market value of such property as determined by the Lazard Board.

SECTION 5.06. Books and Accounts. (a) The Company shall at all times keep or cause to be kept true and complete records and books of account, which records and book shall be maintained in accordance with U.S. generally accepted accounting principles. Such records and books of account shall be kept at the principal place of business of the Company. The Managing Member and the Lazard Board shall have access thereto and the right to receive copies thereof. As permitted by Section 18-305(g) of the Act, no Member shall be entitled to review such records and books of account (including any of the Schedules hereto) unless the Lazard Board, in its sole discretion, shall permit such review. The Company's accounts shall be maintained in United States dollars.

(b) The Company's fiscal year shall begin on the first day of January and end on the thirty-first day of December of each year, or shall be such other period designated by the Board. At the end of each fiscal year the Company's accounts shall be prepared, presented to the Board and submitted to the Company's auditors for examination.

(c) The Company's auditors shall be an independent accounting firm of international reputation to be appointed from time to time by the Lazard Board or the Managing Member. The Company's auditors shall be entitled to receive promptly such information, accounts and explanations from the Lazard Board, each officer and each Member that they deem reasonably necessary to carry out their duties. The Members shall provide such financial, tax and other information to the Company as may be reasonably necessary and appropriate to carry out the purposes of the Company.

SECTION 5.07. Tax Matters Partner. Lazard Ltd Sub A is hereby designated as the tax matters partner of the Company, in accordance with the Treasury Regulations promulgated pursuant to Section 6231 of the Code and any similar provisions under any other state or local or non-U.S. tax laws. Lazard Ltd Sub A shall have the authority, in its sole discretion, to (a) make an election under Section 754 of the Code on behalf of the Company, and each Member agrees to provide such information and documentation as Lazard Ltd Sub A may reasonably request in connection with any such election, (b) determine the manner in which "excess nonrecourse liabilities" (within the meaning of Treasury Regulation section 1.752-3(a)(3)) are allocated among the Members and (c) make any other election or determination with respect to taxes (including with respect to depreciation, amortization and accounting methods).

SECTION 5.08. Tax Information. The Company shall use commercially reasonable efforts to prepare and mail as soon as reasonably practicable after the end of each taxable year of the Company, or as soon as practicable thereafter, to each Member other than the Managing Member (and each other Person that was such a Member during such taxable year or its legal representatives), U.S. Internal Revenue Service Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.," or any successor schedule or form, for such Person.

SECTION 5.09. Withholding. The Company is authorized to withhold from distributions and allocations to the Members, and to pay over to any federal, state, local or foreign governmental authority any amounts believed in good faith to be so withheld pursuant to the Code or any provision of any other federal, state, local or foreign law and, for all purposes under this Agreement, shall treat such amounts as distributed to those Members with respect to which such amounts were withheld.

ARTICLE VI

DISTRIBUTIONS

SECTION 6.01. Distributions in Respect of Profit Participation Interests. (a) Subject to the last sentence of this Section 6.01(a), the Company shall distribute to each Profit Participation Member from such Member's Profit Participation Capital Account as promptly as practicable after the end of each of the first three (3) fiscal quarters of each fiscal year of the Company an amount equal to such Profit Participation Member's Quarterly Profit Participation Tax Distribution for such fiscal quarter. In addition, the Company shall distribute to each Profit Participation Member from such Member's Profit Participation Capital Account as promptly as practicable after the end of each fiscal year an amount equal to the excess, if any, of such Profit Participation Member's Proportionate Tax Share for such fiscal year over the aggregate amount of Quarterly Profit Participation Tax Distributions made to such Profit Participation Member

with respect to such fiscal year. If, at the end of any fiscal year of the Company, the aggregate amount of Quarterly Profit Participation Tax Distributions made to a Profit Participation Member exceeds such Profit Participation Member's Proportionate Tax Share, in each case with respect to such fiscal year, then (i) in the case of any Profit Participation Member who is an executive officer of the Company or Lazard Ltd or any other Affiliate of the Company designated by the Company, the amount of such excess shall reduce the amount of any future distributions that would otherwise be made to such Profit Participation Member, including any distributions pursuant to this Section 6.01(a) or Section 6.01(b) and (ii) in the case of any other Profit Participation Member, the amount of such excess shall be treated as an advance, and, at the election of the Company, shall be repaid to the Company by such Profit Participation Member or shall reduce the amount of any future distributions that would otherwise be made to such Profit Participation Member, including any distributions pursuant to this Section 6.01(a) or Section 6.01(b).

(b) The Company shall, after the end of each fiscal year, distribute to each Profit Participation Member from such Member's Profit Participation Capital Account an amount (if positive) equal to the aggregate of all Profit Participation Amounts allocated to such Member's Profit Participation Capital Account pursuant to Section 5.04(a) during such fiscal year (reduced by the amount of any distributions pursuant to Section 6.01(a)), with such distribution to occur on such date and time as determined by the Company; provided that no distribution shall be made to such person pursuant to this Section 6.01(b) unless such person shall continue to be a Profit Participation Member as of the date and time of distribution; provided further that distributions pursuant to this Section 6.01(b) shall be made to a Profit Participation Member only to the extent of the positive balance in such Member's Profit Participation Capital Account unless otherwise determined by the Lazard Board. Notwithstanding the foregoing, the Company may (i) withhold all or a portion of the distributions otherwise payable to any Profit Participation Member pursuant to the immediately foregoing sentence, or (ii) distribute to any Profit Participation Member all or a portion of the positive balance, if any, in such Member's Profit Participation Capital Account as of the end of the applicable fiscal year (after giving effect to (A) the allocations pursuant to Section 5.04(a) with respect to the Accounting Period ending on December 31 of such fiscal year and (B) any distributions pursuant to the first sentence of this Section 6.01(b)).

SECTION 6.02. Distributions in Respect of Common Interests. (a) Subject to the last sentence of this Section 6.02(a), the Company shall distribute to each Common Member from such Member's Common Capital Account as promptly as practicable after the end of each of the first three (3) fiscal quarters of each fiscal year of the Company an amount equal to such Common Member's Quarterly Common Tax Distribution for such fiscal quarter. In addition, the Company shall distribute to each Common Member from such Member's Common Capital Account as promptly as practicable after the end of each fiscal year an amount equal to the excess, if any, of such Common Member's Proportionate Tax Share for such fiscal year over the aggregate amount of Quarterly Common Tax Distributions made to such Common Member with respect to such fiscal year. If, at the end of any fiscal year of the Company, the aggregate amount of Quarterly Common Tax Distributions made to a Common Member exceeds such Common Member's Proportionate Tax Share, in each case with respect to such fiscal year, then (i) in the case of any Common Member who is an executive officer of the Company or Lazard Ltd or any other Affiliate of the Company designated by the Company, the amount of such

excess shall reduce the amount of any future distributions that would otherwise be made to such Common Member, including any distributions pursuant to this Section 6.02(a) or Section 6.02(b) and (ii) in the case of any other Common Member, the amount of such excess shall be treated as an advance, and, at the election of the Company, shall be repaid to the Company by such Common Member or shall reduce the amount of any future distributions that would otherwise be made to such Common Member, including any distributions pursuant to this Section 6.02(a) or Section 6.02(b).

(b) Lazard Ltd shall have the right to cause the Company to distribute to each Common Member from such Member's Common Capital Account amounts in connection with any dividends on Lazard Ltd Common Stock or as otherwise determined by Lazard Ltd, in each case at such times, and in such amounts per Common Unit, as determined by Lazard Ltd in its sole discretion; provided that such other distributions are pro rata according to the number of Common Units held (subject to Section 7.05(c)(iii)).

SECTION 6.03. Limitation on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company, and the Lazard Board on behalf of the Company, shall not be required to make a distribution to a Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

ARTICLE VII

TRANSFERS OF INTERESTS

SECTION 7.01. Transfer of Interests. No Member may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of rights, title and interest in and to, its Interest, except as permitted by the terms and conditions set forth in this Article VII. The Schedules shall be deemed to be amended from time to time to reflect any change in the Members or Interests to reflect any Transfer permitted by this Article VII.

SECTION 7.02. Permitted Transfers. (a) Common Interests. No Common Member may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of rights, title and interest in and to, its Common Interest, except (i) any Transfer for which the Lazard Board shall have given its prior approval; (ii) LAZ-MD may Transfer all or a portion of its Common Interest pursuant to a LAZ-MD Exchange; (iii) any Common Member who received its Common Interest pursuant to a LAZ-MD Exchange may Transfer all or any portion of such Common Interest to an Estate Transferee pursuant to an Estate Transfer; (iv) any Common Member who received its Common Interest pursuant to a LAZ-MD Exchange or any Estate Transferee may Transfer all or any portion of such Common Interest to Lazard Ltd Sub A and Lazard Ltd Sub B as directed by Lazard Ltd (such recipient, the "Lazard Ltd Recipient") pursuant to a Lazard Group Exchange; (v) LAZ-MD may Transfer all or a portion of its Common Interests pursuant to Section 8.4(c) of the Master Separation Agreement, and (vi) LAZ-MD Co II may Transfer all or a portion of a Common Interest held by LAZ-MD Co II pursuant to a LAZ-MD Exchange to the applicable LAZ-MD Electing Exchanging Member in accordance with the proviso to Section 7.4(b) of the LAZ-MD Operating Agreement.

(b) Profit Participation Interests. No Profit Participation Member may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of its rights, title and interest in and to, its Profit Participation Interest.

(c) Redeemable Interests. No Redeemable Member may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of its rights, title and interest in and to, any of its Redeemable Interests, except (i) LAZ-MD may Transfer all of its Redeemable Interests pursuant to the First Redemption, (ii) a Redeemable Member shall Transfer its Redeemable Interest to the Company pursuant to the Second Redemption, and (iii) the stockholder of Lazard Ltd Sub A as of the date hereof may indirectly Transfer all of Lazard Ltd Sub A's Redeemable Interest by the Transfer of the entire capital stock of Lazard Ltd Sub A to Lazard Ltd (or a Subsidiary thereof) in exchange for shares of Lazard Ltd Common Stock pursuant to the Master Separation Agreement.

(d) Admission as a Member. Notwithstanding anything to the contrary set forth herein, a Transferee pursuant to this Section 7.02 shall become a Member, and shall be listed as a "Common Member" or "Profit Participation Member," as applicable, on Schedule 4.01, and shall be deemed to receive the Interest being Transferred, in each case at such time as such Transferee executes and delivers to the Company an agreement in which the Transferee agrees to be admitted as a Member and bound by this Agreement and any other agreements, documents or instruments specified by the Company; provided that a Transferee who shall (A) at the time of such Transfer be a Member of the applicable class of Interests being Transferred or (B) have previously entered into an agreement pursuant to which the Transferee shall have agreed to become a Member and be bound by this Agreement (which agreement is in effect at the time of such Transfer), shall not be required to enter into a new agreement to be bound by this Agreement with respect to such Interests or such other agreement, documents or instruments as a condition to receiving the Interest and being admitted or continuing as a Member, in each case unless otherwise determined by the Company; and provided further that a Transferee pursuant to the First Redemption shall for the avoidance of doubt not be required to execute and deliver any additional agreements as a condition to receiving the Interest and being admitted as a Member.

(e) Transfer of Capital. (a) Notwithstanding anything herein to the contrary, each Member who Transfers an Interest (or a portion thereof) shall be deemed to have Transferred (a) in the case of a Common Interest, the entire Common Interest, including the Common Units and Common Capital with respect to such Interest (or, if a portion of a Common Interest is being Transferred, such number of Common Units and a proportionate amount of Common Capital with respect to such Common Units) to the Transferee, or (b) in the case of a Redeemable Interest, the entire Redeemable Interest, including all rights to the Redemption Consideration (or if a portion of a Redeemable Interest is being Transferred, such portion of the right to receive the Redemption Consideration) to the Transferee.

SECTION 7.03. First Redemption. Each of the transferees set forth on Schedule 4.03(d) shall upon consummation of the First Redemption be admitted as a Redeemable Member and deemed to receive the Redeemable Interest being transferred to such person, subject to, in the case of any transferees who shall not be Class III Redeemable Members or Class IV Redeemable Members (each as defined in the LAZ-MD Operating Agreement), the execution, and

delivery to the Company, by such transferee of an agreement by such transferee to become a Member and be bound by the terms of this Agreement and any other agreements, documents or instruments specified by the Company.

SECTION 7.04. Second Redemption. Notwithstanding anything herein to the contrary, upon the consummation of the Second Redemption, (i) all of the Redeemable Interests (including all of the Members' rights, title and interests in and to such Interests) shall be automatically and immediately transferred to, and redeemed by, the Company free and clear of all liens or other encumbrances, without any action required on the part of any Member or any further action on the part of the Company, as applicable, and (ii) in exchange therefor each former Redeemable Member shall only have the right to receive the applicable Redemption Consideration from the Company with respect to such person's redeemed Redeemable Interest(s).

SECTION 7.05. Lazard Group Exchange. (a) Immediate Exchange. Subject to Section 7.05(b), in the event of a LAZ-MD Exchange in which the transferee of a Common Interest from LAZ-MD shall be the LAZ-MD Exchanging Member, immediately after the receipt of such Common Interest by the LAZ-MD Exchanging Member, such Common Interest shall be automatically transferred free and clear of all liens and encumbrances to the applicable Lazard Ltd Recipient, without any action required on the part of any person to effect such transfer (an "Immediate Lazard Group Exchange"), and, in exchange therefor, the applicable Lazard Ltd Recipient shall transfer to the LAZ-MD Exchanging Member the amount of Lazard Ltd Common Stock (or other consideration) required by the Master Separation Agreement (the "Lazard Group Exchange Consideration") on the terms, and subject to the conditions, set forth in this Article VII and in the Master Separation Agreement.

(b) Partial LAZ-MD Mandatory Exchange. In the event of a Partial LAZ-MD Mandatory Exchange, then (i) the provisions of Section 7.05(a) shall not apply to the Common Interest transferred to the LAZ-MD Exchanging Member, (ii) the LAZ-MD Exchanging Member shall be admitted as a Common Member as provided in Section 7.02(d) (a "MD Common Member") and shall have the right to transfer all or a portion of its Common Interest for the applicable Lazard Group Exchange Consideration at such times, on the terms, and subject to the conditions, set forth in the Master Separation Agreement (an "Elective Lazard Group Exchange") in exchange for the applicable Lazard Group Exchange Consideration, and (iii) the Company shall have the right to cause all of the MD Common Members to transfer their entire Common Interests in accordance with the Master Separation Agreement (a "Mandatory Lazard Group Exchange," and any of a Mandatory Lazard Group Exchange, an Immediate Lazard Group Exchange and an Elective Lazard Group Exchange, an "Lazard Group Exchange") in exchange for the applicable Lazard Group Exchange Consideration.

(c) Additional Limitations on Partial LAZ-MD Mandatory Exchanges. Notwithstanding anything herein to the contrary, the Company shall have the right to subject any Common Interest transferred to an MD Common Member (and, if applicable, LAZ-MD Co II) pursuant to a Partial LAZ-MD Mandatory Exchange to limitations and other restrictions in respect of distributions pursuant to Section 6.02(b) as the Lazard Board shall determine to be appropriate to put such MD Common Member in a substantially similar position with respect to distributions had such Partial LAZ-MD Mandatory Exchange not occurred and such Member had

continued to hold limited liability company interests at LAZ-MD; provided that the Company shall give written notice of such limitations and obligations to the MD Common Members subject thereto (it being understood that the failure to give such notice shall not affect the validity or enforceability of any such limitations and obligations); and, provided further, that, effective immediately upon the transfer of all or a portion of such Common Interest to a Lazard Ltd Recipient, all such limitations and obligations with respect to such Common Interest (or portion thereof) being transferred shall immediately expire.

(d) Acknowledgement. Each MD Common Member and LAZ-MD Co II acknowledges and agrees to the terms of exchange of such Member's Common Interest set forth in Article VIII of the Master Separation Agreement.

(e) References to LAZ-MD Exchanging Member. For the purposes of this Section 7.05, references to a LAZ-MD Exchanging Member or a MD Common Member shall, with respect to any LAZ-MD Exchange effected pursuant to the proviso to Section 7.4(b) of the LAZ-MD Operating Agreement, be deemed to refer to the LAZ-MD Electing Exchanging Member and not LAZ-MD Co II (it being understood that LAZ-MD Co II shall be admitted to the Company as a Common Member pursuant to Section 7.02(d) in the event of a LAZ-MD Exchange upon receipt of any Common Interest hereunder).

SECTION 7.06. Estate Transfers. A Member may transfer its Common Interest to any trust for the benefit of such Member, his direct descendants or a spouse (an "Estate Transferee"); provided that (i) such transfer receives the prior approval of the Company (which approvals may be given in the sole discretion of the Company), (ii) the trustee and any successor trustees for any such trust are approved by the Company and (iii) the transferee executes and delivers to the Company an agreement in which the transferee agrees to be bound by this Agreement and any other agreements, documents or instruments specified by the Company. In addition, a Member who is an individual may transfer his Common Interest by operation of law by virtue of the death of such Member to such Member's estate, direct descendants or spouse. Any transfer in accordance with this Section 7.06 is referred to herein as an "Estate Transfer."

SECTION 7.07. Encumbrances. No Member (other than Lazard Ltd or one of its controlled Subsidiaries) may without the consent of the Company charge or encumber his Interest or subject his Interest to a lien, pledge, security interest, right of first refusal, option or other similar limitation (an "Encumbrance") except in each case for those created by this Agreement. Notwithstanding anything to the contrary set forth in this Article VII, the incurrence of any Encumbrance permitted by this Section 7.07 shall not be deemed to be a Transfer.

SECTION 7.08. Legend. Each Member agrees that any certificate issued to it to evidence its Interests shall have inscribed conspicuously on its front or back the following legend:

THE LIMITED LIABILITY COMPANY INTEREST IN LAZARD GROUP LLC REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURIS-

DICTION, AND THIS LIMITED LIABILITY COMPANY INTEREST MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, ENCUMBERED OR OTHERWISE DISPOSED OF, IN WHOLE OR IN PART, EXCEPT (A) EITHER (1) WHILE A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE REGISTRATIONS AND QUALIFICATIONS ARE IN EFFECT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (INCLUDING, IF APPLICABLE, REGULATION S THEREUNDER) AND SUCH OTHER APPLICABLE LAWS AND (B) IF PERMITTED BY THE OPERATING AGREEMENT OF LAZARD GROUP LLC AS IT MAY BE AMENDED FROM TIME TO TIME, WHICH CONTAINS STRICT PROHIBITIONS ON TRANSFERS, SALES, ASSIGNMENTS, PLEDGES, HYPOTHECATIONS, ENCUMBRANCES OR OTHER DISPOSITIONS OF THIS LIMITED LIABILITY COMPANY INTEREST.

SECTION 7.09. Effect of Transfer Not in Compliance with This Article. Any purported Transfer of all or any part of a Member's Interest, or any interest therein, that is not in compliance with this Article VII shall, to the fullest extent permitted by law, be void and shall be of no effect.

ARTICLE VIII

DISSOLUTION

SECTION 8.01. Dissolution. The Company shall be dissolved and its affairs shall be wound up upon (a) a decision made at any time by the Lazard Board to dissolve the Company, (b) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (c) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Subject to clause (b) of the immediately preceding sentence, the Company shall not be dissolved solely by reason of, and shall continue notwithstanding, the death, Retirement, resignation, bankruptcy or dissolution of any Member (including any Managing Member). None of the Members shall have any right to terminate, dissolve or have redeemed their class of Interests (other than in respect of Redeemable Interests pursuant to the Second Redemption) or, to the fullest extent permitted by law, to terminate, wind up or dissolve the Company.

SECTION 8.02. Liquidation. Upon a dissolution pursuant to Section 8.01, the Company's business and assets shall be wound up promptly in an orderly manner. The Lazard Board shall be the liquidator to wind up the affairs of the Company. In performing its duties, the Lazard Board is authorized to sell, exchange or otherwise dispose of the Company's business and assets in accordance with the Act in any reasonable manner that the Lazard Board determines to be in the best interests of the Members. Upon completion of the winding-up of the Company, the Lazard Board shall prepare and submit to each Common Member a final statement with respect thereto.

SECTION 8.03. Distributions. (a) In the event of a dissolution of the Company pursuant to Section 8.01, the Company shall apply and distribute the proceeds of the dissolution as provided below:

(i) first: to the creditors of the Company, including Members that are creditors of the Company to the extent permitted by law, in satisfaction of the liabilities of the Company (by payment or by the making of reasonable provision for payment thereof, including the setting up of any reserves which the Managing Member determines, in its sole discretion, are necessary therefor);

(ii) second: to the Common Members in proportion to (and to the extent of) the positive balances in their respective Common Capital Accounts;

(iii) third: to the Profit Participation Members in proportion to (and to the extent of) the positive balances in their respective Profit Participation Capital Accounts; and

(iv) thereafter: to the Common Members in proportion to the number of Common Units held by each such Common Member;

provided, however, that notwithstanding the foregoing, if the amount received by the Lazard Ltd Members pursuant clauses (ii) and (iii) above is less than the amount that the Lazard Ltd Members would have received had the Company distributed the proceeds of the dissolution (reduced by the aggregate amount, if any, of Profit Participation Capital) in proportion to the number of Common Units held by each Common Member (the "Proportionate Distribution Amount"), then (x) the Lazard Ltd Member shall receive the Proportionate Distribution Amount and (y) the remaining proceeds of the dissolution shall be distributed to the Common Members other than the Lazard Ltd Members in accordance with the clauses (ii) and (iii) above.

(b) Cancellation of Certificate of Formation. Upon completion of a liquidation and distribution pursuant to Section 8.03(a) following a dissolution of the Company pursuant to Section 8.01, the Managing Member shall execute, acknowledge and cause to be filed a certificate of cancellation of the Certificate of Formation of the Company in the office of the Secretary of State of the State of Delaware.

ARTICLE IX

INDEMNIFICATION AND EXCULPATION

SECTION 9.01. Exculpation. A Director shall not be personally liable to the Company or its Members for monetary damages for breach of fiduciary duty as a Director, except to the extent such exemption from liability or limitation thereof is not permitted under the Act as the same exists or may hereafter be amended. Any repeal or modification of the immediately preceding sentence shall not adversely affect any right or protection of a Director existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

SECTION 9.02. Indemnification. (a) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether

civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was (i) a Director or officer of the Company, (ii) a director or officer of Lazard Ltd or (iii) serving at the request of the Company (including as evidenced in a written letter signed by a proper officer of the Company) as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise or person, including service with respect to employee benefit plans maintained or sponsored by the Company, in each case whether the basis of such proceeding is alleged action in an official capacity as a Director, director, officer, employee or agent or in any other capacity while serving as a Director, director, officer, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the General Corporation Law of the State of Delaware (the "DGCL") as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), if the Company were a corporation organized under the DGCL, against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a Director, director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 9.02(c), the Company shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Lazard Board. The right to indemnification conferred in this Section 9.02 shall be a contract right. The right to indemnification conferred in this Section in the case of any Director or officer of the Company or any director or officer of Lazard Ltd shall include (and, in the case of any other person entitled to indemnification hereunder, may at the option of the Chief Executive Officer, General Counsel or the Lazard Board include) the right to be paid by the Company the expenses incurred in defending any such proceeding in advance of its final disposition, such advances to be paid by the Company within 20 days after the receipt by the Company of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding shall be made only upon delivery to the Company of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified under this Section 9.02 or otherwise.

(b) To obtain indemnification under this Section 9.02, a claimant shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 9.02(b), a determination, if required by the DGCL if the Company were a corporation organized under the DGCL, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, by the Chief Executive Officer or General Counsel of the Company, whose determination shall be approved by the Lazard Board (by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined)),

provided, that (i) if a quorum of the Lazard Board consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, such determination shall be approved by Independent Counsel in a written opinion to the Lazard Board, a copy of which shall be delivered to the claimant, or (ii) if a quorum of Disinterested Directors so directs, such determination shall be approved by the Common Members. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Lazard Board unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a "Change of Control" as defined in the Lazard Ltd 2005 Equity Incentive Plan, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Lazard Board. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within 10 days after such determination.

(c) If a claim under Section 9.02(a) is not paid in full by the Company within thirty days after a written claim pursuant to Section 9.02(b) has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Company) that the claimant has not met the standard of conduct that makes it permissible under the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment) for the Company to indemnify the claimant for the amount claimed if the Company were a corporation organized under the DGCL, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including the Lazard Board, Independent Counsel or Common Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Company (including its Lazard Board, Independent Counsel or Common Members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(d) If a determination shall have been made pursuant to Section 9.02(b) that the claimant is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to Section 9.02(c).

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 9.02(c) that the procedures and presumptions of this Section 9.02 are not valid, binding and enforceable and shall stipulate in such proceeding that the Company is bound by all the provisions of this Section 9.02.

(f) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 9.02 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute,

provision of this Agreement, agreement, vote of the Common Members or Disinterested Directors or otherwise. No amendment or other modification of this Section 9.02 shall in any way diminish or adversely affect the rights of any Director, officer, employee or agent of the Company hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

(g) The Company may, to the extent authorized from time to time by the Lazard Board, grant rights to indemnification, and rights to be paid by the Company the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Company to the fullest extent of the provisions of this Section 9.02 with respect to the indemnification and advancement of expenses of Directors and officers of the Company.

(h) If any provision or provisions of this Section 9.02 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Section 9.02 (including, without limitation, each portion of any subsection of this Section 9.02 containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Section 9.02 (including, without limitation, each such portion of any subsection of this Section 9.02 containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(i) For purposes of this Article IX:

(i) "Disinterested Director" means a Director of the Company who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(ii) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Company or the claimant in an action to determine the claimant's rights under this Section 9.02.

(j) Any notice, request or other communication required or permitted to be given to the Company under this Section 9.02 shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the General Counsel of the Company and shall be effective only upon receipt by the General Counsel.

(k) Notwithstanding any other provision contained in this Agreement, the parties hereto hereby acknowledge that in accordance with Section 8.04 of the Third Amended Operating Agreement, Article 8 of the Third Amended Operating Agreement shall survive the adoption of this Agreement with respect to any Liability (as defined in the Third Amended Operating Agreement) incurred in connection with any events, circumstances, act or omissions that occurred prior to the adoption of this Agreement.

SECTION 9.03. Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Agreement, agreement, vote of Disinterested Directors or otherwise.

SECTION 9.04. Insurance. The Company may maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the DGCL if the Company were a corporation organized under the DGCL.

SECTION 9.05. Survival. This Article IX shall survive any termination of this Agreement.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Use of Firm Name. The right to use the firm name, Lazard Group LLC, shall belong to the Company; provided that the use, sale or other disposition of any Lazard Name or any Lazard Mark shall be governed by the terms of the Coordination Agreement.

SECTION 10.02. Amendments. Except as provided in Section 1.03 with respect to this Agreement or Section 2.01 with respect to the Certificate of Formation, the Certificate of Formation and this Agreement may not be amended except with (and any such amendment shall be authorized upon obtaining) the approval of the Lazard Board and the Managing Member, and the approval of any other Member or other person shall not be required; provided that any amendment to Sections 4.03(b) (other than any amendment to such Section that shall increase or decrease the number of authorized Common Units in an equal amount to any increase or decrease in the number of authorized shares of Lazard Ltd Common Stock), 4.04(a)(ii), 4.05, 5.04(a)(i), 6.02, 7.02(a), 7.05, 7.06, 8.03(a) or any of the defined terms contained in such Section in each case that is materially adverse to the LAZ-MD Common Members, or any amendment to this proviso, shall require the additional prior approval of the LAZ-MD Common Members (by the affirmative vote of LAZ-MD Common Members holding a majority of the Common Units held by all LAZ-MD Common Members); provided further that any amendment to Section 3.01, the last sentence of Section 3.02(d), the proviso to Section 3.02(f), the last sentence of 3.02(h), the last sentence of Section 3.02(i), Section 3.03(b), Section 3.03(n) or any of the defined terms contained in such Sections, or any amendment to this proviso, shall require the additional prior approval of each of the Lazard Ltd Nominating Committee and the Lazard Ltd Board in accordance with Article 24 of the Lazard Ltd Bye-Laws; provided, however, that the Lazard Board may authorize, without further approval of another person or group, (a) any amendment to this Agreement to correct any technicality, incorrect statement or error apparent on the face hereof in order to further the intent of the parties hereto or (b) correction of any formality or error apparent on the face hereof or incorrect statement or defect in the execution hereof. Any merger

or consolidation of the Company with any third party that shall amend or otherwise modify the terms of this Agreement shall require the approval of the persons referred to above to the extent the approval of such persons would have been required had such amendment or modification been effected by an amendment to this Agreement.

SECTION 10.03. Benefits of Agreement. Except as provided in Article IX, none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any of the Members. Except as provided in Article IX, nothing in this Agreement shall be deemed to create any right in any person not a party hereto, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third person. Without limiting the generality of the foregoing, except as provided in Article IX, no person not a party hereto shall have any right to compel performance by a manager of its obligations hereunder.

SECTION 10.04. Waiver of Notice. Whenever any notice is required to be given to any Member or Director under the provisions of the Act or this Agreement, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any meeting of the Members (if any shall be called) or the Lazard Board or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 10.05. Arbitration. (a) All disputes, controversies and claims arising out of or relating to the Coordination Agreement, any Governing Agreement, the Company's affairs, the rights or interests of the Members or the estate of any deceased Member (to the extent that they are related to any of the foregoing), or any breach or termination or alleged breach or termination of the Coordination Agreement or any Governing Agreement ("Disputes"), whether arising during or after the Company's term or liquidation, shall be determined in accordance with this Section 10.05.

(b) All Disputes shall first be reviewed by the Chief Executive Officer ("Executive Review"). Any party to a Dispute may invoke Executive Review by written notice to the other party or parties thereto and the Chief Executive Officer. As soon as practicable and in any event within 30 days after receipt of notice of a Dispute, the Chief Executive Officer shall attempt in good faith to resolve such Dispute. In the event that any Dispute remains unresolved 45 days after notice thereof to the Chief Executive Officer, such Dispute shall be finally determined by an arbitral tribunal under the Rules of Arbitration (the "ICC Rules") of the International Chamber of Commerce (the "ICC") and in accordance with Section 10.05(c).

(c) The arbitral tribunal determining any Dispute shall be comprised of three arbitrators. Each party to a Dispute shall designate one arbitrator. If a party fails to designate an arbitrator within a reasonable period, the ICC shall designate an arbitrator for such party, including upon a request by another party. The two arbitrators designated by the parties to a Dispute (or, if applicable, the ICC) shall designate a third arbitrator. In the event that the two arbitrators designated by the parties to a Dispute (or, if applicable, the ICC) are unable to agree upon a third arbitrator within a reasonable period, the third arbitrator shall be selected in accordance with the ICC Rules by the ICC. The language, place and procedures of the arbitration of any Dispute shall be as agreed upon by the parties to such Dispute or, failing such

agreement within a reasonable period, as determined in accordance with the ICC Rules in order to ensure a speedy, efficient and just resolution of such Dispute. If neither the parties nor the arbitral tribunal can agree upon procedures, the arbitration shall be conducted in accordance with the ICC's procedures. The hearings and taking of evidence of any Dispute may be conducted at any locations that will, in the judgment of the arbitral tribunal, result in a speedy, efficient and just resolution of such Dispute. The parties to any dispute shall use their best efforts to cooperate with each other and the arbitral tribunal in order to obtain a resolution as quickly as possible, including by adopting the ICC's "fast-track" procedure (as provided for in Article 32(1) of the ICC Rules) if appropriate.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 10.05 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the "Delaware Arbitration Act"). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 10.05, including the ICC Rules, shall be invalid or unenforceable under the Delaware Arbitration Act or other applicable law, such invalidity shall not invalidate all of this Section 10.05. In that case, this Section 10.05 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 10.05 shall be construed to omit such invalid or unenforceable provision.

SECTION 10.06. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective estates, heirs, legal representatives, successors and permitted assigns, any additional Member admitted in accordance with the provisions hereof and any successor to a trustee of a trust that is or becomes a party hereto.

SECTION 10.07. Confidentiality. Each Member that is not a controlled Affiliate of Lazard Ltd expressly agrees, whether or not at the time a Member of the Company or providing services to the Company and/or any of its Subsidiaries, to maintain the confidentiality of, and not disclose to any Person other than the Company, a Member, a Managing Director (including, for this purpose, any managing director or limited managing director of LAM) or any financial, legal or other advisor to the Company, any information relating to the business, clients, affairs or financial structure, position or results of the Company or its affiliates (including any Affiliate) or any Dispute that shall not be generally known to the public or the securities industry; provided that such Member may disclose any such information (a) to the extent required by any applicable law, rule or regulation in the opinion of counsel or by the order of any securities exchange, banking supervisory authority or other governmental or self-regulatory organization of competent jurisdiction (provided that such Member notifies the Company of such requirement prior to making such disclosure and cooperates with the Company in seeking to prevent or minimize such disclosure), (b) to his or its legal counsel and financial advisers (who shall agree to abide by the terms of this Section), or (c) with the prior written consent of the Company.

Notwithstanding any other provision contained in this Agreement, the Members hereby expressly acknowledge and agree that to the fullest extent permitted by law, with respect

to all persons who were members or former members of the Company prior to Exchange and Forced Sale, the obligations of such members and the former members set forth in Section 9.06 of the Third Amended Operating Agreement shall continue in full force and effect, and are not invalidated or otherwise altered by Section 10.07 of this Agreement.

SECTION 10.08. Notices. Except as provided in Section 3.02(d), all notices and other communications required or permitted by this Agreement shall be made in writing and any such notice or communication shall be deemed delivered when delivered in person, properly transmitted by telecopier or one business day after it has been sent by an internationally recognized overnight courier to the address for notices shown in the Company's records (or any other address provided to the Company in writing for this purpose) or, if given to the Company, to the principal place of business of the Company in New York, New York. Communications by telecopier also shall be sent concurrently by overnight courier, but shall in any event be effective as stated above. Each Member and Director may from time to time change its address for notices under this Section by giving at least five days' prior written notice of such changed address to the Company.

SECTION 10.09. No Waiver of Rights. No failure or delay on the part of any Member in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or of any other right or power. The waiver by any Member or manager of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

SECTION 10.10. Power of Attorney. Each Member agrees that, by its execution of this Agreement, such Member irrevocably constitutes and appoints the Chief Executive Officer and the General Counsel, each acting alone, as its true and lawful attorney-in-fact coupled with an interest, with full power and authority, in its name, place and stead to make, execute, acknowledge and record (a) all certificates, instruments or documents, including fictitious name or assumed name certificates, as may be required by, or may be appropriate under, the laws of any state or jurisdiction in which the Company is doing or intends to do business and (b) all agreements, documents, certificates or other instruments amending this Agreement or the Certificate of Formation that may be necessary or appropriate to reflect or accomplish (i) a change in the name or location of the principal place of business of the Company or a change of name or address of a Member, (ii) the disposal or increase by a Member of his Interest in the Company or any part thereof, (iii) a distribution and reduction of the capital contribution of a Member or any other changes in the capital of the Company, (iv) the dissolution or termination of the Company, (v) the addition or substitution of a person becoming a Member of the Company and (vi) any amendment to this Agreement, in each case only to the extent expressly authorized and conducted in accordance with the preceding sections of this Agreement. The power granted hereby is coupled with an interest and shall survive the subsequent disability or incapacity of the principal.

SECTION 10.11. Severability. If any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law,

the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

SECTION 10.12. Headings. The Article, Section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 10.13. Entire Agreement. Except as otherwise expressly set forth in Section 9.02(k) and Section 10.07, this Agreement amends and restates in its entirety the Third Amended Operating Agreement. This Agreement, including the exhibits, annexes and schedules hereto and the Acknowledgements, the Master Separation Agreement, the Ancillary Agreements, the LAZ-MD Operating Agreement and Section 3(a) of the Transaction Agreement, constitute the entire agreement among the parties hereto and, except as otherwise expressly set forth in Section 9.02(k) and Section 10.07, supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and thereof.

SECTION 10.14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of law principles.

SECTION 10.15. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

SECTION 10.16. Effectiveness. The Original Operating Agreement was effective for all financial and accounting purposes as of January 3, 2000. This Agreement shall be effective immediately upon execution hereof following the effectiveness of the Exchange and the Forced Sale by each of Scott D. Hoffman, on behalf of the Lazard Board, and LAZ-MD on the date hereof.

SECTION 10.17. Corporate Opportunity; Fiduciary Duty. (a) To the greatest extent permitted by law, none of Lazard Ltd, any Affiliate of Lazard Ltd (excluding for this purpose the Company and its Subsidiaries, LAZ-MD and LFCM and its Subsidiaries) (each such Affiliate of Lazard Ltd, a "Lazard Ltd Affiliate") and none of their respective officers, directors, employees or agents shall owe any fiduciary duty to, nor shall any of Lazard Ltd or any Lazard Ltd Affiliate be liable for breach of fiduciary duty to, the Company, any Subsidiary of the Company or any other holder of Interests or Affiliate of such holder (or any of their respective officers, directors, employees or agents). To the greatest extent permitted by law, in taking any action, making any decision or exercising any discretion with respect to the Company, each of Lazard Ltd and each Lazard Ltd Affiliate shall be entitled to consider such interests and factors as it desires, including its own interests and those of other Lazard Ltd Affiliates, and shall have no duty or obligation (1) to give any consideration to the interests of or factors affecting the Company, the holders of Interests or any other person, or (2) to abstain from participating in any vote or other action of the Company or any Affiliate thereof, the Lazard Board or any committee or similar body of any of the foregoing. Lazard Ltd and any Lazard Ltd Affiliate (and their respective officers, directors, employees or agents) shall not violate a duty or obligation to the Company merely because such person's conduct furthers such person's own interest, except as specifically set forth in clause (c) of this Section. Such persons may lend money to and transact

other business with the Company. The rights and obligations of any such person who lends money to, contracts with, borrows from or transacts business with the Company are the same as those of a person who is not involved with the Company, subject to other applicable law. To the greatest extent permitted by law, no transaction with the Company shall be voidable solely because any such person has a direct or indirect interest in the transaction. Nothing herein contained shall prevent any such person from conducting any other business, including, without limitation, serving as an officer, director, employee, or stockholder of any corporation, a trustee of any trust, an executor or administrator of any estate, or an administrative official of any other business or not-for-profit entity, or from receiving any compensation in connection therewith.

(b) Except as may be otherwise provided in a written agreement between the Company and Lazard Ltd, none of Lazard Ltd or any Lazard Ltd Affiliate shall owe any duty to refrain from engaging in the same or similar activities or lines of business as the Company. In the event that Lazard Ltd or any Lazard Ltd Affiliate acquires knowledge of a potential transaction or matter which may be a corporate opportunity for Lazard Ltd or any Lazard Ltd Affiliate, on the one hand, and the Company, on the other hand, Lazard Ltd or such Lazard Ltd Affiliate, as the case may be, shall, to the fullest extent permitted by law, have no duty to communicate or offer such corporate opportunity to the Company.

(c) In the event that a Director or officer of the Company who is also a director or officer of Lazard Ltd or any Lazard Ltd Affiliate acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both the Company, on the one hand, and Lazard Ltd or any Lazard Ltd Affiliate, as applicable, on the other hand, such Director or officer of the Company shall, to the fullest extent permitted by law, have fully satisfied and fulfilled any fiduciary duty of such Director or officer to the Company and its Members with respect to such corporate opportunity, if such Director or officer of the Company acts in a manner consistent with the following policy:

(i) a corporate opportunity offered to any individual who is an officer of the Company, and who is also a director but not an officer of Lazard Ltd or any Lazard Ltd Affiliate, shall belong to the Company unless such opportunity is expressly offered to such individual in his or her capacity as a director of Lazard Ltd or such Lazard Ltd Affiliate (in which case it shall belong to Lazard Ltd);

(ii) a corporate opportunity offered to any individual who is a Director but not an officer of the Company, and who is also a director or officer of Lazard Ltd or any Lazard Ltd Affiliate shall belong to Lazard Ltd or the applicable Lazard Ltd Affiliate unless such opportunity is expressly offered to such individual in his or her capacity as a Director (in which case it shall belong to the Company); and

(iii) a corporate opportunity offered to any individual who is an officer of both the Company and Lazard Ltd or any Lazard Ltd Affiliate shall belong to Lazard Ltd or such Lazard Ltd Affiliate unless such opportunity is expressly offered to such individual in his or her capacity as an officer of the Company (in which case it shall belong to the Company).

(d) To the greatest extent permitted by law, neither LAZ-MD nor any of its officers, directors, employees or agents shall owe any fiduciary duty to, nor shall LAZ-MD be liable for breach of fiduciary duty to, the Company, any Subsidiary of the Company or any other holder of Interests or Affiliate of such holder (or any of their respective officers, directors, employees or agents). In taking any action, making any decision or exercising any discretion with respect to the Company, LAZ-MD shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation (1) to give any consideration to the interests of or factors affecting the Company, the holders of Interests or any other person, or (2) to abstain from participating in any vote or other action of the Company or any Affiliate thereof, the Lazard Board or any committee or similar body of any of the foregoing. LAZ-MD (and its officers, directors, employees or agents) shall not violate a duty or obligation to the Company merely because such person's conduct furthers such person's own interest, except as specifically set forth in clause (e) of this Section. Such persons may lend money to and transact other business with the Company. The rights and obligations of any such person who lends money to, contracts with, borrows from or transacts business with the Company are the same as those of a person who is not involved with the Company, subject to other applicable law. No transaction with the Company shall be voidable solely because any such person has a direct or indirect interest in the transaction. To the greatest extent permitted by law, nothing herein contained shall prevent any such person from conducting any other business, including, without limitation, serving as an officer, director, employee, or stockholder of any corporation, a trustee of any trust, an executor or administrator of any estate, or an administrative official of any other business or not-for-profit entity, or from receiving any compensation in connection therewith.

(e) In the event that a Director or officer of the Company who is also a director or officer of LAZ-MD acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both the Company, on the one hand, and LAZ-MD, on the other hand, such Director or officer of the Company shall, to the fullest extent permitted by law, have fully satisfied and fulfilled any fiduciary duty of such Director or officer to the Company and its Members with respect to such corporate opportunity, if such director or officer acts in a manner consistent with the following policy: a corporate opportunity offered to any individual who is an officer of the Company or a Director, and who is also a director or officer of LAZ-MD, shall belong to the Company unless such opportunity is first expressly offered to the Company, affirmatively rejected by the Lazard Board and then offered to LAZ-MD by the Lazard Board.

(f) Any person purchasing or otherwise acquiring any Interest shall be deemed to have notice of and to have consented to the provisions of this Section.

(g) For purposes of this Section only, a director of the Company who is chairman of the Lazard Board or of a committee thereof shall not be deemed to be an officer of the Company by reason of holding such position, unless such individual is an employee of the Company.

(h) Except to the extent otherwise modified herein, each Director and officer of the Company shall have fiduciary duties identical to those of directors and officers of business corporations organized under the DGCL. The provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) of a Director, officer or other

person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties of such person.

(i) Neither the alteration, amendment, termination, expiration or repeal of this Section nor the adoption of any provision of this Agreement inconsistent with this Section shall eliminate or reduce the effect of this Section in respect of any matter occurring, or any cause of action, suit or claim that, but for this Section, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

SECTION 10.18. Certain Provisions. (a) In connection with the Exchangeable Securities IPO Transaction (as defined in the Master Separation Agreement), each of the Company, on the one hand, and Lazard Ltd Sub A and Lazard Ltd Sub B, on the other hand, with Lazard Ltd as guarantor thereof, shall promptly after the date hereof enter into appropriate forward contracts providing for the issuance of Common Units to Lazard Ltd Sub A and Lazard Ltd Sub B on substantially similar terms in respect of pricing, timing and antidilution as set forth in the forward purchase contracts forming part of the equity security units sold in the Exchangeable Securities IPO Transaction.

(b) Schedule 10.18(b) shall apply with respect to the terms of this Agreement referred to in the Guaranty, dated as of March 26, 2003, by the Company in favor of Banca Intesa S.p.A., a *Società per Azioni* organized under the laws of the Republic of Italy.

IN WITNESS WHEREOF, the undersigned, acting pursuant to the resolutions of the Lazard Board adopted on the date hereof, has duly executed this Agreement to reflect approval by the Lazard Board as of the date first above written.

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Representative of the Lazard Board

Accepted and agreed (with such acceptance and agreement to constitute approval of this Agreement for all purposes under Section 9.02 of the Third Amended Operating Agreement) in its capacity as the sole member of the Company as of the date hereof:

LAZ-MD HOLDINGS LLC

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Member

AGREEMENT TO BECOME MEMBERS

Each of the undersigned hereby agrees to be admitted to the Company as a Member as set forth in, and to be bound by, this Agreement, as of the date first above written.

LAZARD GROUP FINANCE LLC

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director and Vice President

LLTD CORP II

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director

LLTD 2 S.AR.L.

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: General Counsel

LAZ-MD CO II

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Member

ACKNOWLEDGEMENT

Acknowledged and agreed by:

LAZARD LTD

By: /s/ Scott D. Hoffman

Name: Scott D. Hoffman

Title: Director, Vice President and Secretary

EXHIBIT 10.3

TAX RECEIVABLE AGREEMENT

This TAX RECEIVABLE AGREEMENT (this "Agreement"), dated as of May 10, 2005, by and among Ltd Sub A and Ltd Sub B, (each as defined herein) both wholly owned indirect subsidiaries of Lazard Ltd, a Bermuda company ("Lazard") and LFCM Holdings LLC, a Delaware limited liability company ("LFCM").

WHEREAS, on December 16, 2004, Lazard, Lazard LLC, a Delaware limited liability company taxable as a partnership for U.S. Federal income tax purposes that will be renamed "Lazard Group LLC" ("Lazard Group") and LAZ-MD Holdings LLC, a Delaware limited liability company ("LAZ-MD"), entered into that certain Class B-1 and Class C Members Transaction Agreement relating to Lazard Group (the "Buyout Agreement"); and

WHEREAS, pursuant to the Buyout Agreement, certain interests of historic partners of Lazard Group (the "Historic Partners") shall be redeemed for cash (the "Redemption"); and

WHEREAS, pursuant to the Buyout Agreement, Lazard Group and the Historic Partners have agreed to treat a portion of the consideration paid to the Historic Partners in the Redemption as received in a sale or exchange pursuant to Section 707(a)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code") and the remainder of such consideration as received by the Historic Partners as a distribution; and

WHEREAS, in connection with transactions contemplated by the Buyout Agreement, certain members of Lazard Group (each, an "Exchangeable Holder") will be issued a class of exchangeable membership interests in LAZ-MD, which exchangeable interests are effectively exchangeable on a one-for-one basis for shares of Lazard (an "Exchange"); and

WHEREAS the Exchanges are expected to be effected via an Exchangeable Holder's transfer of Lazard Group interests directly to Ltd Sub A and Ltd Sub B (each, an "Ltd Exchanging Subsidiary") in transactions that are intended to result in an Exchangeable Holder's recognition of gain or loss for U.S. Federal income tax purposes (each, a "Taxable Exchange"), as described herein; and

WHEREAS, Lazard Group shall have in effect an election under Section 754 of the Code for the Taxable Year (as defined herein) in which the Redemption occurs, which election will result in an adjustment to the Ltd Exchanging Subsidiaries' share of the tax basis of the assets owned by Lazard Group as of the Redemption Date (such assets and any asset whose tax basis is determined, in whole or in part, by reference to the adjusted basis of any such asset, the "Original Assets") by reason of the Redemption; and

WHEREAS, Lazard Group intends to have in effect an election under Section 754 of the Code for each Taxable Year in which any Taxable Exchange occurs, which election will result in an adjustment to the Ltd Exchanging Subsidiaries' share of the tax basis of the assets owned by Lazard Group as of the date of any such Taxable Exchange; and

WHEREAS, Lazard, through the Ltd Exchanging Subsidiaries, will own, immediately following the Redemption, a controlling interest in Lazard Group and a portion of the common membership interests in Lazard Group; and

WHEREAS, the income, gain, loss, expense and other Tax items of Lazard Group and the Relevant Lazard Ltd Taxpayers (as defined herein) may be affected by the Basis Adjustment (as defined herein) and the Imputed Interest (as defined herein); and

WHEREAS, the parties to this Agreement desire to make certain arrangements with respect to the effect of the Basis Adjustment and Imputed Interest on the actual liability for Covered Taxes of the Relevant Lazard Ltd Taxpayers (as defined herein).

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

Definitions

Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"Advisory Firm" means an accounting or law firm that is nationally recognized as being expert in Covered Tax matters, as determined by the Audit Committee. The Audit Committee shall select the Advisory Firm.

"Advisory Firm Letter" shall mean a letter from the Advisory Firm stating that the relevant schedule, notice or other information to be provided by the Ltd Exchanging Subsidiaries to LFCM and all supporting schedules and work papers were prepared in a manner consistent with the terms of this Agreement and, to the extent not expressly provided in this Agreement, on a reasonable basis in light of the facts and law in existence on the date such schedule, notice or other information is delivered to LFCM.

"Agreed Rate" means LIBOR plus 200 basis points.

"Agreement" is defined in the preamble.

"Amended Tax Benefit Schedule" is defined in Section 2.05(b) of this Agreement.

"Applicable Treasury Rate" means a rate equal to the yield to maturity as of the date an Early Termination Notice is delivered (the "delivery date") of U.S. Treasury securities with a constant maturity (the "Applicable Maturity") (as compiled and published in the most recent Federal Reserve Statistical Release H 15 (519)) equal to (a) if the delivery date is on or after the third anniversary of the Redemption Date but prior to the fifth anniversary of the Redemption Date, 10 years after the delivery date, (b) if the delivery date is on or after the fifth anniversary of

the Redemption Date but prior to the fifteenth anniversary of the Redemption Date, the number of years from the delivery date through the fifteenth anniversary of the Redemption Date, or (c) if the delivery date is on or after the fifteenth anniversary of the Redemption Date, two years after the delivery date. If there are no U.S. Treasury securities with a constant maturity equal to the Applicable Maturity, the yield to maturity shall be interpolated from the U.S. Treasury securities with constant maturities that are most nearly longer than and shorter than the Applicable Maturity.

"Audit Committee" means the audit committee of the board of directors of Lazard.

"Basis Adjustment" means the increase or decrease to the tax basis of, or any Relevant Lazard Ltd Taxpayer's share of the tax basis of, Lazard Group's assets (i) under Sections 734(b), 743(b) and 754 of the Code and the comparable sections of U.S. state and local income and franchise Tax law as a result of the Redemption, (ii) under Section 743(b) and 754 of the Code and the comparable sections of U.S. state and local income and franchise Tax law as a result of any Taxable Exchange and (iii) under Sections 743(b) and 754 as a result of any payments under this Agreement. For the avoidance of doubt, payments under this Agreement shall not be treated as resulting in a Basis Adjustment to the extent such payments relate to the Redemption or are treated as Imputed Interest.

"Business Day" means any calendar day that is not a Saturday, Sunday or other calendar day on which banks are required or authorized to be closed in the City of New York.

"Buyout Agreement" is defined in the recitals.

"Change of Control Event" means the occurrence of any of the following events:

(i) the consummation, through one or more related transactions, of (A) a merger, amalgamation, consolidation, statutory share exchange or similar form of corporate transaction involving Lazard or Lazard Group (a "Reorganization") or (B) the sale or other disposition of all or substantially all the assets of Lazard or Lazard Group to an entity that is not a controlled subsidiary of Lazard (a "Sale") if such Reorganization or Sale requires the approval of Lazard's stockholders under the law of Bermuda (whether such approval is required for such Reorganization or Sale or for the issuance of securities of Lazard in such Reorganization or Sale or the rules and regulations of the principal trading exchange for Lazard's Class A common shares), unless, immediately following such Reorganization or Sale, (1) all or substantially all the individuals and entities who were the "beneficial owners" (as such term is defined in Rule 13d-3 under the Exchange Act (or a successor rule thereto)) of the shares of Lazard, or such other securities of Lazard into which such shares shall be changed by reason of a Reorganization (the "Shares") or other securities eligible to vote for the election of the Board (together, "Lazard Voting Securities") outstanding immediately prior to the consummation of such Reorganization or Sale beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the corporation resulting from such Reorganization or Sale (including,

without limitation, a corporation that as a result of such transaction owns Lazard or all or substantially all Lazard's assets either directly or through one or more subsidiaries) (the "Continuing Corporation") in substantially the same proportions as their ownership, immediately prior to the consummation of such Reorganization or Sale, of the outstanding Lazard Voting Securities (excluding any outstanding voting securities of the Continuing Corporation that such beneficial owners hold immediately following the consummation of the Reorganization or Sale as a result of their ownership prior to such consummation of voting securities of any company or other entity involved in or forming part of such Reorganization or Sale other than Lazard);

(ii) the stockholders of Lazard approve a plan of complete liquidation or dissolution of Lazard; or

(iii) any "person" (as such term is used in Section 13(d) of the Exchange Act), corporation or other entity or "group" (as used in Section 14(d)(2) of the Exchange Act) (other than (A) Lazard, (B) any trustee or other fiduciary holding securities under an employee benefit plan of Lazard or an affiliate of Lazard, (C) a person controlled by all or substantially all of the then-current managing directors of Lazard (provided no individual person controls more than 5% of any such person) or (D) any company owned, directly or indirectly, by the stockholders of Lazard in substantially the same proportions as their ownership of the voting power of the Lazard Voting Securities) becomes the beneficial owner, directly or indirectly, of securities of Lazard representing 20% or more of the combined voting power of the Lazard Voting Securities; provided, however, that for purposes of this subparagraph (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Lazard or an affiliate of Lazard shall not constitute a Change of Control Event.

"Change of Control Termination Payment" is defined in Section 4.03(c) of this Agreement.

"Change Notice" is defined in Section 3.03 of this Agreement.

"Code" is defined in the recitals.

"Covered Taxable Year" means any Taxable Year of the Relevant Lazard Ltd Taxpayers ending after the Redemption Date and on or before the end of the Taxable Year including the date which is the twentieth-fourth (24th) anniversary of the Redemption Date.

"Covered Taxes" means U.S. Federal Income Taxes and U.S. state and local income and franchise Taxes.

"Determination" shall have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of state or local income or franchise Tax law, as applicable.

"Early Termination Notice" is defined in Section 4.02 of this Agreement.

"Early Termination Payment" is defined in Section 4.03(b) of this Agreement.

"Early Termination Rate" means the Applicable Treasury Rate plus 300 basis points.

"Escrow Agent" is defined in Section 3.01(a) of the Agreement.

"Escrow Agreement" is defined in Section 3.01 of the Agreement.

"Exchange" is defined in the recitals.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute thereto.

"Exchange Assets" means the assets owned by Lazard Group as of an applicable Exchange Date (and any asset whose tax basis is determined, in whole or in part, by reference to the adjusted basis of any such asset).

"Exchange Basis Schedule" is defined in Section 2.04(a) of this Agreement.

"Exchange Date" means the date on which a Taxable Exchange is effected.

"Exchangeable Holder" is defined in the recitals.

"Federal Income Tax" means any tax imposed under Subtitle A of the Code or any other provision of U.S. Federal income tax law (including, without limitation, the taxes imposed by Sections 11, 55, 59A, 881, 882, 884 and 1201(a) of the Code), and any interest, additions to tax or penalties applicable or related to such tax.

"Governmental Entity" means any federal, state, local, provincial or foreign government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, whether domestic or foreign.

"Hypothetical Tax Basis" means, with respect to any asset at any time, the tax basis that such asset would have at such time if no Basis Adjustment had been made as a result of the Redemption or an applicable Taxable Exchange, as the case may be.

"Hypothetical Tax Liability" means, with respect to any Covered Taxable Year, the liability for Covered Taxes of the Relevant Lazard Ltd Taxpayers using the same methods, elections, conventions and similar practices used on the actual Tax Returns of such Relevant Lazard Ltd Taxpayers, but using the Hypothetical Tax Basis instead of the actual tax basis of each relevant asset and excluding any deduction attributable to the Imputed Interest.

"Imputed Interest" shall mean any interest imputed under Section 1272, 1274 or 483 or other provision of the Code (or any successor U.S. Federal income tax statute) and the similar section of the applicable U.S. state or local income or franchise Tax law with respect to the Ltd Exchanging Subsidiaries' payment obligations under this Agreement.

"IPO Proceeds" means the aggregate proceeds from the sale of Lazard shares in an initial public offering, net of underwriters' discounts and commissions and directly allocated expenses.

"IRS" means the U.S. Internal Revenue Service.

"LAZ-MD" is defined in the recitals.

"Lazard" is defined in the preamble.

"LFCM" is defined in the preamble.

"LFCM Operating Agreement" means the Operating Agreement of LFCM dated as of May 10, 2005.

"Ltd Exchanging Subsidiary" is defined in the recitals.

"Ltd Exchanging Subsidiary Payment" is defined in Section 5.01 of this Agreement.

"Ltd Sub A" and "Ltd Sub B" are defined in Schedule A to this Agreement.

"LIBOR" means, for each month (or portion thereof) during any period, an interest rate per annum equal to the rate per annum reported, on the date two days prior to the first day of such month, on the Telerate Page 3750 (or if such screen shall cease to be publicly available, as reported on Reuters Screen page "LIBO" or by any other publicly available source of such market rate) for London interbank offered rates for U.S. dollar deposits for such month (or portion thereof).

"Person" means and includes any individual, firm, corporation, partnership (including, without limitation, any limited, general or limited liability partnership), company, limited liability company, trust, joint venture, association, joint stock company, unincorporated organization or similar entity or Governmental Entity.

"Potential Reduction" is defined in Section 3.03(a) of this Agreement.

"Proceeding" is defined in Section 7.08 of this Agreement.

"Realized Tax Benefit" means, for a Covered Taxable Year, the excess, if any, of the Hypothetical Tax Liability over the actual liability for Covered Taxes of the Relevant Lazard Ltd Taxpayers for such Covered Taxable Year, less the fees, charges and expenses of the Advisory Firm and the expert described in Section 7.09 related to this Agreement paid by the Relevant Lazard Ltd Taxpayers in the relevant Covered Taxable Year. For the avoidance of doubt, the "Realized Tax Benefit" shall take into account the difference, if any, in the ability of Ltd Sub B to use foreign tax credits to offset its U.S. Federal income tax liability in calculating its Hypothetical Tax Liability and its actual liability for Covered Taxes in the Covered Taxable Year. If all or a portion of the actual tax liability for Covered Taxes for the Covered Taxable Year arises as a result of an audit by a Taxing Authority of any Covered Taxable Year, such liability shall

not be included in determining the Realized Tax Benefit or the Realized Tax Detriment unless and until there has been a Determination.

"Realized Tax Detriment" means, for a Covered Taxable Year, the excess, if any, of the actual liability for Covered Taxes of the Relevant Lazard Ltd Taxpayers over the Hypothetical Tax Liability for such Covered Taxable Year, plus the fees, charges and expenses of the Advisory Firm and the expert described in Section 7.09 related to this Agreement paid by the Relevant Lazard Ltd Taxpayers in the relevant Covered Taxable Year. For the avoidance of doubt, the "Realized Tax Detriment" shall take into account the difference, if any, in the ability of Ltd Sub B to use foreign tax credits to offset its U.S. Federal income tax liability in calculating its Hypothetical Tax Liability and its actual liability for Covered Taxes in the Covered Taxable Year. If all or a portion of the actual tax liability for Covered Taxes for the Covered Taxable Year arises as a result of an audit by a Taxing Authority of any Covered Taxable Year, such liability shall not be included in determining the Realized Tax Benefit or Realized Tax Detriment unless and until there has been a Determination.

"Reconciliation Procedures" shall mean those procedures set forth in Section 7.09 of this Agreement.

"Redemption" is defined in the recitals.

"Redemption Basis Schedule" is defined in Section 2.02 of this Agreement.

"Redemption Date" means the date on which the Redemption is effected.

"Relevant Lazard Ltd Taxpayer" means (i) Ltd Sub A (or its successors and assigns) or (ii) Ltd Sub B (or its successors and assigns) and (iii) any consolidated, combined or unitary group containing either Ltd Sub A or Ltd Sub B, as the case may be, or any of their respective successors and/or assigns.

"Scheduled Termination Date" shall mean the date on which this Agreement would terminate in the absence of an Early Termination Notice.

"Senior Obligations" is defined in Section 5.01 of this Agreement.

"Subsidiary" means any entity in which Lazard, directly or indirectly, possesses fifty percent (50%) or more of the total combined voting power of all classes of its stock, other than Lazard Group, Lazard Group Finance, LLC and their respective subsidiaries.

"Tax Benefit Payment" is defined in Section 3.01(b) of this Agreement.

"Tax Benefit Schedule" is defined in Section 2.05(a) of this Agreement.

"Taxable Exchange" is defined in the recitals.

"Taxable Year" means a taxable year as defined in Section 441(b) of the Code or comparable section of U.S. state or local income or franchise Tax law, as applicable, (and, therefore,

for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made).

"Taxes" means (i) all forms of taxation or duties imposed, or required to be collected or withheld, including, without limitation, charges, together with any related interest, penalties or other additional amounts, (ii) liability for the payment of any amount of the type described in the preceding clause (i) as a result of being a member of an affiliated, consolidated, combined or unitary group, and (iii) liability for the payment of any amounts as a result of being party to any tax sharing agreement (other than this Agreement) or as a result of any express or implied obligation to indemnify any other person with respect to the payment of any amount described in the immediately preceding clauses (i) or (ii) (other than an obligation to indemnify under this Agreement).

"Tax Return" means any return, filing, report, questionnaire, information statement or other document required to be filed, including amended returns that may be filed, for any taxable period with any Taxing Authority (whether or not a payment is required to be made with respect to such filing).

"Taxing Authority" means the IRS and any other state, local, foreign or other Governmental Entity responsible for the administration of Taxes.

"Treasury Regulations" means the final, temporary and proposed regulations under the Code promulgated from time to time (including corresponding provisions of succeeding provisions) as in effect for the relevant taxable period.

"Valuation Assumptions" shall mean, as of any Valuation Date, the assumptions described in Schedule B to this Agreement.

"Valuation Date" means the date of an Early Termination Notice for purposes of determining an Early Termination Payment or Change of Control Termination Payment.

ARTICLE II

Determination of Realized Tax Benefit or Realized Tax Detriment

SECTION 2.01. Redemption Date Basis Adjustment. Pursuant to the Buyout Agreement, Lazard Group and the Historic Partners have agreed to treat the consideration paid to the Historic Partners in the Redemption (i) as a sale or exchange pursuant to Section 707(a)(2)(B) of the Code (the "Sale") to the extent such consideration originates from IPO Proceeds and (ii) as a distribution pursuant to Section 736(b)(1) and Section 731(b) of the Code (the "Distribution") to the extent the total Redemption consideration exceeds the IPO Proceeds. The Ltd Exchanging Subsidiaries and LFCM hereby agree that (i) the Historic Partners of Lazard Group redeemed for cash in the Redemption shall recognize gain on the Redemption Date under Sections 741 and 731 of the Code, (ii) each Ltd Exchanging Subsidiary's share of the basis in the Original Assets shall be increased by the excess of the Sale proceeds over the Ltd Exchanging Subsidiary's proportionate share of the basis of the Original Assets on the Redemption Date and (iii) the basis in the Original Assets shall be increased by the amount of gain recognized by the

Historic Partners of Lazard Group with respect to the Distribution. The Ltd Exchanging Subsidiaries and LFCM shall treat such gain and Basis Adjustment as occurring entirely on the Redemption Date unless there is a Determination to the contrary. For purposes of this Agreement, the Ltd Exchanging Subsidiaries and LFCM (i) shall not take into account the fair market value of the right to receive payments under this Agreement in determining the amount of Sale proceeds or the amount of gain recognized by the Historic Partners on the Redemption Date and (ii) shall not treat any payments made under this Agreement with respect to the Redemption as resulting in a Basis Adjustment.

SECTION 2.02. (a) Redemption Basis Schedule. Within 120 calendar days after the Redemption Date, the Ltd Exchanging Subsidiaries shall deliver to LFCM a schedule (the "Redemption Basis Schedule") approved by the Audit Committee that shows, in reasonable detail, for purposes of Covered Taxes, (i) the actual tax basis as of the Redemption Date of the Original Assets, (ii) the Basis Adjustment with respect to the Original Assets as a result of the Sale and the Distribution and (iii) the period or periods, if any, over which the Original Assets are amortizable or depreciable for purposes of Covered Taxes. At the time the Ltd Exchanging Subsidiaries deliver the Redemption Basis Schedule to LFCM, they shall (x) deliver to LFCM schedules and work papers providing reasonable detail regarding the preparation of the Redemption Basis Schedule and an Advisory Firm Letter supporting such Redemption Basis Schedule and (y) allow LFCM reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedule. The Redemption Basis Schedule shall become final and binding on the parties unless LFCM, within 30 calendar days after receiving such Redemption Basis Schedule, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such Redemption Basis Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 60 calendar days after such Redemption Basis Schedule was delivered to LFCM, the Ltd Exchanging Subsidiaries and LFCM shall employ the Reconciliation Procedures.

(b) Amended Redemption Basis Schedule. The Redemption Basis Schedule may be amended from time to time by the Ltd Exchanging Subsidiaries with the consent of the Audit Committee (i) in connection with a Determination, (ii) to correct inaccuracies to the original Redemption Basis Schedule identified after the Redemption Date as a result of the receipt of additional information relating to facts or circumstances on or prior to the Redemption Date or (iii) to comply with the expert's determination under the Reconciliation Procedures. At the time the Ltd Exchanging Subsidiaries deliver such amended Redemption Basis Schedule to LFCM they shall (x) deliver to LFCM schedules and work papers providing reasonable detail regarding the preparation of the amended Redemption Basis Schedule and an Advisory Firm Letter supporting such amended Redemption Basis Schedule and (y) allow LFCM reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedule. The amended Redemption Basis Schedule shall become final and binding on the parties unless LFCM, within 30 calendar days after receiving such amended Redemption Basis Schedule, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such amended Redemption Basis Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the is-

sues raised in such notice within 60 calendar days after such amended Redemption Basis Schedule was delivered to LFCM, the Ltd Exchanging Subsidiaries and LFCM shall employ the Reconciliation Procedures.

SECTION 2.03. Basis Adjustment Attributable to a Taxable Exchange. Pursuant to a Taxable Exchange, (i) to the extent an Exchangeable Holder effecting a Taxable Exchange holds its Lazard Group interests through LAZ-MD, LAZ-MD will distribute to such Exchangeable Holder all or a portion of LAZ-MD's Lazard Group interests attributable to such Exchangeable Holder in redemption of all or a portion of the exchangeable interests of such Exchangeable Holder in LAZ-MD and (ii) the Exchangeable Holder will transfer its interests in Lazard Group to the Ltd Exchanging Subsidiaries in exchange for shares of Lazard. The number of Lazard shares transferred by each Ltd Exchanging Subsidiary to an Exchangeable Holder pursuant to a Taxable Exchange will be determined in proportion to each such subsidiary's respective interests in Lazard Group on the applicable Exchange Date. The Ltd Exchanging Subsidiaries and LFCM hereby agree that an Exchangeable Holder effecting a Taxable Exchange shall recognize gain, if any, for U.S. Federal income tax purposes on the Exchange Date under Section 741 of the Code in an amount equal to the excess of (i) the fair market value of the Lazard shares received in the Taxable Exchange over (ii) the Exchangeable Holder's basis in its Lazard Group interests transferred to the Ltd Exchanging Subsidiaries pursuant to the Taxable Exchange. For purposes of this Agreement, the Ltd Exchanging Subsidiaries and LFCM hereby agree that the fair market value of the Lazard shares received in the Taxable Exchange shall mean the trading value of such shares at the close of business on the Exchange Date. The Ltd Exchanging Subsidiaries and LFCM further agree that, with respect to each Taxable Exchange, each Ltd Exchanging Subsidiary's share of the basis in the Exchange Assets shall be increased by the excess, if any, of (i) the fair market value of the Lazard shares transferred to the Exchangeable Holder pursuant to the Taxable Exchange over (ii) the Ltd Exchanging Subsidiary's proportionate share of the basis of the Exchange Assets immediately after the Taxable Exchange attributable to the Lazard Group interests exchanged. The Ltd Exchanging Subsidiaries and the Exchangeable Holders, pursuant to the LFCM Operating Agreement, will treat such gain and Basis Adjustment as occurring entirely on the Exchange Date unless there is a Determination to the contrary. The Ltd Exchanging Subsidiaries and the Exchangeable Holders, pursuant to the LFCM Operating Agreement, agree that, for U.S. Federal income tax purposes, this Agreement is treated as additional consideration paid to the Exchangeable Holders in the Exchange (and immediately assigned by the Exchangeable Holders to LFCM). By assigning this Agreement to LFCM, the Exchangeable Holders relinquish all rights, title and interest under this Agreement. Notwithstanding any other provision of this Agreement, the Ltd Exchanging Subsidiaries and LFCM (i) shall not take into account the fair market value of the right to receive payments under this Agreement in determining the Basis Adjustment resulting on any Exchange Date and (ii) shall not treat the payments of principal under this Agreement related to any Taxable Exchange as resulting in a Basis Adjustment until such payments are made.

SECTION 2.04. (a) Exchange Basis Schedule. Within 120 calendar days after the end of a Covered Taxable Year in which any Taxable Exchange has been effected, the Ltd Exchanging Subsidiaries shall deliver to LFCM a schedule (the "Exchange Basis Schedule") approved by the Audit Committee that shows, in reasonable detail, for purposes of Covered Taxes, (i) the actual tax basis as of the first applicable Exchange Date in such Covered Taxable Year of

the Exchange Assets, (ii) the Basis Adjustment with respect to the Exchange Assets as a result of the Taxable Exchanges effected in such Covered Taxable Year, calculated in the aggregate, and (iii) the period or periods, if any, over which the Exchange Assets are amortizable or depreciable. At the time the Ltd Exchanging Subsidiaries deliver the Exchange Basis Schedule to LFCM, they shall (x) deliver to LFCM schedules and work papers providing reasonable detail regarding the preparation of the Exchange Basis Schedule and an Advisory Firm Letter supporting such Exchange Basis Schedule and (y) allow LFCM reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedule. The Exchange Basis Schedule shall become final and binding on the parties unless LFCM, within 30 calendar days after receiving such Exchange Basis Schedule, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such Exchange Basis Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 60 calendar days after such Exchange Basis Schedule was delivered to LFCM, the Ltd Exchanging Subsidiaries and LFCM shall employ the Reconciliation Procedures.

(b) Amended Exchange Basis Schedule. The Exchange Basis Schedule may be amended from time to time by the Ltd Exchanging Subsidiaries with the consent of the Audit Committee (i) in connection with a Determination, (ii) to correct inaccuracies to the original Exchange Basis Schedule identified after the date of the Taxable Exchange as a result of the receipt of additional information or (iii) to comply with the expert's determination under the Reconciliation Procedures. At the time the Ltd Exchanging Subsidiaries deliver such amended Exchange Basis Schedule to LFCM they shall (x) deliver to LFCM schedules and work papers providing reasonable detail regarding the preparation of the amended Exchange Basis Schedule and an Advisory Firm Letter supporting such amended Exchange Basis Schedule and (y) allow LFCM reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedule. The amended Exchange Basis Schedule shall become final and binding on the parties unless LFCM, within 30 calendar days after receiving such amended Exchange Basis Schedule, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such amended Exchange Basis Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 60 calendar days after such amended Exchange Basis Schedule was delivered to LFCM, the Ltd Exchanging Subsidiaries and LFCM shall employ the Reconciliation Procedures.

SECTION 2.05. (a) Tax Benefit Schedule. Within 10 calendar days after filing the U.S. Federal Income Tax Return of the Relevant Lazard Ltd Taxpayers for the relevant Covered Taxable Year, each Ltd Exchanging Subsidiary shall provide to LFCM a schedule approved by the Audit Committee showing, in reasonable detail, the calculation of each Relevant Lazard Ltd Taxpayer's Realized Tax Benefit or Realized Tax Detriment for such Covered Taxable Year (the "Tax Benefit Schedule"). At the time the Ltd Exchanging Subsidiaries deliver the Tax Benefit Schedules to LFCM they shall (i) deliver to LFCM schedules and work papers providing reasonable detail regarding the preparation of the Tax Benefit Schedules (including information related to the amount of Ltd Sub A's "effectively connected income" with respect to the applicable Covered Taxable Year as determined for U.S. Federal income tax purposes) and an Advisory

Firm Letter supporting such Tax Benefit Schedules and (ii) allow LFCM reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedules. The Tax Benefit Schedules shall become final and binding on the parties unless LFCM, within 30 calendar days after receiving such Tax Benefit Schedules, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such Tax Benefit Schedules made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 60 calendar days after such Tax Benefit Schedules were delivered to LFCM, the Ltd Exchanging Subsidiaries and LFCM shall employ the Reconciliation Procedures.

(b) Amended Tax Benefit Schedule. A Tax Benefit Schedule for any Covered Taxable Year may be amended from time to time by the applicable Ltd Exchanging Subsidiary with the consent of the Audit Committee (i) in connection with a Determination affecting such Tax Benefit Schedule, (ii) to correct inaccuracies in the original Tax Benefit Schedule identified as a result of the receipt of additional factual information relating to a Covered Taxable Year after the date the Tax Benefit Schedule was provided to LFCM, (iii) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Covered Taxable Year attributable to a carryback or carryforward of a loss or other tax item to such Covered Taxable Year, (iv) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Covered Taxable Year attributable to an amended tax return filed for such Covered Taxable Year (provided, however, that such a change attributable to an audit of a Tax Return by an applicable Taxing Authority shall not be taken into account on an Amended Tax Benefit Schedule unless and until there has been a Determination with respect to such change) or (v) to comply with the expert's determination under the Reconciliation Procedures. At the time a Ltd Exchanging Subsidiary delivers such an amended Tax Benefit Schedule pursuant to this Section 2.05(b) (an "Amended Tax Benefit Schedule") to LFCM it shall (x) deliver to LFCM schedules and work papers providing reasonable detail regarding the preparation of the Amended Tax Benefit Schedule and an Advisory Firm Letter supporting such Amended Tax Benefit Schedule and (y) allow LFCM reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedule. Such Amended Tax Benefit Schedule shall become final and binding on the parties unless LFCM, within 30 calendar days after receiving such Amended Tax Benefit Schedule, provides the applicable Ltd Exchanging Subsidiary with notice of a material objection to such Amended Tax Benefit Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 60 calendar days after such Amended Tax Benefit Schedule was delivered to LFCM, the Ltd Exchanging Subsidiary and LFCM shall employ the Reconciliation Procedures.

(c) Applicable Principles. The Realized Tax Benefit or Realized Tax Detriment for each Covered Taxable Year is intended to measure the decrease or increase in the actual Covered Tax liability of the Relevant Lazard Ltd Taxpayers for such Covered Taxable Year attributable to the Basis Adjustment and Imputed Interest, determined using a "with and without" methodology. Carryovers or carrybacks of any tax item attributable to the Basis Adjustment and Imputed Interest (determined using such "with and without"

methodology) shall be considered to be subject to the rules of the Code (or any successor U.S. Federal income tax statute) and the Treasury Regulations or the appropriate provisions of U.S. state and local income and franchise Tax law, as applicable, governing the use, limitation and expiration of carryovers or carrybacks of the relevant type. If a carryover or carryback of any tax item includes a portion that is attributable to the Basis Adjustment or Imputed Interest and another portion that is not, such portions shall be considered to be used in the order determined using such "with and without" methodology. Schedule C to this Agreement provides illustrative examples of the applicable principles described in this Section 2.05(c) of this Agreement.

ARTICLE III

Tax Benefit Payments

SECTION 3.01. Payments. (a) Except as provided in Section 3.03, within 3 calendar days of the delivery of the Tax Benefit Schedule to LFCM for any Covered Taxable Year the Ltd Exchanging Subsidiaries shall pay (i) to LFCM an amount equal to 80% of the Tax Benefit Payment (as defined below) for such Covered Taxable Year and (ii) to a national bank mutually agreeable to the Ltd Exchanging Subsidiaries, the Audit Committee and LFCM as escrow agent (the "Escrow Agent"), an amount equal to 20% of the Tax Benefit Payment (as defined below) for such Covered Taxable Year. The Escrow Agent shall hold each Tax Benefit Payment it receives in escrow pursuant to a mutually agreeable escrow agreement (the "Escrow Agreement") between the Ltd Exchanging Subsidiaries and LFCM until the expiration of the applicable statute of limitations attributable to the Covered Taxable Year to which such Tax Benefit Payment relates. Each Tax Benefit Payment shall be made by wire transfer of immediately available funds to the bank accounts of LFCM and the Escrow Agent previously designated by such parties to the Ltd Exchanging Subsidiaries. For the avoidance of doubt, no Tax Benefit Payment shall be made in respect of estimated tax payments, including, without limitation, estimated Federal Income Tax payments.

(b) A "Tax Benefit Payment" shall equal, with respect to each Ltd Exchanging Subsidiary, 85% of the applicable Ltd Exchanging Subsidiary's Realized Tax Benefit, if any, for a Covered Taxable Year,

increased by:

(1) interest calculated at the Agreed Rate from the due date (without extensions) for filing the Tax Return with respect to Covered Taxes for such Covered Taxable Year); and

(2) the amount of the excess Realized Tax Benefit reflected on an Amended Tax Benefit Schedule for a previous Covered Taxable Year over the Realized Tax Benefit (or Realized Tax Detriment) reflected on the Tax Benefit Schedule for such previous Covered Taxable Year;

and decreased by:

(3) an amount equal to the Ltd Exchanging Subsidiary's Realized Tax Detriment (if any) for any previous Covered Taxable Year;

(4) the amount of the excess Realized Tax Benefit reflected on the Tax Benefit Schedule for a previous Covered Taxable Year over the Realized Tax Benefit (or Realized Tax Detriment) reflected on the Amended Tax Benefit Schedule for such previous Covered Taxable Year;

provided, however, that the amounts described in Sections 3.01(b)(2), (3) and (4) shall not be taken into account in determining a Tax Benefit Payment attributable to any Covered Taxable Year to the extent of such amounts taken into account in determining any Tax Benefit Payment in a preceding Covered Taxable Year.

(c) Within 3 days of receiving any Tax Benefit Payment, LFCM shall distribute such Tax Benefit Payment to each member of LFCM set forth on the schedule attached hereto as Schedule D, in accordance with the percentage indicated on such Schedule D.

SECTION 3.02. No Duplicative Payments. No duplicative payment of any amount (including interest) will be required under this Agreement.

SECTION 3.03. Suspension of Tax Benefit Payments Following Change Notice.

(a) If Lazard, its Subsidiaries or Lazard Group receives a 30-day letter, a final audit report, a statutory notice of deficiency or similar written notice from any Taxing Authority with respect to the Tax treatment of the Redemption or any Taxable Exchange (a "Change Notice"), which, if sustained, would result in (i) a reduction in the amount of Realized Tax Benefit (or the increase in the amount of Realized Tax Detriment) with respect to a Covered Taxable Year preceding the taxable year in which the Change Notice is received or (ii) a reduction in the amount of Tax Benefit Payments the Ltd Exchanging Subsidiaries will be required to pay to LFCM with respect to Covered Taxable Years after and including the taxable year in which the Change Notice is received (collectively, the "Potential Reduction"), prompt written notice shall be given to LFCM.

(b) From and after the date such Change Notice is received until there is a Final Determination with respect to the adjustments proposed therein, 100% of any Tax Benefit Payments required to be made by the Ltd Exchanging Subsidiaries shall be paid by the Ltd Exchanging Subsidiaries to the Escrow Agent until such time as the amounts paid to the Escrow Agent under Section 3.01(a)(ii) with respect to the Covered Year at issue in the Change Notice and this Section 3.03(b), in the aggregate, equal the amount of the Potential Reduction (or, if earlier, until a Final Determination is received with respect to the Change Notice).

(c) If a Final Determination with respect to the Change Notice results in no adjustment to any Tax Benefit Payment, then 80% of the amounts paid to the Escrow Agent pursuant to this Section 3.03 (along with interest earned on such funds) shall be distributed to LFCM in accordance with the Escrow Agreement. If the Final Determination result in an adjustment to any Tax Benefit Payment, then the lesser of (i) the amounts paid

to the Escrow Agent pursuant to this Section 3.03 and (ii) the amount of the adjustment to the Tax Benefit Payment, in each case, along with interest earned on such funds, shall be distributed to the Ltd Exchanging Subsidiaries in accordance with the Escrow Agreement.

ARTICLE IV

Termination

SECTION 4.01. Early Termination of Agreement. At any time after the second (2nd) anniversary of the date of this Agreement, the Ltd Exchanging Subsidiaries may terminate this Agreement with the consent of the Audit Committee by paying to LFCM the Early Termination Payment as of the date of the Early Termination Notice (as defined below). The Ltd Exchanging Subsidiaries may terminate this Agreement upon the occurrence of a Change of Control Event by paying to LFCM the Change of Control Termination Payment as of the date of the Early Termination Notice. Upon payment of the Early Termination Payment or the Change of Control Termination Payment by the Ltd Exchanging Subsidiaries, the Ltd Exchanging Subsidiaries shall have no further payment obligations under this Agreement, other than for any (a) Tax Benefit Payment agreed to by the Ltd Exchanging Subsidiaries and LFCM as due and payable but unpaid as of the Early Termination Notice and (b) any Tax Benefit Payment due for the Covered Taxable Year ending with or including the date of the Early Termination Notice (except to the extent that the amount described in clause (a) or (b) is included in the Early Termination Payment or the Change of Control Termination Payment, as the case may be).

SECTION 4.02. Early Termination Notice. If the Ltd Exchanging Subsidiaries choose to exercise their right of early termination under Section 4.01 above, the Ltd Exchanging Subsidiaries shall deliver to LFCM a notice (the "Early Termination Notice") specifying the Ltd Exchanging Subsidiaries' intention to exercise such right and showing in reasonable detail the calculation of the Early Termination Payment or the Change of Control Termination Payment, as the case may be. At the time the Ltd Exchanging Subsidiaries deliver the Early Termination Notice to LFCM, the Ltd Exchanging Subsidiaries shall (i) deliver to LFCM schedules and work papers providing reasonable detail regarding the calculation of the Early Termination Payment or the Change of Control Termination Payment, as the case may be, in a manner consistent with the guidelines set forth in Section 4.03 of this Agreement and an Advisory Firm Letter supporting such calculation and (b) allow LFCM reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such calculation. The calculation contained in such Early Termination Notice shall become final and binding on the parties unless LFCM, within 30 calendar days after receiving such calculation, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such calculation made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such calculation within 60 calendar days after such calculation was delivered to LFCM, the Ltd Exchanging Subsidiaries and LFCM shall employ the Reconciliation Procedures.

SECTION 4.03. Payment upon Early Termination. (a) Within 3 calendar days of the delivery to LFCM of the Early Termination Notice or any amendment to the Early Termination Notice, the Ltd Exchanging Subsidiaries shall pay to LFCM an amount equal to the Early

Termination Payment or the Change of Control Termination Payment, as the case may be. Such payment shall be made by wire transfer of immediately available funds to a bank account designated by LFCM.

(b) The Early Termination Payment as of the Valuation Date shall equal the present value, discounted at the Early Termination Rate, of all Tax Benefit Payments that would be required to be paid by the Ltd Exchanging Subsidiaries to LFCM during the period from the date of the Early Termination Notice through the Scheduled Termination Date assuming the Valuation Assumptions are applied.

(c) The Change of Control Termination Payment as of the Valuation Date shall equal the Early Termination Payment as of such date multiplied by 80%.

SECTION 4.04. No Other Right of Early Termination. For the avoidance of doubt, LFCM shall not be entitled to cause an early termination of this Agreement.

ARTICLE V

Subordination and Late Payments

SECTION 5.01. Subordination. Notwithstanding any other provision of this Agreement to the contrary, any Tax Benefit Payment, Early Termination Payment or Change of Control Termination Payment required to be made by the Ltd Exchanging Subsidiaries to LFCM under this Agreement (a "Ltd Exchanging Subsidiary Payment") shall rank subordinate and junior in right of payment to any principal, interest or other amounts due and payable in respect of any debt of the Ltd Exchanging Subsidiaries ("Senior Obligations") and shall rank pari passu with all current or future unsecured obligations of the Ltd Exchanging Subsidiaries that are not Senior Obligations.

SECTION 5.02. Late Payments by the Ltd Exchanging Subsidiaries. The amount of all or any portion of a Ltd Exchanging Subsidiary Payment not made to LFCM when due under the terms of this Agreement shall be payable together with any interest thereon, computed at the Agreed Rate and commencing from the date on which such Ltd Exchanging Subsidiary Payment was due and payable.

ARTICLE VI

No Disputes; Consistency; Cooperation

SECTION 6.01. LFCM Participation In Ltd Exchanging Subsidiary Tax Matters. Except as otherwise provided herein, the Ltd Exchanging Subsidiaries shall have full responsibility for, and sole discretion over, all Tax matters concerning any Relevant Lazard Ltd Taxpayer, including, without limitation, the preparation, filing or amending of any Tax Return and defending, contesting or settling any issue pertaining to Taxes. Notwithstanding the foregoing, the Ltd Exchanging Subsidiaries shall notify LFCM of, and keep LFCM reasonably informed with respect to, and LFCM shall have the right to participate in and monitor (but, for the avoidance of doubt, not to control) the portion of any audit of the Relevant Lazard Ltd Taxpayers by a Taxing

Authority the outcome of which is reasonably expected to affect LFCM's rights under this Agreement. The Ltd Exchanging Subsidiaries shall provide to LFCM reasonable opportunity to provide information and other input to the Ltd Exchanging Subsidiaries and its advisors concerning the conduct of any such portion of such audits. No Relevant Lazard Ltd Taxpayer shall settle or otherwise resolve any audit or other challenge by a Taxing Authority relating to the Basis Adjustment or the deduction of Imputed Interest without the consent of the Audit Committee and LFCM, which consent LFCM shall not unreasonably withhold, condition or delay.

SECTION 6.02. Consistency. Unless there is a Determination to the contrary, the Relevant Lazard Ltd Taxpayers, LFCM and the Exchangeable Holders (in accordance with the LFCM Operating Agreement), on their own behalf and on behalf of each of their affiliates, agree to report and cause to be reported for all U.S. purposes, including U.S. Federal, state and local income and franchise Tax purposes and U.S. financial reporting purposes, all Tax-related items relating to this Agreement (including, without limitation, the Basis Adjustment and each Tax Benefit Payment) in a manner consistent with that specified by the Ltd Exchanging Subsidiaries in any schedule, letter or certificate required to be provided by or on behalf of the Ltd Exchanging Subsidiaries under this Agreement. In the event that an Advisory Firm is replaced with another firm acceptable to the Audit Committee, such replacement Advisory Firm shall be required to perform its services under this Agreement using procedures and methodologies consistent with the previous Advisory Firm, unless otherwise required by law or the Ltd Exchanging Subsidiaries, the Audit Committee and LFCM agree to the use of other procedures and methodologies.

SECTION 6.03. Cooperation. LFCM shall (and shall cause its affiliates to) (a) furnish to the Ltd Exchanging Subsidiaries in a timely manner such information, documents and other materials as the Ltd Exchanging Subsidiaries may reasonably request for purposes of making any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (b) make its employees available to the Ltd Exchanging Subsidiaries and its representatives to provide explanations of documents and materials and such other information as the Ltd Exchanging Subsidiaries or its representative may reasonably request in connection with any of the matters described in clause (a) above, and (c) reasonably cooperate in connection with any such matter.

ARTICLE VII

General Provisions

SECTION 7.01. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given and received (a) on the date of delivery if delivered personally, or by facsimile upon confirmation of transmission by the sender's fax machine if sent on a Business Day (or otherwise on the next Business Day) or (b) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service. All notices hereunder shall be delivered as set forth in Schedule E, or pursuant to such other instructions as may be designated in writing by the party to receive such notice. Any party may change its address or fax number by giving the other party written notice of its new address or fax number in the manner set forth above.

SECTION 7.02. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

SECTION 7.03. Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 7.04. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflict of laws.

SECTION 7.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

SECTION 7.06. Successors; Assignment; Amendments. LFCM may not assign this Agreement to any person without the prior written consent of the Ltd Exchanging Subsidiaries and the Audit Committee, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, LFCM may pledge some or all of its rights, interests or entitlements under this Agreement to any U.S. money center bank in connection with a bona fide loan or other indebtedness; provided further, however LFCM may assign this Agreement to one or more wholly owned subsidiaries of LFCM, which subsidiaries are subsequently distributed to the members of LFCM set forth on Schedule D. The Ltd Exchanging Subsidiaries may not assign any of their rights, interests or entitlements under this Agreement without the consent of LFCM, not to be unreasonably withheld or delayed. Subject to each of the two immediately preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by, the parties and their respective successors and assigns including any acquirer of all or substantially all of the assets of Lazard. Lazard shall cause the Ltd Exchanging Subsidiaries to be the legal and beneficial owners of all of the direct or indirect interests held by Lazard or any of its Subsidiaries in Lazard Group. In the event that Lazard ceases to be the owner of the Ltd Exchanging Subsidiaries, the successor to Lazard shall assume all of Lazard’s rights and obligations under this Agreement.

No amendment to this Agreement shall be effective unless it is (i) in writing, (ii) signed by the Ltd Exchanging Subsidiaries and LFCM and (iii) approved by the Audit Committee.

SECTION 7.07. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

SECTION 7.08. Submission to Jurisdiction; Waivers. With respect to any suit, action or proceeding relating to this Agreement (collectively, a "Proceeding"), each party to this Agreement irrevocably (a) consents and submits to the exclusive jurisdiction of the courts of the States of New York and Delaware and any court of the U.S. located in the Borough of Manhattan in New York City or the State of Delaware; (b) waives any objection which such party may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceeding has been brought in an inconvenient forum and further waives the right to object, with respect to such Proceeding, that such court does not have jurisdiction over such party; (c) consents to the service of process at the address set forth for notices in Section 7.01 herein; provided, however, that such manner of service of process shall not preclude the service of process in any other manner permitted under applicable law; and (d) waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any Proceeding.

SECTION 7.09. Reconciliation. In the event that the Ltd Exchanging Subsidiaries and LFCM are unable to resolve a disagreement within the relevant period designated in this Agreement, the matter shall be submitted for determination to a nationally recognized expert in the particular area of disagreement employed by a nationally recognized accounting firm or a law firm (other than the Advisory Firm), which expert is mutually acceptable to all parties and the Audit Committee. If the matter is not resolved before any payment that is the subject of a disagreement is due or any Tax Return reflecting the subject of a disagreement is due, such payment shall be made on the date prescribed by this Agreement and such Tax Return may be filed as prepared by the Ltd Exchanging Subsidiaries, subject to adjustment or amendment upon resolution. The determinations of the expert pursuant to this Section 7.09 shall be binding on Lazard and its Subsidiaries, Lazard Group and LFCM absent manifest error.

SECTION 7.10. Withholding. The Ltd Exchanging Subsidiaries and the Escrow Agent shall be entitled to deduct and withhold from any payment payable pursuant to this Agreement such amounts as the Ltd Exchanging Subsidiaries and the Escrow Agent are required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate taxing authority by the Ltd Exchanging Subsidiaries or the Escrow Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to LFCM.

IN WITNESS WHEREOF, the Ltd Exchanging Subsidiaries and LFCM have duly executed this Agreement as of the date first written above.

Ltd Sub A

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: General Counsel

Ltd Sub B

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director

LFCM HOLDINGS LLC

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Authorized Person

EXHIBIT 10.4

EMPLOYEE BENEFITS AGREEMENT

by and among

LAZARD LTD,

LAZARD GROUP LLC,

LAZ-MD HOLDINGS LLC

AND

LFCM HOLDINGS LLC

DATED AS OF May 10, 2005

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EMPLOYEE BENEFITS AGREEMENT

This EMPLOYEE BENEFITS AGREEMENT (this "Agreement"), dated as of May 10, 2005 is by and between Lazard Ltd, a Bermuda limited company ("Lazard Ltd"), Lazard LLC, a Delaware limited liability company and currently a wholly owned subsidiary of LAZ-MD (as defined below) that will be renamed "Lazard Group LLC" ("Lazard Group"), LAZ-MD Holdings LLC, a Delaware limited liability company (formerly known as LF Holdings LLC) ("LAZ-MD"), and LFCM Holdings LLC, a Delaware limited liability company and currently a wholly owned subsidiary of Lazard Group ("LFCM," and together with Lazard Ltd, Lazard Group and LAZ-MD, the "Parties" and each a "Party"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I hereof or assigned to them in the Separation Agreement (as defined below), as applicable.

WHEREAS, the Parties have entered into a Master Separation Agreement, dated as of the date hereof (the "Separation Agreement"), and other ancillary agreements that will govern certain matters relating to the Separation;

WHEREAS, pursuant to the Separation Agreement, the Parties have agreed to enter into this Agreement for the purpose of allocating assets, Liabilities and responsibilities with respect to certain employee compensation and benefit plans and programs between and among them; and

WHEREAS, the employment of the LFCM Employees (as defined below) has been transferred from the Lazard Group Companies to the LFCM Companies.

NOW, THEREFORE, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

1.1 "401(k) Cost Invoice" has the meaning set forth in Section 3.1(a)(ii).

1.2 "401(k) Eligible Employees" has the meaning set forth in Section 3.1(a)(i).

1.3 "401(k) Transition Period" has the meaning set forth in Section 3.1(a)(i).

1.4 "401(k) Plan Transfer" has the meaning set forth in Section 3.1(b).

1.5 "Agreement" is defined in the preamble to this Agreement.

1.6 "Approved Leave of Absence" means an absence from active service (i) due to an individual's inability to perform his or her regular job duties by reason of illness or injury and resulting in eligibility to receive benefits pursuant to the terms of the applicable short-term disability insurance program, salary continuation program (including child care paid leave), extended medical leave policy, workers' compensation program or long-term disability insurance program covering such individual, or (ii) pursuant to an approved leave policy with a guaranteed right of reinstatement.

1.7 “Auditing Party” has the meaning set forth in Section 6.4(a).

1.8 “Benefit Plan” shall mean, with respect to an entity or any of its Subsidiaries, each “employee benefit plan” (as defined in Section 3(3) of ERISA, but whether or not subject to ERISA) sponsored, maintained or contributed to by such entity or any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute). When immediately preceded by “Lazard Group,” Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by Lazard Group or a Lazard Group Company. When immediately preceded by “LFCM,” Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by LFCM or any LFCM Company.

1.9 “Close of the date hereof” means 11:59:59 P.M., Eastern Standard Time or Eastern Daylight Time (whichever shall then be in effect), on the date hereof.

1.10 “COBRA” means the continuation coverage requirements for “group health plans” under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code § 4980B and ERISA §§ 601 through 608.

1.11 “Code” means the Internal Revenue Code of 1986, as amended, or any successor federal income tax law. Reference to a specific Code provision also includes any proposed, temporary or final regulation in force under that provision.

1.12 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary or final regulation in force under that provision.

1.13 “Employees on Leave” has the meaning set forth in Section 1.38.

1.14 “Flex Account Statement” has the meaning set forth in Section 4.3.

1.15 “Former Lazard Group Employee” means any individual who, as of the date hereof, is (x) a former employee or partner of a Lazard Group Company or a LFCM Company and (y) not a Former LFCM Employee, LFCM Employee or Lazard Group Employee.

1.16 “Former LFCM Employee” means any individual who, as of the date hereof, is a former employee or partner of a Lazard Group Company or a LFCM Company (and is not a Lazard Group Employee or LFCM Employee) and whose employment or service, as of immediately prior to such individual’s last day of employment or service with a Lazard Group Company or LFCM Company, consisted primarily of providing services to the LFCM Businesses.

1.17 “Grandfathered LFCM Employee” has the meaning set forth in Section 4.7.

1.18 “Health and Welfare Plans” shall mean any plan, fund or program which was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, dental, vision, surgical or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, including any such plan, fund or program as defined in Section 3(1) of ERISA. When immediately preceded by “Lazard Group,” Health and Welfare Plans means each Health and Welfare Plan

that is a Lazard Group Benefit Plan. When immediately preceded by "LFCM," Health and Welfare Plans means each Health and Welfare Plan that is a LFCM Benefit Plan.

1.19 "Health Cost Invoice" has the meaning set forth in Section 4.2(b).

1.20 "Health Plan Bill" has the meaning set forth in Section 4.2(b).

1.21 "Health Plan Transition Period" has the meaning set forth in Section 4.2(a).

1.22 "Health Care Reimbursement Account" has the meaning set forth in Section 4.3.

1.23 "HIPAA" means the health insurance portability and accountability requirements for "group health plans" under the Health Insurance Portability and Accountability Act of 1996, as amended.

1.24 "Immediately after the date hereof" means on the first moment of the day after the date hereof.

1.25 "Insured Enrolled Total" has the meaning set forth in Section 4.2(b).

1.26 "Lazard Group" is defined in the preamble to this Agreement.

1.27 "Lazard Group Cafeteria Plan" means one or more plans, maintained by the Lazard Group Companies, each of which is intended to qualify under Section 125 of the Code and includes a healthcare flexible spending reimbursement account arrangement.

1.28 "Lazard Group Employee" means any individual who, immediately prior to the Distribution Time, is either actively employed by or providing services to, including as a partner, or then on Approved Leave of Absence from, any Lazard Group Company.

1.29 "Lazard Group Health Plan" means each of the CIGNA PPO Plan, CIGNA Indemnity Plan, AETNA HMO Plan, HIP HMO Plan, CIGNA High Deductible Health Plan, CIGNA Catastrophic Plan, MetLife Dental Plan and the Vision Service Plan sponsored or maintained by Lazard Group as of the date hereof.

1.30 "Lazard Group Non-Qualified Pension Plan" means the Lazard Frères & Co. LLC Employees' Pension Plan Supplement.

1.31 "Lazard Group Pension Plan" means the Lazard Frères & Co. LLC Employees' Pension Plan.

1.32 "Lazard Group Profit-Sharing Plan" means the Lazard Frères & Co. LLC Profit Sharing Plan.

1.33 "Lazard Group Retiree Medical Benefits Plan" means the Health and Welfare Plan of Lazard Group providing hospital, medical and prescription benefits for retirees.

1.34 "Lazard Group Savings Plan" means the Lazard Frères & Co. LLC Employees' Savings Plan, as in effect from time to time.

1.35 "LAZ-MD" is defined in the preamble to this Agreement.

1.36 "LFCM" is defined in the preamble to this Agreement.

1.37 "LFCM Cafeteria Plan" means one or more plans, maintained by LFCM or any of its affiliates, each of which is intended to qualify under Section 125 of the Code and includes a healthcare flexible spending reimbursement account arrangement.

1.38 "LFCM Employee" means the individuals listed on Exhibit A. Exhibit B lists the employees on Approved Leave of Absence from the Lazard Group Companies who would have been classified as LFCM Employees were they actively providing services as of the date hereof (the "Employees on Leave"). An Employee on Leave shall not be considered an LFCM Employee for any purpose unless and until such employee returns to active service within the applicable period during which such a return is required under the terms of the applicable Approved Leave of Absence, in which case such employee will return to the employ or service of the applicable LFCM Company and be treated as an LFCM Employee for purposes of this Agreement (treating references to the "date hereof," events occurring "on the date hereof," the "Distribution Time" and the "Contribution Effective Time" as referring to the date of such return to active service for purposes of application of the provisions of this Agreement to such employee).

1.39 "LFCM Savings Plan" means the 401(k) savings plan to be established by LFCM pursuant to Section 3.1 of this Agreement, as in effect as of the time relevant to the applicable provision of this agreement.

1.40 "LFCM Savings Plan Trust" means a trust relating to the LFCM Savings Plan intended to qualify under Section 401(a) and be exempt under Section 501(a) of the Code.

1.41 "Non-Parties" has the meaning set forth in Section 6.4(b).

1.42 "Parties" is defined in the preamble to this Agreement.

1.43 "Separation Agreement" is defined in the recitals to this Agreement.

ARTICLE II
GENERAL PRINCIPLES

2.1 Employment of LFCM Employees. No later than immediately prior to the Distribution Time, the employment of all LFCM Employees shall have been transferred to LFCM or another LFCM Company, and all LFCM Employees shall continue to be employees of LFCM or another LFCM Company, as the case may be, immediately after the Distribution Time.

2.2 Assumption and Retention of Liabilities; Related Assets.

(a) Lazard Group Employees and Former Lazard Group Employees. From and after the Contribution Effective Time, except as expressly provided in this Agreement, the Lazard Group Companies shall retain, and Lazard Group hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all Liabilities under all Lazard Group Benefit Plans, (ii) all Liabilities with respect to the employment or performance of services or termination of employ-

ment or services of all Lazard Group Employees, Former Lazard Group Employees and other service providers to the Lazard Group Businesses (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker or non-payroll worker of any Lazard Group Company or in any other employment, non-employment or retainer arrangement or relationship with any Lazard Group Company or with or for the benefit of the Lazard Group Businesses), and their respective dependents and beneficiaries, in each case to the extent arising in connection with or as a result of employment with or the performance of services to any Lazard Group Company or to or for the benefit of the Lazard Group Businesses, and (iii) all Liabilities that are expressly assigned to or retained by the Lazard Group under this Agreement, in each case, regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the date hereof. All assets held in trust to fund the Lazard Group Benefit Plans and all insurance policies funding the Lazard Group Benefit Plans shall be Lazard Group Assets, except to the extent specifically provided in Sections 3.1(b) and 4.3 of this Agreement.

(b) LFCM Employees; Former LFCM Employees and Employees on Leave. From and after the Contribution Effective Time, except as expressly provided in this Agreement, LFCM and the LFCM Companies shall assume or retain, as applicable, and LFCM hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all Liabilities under all LFCM Benefit Plans, (ii) all Liabilities with respect to the employment or performance of services or termination of employment or services of all LFCM Employees, Former LFCM Employees, Employees on Leave and other service providers to the LFCM Businesses (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker or non-payroll worker of LFCM or a LFCM Company or in any other employment, non-employment or retainer arrangement or relationship with LFCM or a LFCM Company or with or for the benefit of the LFCM Businesses), and their respective dependents and beneficiaries, in each case to the extent arising in connection with or as a result of employment with or the performance of services to any LFCM Company or to or for the benefit of the LFCM Businesses, and (iii) all Liabilities that are expressly assigned to or retained by LFCM or any LFCM Company, or for which LFCM has an obligation to reimburse Lazard Group, under this Agreement, in each case, regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the date hereof. To the extent that LFCM or an LFCM Company assumes or retains a Liability pursuant to this Agreement but such Liability must be satisfied in the first instance by Lazard Group, whether directly or through a Lazard Group Benefit Plan, LFCM or the applicable LFCM Company shall promptly reimburse Lazard Group or such plan for such Liability in an amount equal to the out-of-pocket cost to Lazard Group, which out-of-pocket cost shall be reduced by any insurance proceeds or employee contributions that Lazard Group actually receives in respect of such Liability. To the extent not otherwise specifically provided for in this Agreement, the billing and payment procedures set forth in Section 3.1(a)(ii) below shall apply to the reimbursement obligations of LFCM under this Agreement.

2.3 LFCM Participation in Lazard Group Benefit Plans. Except as expressly provided in this Agreement, effective as of the Close of the date hereof, the LFCM Employees shall no longer be eligible actively to participate in the Lazard Group Benefit Plans and, to the extent ap-

plicable, LFCM and each other LFCM Company shall cease to be a participating employer in any Lazard Group Benefit Plan.

2.4 Service Recognition. LFCM shall cause the LFCM Benefit Plans with respect to which service is a relevant factor to credit the LFCM Employees who are employed by the LFCM Companies immediately following the Distribution Time with service before the Distribution Time recognized by the Lazard Group Companies under the terms of Lazard Group Benefit Plans with respect to which service is a relevant factor, except (a) to the extent duplication of benefits would result and (b) for purposes of benefit accruals under any defined benefit pension plan.

2.5 Non-U.S. Employees. Notwithstanding anything else contained herein, none of the following provisions of this Agreement shall apply with respect to Lazard Group Employees, LFCM Employees, Former Lazard Group Employees or Former LFCM Group Employees who are employed outside of the United States: Article III and Sections 4.2, 4.3, 4,4, 4.6, 4.7 and 4.8.

ARTICLE III
DEFINED CONTRIBUTION AND DEFINED BENEFIT RETIREMENT PLANS

3.1 Savings Plan.

(a) 401(k) Transition Period.

(i) Lazard Group agrees that to the extent it continues to maintain and administer the Lazard Group Savings Plan during the period (the "401(k) Transition Period") commencing on the date hereof and ending on December 31, 2005 (unless the Parties agree to terminate the 401(k) Transition Period on an earlier date), Lazard Group will permit (A) the LFCM Employees who participated in the Lazard Group Savings Plan prior to the date hereof to continue to participate, (B) the LFCM Employees who become eligible to participate in the Lazard Group Savings Plan during the 401(k) Transition Period to commence participation in such plan and (C) the employees hired by LFCM or an LFCM Company after the date hereof and who become eligible to participate in the Lazard Group Savings Plan during the 401(k) Transition Period to commence participation in such plan (the employees referred to in clauses (A), (B) and (C) are hereinafter referred to as the "401(k) Eligible Employees"), in accordance with the terms of the Lazard Group Savings Plan and on the terms set forth in this Section 3.1(a). Prior to the date hereof, the Parties have taken all actions required or appropriate (including, without limitation, certain amendments of the Lazard Group Savings Plan and the approval by the authorized board or committee (or authorized officer) of LFCM of the adoption of the Lazard Group Savings Plan and the execution of an adoption agreement effecting such adoption) to provide that LFCM shall adopt the Lazard Group Savings Plan, so that LFCM and any LFCM Companies that employ 401(k) Eligible Employees will each become a participating employer in the Lazard Group Savings Plan during the 401(k) Transition Period. During the 401(k) Transition Period, Lazard Group shall use its reasonable best efforts to maintain and administer the Lazard Group Savings Plan (or cause the Lazard Group Savings Plan to be maintained and administered) in material compliance with applicable law. During the 401(k) Transition Period, LFCM shall provide, or cause to be provided, to the Lazard Group or the recordkeeper or trustee of the Lazard Group Savings Plan all information required to administer and operate the Lazard Group Savings

Plan with respect to the participation of the 401(k) Eligible Employees, including without limitation, providing (to the extent applicable) information with respect to such employees' contribution and investment elections, providing payroll information and paying (or reimbursing) cash contributions (employee and employer contributions) to Lazard Group (or, at the option of Lazard Group, directly to the Lazard Group Savings Plan and its recordkeeper(s) or trustee, as applicable), to effect such participation.

(ii) Reimbursement of Expenses. No later than 30 days after the date on which any invoice (including supporting documentation in reasonable detail) (a "401(k) Cost Invoice") from Lazard Group or the recordkeeper of the Lazard Group Savings Plan has become final and binding as provided below, LFCM shall reimburse Lazard Group, any Lazard Group Company or the Lazard Group Savings Plan for any reasonable fees, costs and expenses actually incurred by the Lazard Group Companies or by the Lazard Group Savings Plan in connection with the continued administration and operation by Lazard Group of the Lazard Group Savings Plan with respect to the 401(k) Eligible Employees in a manner consistent with its past practices, including, without limitation, any per participant fee charged by the recordkeeper for each participating 401(k) Eligible Employee during the 401(k) Transition Period and any incremental costs associated with the fact that the 401(k) Eligible Employees are entitled to participate during the 401(k) Transition Period. Lazard Group and the recordkeeper of the Lazard Group Savings Plan shall submit 401(k) Cost Invoices to LFCM on no more frequent a basis than one per month. Unless LFCM notifies Lazard Group in writing within 15 days following receipt of a 401(k) Cost Invoice of any objection with respect thereto, such 401(k) Cost Invoice shall become final and binding on the Parties. Any objections or disputes with respect to a 401(k) Cost Invoice shall be resolved between the Parties (and to the extent necessary an outside independent consultant or accountant) within 15 days following the objection, unless the Parties consent to a longer period. The LFCM Companies shall cooperate with Lazard Group in making all filings or reports required under the Code or ERISA, including, without limitation, the Form 5500 for the 2005 plan year, and in distributing any employee communications or materials to the 401(k) Eligible Employees.

(iii) Indemnification. LFCM shall indemnify and hold harmless the Lazard Group Companies and their respective directors, officers, employees, agents and representatives, and the Lazard Group Savings Plan and its fiduciaries from and against any Indemnifiable Losses to the extent arising from, relating to or otherwise in respect of (A) the participation of the 401(k) Eligible Employees in the Lazard Group Savings Plan during the 401(k) Transition Period, (B) the adoption by the applicable LFCM Companies of the Lazard Group Savings Plan during the 401(k) Transition Period and (C) each applicable LFCM Company's status as a participating employer under the Lazard Group Savings Plan during the 401(k) Transition Period; provided, that no indemnification by LFCM shall be required, and Lazard Group shall indemnify and hold harmless the LFCM Companies and their respective directors, officers, employees, agents and representatives from and against any such Indemnifiable Losses, to the extent that such Indemnifiable Losses result from the willful misconduct or gross breach of fiduciary duty of the Lazard Group Companies or any of their respective directors, officers or employees, in the maintenance or administration of the Lazard Group Savings Plan during the 401(k) Transition Period.

(b) Plan-to-Plan Transfer of Assets. As soon as practicable after the date hereof but in no event later than December 31, 2005, LFCM shall establish the LFCM Savings Plan and the LFCM Savings Plan Trust. As soon as practicable following the conclusion of the 401(k) Transition Period, and subject to (i) the receipt by LFCM of evidence reasonably satisfactory to LFCM that the Lazard Group Savings Plan qualifies under Section 401(a) of the Code, (ii) the receipt by Lazard Group of evidence reasonably satisfactory to Lazard Group that the LFCM Savings Plan qualifies under Section 401(a) of the Code (which mutually satisfactory evidence shall be provided as soon as practicable following the end of 401(k) Transition Period (but no later than 15 days thereafter) and may be provided in the form of an opinion of counsel) and (iii) the expiration of the 30-day period following the filing of any required Forms 5310-A with the Internal Revenue Service by the plan administrator of the Lazard Group Savings Plan and/or the LFCM Savings Plan (which, to the extent required by applicable law, shall be filed as soon as practicable following the date hereof), Lazard Group and LFCM shall take all action required or appropriate to transfer (the "401(k) Plan Transfer") to the LFCM Savings Plan the account balances and liabilities under the Lazard Group Savings Plan of all the participants in the Lazard Group Savings Plan who were employed by, or on Approved Leave of Absence (under an applicable policy or program of LFCM) from, an LFCM Company as of the conclusion of the 401(k) Transition Period (collectively, the "401(k) Transfer Employees"). Such transfers shall be made in cash (unless the Parties otherwise agree to make some or all of such transfer in kind) and, in the case of outstanding participant loans, notes equal in value to the loan account balances to be transferred, determined as of the most recent valuation date available under the Lazard Group Savings Plan preceding the 401(k) Plan Transfer. From and after the date of the 401(k) Plan Transfer, the LFCM Savings Plan shall assume all liabilities of the Lazard Group Companies in respect of the 401(k) Transfer Employees under the Lazard Group Savings Plan, and LFCM shall indemnify and hold harmless the Lazard Group Companies and their respective directors, officers, employees, agents and representatives and the Lazard Group Savings Plan for any Indemnifiable Losses in connection with such liabilities, subject to the right to receive indemnification from Lazard Group Companies under the proviso to Section 3.1(a)(iii) with respect to the maintenance or administration of the Lazard Group Savings Plan during the 401(k) Transition Period.

(c) Former Employees. Lazard Group shall retain all Liabilities relating to, arising out of or resulting from claims by or on behalf of Former Lazard Group Employees and Former LFCM Employees with respect to the Lazard Group Savings Plan.

3.2 Lazard Group Pension Plan, Lazard Group Non-Qualified Pension Plan and Lazard Group Profit Sharing Plan.

(a) Lazard Group Pension Plan. From and after the Distribution Time, Lazard Group shall retain (i) sponsorship of the Lazard Group Pension Plan and its related trust and any other trust or other funding arrangement established or maintained with respect to such plan, or any assets held as of the date hereof with respect to such plan, and (ii) all Liabilities relating to, arising out of or resulting from claims incurred by or on behalf of any individuals with respect to benefits under the Lazard Group Pension Plan.

(b) Lazard Group Non-Qualified Pension Plan. From and after the Distribution Time, Lazard Group shall retain (i) sponsorship of the Lazard Group Non-Qualified Pension

Plan and any related trusts or other funding arrangements established or maintained with respect to such plan, or any assets held as of the date hereof with respect to such plan, and (ii) all Liabilities relating to, arising out of or resulting from claims incurred by or on behalf of any individuals with respect to benefits under the Lazard Group Non-Qualified Pension Plan.

(c) Lazard Group Profit Sharing Plan. From and after the Distribution Time, Lazard Group shall retain (i) sponsorship of the Lazard Group Profit Sharing Plan and its related trust and any other trust or other funding arrangement established or maintained with respect to such plan, or any assets held as of the date hereof with respect to such plan, and (ii) all Liabilities relating to, arising out of or resulting from claims incurred by or on behalf of any individuals with respect to benefits under the Lazard Group Profit Sharing Plan.

(d) Cessation of Participation; Acceleration of Vesting. Effective as of the Distribution Time, each LFCM Employee who is a participant in the Lazard Group Pension Plan, the Lazard Group Non-Qualified Pension Plan or the Lazard Group Profit-Sharing Plan, shall be deemed, for purposes of such plans, to have terminated employment with Lazard Group. Lazard Group shall amend the Lazard Group Non-Qualified Pension Plan, the Lazard Group Pension Plan and the Lazard Group Profit-Sharing Plan to cause each LFCM Employee who participates in each such plan to be fully vested in his or her accrued benefits under each such plan effective as of the Distribution Time.

ARTICLE IV
HEALTH AND WELFARE PLANS

4.1 General.

(a) Establishment of LFCM Health and Welfare Plans. Effective no later than the date hereof, LFCM shall have adopted Health and Welfare Plans for the benefit of LFCM Employees (it being understood that pursuant to Section 4.2, LFCM Employees will participate in the Lazard Group Health Plans during the Health Plan Transition Period). LFCM shall be responsible for all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of LFCM Employees or their covered dependents under the LFCM Health and Welfare Plans after the Close of the date hereof, which for the avoidance of doubt shall not be interpreted as relieving LFCM from its reimbursement obligations under Section 4.2 of this Agreement. With respect to the coverage of the LFCM Employees under the LFCM Health and Welfare Plans, (i) limitations on benefits due to pre-existing conditions shall be waived for any such employee enrolled in any Lazard Group Health and Welfare Plan as of the conclusion of the Health Plan Transition Period (or, in the case of any such plan with respect to which continued coverage is not being provided during the Health Plan Transition Period, as of the date hereof), to the extent waived under such Lazard Group Health and Welfare Plan, (ii) any out-of-pocket annual maximums and deductibles taken into account under a Lazard Health and Welfare Plan for any LFCM Employee in the calendar year during which occurs the conclusion of the Health Plan Transition Period shall be credited under the corresponding LFCM Health and Welfare Plan for the same calendar year, and (iii) a LFCM Employee's prior claim experience under the Lazard Group Health and Welfare Plans will be taken into account with respect to aggregate lifetime maximum benefits available under the LFCM Health and Welfare Plans.

(b) Retention of Sponsorship and Liabilities. Lazard Group shall, except to the extent specifically provided otherwise in this Article IV, including Sections 4.2, 4.4 and 4.7, retain (i) sponsorship of all Lazard Group Health and Welfare Plans and any trust or other funding arrangement established or maintained with respect to such plans or any assets held as of the date hereof with respect to such plans, (ii) all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of Lazard Group Employees, LFCM Employees, Employees on Leave, Former Lazard Group Employees and Former LFCM Employees or their covered dependents under the Lazard Group Health and Welfare Plans on or before the Close of the date hereof, and (iii) all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of Lazard Group Employees, Former Lazard Group Employees, Employees on Leave and Former LFCM Employees or their covered dependents after the Close of the date hereof under the Lazard Group Health and Welfare Plans.

(c) Determination of When Claim Incurred. A claim or Liability (i) for medical, dental, vision and/or prescription drug benefits shall be deemed to be incurred upon the rendering of health services giving rise to the obligation to pay such benefits; (ii) for life insurance and accidental death and dismemberment and business travel accident insurance benefits shall be deemed to be incurred upon the occurrence of the event giving rise to the entitlement to such benefits; (iii) short-term disability, salary continuation and long-term disability benefits, upon the date on which an individual incurs (or, if required under the terms of the relevant Lazard Group disability plan, is diagnosed with, in accordance with the terms of such plan) an injury or illness that qualifies (or would qualify following an absence from active employment for the requisite period of time) the individual for short-term disability, salary continuation or long-term disability benefits under the applicable Lazard Group disability plan; and (iv) for a period of continuous hospitalization shall be deemed to be incurred on the date of admission to the hospital.

4.2 Health Plan Transition Period.

(a) Health Plan Transition Period. During the period (the "Health Plan Transition Period") beginning on the date hereof and concluding on the final day of the month during which occurs the 90th day following the date hereof (unless the Parties agree to conclude the Health Plan Transition Period on an earlier date), LFCM Employees and their eligible covered dependents who are participants in the Lazard Group Health Plans as of the date hereof shall continue to be eligible to participate in such plans to the extent they continue to meet the requirements for such participation (treating employment with the LFCM Companies as if it were employment with Lazard Group), in accordance with terms of such plans as in effect from time to time.

(b) Reimbursement of Costs. With respect to each month or partial month ending during the Health Plan Transition Period, no later than 30 days after the date on which an invoice (including supporting documentation in reasonable detail) (a "Health Cost Invoice") with respect to a Lazard Group Health Plan has become final and binding as provided below, LFCM shall pay to Lazard Group the sum of the following amounts: (i) with respect to each Lazard Group Health Plan (other than the Lazard Group Vision Service Plan), the monthly maximum liability amount for the 2005 calendar year allocable to the LFCM Businesses as in effect immediately prior to the Distribution Time, pro-rated based on days for any partial month and adjusted

to reflect the fact that Former LFCM Employees and Employees on Leave are not eligible to participate in such plans during the Health Plan Transition Period, for such plan for each month or partial month in which the LFCM Employees and their eligible covered dependents participate in such Lazard Group Health Plan during the Transition Period; (ii) with respect to the Lazard Group Vision Service Plan, an amount equal to the actual cost of satisfying reimbursable claims of LFCM Employees incurred under such plan during such month or partial month; and (iii) any reasonable fees, costs and expenses actually incurred during such month by Lazard Group Companies in connection with (A) the establishment and implementation of the arrangements permitting the LFCM Employees to continue to participate in such plan during the Health Plan Transition Period, and (B) the continued administration and operation of such plan by Lazard Group with respect to the participating LFCM Employees in a manner consistent with its past practices, including, without limitation, any incremental costs associated with the Health Plan Transition Period. Unless LFCM notifies Lazard Group in writing within 15 days following receipt of a Health Cost Invoice of any objection with respect thereto, such Health Cost Invoice shall become final and binding on the Parties. Any objections or disputes with respect to a Health Cost Invoice shall be resolved between the Parties (and to the extent necessary an outside independent consultant or accountant) within 15 days following the objection, unless the Parties consent to a longer period.

(c) Indemnification. LFCM shall indemnify and hold harmless the Lazard Group Companies and their respective directors, officers, employees, agents and representatives, from and against any Indemnifiable Losses to the extent arising from, relating to or otherwise in respect of the participation of the LFCM Employees in the Lazard Group Health Plans during the Health Plan Transition Period; provided, that no indemnification by LFCM shall be required, and Lazard Group shall indemnify and hold harmless the LFCM Companies and their respective directors, officers, employees, agents and representatives from and against any such Indemnifiable Losses, to the extent that such Indemnifiable Losses result from the willful misconduct of the Lazard Group Companies or any of their respective directors, officers or employees, in the maintenance or administration of the Lazard Group Health Plans during the Health Plan Transition Period.

4.3 Health Care Reimbursement Account. With respect to each LFCM Employee who as of the date hereof participates in a healthcare flexible spending reimbursement account ("Health Care Reimbursement Account") under the Lazard Group Cafeteria Plan, in accordance with the procedures set forth in this paragraph, LFCM shall cause the LFCM Cafeteria Plan to accept a spin-off/transfer of the Health Care Reimbursement Account for such LFCM Employee from the Lazard Group Cafeteria Plan and shall honor and continue through the end of the 2005 calendar year the elections made by each such LFCM Employee in respect of such Health Care Reimbursement Account that are in effect immediately prior to the date hereof. LFCM shall take all actions it deems necessary or appropriate to effectuate the foregoing and to provide the LFCM Employees with Health Care Reimbursement Accounts under the LFCM Cafeteria Plan for the remainder of the 2005 calendar year on terms and conditions that are substantially similar to the terms and conditions applicable to the Health Care Reimbursement Accounts under the Lazard Group Cafeteria Plan as of the date hereof. As soon as practicable following the date on which the Flex Account Statement (as defined below) becomes final and binding in accordance with this paragraph, (a) Lazard Group shall cause to be paid to LFCM cash in an amount equal to the excess, if any, of (i) the aggregate accumulated contributions by the LFCM Employees to the

Health Care Reimbursement Accounts under the Lazard Group Cafeteria Plan made prior to the Close of the date hereof during the 2005 calendar year, over (ii) the aggregate Health Care Reimbursement Account reimbursement payments made to the LFCM Employees prior to the Close of the date hereof for the 2005 calendar year from such accounts, and (b) LFCM shall cause to be paid to Lazard Group cash in an amount equal to the excess, if any, of (i) the aggregate Health Care Reimbursement Account reimbursement payments made to the LFCM Employees prior to the date hereof for the 2005 calendar year from the Health Care Reimbursement Accounts under the Lazard Group Cafeteria Plan over (ii) the aggregate accumulated contributions to such Health Care Reimbursement Accounts made by such LFCM Employees prior to the Close of the date hereof during the 2005 calendar year. From and after the Close of the date hereof, LFCM shall cause the LFCM Cafeteria Plan to assume and be solely responsible for all claims incurred in respect of the Health Care Reimbursement Accounts during the 2005 calendar year by the LFCM Employees under the Lazard Group Cafeteria Plan, whether incurred prior to, on or after the date hereof, that have not been paid in full as of the date hereof. Following the Close of the date hereof, LFCM shall indemnify and hold harmless the Lazard Group Companies and their respective directors, officers, employees, agents and representatives with respect to all claims by LFCM Employees for reimbursement from the Health Care Reimbursement Accounts under the Lazard Group Cafeteria Plan. As soon as practicable following the date hereof, the administrator of the Lazard Group Cafeteria Plan shall provide Lazard Group and Lazard Group shall provide LFCM with the amounts, if any, to be paid by Lazard Group to LFCM and/or by LFCM to Lazard Group, as the case may be, pursuant to this paragraph, and supporting documentation of the calculation of such amounts (the "Flex Account Statement"). Unless either Party notifies the other in writing within 15 days following receipt of the Flex Account Statement of any objection to the computation, the Flex Account Statement shall become final and binding on the Parties. Any objections or disputes shall be resolved between the Parties (and to the extent necessary an outside independent consultant or accountant) based on the records of the outside administrator within 15 days following the objection, unless the Parties consent to a longer period.

4.4 Continued Coverage of Employees on Leave and Former LFCM Employees under the Lazard Group Health and Welfare Benefits. With respect to an Employee on Leave or a Former LFCM Employee who, prior to the Close of the date hereof, has satisfied the eligibility requirements for long or short-term disability benefits, salary continuation benefits or extended medical leave benefits pursuant to the terms of the applicable Lazard Group Health and Welfare Plan (or satisfies such requirements as a result of the disability event that gives rise to any such short-term disability benefits) or is entitled to continued participation in a Lazard Group Health Plan, such benefits shall continue to be provided by Lazard Group under the applicable Lazard Group Health and Welfare Plans; provided that LFCM or the applicable LFCM Company shall be liable for and promptly reimburse Lazard Group or such plan for any such Liability in an amount equal to the out-of-pocket cost to Lazard Group, which out-of-pocket cost shall be reduced by any insurance proceeds or contributions from the covered participant or otherwise that Lazard Group actually receives in respect of such Liability. Upon an Employee on Leave's commencement of active service with LFCM or an LFCM Company, the benefits being provided to such employee under any Lazard Group Health and Welfare Plan shall cease, and such LFCM Employee shall be eligible to participate in the applicable LFCM Health and Welfare Plan.

4.5 Vacation. LFCM shall assume or retain, as applicable, and honor all unused vacation and other time-off earned or accrued by LFCM Employees prior to the Close of the date

hereof, and the Lazard Group Companies shall have no further obligations or responsibilities in respect of such earned or accrued vacation or time-off.

4.6 Workers' Compensation Liabilities. All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a Lazard Group Employee, LFCM Employee, Former Lazard Group Employee or Former LFCM Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or before the Close of the date hereof shall be retained by Lazard Group. All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a LFCM Employee that results from an accident occurring, or from an occupational disease which becomes manifest, after the Close of the date hereof shall be assumed and retained by LFCM. For purposes of this Agreement, a compensable injury shall be deemed to be sustained upon the occurrence of the event giving rise to eligibility for workers' compensation benefits or an occupational disease becomes manifest, as the case may be. Lazard Group, LFCM and the other LFCM Companies shall cooperate with respect to any notification to appropriate governmental agencies of the First Distribution and the issuance of new, or the transfer of existing, workers' compensation insurance policies and claims handling contracts.

4.7 Post-Retirement Welfare Benefits. From and after the Distribution Time, Lazard Group shall retain all Liabilities relating to, arising out of, or resulting from retiree health and welfare coverage or claims incurred by or on behalf of Lazard Group Employees, Grandfathered LFCM Employees, Former Lazard Group Employees and Former LFCM Employees and their respective eligible dependents under the Lazard Group Post-Retirement Welfare Benefits Plans, and shall retain sole sponsorship of all Lazard Group Post-Retirement Welfare Benefits Plans and any trust or other funding arrangement established or maintained with respect to such plans, or any assets held as of the date hereof with respect to such plans; provided that LFCM or the applicable LFCM Company shall be liable for and promptly reimburse Lazard Group or such plan for any such Liability in an amount equal to the out-of-pocket cost incurred by Lazard Group in respect of the provision of such benefits to a Grandfathered LFCM Employee or a Former LFCM Employee, which out-of-pocket cost shall be reduced by any insurance proceeds or contributions from the covered participant or otherwise that Lazard Group actually receives in respect of such Liability. For purposes hereof, a "Grandfathered LFCM Employee" shall mean any LFCM Employee or Employee on Leave who as of December 31, 2005 has attained age 62 and has at least ten years of credited service with the Lazard Group (including for this purpose any service to an LFCM Company during the Health Plan Transition Period) for purposes of eligibility under the Lazard Group Retiree Medical Benefit Plans (which plans shall provide credit for age and service for periods of service to an LFCM Company during the Health Plan Transition Period. Effective no later than the conclusion of the Health Plan Transition Period, LFCM shall have adopted a Health and Welfare Plan providing retiree hospital, medical and prescription benefits to LFCM Employees (other than any Grandfathered LFCM Employees) and their eligible dependents for qualifying retirements occurring following the Close of the date hereof. Nothing in this Agreement shall or is intended to require the post-retirement welfare benefit plans of the LFCM Companies or the Lazard Group Companies to contain any particular terms or to limit in any manner the discretion of the LFCM Companies or Lazard Group Companies, as applicable, to modify, amend or terminate any such plans subsequent to the date hereof.

4.8 COBRA and HIPAA Compliance. Except with respect to the LFCM Health Care Reimbursement Account, Lazard Group shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Lazard Group Health and Welfare Plans with respect to LFCM Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the Lazard Group Health and Welfare Plans during the Health Plan Transition Period. LFCM or another LFCM Company shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the LFCM Health and Welfare Plans with respect to LFCM Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the LFCM Health and Welfare Plans at any time after the Close of the date hereof, it being understood that the Lazard Group Companies shall be responsible for administering such compliance with respect to the coverage and participation of LFCM Employees under the Lazard Group Health and Welfare Plans during the Health Plan Transition Period. The Parties agree that the consummation of the Separation, Reorganization and related transactions contemplated by the Separation Agreement and this Agreement shall not constitute a COBRA qualifying event for any purpose of COBRA.

ARTICLE V
COMPENSATION AND EMPLOYMENT ARRANGEMENTS

5.1 Payroll. Effective as of the Distribution Time, LFCM shall assume or retain, as applicable, and be responsible for the payment of (or reimburse Lazard Group for), all wages, salaries and employer matching contributions under the Lazard Group Savings Plan to or in respect of the LFCM Employees for their service to LFCM or an LFCM Company following the Close of the date hereof and for all earned and unpaid wages, salaries and employer matching contributions under the Lazard Group Savings Plan for the service of employees and partners of the LFCM Businesses prior to the Close of the date hereof.

5.2 Annual Incentive Awards. LFCM shall be responsible for determining all 2005 bonus awards to LFCM Employees. LFCM shall assume or retain, as applicable, all Liabilities with respect to any such bonus awards payable to LFCM Employees for 2005 and thereafter.

5.3 Employment and Other Individual Agreements. No later than immediately prior to the Distribution Time, LFCM or another LFCM Company shall assume and be responsible for all Liabilities and obligations under any employment agreements or other individual agreements between a Lazard Group Company and an LFCM Employee or Former LFCM Employee, including without limitation those listed on Exhibit C attached hereto, and the Lazard Group Companies shall have no further obligations under such agreements; provided that, to the extent it is not administratively practicable to transfer the responsibility for the payment or provision of any such Liability or obligation to an LFCM Company, the applicable Lazard Group Company shall continue to satisfy such Liability or obligation, and LFCM shall promptly reimburse Lazard Group for such Liability or obligation in an amount equal to the out-of-pocket cost to Lazard Group.

ARTICLE VI
GENERAL AND ADMINISTRATIVE

6.1 Sharing of Participant Information. Subject to applicable law, Lazard Group and LFCM shall share, and Lazard Group shall cause each other Lazard Group Company to share, and LFCM shall cause each other LFCM Company to share with each other and their respective agents and vendors (without obtaining releases) all participant information necessary for the efficient and accurate administration of each of the LFCM Benefit Plans and the Lazard Group Benefit Plans. Lazard Group and LFCM and their respective authorized agents shall, subject to applicable laws, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the other Party, to the extent necessary for such administration. Until the Close of the date hereof, all participant information shall be provided in the manner and medium applicable to participating companies in Lazard Group Benefit Plans generally, and thereafter all participant information shall be provided in a manner and medium as may be mutually agreed to by Lazard Group and LFCM and that complies with relevant data protection legislation.

6.2 Reasonable Efforts/Cooperation. Each of the Parties will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement.

6.3 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and is not intended to confer upon any other persons any rights or remedies hereunder. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude Lazard Group or any other Lazard Group Company, at any time after the date hereof, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Lazard Group Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any Lazard Group Benefit Plan. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude LFCM or any other LFCM Company, at any time after the date hereof, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any LFCM Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any LFCM Benefit Plan.

6.4 Audit Rights With Respect to Information Provided.

(a) Audit-Rights. Each of Lazard Group and LFCM, and their duly authorized representatives, shall have the right to conduct reasonable audits with respect to all information required to be provided to it by the other Party under this Agreement. The Party conducting the audit (the "Auditing Party") may adopt reasonable procedures and guidelines for conducting audits and the selection of audit representatives under this Section 6.4. The Auditing Party shall have the right to make copies of any records at its expense, subject to any restrictions imposed by applicable laws and to any confidentiality provisions set forth in the Separation Agreement, which are incorporated by reference herein. The Party being audited shall provide the Auditing

Party's representatives with reasonable access during normal business hours to its operations, computer systems and paper and electronic files, and provide workspace to its representatives. After any audit is completed, the Party being audited shall have the right to review a draft of the audit findings and to comment on those findings in writing within ten business days after receiving such draft.

(b) Scope of Audit Rights. The Auditing Party's audit rights under this Section 6.4 shall include the right to audit, or participate in an audit facilitated by the Party being audited, of any Subsidiaries and Affiliates of the Party being audited and to require the other Party to request any benefit providers and third Parties with whom the Party being audited has a relationship, or agents of such Party, to agree to such an audit to the extent any such persons are affected by or addressed in this Agreement (collectively, the "Non-Parties"). The Party being audited shall, upon written request from the Auditing Party, provide an individual (at the Auditing Party's expense) to supervise any audit of a Non-Party. The Auditing Party shall be responsible for supplying, at the Auditing Party's expense, additional personnel sufficient to complete the audit in a reasonably timely manner. The responsibility of the Party being audited shall be limited to providing, at the Auditing Party's expense, a single individual at each audited site for purposes of facilitating the audit.

6.5 Payroll Taxes and Reporting of Compensation. Lazard Group and LFCM shall, and shall cause the other Lazard Group Companies and the other LFCM Companies to, respectively, take such action as may be reasonably necessary or appropriate in order to minimize Liabilities related to payroll taxes after the date hereof. Pursuant to the "Alternate Procedure" (provided in Section 5 of Revenue Procedure 2004-53), with respect to filing and furnishing IRS Forms W-2, W-3, W-4, W-5 and 941 for 2005, with respect to LFCM Employees compensated through the United States payroll, (i) the Lazard Group Companies shall report on a "predecessor-successor" basis (as set forth therein), (ii) the Lazard Group Companies shall be relieved from furnishing Forms W-2 and (iii) the LFCM Companies shall assume the obligations of the Lazard Group Companies to furnish such Forms W-2. Lazard Group and LFCM shall, and shall cause the other Lazard Group Companies and the other LFCM Companies to, respectively, each bear its responsibility for payroll tax obligations and for the proper reporting to the appropriate governmental authorities of compensation earned by their respective employees after the Close of the date hereof.

6.6 Tax Deductions. The Lazard Group Companies shall receive the benefit of all tax deductions in respect of compensation and benefits paid or provided to LFCM Employees prior to the Distribution Time and in respect of all compensation and benefits provided to Lazard Group Employees, Former Lazard Group Employees and Former LFCM Employees, and the LFCM Companies shall be entitled to the benefit of all tax deductions in respect of compensation and benefits paid or provided to LFCM Employees from and after the Distribution Time; provided, however, that, notwithstanding the foregoing, to the extent LFCM is required to reimburse Lazard Group for the payment or provision of compensation or benefits to an LFCM Employee, Employee on Leave or Former LFCM Employee, the LFCM Companies shall receive the benefit of any such tax deduction to the extent permitted under applicable law; and, provided further that, to the extent the LFCM Companies would not be permitted to take any such deduction under applicable law, and a tax deduction is taken by the Lazard Group in respect thereof, LFCM's reimbursement obligation under this Agreement shall be appropriately adjusted to take into ac-

count the tax benefit actually received by Lazard Group or its partners taking into account any tax liability imposed on the Lazard Group or its partners in respect of the reimbursement from the LFCM Companies.

6.7 Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third Party (such as a vendor) and such consent is withheld, the Parties shall use their reasonable best efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third Party to consent, the Parties shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase "reasonable best efforts" as used herein shall not be construed to require any Party to incur any non-routine or unreasonable expense or Liability or to waive any right.

ARTICLE VII
MISCELLANEOUS

7.1 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

7.2 Affiliates. Each of Lazard Group and LFCM shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by another Lazard Group Company or a LFCM Company, respectively.

7.3 Incorporation of Separation Agreement Provisions. The following provisions of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 7.4 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement, and references in the material incorporated herein by reference shall be references to the Separation Agreement): Article IV (relating to Survival and Indemnification, provided that the indemnification provisions set forth in Sections 3.1(a)(iii) and 4.2(c) of this Agreement shall govern with respect to the Indemnifiable Losses described therein); Article V (relating to Certain Additional Covenants); Article VI (relating to Access to Information); Article VII (relating to No Representations or Warranties); Article X (relating to Termination); Article XI (relating to Miscellaneous).

IN WITNESS WHEREOF, the Parties have caused this Employee Benefits Agreement to be duly executed as of the day and year first above written.

LAZARD LTD

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Director, Vice President and Secretary

LAZARD LLC

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Authorized Person

LAZ-MD HOLDINGS LLC

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Member

LFCM HOLDINGS LLC

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Authorized Person

EXHIBIT 10.5

INSURANCE MATTERS AGREEMENT

This INSURANCE MATTERS AGREEMENT (this "Agreement"), dated as of May 10, 2005, by and between Lazard Group LLC, a Delaware limited liability company ("Lazard Group"), and LFCM Holdings LLC, a Delaware limited liability company ("LFCM," and together with Lazard Group, the "Parties" and each a "Party").

RECITALS

WHEREAS, Lazard Group intends to effect the Separation (as defined below) effective as of the Separation Time (as defined below), on the terms, and subject to the conditions, set forth in the Master Separation Agreement dated as of the date hereof, by and among Lazard Ltd, a Bermuda company ("Lazard Ltd"), Lazard Group, LAZ-MD Holdings LLC, a Delaware limited liability company, and LFCM (as amended from time to time, the "Master Separation Agreement"); and

WHEREAS, pursuant to the Master Separation Agreement, the Parties have agreed to enter into this Agreement prior to the Separation to set forth certain agreements regarding insurance matters with respect to the Separation.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural forms of the terms defined). Terms used but not defined herein shall have the meanings assigned to them in the Master Separation Agreement.

"Agreement" has the meaning assigned to such term in the Preamble hereto.

"Ancillary Agreement" has the meaning set forth in the Master Separation Agreement.

"Coverage Amount" has the meaning set forth in Section 2.5(a) hereto.

"Current Lazard Group Companies Policies" means the Insurance Policies that (a) insure Lazard Group or one or more of the other members of the Lazard Group Companies or the LFCM Companies, (b) have policy periods that begin before and end after the Separation Time and (c) are set forth on Schedule A hereto.

"D&O Policies" has the meaning set forth in Section 2.1(b) hereto.

"Excess" has the meaning set forth in Section 2.5(b) hereto.

"First Distribution" has the meaning set forth in the Master Separation Agreement.

"Group" has the meaning set forth in the Master Separation Agreement.

"Insurance Policies" means insurance policies in existence before the Separation pursuant to which a person makes a true risk transfer to an insurer, including Lazard Group Companies Policies.

"Insurance Proceeds" has the meaning set forth in the Master Separation Agreement.

"Insured LFCM Liability" means any LFCM Liability to the extent that (i) it is covered under the terms of the Lazard Group Companies Policies, and (ii) neither LFCM nor any other member of the LFCM Companies is a named insured under, or otherwise entitled to the benefits of, any Insurance Policies of the LFCM Companies that provide coverage for such LFCM Liability.

"Lazard Group" has the meaning assigned to such term in the Preamble hereto.

"Lazard Group Companies" has the meaning set forth in the Master Separation Agreement.

"Lazard Group Companies Policies" means Current Lazard Group Companies Policies and Prior Lazard Group Companies Policies.

"Lazard Group Indemnitee" has the meaning set forth in the Master Separation Agreement.

"Lazard Group Liabilities" has the meaning set forth in the Master Separation Agreement.

"Lazard Ltd" has the meaning assigned to such term in the Recitals hereto.

"LFCM" has the meaning assigned to such term in the Preamble hereto.

"LFCM Companies" has the meaning set forth in the Master Separation Agreement.

"LFCM Liabilities" has the meaning set forth in the Master Separation Agreement.

"LFCM Policies" has the meaning set forth in Section 2.2 hereto.

"Liabilities" has the meaning set forth in the Master Separation Agreement.

"Lloyd's E&O Policy" has the meaning set forth in Section 2.1(a) hereto.

"Master Separation Agreement" has the meaning assigned to such term in the Recitals hereto.

"Overallocated Party" has the meaning set forth in Section 2.5(b) hereto.

"Party" and "Parties" have the meaning set forth in the Preamble hereto.

"Prior Lazard Group Companies Policies" means Insurance Policies that (a) insure or have previously insured Lazard Group or one or more of the other members of the Lazard Group Companies and/or the LFCM Companies, and (b) have policy periods that begin and end before the Separation Time.

"Separation" has the meaning set forth in the Master Separation Agreement.

"Separation Date" means the date on which the First Distribution is consummated.

"Separation Time" means the time at which the Second Distribution will be consummated in accordance with the Master Separation Agreement.

"Shared Percentage" means, with respect to the Lazard Group Companies, 90% and, with respect to the LFCM Companies, 10%.

"Subsidiary" has the meaning set forth in the Master Separation Agreement.

"Underallocated Party" has the meaning set forth in Section 2.5(b) hereto.

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

(a) "dollars" or "$" means United States dollars;

(b) the word "or" is not exclusive;

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

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

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

(f) the word "person" means any individual, corporation, limited liability company, trust, joint venture, association, company, partnership or other legal entity or a government or any department or agency thereof or self-regulatory organization; and

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

SECTION 1.3 References to Time. All references in this Agreement to times of day shall be to New York City time.

ARTICLE II

INSURANCE MATTERS

SECTION 2.1 Existing Policies.

(a) *E&O*. With respect to the Errors and Omissions and Bankers' Blanket Bond policy no. FB 0405788 issued by certain Underwriters at Lloyd's, London (the "Lloyd's E&O Policy"), the Parties agree to negotiate with the insurer and use their commercially reasonable efforts to obtain an endorsement to that policy which will provide as follows: (i) the policy is amended to provide that the named insured is Lazard Ltd and its subsidiaries or affiliates; and (ii) the policy, subject to its terms, covers Lazard Ltd and its subsidiaries or affiliates for claims made through June 30, 2005, or such later expiration date as may be agreed upon between Lazard Ltd (in its absolute discretion) and the insurer. Lazard Ltd and LFCM and each of their respective subsidiaries or affiliates acknowledge that in light of the "change of control" provision in the Lloyd's E&O Policy, LFCM and its subsidiaries or affiliates may be eligible for coverage for claims made through June 30, 2005, or such later expiration date as may be agreed between Lazard Ltd (in its absolute discretion) and the insurer, but only for acts and omissions occurring prior to the Separation Date, in which case, upon LFCM's written direction, Lazard Ltd shall make a claim under the Lloyd's E&O Policy if any such acts or omissions occur (provided that LFCM shall reimburse Lazard Ltd for any and all costs and expenses reasonably incurred by or on behalf of Lazard Ltd in connection therewith). Lazard Ltd may, in its absolute discretion, agree with the insurers to extend the term of the Lloyd's E&O Policy beyond June 30, 2005, but is not obligated to do so.

(b) *D&O Policies.* With respect to Management Liability and Company Reimbursement Insurance Policy No. ELU088383-05 issued by XL Specialty Insurance Company, Directors and Officers Liability Policy No. BM00020470D005A issued by XL Insurance (Bermuda), and any insurance policy which is specifically in excess of those policies (collectively, the "D&O Policies"), the ability of any of the Lazard Group Companies or the

LFCM Companies to make any claim on any such policies will be determined by the terms of those policies except as otherwise limited by the terms of this Agreement.

(c) *Current Lazard Group Companies Policies*. With respect to all other Insurance Policies listed in Schedule A, Lazard Ltd and LFCM agree that LFCM and its subsidiaries or affiliates shall cease to be insured under such policies as of the Separation; provided, however, the ability of the Lazard Group Companies and/or the LFCM Companies to make any permitted claim on any such policies will be determined by the terms of such policies except as otherwise limited by the terms of this Agreement. Lazard Ltd and LFCM agree that to the extent such policies are composite policies that the Lazard Group Companies and the LFCM Companies may make claims under such policies for their respective rights and interests irrespective of the party or parties named therein as insureds and in accordance with the terms of this Agreement for Liabilities arising out of occurrences before the Separation Time.

(d) *Prior Lazard Group Companies Policies.* With respect to all Prior Lazard Group Companies Policies, such policies shall continue to exist in their current form without any change whatsoever by reason of the Separation. The ability of the Lazard Group Companies and/or the LFCM Companies to make any claim on any such policies will be determined by the terms of such policies except as otherwise limited by the terms of this Agreement. Lazard Ltd and LFCM agree that to the extent such policies are composite policies that the Lazard Group Companies and the LFCM Companies may make claims under such policies for their respective rights and interests irrespective of the party or parties named therein as insureds and in accordance with the terms of this Agreement.

(e) Notwithstanding anything to contrary in this Agreement, nothing in this Agreement shall affect, or apply to, any Insurance Policy under which the only named insureds or persons otherwise entitled to the benefits of such Insurance Policy are, on the one hand, one or more Lazard Group Companies or, on the other hand, one or more LFCM Companies or the Funds (as defined in the Business Alliance Agreement dated as of the date hereof, by and between Lazard Group and LFCM, as amended from time to time (the "Business Alliance Agreement")) managed by any LFCM Company or any of the portfolio companies of any such Fund.

(f) In the event that a claim is covered by (i) any policy referenced in Sections 2.1(a), 2.1(c), 2.1(d), and/or 2.1(e) and (ii) the D&O Policies, the Parties agree that the D&O Policies shall apply only with respect to any Liability which is in excess of the Liability which is covered under any other insurance policy.

SECTION 2.2 LFCM Insurance Coverage After the Separation. Within 120 days after the date hereof, LFCM shall inform Lazard Group about the replacement policies that it plans to obtain that shall provide coverage of the type provided by Current Lazard Group Companies Policies, or in respect of its decision not to maintain coverage and the limits obtained by LFCM. LFCM shall (i) use reasonable best efforts to obtain the insurance coverage listed on Schedule B for the Alliance Term (as defined in the Business Alliance Agreement), (ii) during the Alliance Term (as defined in the Business Alliance Agreement), otherwise obtain any and all insurance policies required as a matter of law, and (iii) during the Alliance Term (as defined in the Business Alliance Agreement), use its commercially reasonable efforts to obtain such other

insurance policies that, in the good faith judgment of the board of directors of LFCM, are reasonable and appropriate for the type and size of the business conducted by LFCM (such policies obtained by LFCM Companies, collectively, the "LFCM Policies"). With effect from the date of inception of each LFCM Policy, the LFCM Companies shall cease to be assureds under the equivalent Current Lazard Group Companies Policy. Neither Lazard Group nor any of the other Lazard Group Companies shall be directly or indirectly liable for any failure on the part of LFCM or any other member of the LFCM Companies to obtain such coverage.

SECTION 2.3 Responsibilities for Deductibles and/or Self-insured Obligations. LFCM shall pay or cause to be paid to any insurer all amounts necessary to exhaust or otherwise satisfy all applicable self-insured retentions, amounts for fronted policies, deductibles and retrospective premium adjustments and similar amounts that apply under Lazard Group Companies Policies in connection with LFCM Liabilities and Insured LFCM Liabilities. With respect to such Liabilities, LFCM shall also pay amounts that are not otherwise covered by the Lazard Group Companies Policies.

SECTION 2.4 Procedures With Respect to Insured LFCM Liabilities.

(a) *Notice*. LFCM shall give prompt written notice to Lazard Group of all claims or losses that are potentially eligible for coverage under Lazard Group Companies Policies or that have the potential to reduce deductibles or self-insured retentions applicable to such policies.

(b) *Reimbursement.* LFCM shall reimburse Lazard Group for all out-of-pocket costs, expenses and fees, including attorneys' fees, incurred by Lazard Group and the other members of the Lazard Group Companies for services performed pursuant to this Section, Section 2.1 or Section 2.6 in connection with any LFCM Liabilities.

(c) *Security and Collateral*. To the extent that there is any obligation after the Separation Time to provide or continue to provide security or collateral to any insurer with respect to LFCM Liabilities, LFCM shall provide or cause to be provided such security or collateral and pay or cause to be paid the cost of doing so. To the extent that Lazard Group or any other member of the Lazard Group Companies continues after the Separation Time to provide security or collateral to any insurer with respect to any LFCM Liabilities, LFCM shall: (i) use reasonable best efforts, in cooperation with Lazard Group, to persuade the insurer to release Lazard Ltd and the Lazard Group Companies from such obligation and to substitute security or collateral from LFCM; (ii) to the extent requested to do so by Lazard Ltd, until Lazard Group and the Lazard Group Companies are released from such obligations, provide Lazard Group at the expense of LFCM with equivalent security or collateral; (iii) reimburse Lazard Group for the cost of continuing to provide such security or collateral; and (iv) to the extent not satisfied by the security or collateral contemplated by subsection (ii), at Lazard Group's option either pay on behalf of Lazard Group any collateral or security amounts that become due with respect to LFCM Liabilities or promptly reimburse Lazard Group for security or collateral amounts paid by Lazard Group with respect to such Liabilities.

(d) *Reinsurance and Indemnification Obligations.* With respect to Insured LFCM Liabilities that are insured under Lazard Group Companies Policies issued by commercial

insurers who are entitled to reinsurance or indemnification for such LFCM Liabilities in whole or in part from Lazard Group, LFCM shall: (i) use reasonable best efforts, in cooperation with Lazard Group, to persuade the insurer to release Lazard Group and the other members of the Lazard Group Companies from such reinsurance or indemnification obligation and substitute a reinsurance or indemnification obligation from LFCM; (ii) to the extent requested to do so by Lazard Group, until Lazard Group and the Lazard Group Companies are released from such obligations, provide Lazard Group at the expense of LFCM with commercially reasonable security or collateral for such obligations; (iii) reimburse Lazard Group for the cost of continuing to provide any security or collateral for such obligations; and (iv) to the extent not satisfied by the security or collateral contemplated by subsection (ii), at Lazard Group's option either pay on behalf of Lazard Group any reinsurance or indemnification amounts that become due with respect to LFCM Liabilities or promptly reimburse Lazard Group for reinsurance or indemnification amounts paid by Lazard Group or the Lazard Group Companies with respect to such Liabilities.

(e) *Management of Claims*. (i) With respect to Insured LFCM Liabilities, Lazard Ltd shall have the right but not the obligation to provide appropriate notice to insurers, submit claims to insurers for payment, negotiate coverage questions that may arise, and to arbitrate, litigate and/or compromise coverage disputes under the Lazard Group Companies Policies in its sole discretion, except as prohibited by law or regulation, including the Financial Services and Markets Act 2000 of the U.K. and any statutory instruments and rules made thereunder. In the event that Lazard Ltd elects not to exercise its rights or is prohibited by law or regulation from exercising such right under this clause (i) with respect to particular claims or losses after having received notice of such claims or losses from LFCM or any of its Subsidiaries, Lazard Ltd shall notify LFCM of that election as soon as practicable thereafter so that LFCM may exercise its rights and responsibilities with respect to such claims or losses under clause (ii) below.

(ii) In the event that Lazard Ltd gives notice of its election not to exercise its rights or fails to give notice of its election within thirty days after receipt of such notice of claims or losses from LFCM or any other LFCM Company or is prohibited by law or regulation from exercising such right under clause (i) above, LFCM shall have the right and the responsibility with respect to Insured LFCM Liabilities to provide appropriate notice to insurers, administer claims to the extent necessary or appropriate, submit claims to insurers for payment, negotiate coverage questions that may arise, and to arbitrate, litigate and/or compromise coverage disputes under the Lazard Group Companies Policies (in conjunction with, and subject to the control rights of, the insurers, as appropriate); provided, that settlements, compromises or determinations of any such coverage questions or coverage disputes shall be subject to the prior written consent of Lazard Ltd.

(f) Lazard Ltd and LFCM agree that neither the Lazard Group Companies Policies nor the Insurance Proceeds of such policies shall be considered to be assets of LFCM (it being understood that this Section 2.4(f) shall not affect the payment obligations of Lazard Ltd hereunder).

SECTION 2.5 Insufficient Limits of Liability for Lazard Group Liabilities and LFCM Liabilities. Subject to Section 2.1(a), in the event that there are insufficient limits of

liability available under the Lazard Group Companies Policies to cover the Lazard Group Liabilities and/or LFCM Liabilities that would otherwise be covered by such Lazard Group Companies Policies, then to the extent that other insurance is not available to the Lazard Group Companies and/or the LFCM Companies for such Liabilities an adjustment will be made in accordance with the following procedures:

(a) Each Party will be allocated an amount of the Insurance Proceeds equal to their Shared Percentage of the lesser of (i) the available limits of liability available under the applicable Lazard Group Companies Policies in effect prior to the Separation Time net of uncollectible amounts attributable to insurer insolvencies, and (ii) the Insurance Proceeds received from the Lazard Group Companies Policies if the Liabilities are the subject of disputed coverage claims and, following consultation with each other, Lazard Group and/or LFCM agree to accept less than full policy limits from Lazard Group's and LFCM's insurers (the "Coverage Amount").

(b) A Party (the "Overallocated Party") who receives more than its Shared Percentage of the Coverage Amount (such amount in excess, the "Excess") agrees to after receipt pay or reimburse the other Party (the "Underallocated Party") an amount equal to the Excess.

SECTION 2.6 Cooperation. (a) The Parties shall cooperate with each other, and shall use commercially reasonable efforts to take or cause to be taken all appropriate actions required of such Party, and to do or cause to be done all things necessary or appropriate to effectuate the provisions and purposes of this Agreement and the transactions contemplated hereby, including the execution of any additional documents or instruments of any kind, the obtaining of consents which may be reasonably necessary or appropriate to carry out any of the provisions hereof, and the taking of all such other actions as such Party may reasonably be requested to take by the other Party from time to time consistent with the terms of this Agreement; provided, however, that nothing in this Section 2.6 shall (i) preclude any member of the Lazard Group Companies from presenting any claim or from exhausting any policy limit under any Lazard Group Companies Policy, (ii) require any member of the Lazard Group Companies to pay any premium or other amount or to incur any Liability in respect of any LFCM Liabilities, (iii) require any member of the Lazard Group Companies to renew or extend any period or term of any Lazard Group Companies Policy; or (iv) require any LFCM Company to pay any premium or other amount or to incur any Liability in respect of any Lazard Group Liability.

(b) By way of enumeration of and not of limitation, and subject to Section 6.7 of the Master Separation Agreement:

(i) each Party shall provide copies of insurance policies (to the extent that copies are available) or evidence of the existence of insurance (where actual copies of the policies are not available), to the other to the extent reasonably required to effectuate the provisions and purposes of this Agreement;

(ii) each Party shall provide the other with information reasonably necessary or helpful to either Party in connection with its efforts to obtain insurance coverage pursuant to and in accordance with the terms of this Agreement or to purchase new insurance policies,

including information about the relevant portions of prior underwriting submissions, past and current claims and losses, subject to any confidentiality restrictions regarding such information, claims and losses;

(iii) each Party shall provide information to the other about exhaustion of policy limits and amounts applied to the limits of policies or self-insured retentions or other limits which are discussed in this Agreement that are potentially applicable to both, and the basis for the application of such amounts to such limits, so that each Party can monitor the exhaustion of such limits; and

(iv) subject to this Section 2.6 and Section 3.6, each Party shall execute further assignments or allow the other to pursue claims in its name (subject to appropriate written notice of the fact that it is doing so and a description of the reasons why it is doing so), including by means of arbitration or litigation, to the extent necessary or helpful to the other Party's efforts to obtain insurance coverage to which it is entitled under this Agreement.

SECTION 2.7 No Assignment or Waiver. This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Lazard Group Companies in respect of any Lazard Group Companies Policy or any other contract or policy of insurance.

SECTION 2.8 No Liability. LFCM does hereby, for itself and as agent for each other member of the LFCM Companies, agree that no member of the Lazard Group Companies or any Lazard Group Indemnitee shall have any Liability to LFCM or any other LFCM Company whatsoever as a result of the insurance policies and practices of Lazard Group and its Subsidiaries as in effect at any time prior to the Separation Time, including as a result of any invalidity of any policy, the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

SECTION 2.9 No Restrictions. Nothing in this Agreement shall be deemed to restrict any member of the LFCM Companies from acquiring at its own expense any other insurance policy in respect of any Liabilities or covering any period.

SECTION 2.10 Further Agreements. The Parties acknowledge that they intend to allocate financial obligations without violating any laws regarding insurance, self-insurance, insurance mediation or other financial responsibility. If it is determined that any action undertaken pursuant to the Master Separation Agreement, this Agreement or any other Ancillary Agreement is violative of any insurance, self-insurance, insurance mediation or related financial responsibility law or regulation, the Parties agree to work together to do whatever is necessary to comply with such law or regulation while trying to accomplish, as much as possible, the allocation of financial obligations as intended in the Master Separation Agreement, this Agreement and any other Ancillary Agreement.

SECTION 2.11 Additional Insurance Policies. With respect to any insurance policy that insures both (a) one or more Lazard Group Companies and (b) one or more LFCM

Companies not otherwise addressed herein, each Party may claim in respect of its own losses or liabilities subject to the claims handling provisions set forth in Section 2.4.

ARTICLE III

MISCELLANEOUS

SECTION 3.1 Complete Agreement; Representations. (a) The Master Separation Agreement, this Agreement and the other Ancillary Agreements shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

(b) Lazard Group represents to LFCM, and LFCM represents to Lazard Group, as follows:

(i) such person has the requisite limited liability company power and authority and has taken all limited liability company action necessary in order to execute, deliver and perform this Agreement; and

(ii) this Agreement has been duly executed and delivered by such person and constitutes a valid and binding agreement of it enforceable against such person in accordance with the terms thereof (assuming the due execution and delivery thereof by the other Party).

SECTION 3.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than the laws regarding choice of laws and conflicts of laws that would apply the substantive laws of any other jurisdiction) as to all matters, including matters of validity, construction, effect, performance and remedies.

SECTION 3.3 Obligations. The Parties' obligations under this Agreement are conditional upon the Separation, the occurrence of which is subject to various conditions set forth in the Master Separation Agreement. This Agreement shall become operative if and when the Separation occurs and shall be null and void if the Separation does not occur for any reason. Nothing contained in this Agreement shall constitute a representation or promise that any Party or any related person will proceed with the Separation, or obligate any Party or any related person to do so.

SECTION 3.4 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a Party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number or person as a Party may designate by notice to the other Party):

If to Lazard Group or any member of the Lazard Group Companies:

Lazard Group LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: General Counsel
Facsimile: (212) 332-5972

If to LFCM or any member of the LFCM Companies:

LFCM Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Chief Executive Officer
Facsimile: (212) 332-1789

SECTION 3.5 Amendment, Modification or Waiver. This Agreement may be amended, modified, waived or supplemented, in whole or in part, only by a written agreement signed by all of the Parties. No failure or delay on the part of either Party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. The waiver by such Parties of any breach of this Agreement shall not be construed as a waiver of any subsequent breach.

SECTION 3.6 Successors and Assigns; No Third Party Beneficiaries. (a) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns, but neither this Agreement nor any of the rights, interests and obligations hereunder shall be assigned or otherwise transferred, in whole or in part, by any Party without the prior written consent of the other Party.

(b) This Agreement is solely for the benefit of the Parties and is not intended to confer upon any other persons any rights or remedies hereunder.

SECTION 3.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 3.8 Delaware Court. Each of the Parties agrees that all actions or proceedings arising out of or in connection with this Agreement, or for recognition and enforcement of any judgment arising out of or in connection with this Agreement, shall be tried and determined exclusively in the state or federal courts in the State of Delaware, and each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the Parties hereby expressly waives any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such action or proceeding: (a) any claim that it is not subject to personal jurisdiction in the aforesaid

courts for any reason; (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; and (c) that (i) any of the aforesaid courts is an inconvenient or inappropriate forum for such action or proceeding, (ii) venue is not proper in any of the aforesaid courts and (iii) this Agreement or the subject matter hereof, may not be enforced in or by any of the aforesaid courts.

SECTION 3.9 Interpretation; Conflict. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. The provisions of the Master Separation Agreement shall govern in the event of any conflict between any provision of this Agreement and that of the Master Separation Agreement or any other Ancillary Agreement, and the Parties shall execute or cause to be executed an amendment, if necessary in their good faith judgment, to this Agreement to remove such conflict.

SECTION 3.10 Right of Setoff. Lazard Group may deduct from, set off against, hold back or otherwise reduce in any manner whatsoever any amounts that (a) Lazard Group or any other member of the Lazard Group Companies may owe to or hold for the benefit of LFCM or any other member of the LFCM Companies in respect of or under this Agreement or (b) LFCM or any other member of the LFCM Companies may be entitled to receive from any insurer under this Agreement, the aggregate amount then owed by LFCM or any other member of the LFCM Companies to Lazard Group or any other member of the Lazard Group Companies.

SECTION 3.11 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

LAZARD GROUP LLC

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Authorized Person

LFCM HOLDINGS LLC

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Authorized Person

EXHIBIT 10.6

LICENSE AGREEMENT

This LICENSE AGREEMENT (this "Agreement"), dated as of May 10, 2005, is by and among:

LAZARD STRATEGIC COORDINATION COMPANY LLC, a limited liability company organized under the laws of the State of Delaware ("LSCC");

LAZARD FRERES & CO. LLC, a limited liability company organized under the laws of the State of New York ("LFNY");

LAZARD FRERES S.A.S., a *Société par Actions Simplifiée* organized under the laws of France ("LF");

LAZARD & CO., HOLDINGS LIMITED, a private limited company organized under the laws of England and Wales ("LB Holdings," together with LSCC, LFNY and LF, the "Licensors," and each, a "Licensor"); and

LFCM HOLDINGS LLC, a limited liability company organized under the laws of the State of Delaware ("Licensee").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Second Amended and Restated Coordination and Service Agreement, dated as of January 1, 2002, by and among Lazard LLC, a Delaware limited liability company and parent company of Licensors that will be renamed "Lazard Group LLC" ("Lazard Group"), and the other parties thereto (as amended from time to time, the "Coordination Agreement"), Licensors are the owners of the trade name and service mark "LAZARD", "LF" and "Corporate Partners" (collectively, the "Licensed Marks") in their respective Relevant Territories (as defined in the Coordination Agreement); and

WHEREAS, pursuant to that certain Master Separation Agreement, entered into on the date hereof (the "Master Separation Agreement"), by and among Lazard Ltd, a Bermuda limited company, Lazard Group, LAZ-MD Holdings LLC, a Delaware limited liability company, and Licensee, from and after the Contribution Effective Time (as defined in the Master Separation Agreement), Licensee will hold the LFCM Assets and LFCM Liabilities (each as defined in the Master Separation Agreement), and conduct the Capital Markets Business (as defined in the Master Separation Agreement), the Alternative Investments Business (as defined in the Master Separation Agreement) and serve as a holding company for such businesses under the name "LFCM Holdings LLC"; and

WHEREAS, Licensors desire to grant Licensee a non-exclusive license (the "Capital Markets License") to use the Licensed Marks, to the extent that such Licensed Marks were used by the Capital Markets Business immediately prior to the Separation (as defined in the Master Separation Agreement), in order to carry on the Capital Markets Business on and after the date hereof (the "Capital Markets Licensed Service"); and

WHEREAS, Licensors desire to grant Licensee a non-exclusive license (the "Alternative Investments License") to use the Licensed Marks, to the extent that such Licensed Marks were used by the Alternative Investments Business immediately prior to the Separation, in order to carry on the Alternative Investments Business on and after the date hereof (the "Alternative Investments Licensed Service"); and

WHEREAS, Licensors desire to grant Licensee a non-exclusive license (the "LFCM License" and together with the Capital Markets License and the Alternative Investments License, the "Lazard Licenses") to use "LF" in the name "LFCM Holdings LLC" solely for purposes of the holding company that will hold the Capital Markets Business, the Alternative Investments Business and the LFCM Assets and LFCM Liabilities (the "LFCM Licensed Service" and together with the Capital Markets Licensed Service and the Alternative Investments Licensed Service, the "Licensed Services"); and

WHEREAS, Licensee desires to obtain from Licensors, and Licensors desire to provide to Licensee, the Lazard Licenses, on the terms and subject to the conditions herein.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, and for the mutual benefits to be derived from this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

1. License.

(a) Grant of License; Scope. Licensors hereby grant to Licensee the Lazard Licenses solely in connection with the Licensed Services in Licensors' respective Relevant Territories. Under the Lazard Licenses, the Licensed Marks may be used by Licensee only to the extent that the Licensed Marks were used by the Capital Markets Business, the Alternative Investments Business or Licensee immediately prior to the Separation; provided, however, with the prior written consent of LSCC or LFNY, which consent shall not be unreasonably withheld, Licensee may expand the scope of its use of the Licensed Marks beyond the extent that the Licensed Marks were used by the Capital Markets Business, the Alternative Investments Business or Licensee immediately prior to the Separation, solely to conduct the Capital Markets Business or the Alternative Investments Business after the date hereof. Notwithstanding the foregoing, except with the prior written consent of LSCC or LFNY, which consent may be withheld in the sole discretion of LSCC or LFNY, as applicable:

(1) the Lazard Licenses shall not extend to (i) any business other than the Capital Markets Business, the Alternative Investments Business or the use of the "LF" in the name "LFCM Holdings LLC" solely for purposes of the holding company that will hold the Capital Markets Business, the Alternative Investments Business and the LFCM Assets and LFCM Liabilities, (ii) other than "Lazard Capital Markets LLC" and the name of the hedge Fund (as defined in the Master Separation Agreement) described on Schedule 4.1(b)(iv) of the Business Alliance Agreement, any entities in the Capital Markets Business, or (iii) other than any Fund set forth on Schedule 1(a)(iv) (or the general partner, manager or persons

acting in a comparable capacity of any such Funds), any Funds formed or established after the date hereof and sponsored, managed or marketed by the Alternative Investments Business (including successor Funds to Funds existing as of the date of hereof);

(2) under Lazard Capital License, Licensees shall only be authorized to use the "Lazard" name as part of the name "Lazard Capital Markets", "Lazard Capital Markets LLC" and the name of the hedge Fund described on Schedule 4.1(b)(iv) of the Business Alliance Agreement, and shall not use the "Lazard" name or logo separately; and

(3) under the Alternative Investments License, Licensees shall only be authorized to use the "Lazard" and "LF" names as part of (A) the name "Lazard Alternative Investments Holdings LLC", "Lazard Alternative Investments Holdings", "Lazard Alternative Investments LLC", "Lazard Alternative Investments", "Lazard Alternative Investments (Europe) Limited", "Lazard Alternative Investments (Europe)", "Lazard European Private Equity Partners LLP" and "Lazard European Private Equity Partners"; and (B) the name of a Fund (or the name of the general partner, manager or persons acting in a comparable capacity of such Funds or an investment vehicle for such Fund) for which Licensee is authorized to use the "Lazard" or "LF" names, and shall not use the "Lazard" name or logo separately.

Notwithstanding clauses (2) and (3) of the foregoing sentence, during the period commencing on the date hereof and ending on the 30th day following the date hereof: (i) Licensee shall have the right under the Capital Markets License to use the "Lazard" name or logo separately to the extent that the "Lazard" name or logo was being used separately by the Capital Markets Business immediately prior to the Separation; and (ii) Licensee shall have the right under the Alternative Investments License to use the "Lazard" name or logo separately to the extent that the "Lazard" name or logo was being used separately by the Alternative Investments Business immediately prior to the Separation; provided that in each of cases (i) and (ii), Licensee shall use its reasonable best efforts to comply with clauses (2) and (3) of the foregoing sentence during such 30-day period.

(b) Royalty Fee. In exchange for the Lazard Licenses, Licensee shall pay a fee equal to $100,000 per annum (the "Royalty Fee"), which shall be paid to Lazard Group in advance no later than January 15th of each year. The Royalty Fee shall be divided among Licensors as Lazard Group shall from time to time determine. The initial Royalty Fee shall be pro rated for the period commencing on the date hereof and ending on December 31, 2005 and shall be paid no later than 10 business days after the date hereof. Notwithstanding the foregoing, the Royalty Fee shall be reduced by (a) $25,000 per annum if either the Capital Markets License or the Alternative Investments License shall have been revoked or terminated and (b) $75,000 per annum if both the Capital Markets License and the Alternative Investments License shall be revoked or terminated. Such reduction shall be effective as of the next full calendar year following the date of the applicable revocation and termination.

(c) Territorial Limitation. Subject to the terms of this Agreement, including the limitations set forth in Section 1(a), Licensee may use the Licensed Marks throughout the Relevant Territories of Licensors.

(d) Revocation. Except as provided in this Agreement, the Lazard Licenses shall not be revocable by any Licensor.

2. Quality of Services.

(a) All Licensee's services and other activities conducted under the Licensed Marks while the Lazard Licenses are in effect shall be of at least the same high quality as that of the services heretofore rendered by the Houses (as defined in the Coordination Agreement), which have been commensurate with the highest standards of quality prevailing in the financial community.

(b) Licensee shall not use the Licensed Marks in such a way, or omit to take any act, or pursue any course of conduct, which might tend to bring any of the Licensed Marks into disrepute, or use the same in any way likely to damage the goodwill and reputation attaching thereto or in a manner likely to dilute the value or strength of any Licensed Mark.

(c) If and to the extent that Licensee shall be permitted to use the "Lazard" name or logo separately, such name or logo shall be used in the same manner as such Licensed Marks are used as of the date hereof in the Capital Markets Business and the Alternative Investments Business, including with respect to the color, shape and logo of the Licensed Marks as such Licensed Marks appear on stationery and letterhead as of the date hereof.

(d) In the conduct of the Licensee's businesses (the "Licensee Business"), Licensee shall comply with all applicable foreign or domestic (federal, state or local) laws, statutes, orders, decrees, judgments, ordinances, licenses, rules or regulations of any Governmental Authority (as defined in the Master Separation Agreement), including the Foreign Corrupt Practices Act (15 U.S.C. §§ 78m(b), 78dd-1, *et seq*.).

3. Oversight by Licensor.

(a) Each Licensor and its duly authorized representatives shall each have the right, during normal business hours, to visit and inspect all offices, facilities and premises maintained by Licensee at which the Licensee Business is rendered under any Licensed Mark. Those persons shall have the right to take any action that, in the reasonable opinion of Licensors, is necessary and proper to assure those representatives and Licensor that the nature and quality of the Licensee Business are in accordance with the requirements of this Agreement; provided, however, that prior to taking any such action, the Licensors shall provide the Licensee with notice of such actions and shall provide Licensee with a reasonable period of time to take any such or similar action if, in the Licensor's good-faith opinion, Licensee is in the position to take such action.

(b) Licensee shall comply as promptly as reasonably practicable with all requests by any Licensor for the submission to such Licensor of copies of all materials bearing or displaying

any Licensed Mark, including, without limitation, correspondence, reports, analyses, brochures, advertising and promotional materials and stationery.

(c) Licensee shall not perform or offer under the Licensed Marks any existing or proposed services or other activities whose nature or quality any Licensor has objected to as not adhering to the requirements of this Agreement. Licensee shall not use any materials bearing, displaying, or mentioning the Licensed Marks if any Licensor has previously objected to the use of such materials as not adhering to the requirements of this Agreement.

4. Right to Sub-License. Without the prior written consent of LSCC or LFNY, Licensee shall not have the right to grant any sub-license of its rights under this Agreement to use any Licensed Mark nor shall Licensee be permitted to assign any of its rights or obligations under this Agreement; provided, that Licensee may sublicense the rights to use the Licensed Marks granted hereunder to a Controlled Subsidiary of Licensee or any Fund managed by a Controlled Subsidiary of Licensee to the extent that such Controlled Subsidiary or Fund used the Licensed Mark immediately prior to the Separation; provided, further, that (1) such permitted sub-licensee agrees in writing to be bound by the terms and restrictions contained within this Agreement, for the avoidance of doubt, including, but not limited to, the right of Licensors to visit and inspect during normal business hours such permitted sub-licensee's offices, facilities and premises pursuant to Section 3(a) of this Agreement; (2) in the event such permitted sub-licensee ceases to be a Controlled Subsidiary of Licensee or a Fund managed by a Controlled Subsidiary of Licensee, the sub-license granted to such permitted sub-licensee shall automatically terminate and (3) such permitted sub-licensee shall not have any right to assign or grant any sub-license of its rights under this Agreement. "Control" with respect to any person means the power to direct the management and policies of such person, directly or indirectly, by or through stock ownership or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other persons; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

5. Assistance with Claims. Licensee shall, promptly upon learning thereof, furnish Licensors in writing with the name, address, and such other pertinent information as may be available, with respect to any third party who may be infringing or otherwise violating any Licensor's rights in any Licensed Mark or with respect to any third party who may make a claim that the use of any Licensed Mark infringes upon or otherwise violates any rights of any nature of said third party. Licensee shall cooperate in all respects, as required by and at the cost of Licensors, with regard to any action which Licensors deem advisable either to protect Licensors' right in the Licensed Marks or to contest a claim by a third party that the use of the Licensed Marks infringes upon or otherwise violates any rights of any nature of said third party. Upon prior written authorization from Licensors, Licensee may take judicial actions on Licensee's own behalf against potential offenders of any Licensed Mark.

6. Acknowledgements. Licensee hereby acknowledges that (a) any and all goodwill and proprietary rights in any Licensed Mark (including any derivatives thereof) remain entirely vested in Licensors and (b) Licensee derives from this Agreement no rights in or

to use any Licensed Mark other than under and in accordance with the terms of this Agreement.

7. Termination of Lazard Licenses.

(a) The Capital Markets License shall automatically be revoked and terminated, without any action on the part of Licensors or Licensee, upon the expiration or termination of the Alliance Term (as defined in the Business Alliance Agreement, dated as of the date hereof, by and between Licensee and Lazard Group LLC (the "Business Alliance Agreement"));

(b) The Alternative Investments License shall automatically be revoked and terminated, without any action on the part of Licensors or Licensee, upon the latest to occur of (i) the expiration of the North American Option, (ii) the occurrence of the North America Closing, (iii) the expiration of the European Option and (iv) the occurrence of the Europe Closing (each as defined in the Business Alliance Agreement); and

(c) On and after revocation and termination of both (i) the Capital Markets License and (ii) the Alternative Investments License, each of Licensors, on the one hand, and Licensee, on the other hand, may terminate the LFCM License at any time.

8. Consequences of Termination. Immediately following termination or revocation of the Lazard Licenses pursuant to Section 7:

(a) Within 30 days of termination, Licensee shall, and shall cause all permitted sub-licensees under Section 4 of this Agreement to, cease to use any business stationery containing the Licensed Marks, including but not limited to headed note paper, faxes, envelopes and business cards and signage including the Licensed Marks, and shall no longer use the Licensed Marks in any electronic form, including but not limited to, electronic mail and the internet; and

(b) Licensee shall, and shall cause all permitted sub-licensees under Section 4 of this Agreement to, cease to use, and shall not use in the future, the Licensed Marks or any confusingly similar name or mark for any purpose.

9. Miscellaneous.

(a) No Additional Rights. Nothing contained in this Agreement shall in any way confer on Licensee any right not specifically set forth herein including, without limitation, the legal or equitable right to the Licensed Marks. Licensee acknowledges Licensors' ownership of, and the validity of, the Licensed Marks in their respective Relevant Territories and shall not contest during the term of this Agreement, or at any time thereafter, Licensors' ownership of the Licensed Marks in Licensors' respective Relevant Territories. If, at any time after the date hereof, Licensee or any of its subsidiaries challenges or contests any Licensor's ownership of, or the validity of, the Licensed Marks, Licensors may revoke any or all Lazard Licenses. Nothing in this Agreement shall be construed as or constitute an appointment of any party hereto as the agent of the other.

(b) Indemnification. Licensee agrees to indemnify Licensors and its Subsidiaries and hold Licensors and its Subsidiaries harmless against any Liabilities (as defined in the Master

Separation Agreement) any Licensor or any of its Subsidiaries may incur by reason of any claim arising from the sale, advertising or use of any Licensed Mark by Licensee or any of the sublicensees of Licensee or any of its Subsidiaries or (unless acquired by Licensors) by the Capital Markets Business, the Alternative Investments Business or the LFCM Business (as defined in the Master Separation Agreement). Licensors agree to indemnify Licensee and hold Licensee harmless to the extent that the Licensee incurs a Liability resulting from a third-party claim against Licensee or any of its Subsidiaries that any Licensor does not own any rights that it purports to grant to Licensee pursuant to the Lazard Licenses.

(c) Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to each of the other parties.

(d) Specific Performance. The parties acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they may be entitled by law or equity.

(e) Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

(f) Entire Agreement. This Agreement, the Master Separation Agreement and the Business Alliance Agreement constitute the entire agreement among of the parties with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, among the parties with respect to the subject matter hereof.

(g) Headings. The section headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

(h) Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (i) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (ii) sent by facsimile with confirmation of transmission by the transmitting equipment; or (iii) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and

marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number or person as a party may designate by notice to the other parties):

If to Licensee, to:

LFCM Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Chief Executive Officer
Fax: (212) 332-1789

If to LB Holdings, to:

Lazard & Co. Holdings Limited
50 Stratton Street
London W1J 8LL
England
Attention: General Counsel
Facsimile: 44-20-7072-6404

If to LF, to:

Lazard Frères S.A.S.
121 Boulevard Haussmann
75008
Paris, France
Attention: General Counsel
Facsimile: 33-1-4413-0150

If to LFNY, to:

Lazard Frères & Co. LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: General Counsel
Facsimile: 212-332-5972

If to LSCC, to:

Lazard Strategic Coordination Company LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: General Counsel
Facsimile: 212-332-5972

(i) Governing Law. This Agreement and performance hereunder shall be governed by and construed in accordance with the laws of the State of Delaware without reference to the choice of law principles thereof. The parties hereby agree that all actions or proceedings arising out of or in connection with this Agreement or the transactions contemplated hereby, or for recognition and enforcement of any judgment arising out of or in connection with this Agreement shall be tried and determined exclusively in the state or federal courts in the State of Delaware and the parties hereby irrevocably submit with regard to any such action or proceeding for itself and with respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts.

(j) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided, however, that this Agreement and the rights and obligations hereunder shall not be assignable or transferable by any party without the prior written consent of the other parties except as otherwise provided under Section 4.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed as of the date first above written.

LAZARD STRATEGIC COORDINATION COMPANY LLC

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Chief Financial Officer

LAZARD FRERES & CO. LLC

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Managing Director and Chief Financial Officer

LAZARD FRERES S.A.S.

By: /s/ Stephane Droulers
Name: Stephane Droulers
Title: Managing Director

LAZARD & CO., HOLDINGS LIMITED

By: /s/ Will Dennis
Name: Will Dennis
Title: Director

LFCM HOLDINGS LLC

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Authorized Signatory

EXHIBIT 10.7

ADMINISTRATIVE SERVICES AGREEMENT

by and among

LAZ-MD HOLDINGS LLC,

LFCM HOLDINGS LLC

and

LAZARD GROUP LLC

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Schedule 1 – Lazard LAZ-MD Services
Schedule 2 – Lazard LFCM Services
Schedule 3 – LFCM Services

This ADMINISTRATIVE SERVICES AGREEMENT, dated as of May 10, 2005 (this "Services Agreement"), is by and among LAZ-MD Holdings LLC, a Delaware limited liability company ("LAZ-MD Holdings"), LFCM Holdings LLC, a Delaware limited liability company ("LFCM Holdings"), and Lazard Group LLC, a Delaware limited liability company ("Lazard Group"). Each of LAZ-MD Holdings, LFCM Holdings and Lazard Group is sometimes hereinafter referred to as a "Party" and collectively are referred to as the "Parties."

WHEREAS, LAZ-MD Holdings, LFCM Holdings and Lazard Group are parties to that certain Master Separation Agreement, dated as of the date hereof (the "Master Separation Agreement"), with Lazard Ltd, a Bermuda limited company, pursuant to which, on the date hereof, certain assets of Lazard Group and its Subsidiaries were contributed, transferred and assigned to LFCM Holdings and its Subsidiaries, and pursuant to which LFCM Holdings and its Subsidiaries assumed certain liabilities of Lazard Group and its Subsidiaries (the "Contribution"); and

WHEREAS, pursuant to the Master Separation Agreement, on the date hereof and after the Contribution, Lazard Group distributed all of the limited liability company interests in LFCM Holdings to LAZ-MD Holdings, and immediately thereafter, LAZ-MD Holdings distributed all of such limited liability company interests in LFCM Holdings to its members (such distributions, together with the Contribution, the "Separation"); and

WHEREAS, the Master Separation Agreement provides that, to facilitate the Separation, the Parties hereto would enter into this Services Agreement upon consummation of the Separation, pursuant to which Lazard Group would provide certain services to each of LAZ-MD Holdings and LFCM Holdings, and LFCM Holdings would provide certain services to Lazard Group, each on the terms and conditions set forth in this Services Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

All terms used herein and not defined herein shall have the meanings assigned to them in the Separation Agreement.

ARTICLE II

AGREEMENT TO PROVIDE AND ACCEPT SERVICES

Section 2.01. Provision of Services. (a) *Lazard LAZ-MD Services.* Subject in all cases to the terms and conditions contained herein and on Schedule 1, Lazard Group shall provide, or shall cause its Subsidiaries or third parties designated by it (such designated Subsidiaries and third parties, together with Lazard Group, being herein collectively referred to as the "Lazard Service Providers") to provide, to LAZ-MD Holdings or its designated Subsidiaries, the services listed on Schedule 1 (the "Lazard LAZ-MD Services") in accordance with Section 3.01. Any decisions as to which of the Lazard Service Providers (including the

decisions to use third parties) shall provide the Lazard LAZ-MD Services shall be made by Lazard Group in its sole discretion. Except as otherwise agreed in writing by Lazard Group and LAZ-MD Holdings, each Lazard LAZ-MD Service shall be provided in exchange for the Fee with respect to such Lazard LAZ-MD Service, and shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and on Schedule 1.

(b) *Lazard LFCM Services.* Subject in all cases to the terms and conditions contained herein and on Schedule 2, Lazard Group shall provide, or shall cause the applicable Lazard Service Providers to provide, to LFCM Holdings or its designated Subsidiaries, the services listed on Schedule 2 (the "Lazard LFCM Services") in accordance with Section 3.01. Any decisions as to which of the Lazard Service Providers (including the decisions to use third parties) shall provide the Lazard LFCM Services shall be made by Lazard Group in its sole discretion. Except as otherwise agreed in writing by Lazard Group and LFCM Holdings, each Lazard LFCM Service shall be provided in exchange for the Fee with respect to such Lazard LFCM Service, and shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and on Schedule 2.

(c) *LFCM Services.* Subject in all cases to the terms and conditions contained herein and on Schedule 3, LFCM Holdings shall provide, or shall cause its Subsidiaries or third parties designated by it (such designated Subsidiaries and third parties, together with LFCM Holdings, being herein collectively referred to as the "LFCM Service Providers") to provide, to Lazard Group or its designated Subsidiaries the services listed on Schedule 3 (the "LFCM Services") in accordance with Section 3.01. Any decisions as to which of the LFCM Service Providers (including the decisions to use third parties) shall provide the LFCM Services shall be made by LFCM Holdings in its sole discretion. Except as otherwise agreed in writing by LFCM Holdings and Lazard Group, each LFCM Service shall be provided in exchange for the Fee with respect to such LFCM Service, and shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and on Schedule 3.

(d) *Certain Defined Terms.* As used in this Services Agreement, (i) each of Lazard Group (with respect to the Lazard LAZ-MD Services and the Lazard LFCM Services) and LFCM Holdings (with respect to the LFCM Services) is sometimes referred to as a "Service Provider" and collectively are referred to as the "Service Providers"; (ii) each of the Lazard LFCM Services, the Lazard LAZ-MD Services and the LFCM Services is sometimes referred to as a "Service" and collectively are referred to as the "Services"; and (iii) the Party receiving any particular Service is sometimes referred to as the "Receiving Party."

Section 2.02. Access. Each Receiving Party shall (a) make available on a timely basis to the Service Providers all information and materials reasonably requested by such Service Providers to enable such Service Providers to provide the applicable Services to such Receiving Party; and (b) provide to the Service Providers reasonable access to the premises of such Receiving Party to the extent necessary for the Service Providers to provide the applicable Services to such Receiving Party. The Service Provider shall be entitled to rely upon the genuineness, validity or truthfulness of any document, instrument or other writing presented by the Receiving Party in connection with this Services Agreement. The Service Provider shall not be liable for any impairment of any Service caused by its not receiving information, either timely

or at all, or by its receiving inaccurate or incomplete information from the Receiving Party that is required or reasonably requested regarding that Service.

Section 2.03. Cooperation. The applicable Service Provider and Receiving Party shall cooperate with each other in all reasonable respects in matters relating to the provision and receipt of the Services. Such cooperation shall include obtaining all consents, licenses or approvals necessary to permit each party to perform its obligations hereunder.

Section 2.04. Performance Review. The Parties will meet annually on or about October 31 to review the Service standards, performance measures and activity levels and, if applicable, any adjustments to the Fee for any particular Service. The Parties will use their good-faith efforts to resolve any issues concerning Service standards, performance measures or changes in Fees during these meetings. Any issues that the Parties are not able to resolve pursuant to the foregoing sentence shall be resolved in accordance with Section 8.14.

ARTICLE III

TERMS AND CONDITIONS; PAYMENT; INDEPENDENT CONTRACTORS

Section 3.01. Terms and Conditions of Services. (a) Unless otherwise expressly agreed by the applicable Service Provider and the Receiving Party or set forth herein, (i) in providing the Lazard LAZ-MD Services, the Lazard Service Providers shall use their commercially reasonable efforts to exercise the same degree of care as Lazard Group and its Subsidiaries have historically exercised in providing such Lazard LAZ-MD Services to Subsidiaries of Lazard Group prior to the date hereof, (ii) in providing the Lazard LFCM Services, the Lazard Service Providers shall use their commercially reasonable efforts to exercise the same degree of care as Lazard Group and its Subsidiaries have historically exercised in providing such Lazard LFCM Services to the LFCM Businesses prior to the date hereof, and (iii) in providing the LFCM Services, the LFCM Service Providers shall use their commercially reasonable efforts to exercise the same degree of care as the LFCM Businesses have historically exercised in providing such LFCM Services to Lazard Group or its applicable Subsidiaries prior to the date hereof, in each of cases (i), (ii) and (iii), including with respect to quality, priority, responsiveness and timeliness as has been historically exercised by such Service Provider, subject in each case to adjustments to take into account the Separation and the separate nature of the Parties; provided, however, that in no event shall the scope of the Services required to be performed hereunder exceed that described on Schedule 1, 2 or 3. Each Service Provider shall act under this Services Agreement solely as an independent contractor and not as an agent or employee of the Receiving Party. In no event shall any Service Provider be required to provide any Service that it reasonably believes does not comply with applicable law.

(b) The provision of Services by Service Providers shall be subject to Article V hereof.

(c) If it is necessary for any Service Provider to increase in any material respect the staffing or acquire any material equipment or make any material investments or material capital or other expenditures in order to accommodate an increase in the use of any Service beyond the level of use of such Service by or to, as applicable, the LFCM Businesses

immediately prior to the date hereof, such Service Provider shall inform the Receiving Party in writing of such increase in staffing level, equipment acquisitions, investments or capital or other expenditures before any such cost or expense is incurred. Upon mutual agreement of the Service Provider and the Receiving Party as to the necessity of any such increase, the Receiving Party shall (unless the Receiving Party and the Service Provider shall otherwise agree in writing) advance to the relevant Service Providers an amount equal to any upfront actual costs and expenses to be incurred in connection therewith. The Receiving Party shall reimburse the Service Provider for the remainder of such actual costs and expenses to be incurred in connection therewith on a monthly basis after such costs and expenses are incurred by the Service Provider. If such mutual agreement is not reached, such Service Provider shall have no obligation to make any such increase in staffing level, equipment acquisitions, investments or capital or other expenditures.

(d) If the provision of any Service requires the Receiving Party (or any of its Subsidiaries) to hold third-party licenses or other agreements relating to software, systems and/or processes ("Required Licenses"), the Receiving Party or its applicable Subsidiary shall obtain such Required Licenses at its own expense and at no cost to the Service Provider; provided, that, upon request of the Receiving Party, the Service Provider shall provide reasonable cooperation and assistance to such Receiving Party in the procurement of such Required Licenses. If the Receiving Party or its applicable Subsidiary is unable to obtain any such Required License, the Service Provider and the Receiving Party shall use reasonable efforts to establish alternative arrangements to provide the Service in the absence of such Required License; provided, that the Service Provider shall not be responsible for any interruption in or impairment of the Service relating to the establishment or terms of such alternative arrangements; and provided, further, that any portion of the Service requiring the use of such Required Licenses shall terminate in the event that the Service Provider and the Receiving Party are, in the exercise of their reasonable efforts, unable to establish such alternative arrangements. The Receiving Party shall be responsible for all costs and expenses associated with the establishment of such alternative arrangements or, if the relevant Parties fail to establish such alternative arrangements as specified above, any costs or expenses associated with or arising in connection with early termination of such Service. The Service Provider shall not be obligated under this Services Agreement to provide the Service (or portion thereof) corresponding to such Required License during any period in which the Receiving Party or its applicable Subsidiary does not have such Required License.

(e) Under no circumstances shall any Service Provider be obligated to provide any Service requiring an opinion, advice or representation as to which liability may be created for such Service Provider or its Affiliates due to claims from the Receiving Party or any other person or entity, including any Governmental Authority (*e.g.*, legal opinions or advice, tax opinions or advice, compliance opinions or advice), other than such customary representations as may reasonably be required by accountants in connection with the preparation of audited financial statements.

(f) The Parties acknowledge that the provision of Services hereunder may require the Service Provider to enter into new or amended agreements with third parties or obtain the consent and approval of third parties. The Service Provider shall use reasonable efforts to enter into such agreements and to obtain such consents and approvals for a time period not to

exceed the applicable termination date of such Service hereunder. The Receiving Party may accept or reject the terms of such agreement or consent and approval; provided that in the event that the Receiving Party rejects the terms of any such agreement or such consent and approval, the Service Provider shall not be obligated to provide that portion of the Service requiring such agreement or such consent and approval and, subject to the immediately following sentence, such portion of the Service shall terminate. If the Receiving Party rejects the terms of any such agreement or consent and approval, the Service Provider and the Receiving Party shall, if requested by the Receiving Party, use reasonable efforts to establish alternative arrangements to provide the Service in the absence of such agreement, consent or approval; provided, that the Service Provider shall not be responsible for any interruption in or impairment of the Service relating to the establishment or terms of such alternative arrangements; and provided, further, that such portion of the Service requiring the third-party agreement, consent or approval shall terminate in the event that the Parties, in the exercise of their reasonable efforts, are unable to establish such alternative arrangements. The Receiving Party shall be responsible for all costs and expenses associated with entry into such new or amended agreements, the establishment of such alternative arrangements or the obtaining of any consent or approval, or, if the Receiving Party does not accept the terms of such agreements, consents or approvals or the Parties fail to establish such alternative arrangements as specified above, any costs or expenses associated with or arising in connection with early termination of such Service.

(g) If the provision of any Service requires the use of Service Provider-issued checks or other fund transfers by the Service Provider on behalf of the Receiving Party (or as authorized in advance by the Receiving Party), the Service Provider shall issue such checks or make such fund transfers only to the extent they are adequately funded by the Receiving Party prior to such check issuance or fund transfer in accordance with Section 3.02(a).

(h) The Service Provider shall have the right to shut down temporarily for maintenance purposes the operation of the facilities providing any Service whenever, in such Service Provider's discretion, such action is necessary; provided that such Service Provider shall provide written notice of any such shutdown to the Receiving Party as reasonably in advance of such shutdown as practicable and shall use commercially reasonable efforts to schedule such maintenance in consultation with the Receiving Party so as not to unreasonably interfere with the Receiving Party's business. Such Service Provider shall be relieved of its obligations to provide the Services affected by such shutdown during the period that its facilities are so shut down but shall use reasonable efforts to minimize each period of shutdown.

(i) To the extent that it is not practicable to have the Receiving Party as the contracting party for any third-party license or agreement relating to the provision of any Service to the Receiving Party or its applicable Subsidiary and such third-party license or agreement is necessary for the provision hereunder of such Service after the date hereof, the Service Provider shall (or shall cause its relevant Subsidiary to) use commercially reasonable efforts to cause all such third-party contracts to extend to and be enforceable by the Receiving Party, or to assign such contracts to the Receiving Party (at the sole expense of the Receiving Party). In the event that such contracts are not extendable or assignable, the Service Provider shall, to the extent feasible: (i) act as agent for the Receiving Party for purposes of providing such Service hereunder and in the pursuit of any claims, issues, demands or actions against such third-party

provider, in the Service Provider's name but at the Receiving Party's expense and (ii) provide or make available to the Receiving Party copies of all such licenses or agreements.

Section 3.02. Payments. (a) Each month, each Service Provider shall deliver a statement to the Receiving Party for Services provided to such Receiving Party and its Subsidiaries during the preceding month, and each such statement shall set forth a brief description of each such Service and the amounts charged therefor (the "Fee") calculated in accordance with Section 3.02(b) for such Service, and the aggregate of such amounts shall be due and payable by the Receiving Party within thirty (30) days after the date of such statement. Statements not paid within such thirty-(30)-day period shall be subject to late charges, calculated based on a rate per annum equal to the "prime rate" as set forth from time to time in The Wall Street Journal, Eastern Edition, "Money Rates" column (or the maximum legal rate, whichever is lower), for each month or portion thereof that the statement is overdue. Notwithstanding the foregoing, with respect to any Service requiring the use of Service Provider-issued checks or other fund transfers by the Service Provider on behalf of the Receiving Party as specified in Section 3.01(g), if requested by the Service Provider in writing to the Receiving Party, the Receiving Party shall either (i) provide the Service Provider with immediately available funds equal to the amount of such check or other fund transfer or (ii) cause an account designated for such purpose by the Service Provider to be funded with such amounts, as requested by the Service Provider, in each case on or prior to the date specified by the Service Provider in such written request.

(b) Schedule 1, 2 or 3, as applicable, specifies the Fee applicable to each Service, which Fee is based on historical allocation practices among Lazard Group for such Services prior to the Separation.

Section 3.03. Disclaimer of Warranty. EXCEPT AS EXPRESSLY SET FORTH IN THIS SERVICES AGREEMENT, THE SERVICES TO BE PURCHASED UNDER THIS SERVICES AGREEMENT ARE FURNISHED AS IS, WHERE IS, WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

Section 3.04. Use of Services. Each Receiving Party shall not, and shall cause its Affiliates not to, resell any Services to any person whatsoever or permit the use of any Service by any person other than such Receiving Party or its applicable Subsidiary.

Section 3.05. Records and Audit Rights. During the term hereof, each Service Provider shall use commercially reasonable efforts to maintain records relating to its Services in a manner similar to retention with respect to other administrative services previously provided by such Service Provider, including data relating to the determination of Fees payable by the Receiving Party of such Service, and otherwise in accordance with the record management practices and with at least the same degree of care and completeness as applicable to such Service Provider at such time. Upon reasonable advance written notice to the Service Provider, during the term hereof, the Receiving Party shall have the right from time to time to request the Service Provider to give (and/or to cause all Subsidiaries that are providing Services to the Receiving Party to give) the Receiving Party or an agent of the Receiving Party whom the

Receiving Party shall cause to agree with the Service Provider to abide by the confidentiality terms set forth in Section 8.12 hereof reasonable access to relevant books and records, data centers, processing facilities and relevant staff members of the Service Provider and/or such Subsidiaries, to enable the Receiving Party to audit, at the Receiving Party's sole expense, any aspects of the provision of Services by the Service Provider to the Receiving Party (including the Fees invoiced by the Service Provider to the Receiving Party and the Service Provider's processing facilities, operating practices, policies, processes and procedures relating to the Services); provided, however, that the Receiving Party shall not have the right to conduct such audit more frequently than once in any twenty four (24)-month rolling window. In the event that the results of such audit reasonably indicate that the aggregate amounts paid by the Receiving Party for the Services pursuant to Section 3.02 for such audited period were greater or less than the aggregate Fees that were due for such Services pursuant to Section 3.02, the applicable Parties will submit such matters to the dispute resolution mechanisms set forth in Section 8.14 unless the applicable Parties otherwise agree.

ARTICLE IV

TERM OF SERVICES

The provision of any Service shall commence on the date hereof and shall terminate on (a) in the case of any Lazard LAZ-MD Service, December 31, 2014 (other than any administrative assistance with the preparation of U.S. Internal Revenue Service Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.", or any successor schedule or form, for the members of LAZ-MD for the fiscal year ended December 31, 2014, which Schedule shall be mailed to such members as soon as practicable thereafter) and (b) in the case of any Lazard LFCM Service or LFCM Service, December 31, 2008 or, in each case, if earlier, the termination date specified on Schedule 1, 2 or 3, as applicable, with respect to such Service; provided, that, unless otherwise specified on Schedule 1, 2 or 3, as applicable, such Service shall automatically renew for successive one-year terms unless either party provides at least 180 days' prior written notice to the other party that such automatic renewal shall not occur. Notwithstanding the foregoing sentence, any Service may be cancelled or reduced in amount or any portion thereof on an earlier date (a) by mutual written agreement of the Service Provider and the Receiving Party, (b) as provided in Article VII or (c) by any Receiving Party upon 180 days' prior written notice thereof; provided, however, that, in the case of (b) and (c) (other than any early termination of a Service because of a breach of this Agreement by the Service Provider, a Change of Control of the Service Provider or a termination of the Alliance Term), the Receiving Party shall pay to the Service Provider a fee equal to the aggregate Fee for such cancelled or reduced Service for the three most recently completed months prior to the date of cancellation or reduction. Unless agreed otherwise by the relevant Parties, after any early termination of a Service (or a portion of a Service) in accordance with the proviso to the immediately preceding sentence, the Service Provider shall not be obligated to reinstate such Service (or such portion) at a time subsequent to the effective date of such termination.

ARTICLE V

FORCE MAJEURE

No Service Provider shall be liable for any expense, loss or damage whatsoever arising out of any interruption of Service or delay or failure to perform under this Services Agreement that is due to acts of God, acts of a public enemy, acts of terrorism, acts of a nation or any state, territory, province or other political division thereof, fires, floods, epidemics, riots, theft, quarantine restrictions, freight embargoes or other similar causes beyond the reasonable control of such Service Provider. In any such event, any Service Provider's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof. Each Service Provider will promptly notify the recipient of the Service, either orally or in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, such Service Provider will use commercially reasonable efforts to resume, or to cause any other relevant Service Provider to resume, its performance with the least practicable delay.

ARTICLE VI

LIABILITIES

Section 6.01. Consequential and Other Damages. Notwithstanding anything to the contrary contained herein, none of the Service Providers shall be liable to any Receiving Party or any of its Subsidiaries or Affiliates or any of its, its Subsidiary's or its Affiliate's employees, agents, members, managers, officers and directors (collectively, "Representatives"), whether in contract, tort (including negligence and strict liability) or otherwise, at law or equity, for any special, indirect, incidental or consequential damages whatsoever (including lost profits or damages calculated on multiples of earnings approaches) which in any way arise out of, relate to or are a consequence of, the performance or nonperformance by the Service Provider (or its applicable Subsidiary or third-party service provider) hereunder or the provision of, or failure to provide, any Service hereunder, including with respect to loss of profits, business interruptions or claims of customers.

Section 6.02. Release and Indemnity. (a) *LAZ-MD Holdings Release.* Except as specifically set forth in this Services Agreement, LAZ-MD Holdings hereby releases each Lazard Service Provider and each of its Representatives (collectively, the "Lazard Indemnitees"), from and against any and all claims, demands, complaints, liabilities, losses, damages, costs and expenses (collectively, "Damages") arising from, relating to or in connection with the provision of any Lazard LAZ-MD Service to, or the use of any Lazard LAZ-MD Service by, LAZ-MD Holdings or any of its Affiliates or any other person using such Lazard LAZ-MD Service, except to the extent that such Damages were caused by acts or omissions of the applicable Lazard Service Provider or Representative, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the willful misconduct or gross negligence of such person, in which case, such Lazard Indemnitee shall not be entitled to the benefits of this Section 6.02(a) to the extent that such Damages were caused by such willful misconduct or gross negligence.

(b) *LAZ-MD Holdings Indemnity.* Except as specifically set forth in this Services Agreement, LAZ-MD Holdings hereby agrees to indemnify, defend and hold harmless the Lazard Indemnitees from and against any and all Damages arising from, relating to or in connection with any demand, claim, proceeding or complaint by a third party (each, a "Third-Party Claim") in respect of the provision of any Lazard LAZ-MD Service to, or the use of any Lazard LAZ-MD Service by, LAZ-MD Holdings or any of its Affiliates or any other person using such Lazard LAZ-MD Service, except to the extent that such Damages were caused by acts or omissions of the applicable Lazard Service Provider or Representative, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the willful misconduct or gross negligence of such person, in which case, such Lazard Indemnitee shall not be entitled to the benefits of this Section 6.02(b) to the extent that such Damages were caused by such willful misconduct or gross negligence.

(c) *LFCM Holdings Release.* Except as specifically set forth in this Services Agreement, LFCM Holdings hereby releases the Lazard Indemnitees from and against any and all Damages arising from, relating to or in connection with the provision of any Lazard LFCM Service to, or the use of any Lazard LFCM Service by, LFCM Holdings or any of its Affiliates or any other person using such Lazard LFCM Service, except to the extent that such Damages were caused by acts or omissions of the applicable Lazard Service Provider or Representative, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the willful misconduct or gross negligence of such person, in which case, such Lazard Indemnitee shall not be entitled to the benefits of this Section 6.02(c) to the extent that such Damages were caused by such willful misconduct or gross negligence.

(d) *LFCM Holdings Indemnity.* Except as specifically set forth in this Services Agreement, LFCM Holdings hereby agrees to indemnify, defend and hold harmless the Lazard Indemnitees from and against any and all Damages arising from, relating to or in connection with any Third-Party Claim in respect of the provision of any Lazard LFCM Service to, or the use of any Lazard LFCM Service by, LFCM Holdings or any of its Affiliates or any other person using such Lazard LFCM Service, except to the extent that such Damages were caused by acts or omissions of the applicable Lazard Service Provider or Representative, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the willful misconduct or gross negligence of such person, in which case, such Lazard Indemnitee shall not be entitled to the benefits of this Section 6.02(d) to the extent that such Damages were caused by such willful misconduct or gross negligence.

(e) *Lazard Group Release.* Except as specifically set forth in this Services Agreement, Lazard Group hereby releases each LFCM Service Provider and each of its Representatives (collectively, the "LFCM Indemnitees") from and against any and all Damages arising from, relating to or in connection with the provision of any LFCM Service to, or the use of any LFCM Service by, Lazard Group or any of its Affiliates or any other person using such LFCM Service, except to the extent that such Damages were caused by acts or omissions of the applicable LFCM Service Provider or Representative, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the willful misconduct or gross negligence of such person, in which case, such LFCM Indemnitee shall not be entitled to the benefits of this Section 6.02(e) to the extent that such Damages were caused by such willful misconduct or gross negligence.

(f) *Lazard Group Indemnity.* Except as specifically set forth in this Services Agreement, Lazard Group hereby agrees to indemnify, defend and hold harmless the LFCM Indemnitees from and against any and all Damages arising from, relating to or in connection with any Third-Party Claim in respect of the provision of any LFCM Service to, or the use of any LFCM Service by, Lazard Group or any of its Affiliates or any other person using such LFCM Service, except to the extent that such Damages were caused by acts or omissions of the applicable LFCM Service Provider or Representative, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the willful misconduct or gross negligence of such person, in which case, such LFCM Indemnitee shall not be entitled to the benefits of this Section 6.02(f) to the extent that such Damages were caused by such willful misconduct or gross negligence.

(g) *Indemnification Procedures*. If a Third-Party Claim is made against any person entitled to indemnification pursuant to Section 6.02 (an "Indemnified Party"), and if such Indemnified Party intends to seek indemnity with respect thereto under Section 6.02, such Indemnified Party shall promptly notify in writing the party obligated to indemnify such Indemnified Party (the "Indemnifying Party") of the nature of the claim. The failure by the Indemnified Party to give notice as provided above shall not relieve the Indemnifying Party of its obligations under this Article VI, except to the extent that the Indemnifying Party's rights are actually prejudiced as a result of such failure to give notice. Upon receipt of notice of the assertion of a claim, the Indemnifying Party shall have the right to assume, reasonably and promptly, the defense of the claim at its own expense. The Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) any such action, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party. If the Indemnifying Party does not reasonably promptly assume the defense, the Indemnified Party shall have the right to employ counsel and to control the defense against the claim, and the reasonable fees and expenses of such counsel shall be at the expense of the Indemnifying Party. The Indemnifying Party shall not enter into any settlement of a claim that includes any term other than just a payment of money, nor any settlement of a claim that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party a full release from all liability with respect to the claim, in each case, without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld). The Indemnified Party, if it shall control the defense of the claim, shall not enter into any settlement of a claim without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld). The Indemnified Party shall provide all reasonable cooperation and assistance, at the Indemnifying Party's expense, in the defense of any claim for which indemnification is available and shall furnish such records, information, testimony and attend such conferences, discovery proceedings, hearings, trials and appeals as may reasonably be requested.

ARTICLE VII

TERMINATION

Section 7.01. Termination. The obligation of any Service Provider to provide or cause to be provided any Service shall cease on the earlier of (a) the date on which the provision of such Services has terminated or been canceled pursuant to Article IV, or (b) the date on which

such Service is terminated by any Party in accordance with the terms of Section 7.02. This Services Agreement shall terminate, and all provisions of this Services Agreement shall become null and void and of no further force and effect, except for the provisions set forth in Section 7.04, on the date on which no Service Provider has any obligation to provide any Service under this Services Agreement.

Section 7.02. Breach of Services Agreement; Change of Control; Termination of Alliance Term. (a) Subject to Article V, in the event of a material breach by any Service Provider or any Receiving Party of any of its material obligations under this Services Agreement, including any failure by a Receiving Party to make payments to the Service Provider when due, that is not cured in all material respects within 30 days after receiving written notice thereof from the non-breaching Party, the non-breaching Party may terminate this Services Agreement immediately with respect to the Services provided between the non-breaching Party and the breaching Party by providing written notice of such termination.

(b) In addition to the foregoing, either Lazard Group or LFCM Holdings may, upon at least 180 days' prior written notice to the other, terminate this Services Agreement with respect to the Lazard LFCM Services or LFCM Services upon a Change of Control of LFCM Holdings or Lazard Group, or upon termination or expiration of the Alliance Term (as defined in that certain Business Alliance Agreement, dated as of the date hereof (the "Business Alliance Agreement"), by and between Lazard Group and LFCM Holdings). Either Lazard Group or LAZ-MD Holdings may, upon at least 180 days' prior written notice to the other, terminate this Services Agreement with respect to the Lazard LAZ-MD Services upon a Change of Control of LAZ-MD Holdings or Lazard Group. For purposes of this Section 7.02(b), a "Change of Control" means, with respect to any person (the "Target Person"), the consummation of any transaction or series of related transactions involving: (i) any purchase or acquisition (whether by way of merger, share exchange, consolidation, business combination, consolidation or similar transaction or otherwise) by another person or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended), other than any Affiliate of the Target Person prior to such transaction or series of related transactions (an "Acquiring Person"), of either (A) the majority of the securities entitled to elect the board of directors or equivalent governing body of the Target Person, or (B) all or substantially all of the assets of the Target Person and its Subsidiaries, taken together as a whole; or (ii) any sale, lease, exchange, transfer, license or disposition of all or substantially all of the assets of the Target Person and its Subsidiaries, taken together as a whole, to an Acquiring Person; provided, however, that (x) the Separation shall not be deemed to be a Change of Control and (y) any sale, transfer or disposition of all or part of Lazard Alternative Investment Holdings LLC or its Subsidiaries pursuant to the North American Option (as defined in the Business Alliance Agreement) or the European Option (as defined in the Business Alliance Agreement) shall not be deemed to be a Change of Control.

Section 7.03. Sums Due. In the event of a termination of this Services Agreement, the Service Providers shall be entitled to the immediate payment of, and the Receiving Party shall, within five (5) Business Days, pay to the Service Providers, all accrued amounts for Services, taxes and other amounts due under this Services Agreement as of the date of termination. Payments not made within five (5) Business Days of termination of this Services Agreement shall be subject to late charges as provided in Section 3.02(a).

Section 7.04. Effect of Termination. Sections 3.02, 3.03, 3.05, 7.03, this Section 7.04 and Article VI and Article VIII hereof shall survive any termination of this Services Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Assignment. This Services Agreement shall bind and inure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assigns. No Party may assign its rights or obligations under this Services Agreement without the prior written consent of the other Parties hereto . Any purported assignment or transfer in violation of this Section 8.01 shall be null and void and of no effect.

Section 8.02. No Third-Party Beneficiaries. Except as provided in Section 6.02, this Services Agreement is for the sole benefit of the Parties and their successors and permitted assigns, and nothing herein expressed or implied shall give or be construed to give to any person, other than the Parties and their successors and permitted assigns, any legal or equitable rights hereunder, whether as third-party beneficiaries or otherwise.

Section 8.03. Amendments. Except as otherwise provided in this Services Agreement, including Section 8.13(b), no amendment to this Services Agreement shall be effective unless it shall be in writing and signed by each Party hereto; provided, however, that (a) Lazard Group and LFCM Holdings shall have the right to amend, by mutual written agreement, any provision of this Services Agreement to the extent related solely to the Lazard LFCM Services or the LFCM Services; and (b) Lazard Group and LAZ-MD Holdings shall have the right to amend, by mutual written agreement, any provision of this Services Agreement to the extent related solely to the Lazard LAZ-MD Services.

Section 8.04. Waivers. No failure or delay on the part of any Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Parties hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. No provision of this Services Agreement may be waived except pursuant to a writing executed by the waiving Party.

Section 8.05. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by facsimile or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and shall be deemed given when so delivered by hand or facsimile, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows (or at such other address for a Party as shall be specified by notice given in accordance with this Section 8.05):

(a) If to Lazard Group:

Lazard Group LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: General Counsel
Fax: (212) 332-5972

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Adam D. Chinn, Esq. and Craig M. Wasserman, Esq.
Fax: (212) 403-2000

If to LAZ-MD Holdings, to:

LAZ-MD Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Board of Directors
Fax: (212) 332-5972

If to LFCM Holdings, to:

LFCM Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Chief Executive Officer
Fax: (212) 332-1789

Section 8.06. Exhibits and Schedules; Interpretation. The headings contained in this Services Agreement or in any Schedule are for reference purposes only and shall not affect in any way the meaning or interpretation of this Services Agreement. All Schedules referred to herein are hereby incorporated in and made a part of this Services Agreement as if set forth in full herein. Any capitalized terms used in any Schedule but not otherwise defined therein, shall have the meaning as defined in this Services Agreement. When a reference is made in this Services Agreement to an Article, Section or Schedule, such reference shall be to an Article or Section of, or a Schedule to, this Services Agreement unless otherwise indicated. For all purposes hereof, the terms “include” and “including” shall be deemed followed by the words “without limitation.” The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Services Agreement shall refer to this Services Agreement as a whole and not to any particular provision of this Services Agreement. No provision of this Services Agreement shall be interpreted or construed against any Party hereto solely because such Party or its legal representative drafted such provision.

Section 8.07. Counterparts. This Services Agreement may be executed in two or more counterparts, and by facsimile, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

Section 8.08. Entire Agreement. This Services Agreement, including the Schedules, the Separation Agreement, the Business Alliance Agreement and the License Agreement (as defined in the Business Alliance Agreement) constitute the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings and negotiations, both written and oral, between the Parties with respect to the subject matter of this Services Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by any Party hereto.

Section 8.09. Severability. If any term or other provision of this Services Agreement is invalid, illegal or incapable of being enforced by any applicable rule of law or public policy, all other conditions and provisions of this Services Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Services Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

Section 8.10. Delaware Court. Each of the Parties agrees that all actions or proceedings arising out of or in connection with this Services Agreement, or for recognition and enforcement of any judgment arising out of or in connection with this Services Agreement, shall be tried and determined exclusively in the state or federal courts in the State of Delaware, and each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the Parties hereby expressly waives any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such action or proceeding: (a) any claim that it is not subject to personal jurisdiction in the aforesaid courts for any reason; (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; and (c) that (i) any of the aforesaid courts is an inconvenient or inappropriate forum for such action or proceeding, (ii) venue is not proper in any of the aforesaid courts and (iii) this Services Agreement, or the subject matter hereof or thereof, may not be enforced in or by any of the aforesaid courts.

Section 8.11. Governing Law. THIS SERVICES AGREEMENT SHALL BE GOVERNED IN ALL RESPECTS, INCLUDING VALIDITY, INTERPRETATION AND EFFECT, BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES OF SUCH STATE WHICH WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER STATE.

Section 8.12. Confidentiality; Title to Data. (a) Each of the Parties agrees that any confidential information of the other Party received in the course of performance under this Services Agreement shall be kept strictly confidential by the Parties, except that each of Lazard Group and LFCM Holdings may, for the purpose of providing Services pursuant to this Services Agreement, disclose such information to any of its Subsidiaries or to third-party Service Providers; provided that any such third party shall have agreed to be bound by this Section 8.12; and any Party may disclose such information to the extent reasonably necessary in connection with the enforcement of this Services Agreement or as required by law, any Governmental Authority or legal process, including any tax audit or litigation or if requested by any Governmental Authority. The obligations under this Section 8.12 shall not apply to (i) information that becomes generally available to the public other than as a result of a disclosure, directly or indirectly, by the receiving Party or its Affiliates; (ii) information that becomes available to a party on a non-confidential basis from a source other than the other Party (provided that such source is not known by such party to be bound by a confidentiality agreement with or other obligation of secrecy to the other Party); (iii) information to the extent required by a court of competent jurisdiction or other Governmental Authority or otherwise as required by law, including disclosure obligations imposed under the United States federal securities laws; or (iv) information on a "need-to-know" basis under an obligation of confidentiality to its, its Affiliates, and its and its Affiliates' consultants, legal counsel, employees, directors, officers, accountants, banks and other financing sources and their advisors.

(b) LAZ-MD Holdings and LFCM Holdings acknowledge that neither of them will acquire any right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor that are owned by any Lazard Service Provider, by reason of the provision of the Lazard LAZ-MD Services or the Lazard LFCM Services provided hereunder. Lazard Group acknowledges that it will not acquire any right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor that are owned by any LFCM Service Provider, by reason of the provision of the LFCM Services provided hereunder.

Section 8.13. Administrative Representatives. (a) The Chief Financial Officer of Lazard Group, a Director designated by the Board of Directors of LAZ-MD Holdings, and the Chief Financial Officer of LFCM Holdings shall serve as administrative representatives ("Administrative Representative(s)") of Lazard Group, LAZ-MD Holdings and LFCM Holdings, respectively, to facilitate day-to-day communications and performance under this Services Agreement. Each Party may treat an act of an Administrative Representative of any other Party as being authorized by such other Party to act for and bind such Party. Each Party may replace its Administrative Representative by giving written notice of the replacement to the other Parties.

(b) No additional schedules, modifications to the existing Schedule or modifications or amendments to this Services Agreement shall be effective unless and until executed by the Administrative Representatives of each of the Service Provider and the Receiving Party with respect to such Service.

Section 8.14. Dispute Resolution. If the Parties are unable to resolve any service or performance issues or if there is a material breach of this Services Agreement that has not been corrected within thirty (30) days of receipt of notice of such breach, the Administrative

Representatives of the Parties in dispute shall meet promptly to review and resolve such issues and breaches in good faith (the date on which such persons first so meet, the "Discussion Date"). If such persons are unable to fully resolve any such issues and breaches in good faith promptly after the Discussion Date, any remaining disputes shall be resolved in accordance with Section 8.10.

Section 8.15. Overriding Obligations. Notwithstanding anything to the contrary, no term of this Services Agreement or the Schedules hereto shall have the effect of obliging either Party or any of their respective Subsidiaries to breach any legal or regulatory obligation to which such person may be subject, by virtue of either requiring such person to act in a particular manner or refrain from doing so.

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IN WITNESS WHEREOF, the Parties have executed this Services Agreement as of the date first written above.

LAZ-MD HOLDINGS LLC

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Member

LFCM HOLDINGS LLC

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Authorized Signatory

LAZARD GROUP LLC

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Chief Financial Officer

EXHIBIT 10.8

BUSINESS ALLIANCE AGREEMENT

by and between

LAZARD GROUP LLC

and

LFCM HOLDINGS LLC

Dated as of May 10, 2005

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EXHIBIT B – Members of the Underwriting Committee

SCHEDULES

BUSINESS ALLIANCE AGREEMENT

This BUSINESS ALLIANCE AGREEMENT (this "Agreement"), dated as of May 10, 2005, is made and entered into by and between Lazard Group LLC, a Delaware limited liability company ("Lazard Group"), and LFCM Holdings LLC, a Delaware limited liability company ("LFCM Holdings"). Lazard Group and LFCM Holdings are sometimes referred to herein individually as a "Party" and collectively as the "Parties". Capitalized terms used in this Agreement that are not otherwise defined herein shall have the meanings ascribed to them in the Separation Agreement (as defined herein).

RECITALS

WHEREAS, Lazard Group and LFCM Holdings have entered into a certain Master Separation Agreement, dated as of the date hereof (as it may be amended from time to time, the "Separation Agreement"), which sets forth the principal corporate transactions required to effect the separation of Lazard Group's businesses into two separate companies and to recapitalize Lazard Group through a series of transactions; and

WHEREAS, pursuant to the provisions of the Separation Agreement, from and after the consummation of the Separation as provided in the Separation Agreement, (a) the LFCM Companies will be engaged in the LFCM Businesses, (b) the Lazard Group Companies will be engaged in the Lazard Group Businesses, (c) the LFCM Companies will own and control the LFCM Assets and assume and be responsible for the LFCM Liabilities, and (d) the Lazard Group Companies will own and control the Lazard Group Assets and retain and be responsible for the Lazard Group Liabilities; and

WHEREAS, Section 2.6(a) of the Separation Agreement provides that, after the Contribution and prior to the First Distribution, each of Lazard Group and LFCM Holdings shall enter into this Agreement, which is the Business Alliance Agreement referred to in the Separation Agreement; and

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms of their agreement regarding certain business alliances, arrangements, understandings and relationships between them and among the other members of each of their respective Groups following the completion of the Separation (the "Alliance").

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Certain Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Affiliate" means, with respect to any specified person, a person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified person.

"Capital Support" means, with respect to any Fund, committing at least an amount of funds sufficient to pay the capital commitment of the general partner or similar managing entity required by investors of such Fund at the applicable time and places.

"Change of Control" means, with respect to any person (the "Target Person"), the consummation of any transaction or series of related transactions involving: (i) any purchase or acquisition (whether by way of merger, share exchange, consolidation, business combination, consolidation or similar transaction or otherwise) by another person or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended), other than any Affiliate of the Target Person prior to such transaction or series of related transactions (such other person or group, an "Acquiring Person"), of either (A) the majority of the securities entitled to elect the board of directors or equivalent governing body of the Target Person, (B) the majority of the limited liability company interests or limited partnership interests of the Target Person, (C) the general partnership interest or managing member interest of the Target Person, or (D) all or substantially all of the assets of the Target Person and its Subsidiaries, taken together as a whole; or (ii) any sale, lease, exchange, transfer, license or disposition of all or substantially all of the assets of the Target Person and its Subsidiaries, taken together as a whole, to an Acquiring Person; provided, however, that (x) any sale, transfer or disposition of all of the outstanding limited liability company interests in LAI North America to Lazard Group pursuant to the exercise of the North American Option shall not be deemed to be a Change of Control of LFCM Holdings, LAI Holdings, LAI North America or any Subsidiary of LAI North America and (y) any sale, transfer or disposition of all of the outstanding limited liability company interests in LAI Europe to Lazard Group pursuant to the exercise of the European Option shall not be deemed to be a Change of Control of LFCM Holdings, LAI Holdings, LAI Europe or any Subsidiary of LAI Europe.

"Controlled Affiliate" means, with respect to any person, any Affiliate of such person controlled by such person or any Subsidiary of such person.

"Equity Rights" means any (a) securities, options, warrants, calls, rights, conversion rights, preemptive rights, rights of first refusal, redemption rights, repurchase rights or plans, "tag-along" or "drag-along" rights, or (b) commitments, agreements, arrangements or undertakings to issue or grant any of the foregoing.

"European Competitive Business" means the management, sponsorship or formation of alternative investment Funds (including related joint ventures and alliances and including management, general partner and investment activities) whose primary objective is to make privately negotiated investments in companies or entities primarily doing business in Europe or headquartered in Europe with substantial business in Europe; provided, however, that the term "European Competitive Business" shall not include (a) any business or activity conducted by Lazard Group or any of its Subsidiaries immediately after the Separation or conducted by Wasserstein & Co., LP or Wasserstein & Co., Inc. or (b) any business or activity that is permitted to

be conducted by Fonds Partenaires Group or any Lazard Group Company (other than LEPEP) as of the date hereof under the LEPEP Operating Agreement, even if such LEPEP Operating Agreement is terminated after the date of this Agreement.

"European Merchant Banking Business" means the management, sponsorship or formation of alternative investment Funds (including related joint ventures and alliances and including management, general partner and investment activities) whose primary objective is to make privately negotiated investments in companies or other entities primarily doing business in Europe or headquartered in Europe with substantial business in Europe, real estate located in Europe or loans relating to real estate located in Europe.

"Financial Advisory or Asset Management Opportunity" means any opportunity to provide financial advisory and investment banking services or asset management services (other than any services within the scope of the North American Merchant Banking Business or the European Merchant Banking Business); provided, however, that for purposes of clarity, the term "Financial Advisory or Asset Management Opportunity" shall not include (i) underwriting and/or public distribution of equity, debt or convertible securities, including any securities of any Funds managed by LAI Holdings or its Subsidiaries or (ii) any such opportunity with respect to a Fund managed by LAI Holdings or its Subsidiaries or any portfolio company or investment of any such Fund.

"Fund" means any fund or similar investment vehicle through which commingled capital is managed, including any co-investment vehicle, alternative investment vehicle, side-by-side vehicle or managed accounts incidental thereto; provided, however, that the term "Fund" shall not include any investment of the foregoing or any portfolio company of the foregoing.

"Lazard Competitive Business" means any business of the type or nature engaged in or operated by Lazard Group and the Lazard Group Companies; provided, however, that the term "Lazard Competitive Business" shall not include (a) the North American Merchant Banking Business, (b) the European Merchant Banking Business or (c) the Capital Markets Business; provided, further, however, that the term "Lazard Competitive Business" shall include (i) the North American Merchant Banking Business as of and if the North American Closing shall have occurred; and (ii) the European Merchant Banking Business as of and if the Europe Closing shall have occurred.

"Lazard Group Representative" means Kenneth M. Jacobs and Steven J. Golub; provided, however, that Lazard Group shall have the right to add or remove any Lazard Group Representative by providing LFCM Holdings with at least 5 business days' prior written notice.

"LFCM Representative" means David McMillan and William Rosenberg; provided, however, that LFCM Holdings shall have the right to add or remove any LFCM Representative by providing Lazard Group with at least 5 business days' prior written notice.

"LFCM Retained Interest" means any Net Carry or other economic benefit to which LFCM Holdings shall be entitled to receive as set forth in Schedule 3.7(c)(i).

"License Agreement" means that certain License Agreement, dated as of the date hereof, by and among Lazard Strategic Coordination Company LLC, Lazard Frères & Co. LLC, Lazard Frères S.A.S., Lazard & Co., Holdings Limited and LFCM Holdings.

"Net Carry", with respect to any Fund, means the aggregate carry for such Fund less the share of the carry allocated or reserved for allocation to the managers of such Fund, subject in each case to the "clawback" obligations, if any, to return some or all of the carried interest distributions in accordance with the agreement governing such Fund.

"Non-Compete Term" means the latest to occur of (a) the expiration or termination of the Alliance Term, (b) the expiration of the North American Option, (c) the North American Closing, (d) the expiration of the European Option, (e) the European Closing or (f) the termination or revocation of all of the Lazard Licenses (as defined in the License Agreement).

"North America" means the United States, Canada, Bermuda and the Cayman Islands.

"North American Competitive Business" means the management, sponsorship or formation of alternative investment Funds (including related joint ventures and alliances and including management, general partner and investment activities) whose primary objective is to make privately negotiated investments in companies or other entities primarily doing business in North America or headquartered in North America with substantial business in North America, real estate located in North America or loans relating to real estate located in North America; provided, however, that the term "North American Competitive Business" shall not include any business or activity conducted by Lazard Group or any of its Subsidiaries immediately after the Separation or conducted by Wasserstein & Co., LP or Wasserstein & Co., Inc.

"North American Merchant Banking Business" means the management, sponsorship or formation of alternative investment Funds (including related joint ventures and alliances and including management, general partner and investment activities) whose primary objective is to make privately negotiated investments in companies or other entities primarily doing business in North America or headquartered in North America with substantial business in North America, real estate located in North America or loans relating to real estate located in North America.

"Revenue" means all fees, compensation, commissions and similar payments, including engagement fees, transaction and "success" fees, "break up" fees, referral fees, commitment fees, management fees, underwriting fees, selling concessions and other derivative fees; provided that the amount of any such Revenue shall be reduced by the aggregate amount of out-of-pocket costs and expenses (including reasonable attorneys' fees) reasonably incurred by any LFCM Company or any Lazard Group Company in connection with any Underwriting and Distribution Opportunity (including any Lazard Referred Opportunity) for which any LFCM Company is engaged, including the activities described in Sections 2.2(a) and 2.2(b).

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subsidiary" means, with respect to any person, any corporation, limited liability company, company, partnership, trust, association or other legal entity or organization of which such person (either directly or through one or more Subsidiaries of such person) (a) owns, directly or indirectly, a majority of the capital stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation, limited liability company, company, partnership, trust, association or other legal entity or organization, or (b) is otherwise entitled to exercise (1) a majority of the voting power generally in the election of the board of directors or other governing body of such corporation, limited liability company, company, partnership, trust, association or other legal entity or organization or (2) control of such corporation, limited liability company, company, partnership, trust, association or other legal entity or organization; provided, however, that "Subsidiary" shall not include any Fund or any investment or portfolio company of any Fund.

"Underwriting and Distribution Opportunity" means the underwriting and/or public distribution or private investments in public equities (or PIPEs) or Rule 144A offerings of equity, debt or convertible securities primarily in the United States and/or the United Kingdom.

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

(a) the word "or" is not exclusive;

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

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

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

(e) the word "person" means any individual, corporation, limited liability company, trust, joint venture, association, company, partnership or other legal entity or a government or any department or agency thereof or self-regulatory organization; and

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

ARTICLE II

ALLIANCE

Section 2.1 Alliance Management.

(a) *Alliance Managers.* Each Party shall name one or more representatives to be its Alliance manager for this Agreement (collectively, the "Alliance Managers"). The initial Alliance Managers for each Party are listed in Exhibit A hereto. Either Party may replace any of its Alliance Managers at its sole discretion at any time upon reasonable advance notice to the other.

(b) *Meetings*. Meetings of the Alliance Managers shall be held from time to time as agreed by the Alliance Managers and shall occur at least annually. Such meetings may be conducted either in person, by video conference or by telephone.

(c) *Responsibilities*. The Alliance Managers shall be responsible for engaging the appropriate representatives of their respective companies to facilitate the ability of the Parties to meet their obligations hereunder. The responsibilities of the Alliance Managers shall include:

(i) Overall management of the collaborative Alliance of the Parties as contemplated by this Agreement and the Separation Agreement; and

(ii) Providing a forum for the expeditious resolution of conflicts or disputes between or among the Parties and/or other members of each Group arising out of this Agreement.

Section 2.2 Lazard Group Referral Agreement.

(a) *Lazard Group Referrals*. If Lazard Group or any Lazard Group Company becomes aware of any Underwriting and Distribution Opportunity through its activities in the Lazard Competitive Business, the Lazard Group Representative shall deliver notice (a "Lazard Referral Notice") to the LFCM Representative informing LFCM Holdings of such Underwriting and Distribution Opportunity and offering to refer such Underwriting and Distribution Opportunity to LFCM Holdings, subject in each case to applicable law, the applicable client's consent, any then existing contractual or fiduciary obligations of any Lazard Group Company and the arrangements set forth on Schedule 2.2(a). During the period beginning on the date of receipt by the LFCM Representative of the Lazard Referral Notice and expiring on the date (the "Lazard Referral Expiration Date") that is ten (10) business days thereafter, LFCM Holdings shall have the right to participate with Lazard Group in seeking such Underwriting and Distribution Opportunity with Lazard Group by having the LFCM Representative deliver notice (the "LFCM Acceptance Notice") to the Lazard Group Representative of such decision, subject in each case to applicable law, the applicable client's consent and any then-existing contractual or fiduciary obligations of any Lazard Group Company. Lazard Group shall not, and shall cause the Lazard Group Companies not to, refer any Underwriting and Distribution Opportunity to any person other than an LFCM Company unless (i) otherwise requested by the applicable client or required by any then-existing contractual obligation or fiduciary obligation, (ii) LFCM Holdings shall not accept the offer set forth in the Lazard Referral Notice or (iii) the LFCM Representative shall fail

to deliver an LFCM Acceptance Notice to the Lazard Group Representative on or prior to the Lazard Referral Expiration Date. For purposes of clarity, nothing in this Agreement shall require any LFCM Company to accept, effect or participate in any underwriting or public distribution of equity, debt or convertible securities in respect of any Underwriting and Distribution Opportunity.

(b) *Assistance*. If the applicable client agrees to engage any LFCM Company in any Underwriting and Distribution Opportunity referred to it by Lazard Group pursuant to Section 2.2(a) (each, a "Lazard Referred Opportunity"), upon request of such LFCM Company, Lazard Group shall, or shall cause the appropriate Lazard Group Company, to provide commercially reasonable assistance with respect to due diligence and other customary corporate finance activities, consistent with past practice, to such LFCM Company in connection with such Lazard Referred Opportunity; provided, however, that no Lazard Group Company shall be obligated to provide financing or to lend any funds to any LFCM Company, or guarantee any obligations or otherwise place any of its capital at risk, in connection therewith or take such actions that in its view could reasonably be expected to result in an adverse regulatory or other risk to such Lazard Group Company or violate any applicable law.

(c) *Lazard Referral Fee; Expense Reimbursement*. In consideration of the referrals described in Section 2.2(a) and any assistance described in Section 2.2(b), LFCM Holdings shall (i) pay to Lazard Group a fee (the "Lazard Referral Fee") equal to 50% of the aggregate Revenue paid by the applicable client in respect of any Lazard Referred Opportunity for which any LFCM Company is engaged; and (ii) reimburse Lazard Group for all unreimbursed out-of-pocket costs and expenses (including reasonable attorneys' fees) reasonably incurred by any Lazard Group Company in connection with the activities described in Sections 2.2(a) and 2.2(b) (the "Unreimbursed Lazard Referral Expenses"). As a condition to entering into this Agreement and the License Agreement, LFCM Holdings shall pay to Lazard Group a fee (the "Consideration Fee") equal to 20% of the aggregate Revenue paid by the applicable client in respect of any Underwriting and Distribution Opportunity (other than any Lazard Referred Opportunity) for which any LFCM Company is engaged during the Alliance Term.

(d) *Payment.* LFCM Holdings shall pay to Lazard Group the Lazard Referral Fee, Unreimbursed Lazard Referral Expenses and Consideration Fee by wire transfer of immediately available funds in United States dollars to an account specified by Lazard Group promptly (and in no event later than five (5) business days) after any LFCM Company is paid the Revenue by the applicable client in respect of the applicable Underwriting and Distribution Opportunity.

(e) *Underwriting Committee*. The Parties agree to establish an underwriting committee (the "Underwriting Committee"), which shall be comprised of an even number of members and have at least four (4) members. Half of the members of the Underwriting Committee shall be appointed by LFCM Holdings (the "LFCM-Appointed Members"), and the other half of the members of the Underwriting Committee shall be appointed by Lazard Group (the "Lazard-Appointed Members"). The initial members on the Underwriting Committee are listed in Exhibit B hereto. Each of LFCM Holdings and Lazard Group may at any time and for any reason or no reason replace or remove any member appointed by LFCM Holdings or Lazard Group, respectively. Notwithstanding anything to the contrary set forth in Section 2.2(a), (b), (c) or (d), no LFCM Company shall have the right to undertake or engage or participate in any underwrit-

ing or distribution of equity, debt or convertible securities without the prior approval of the Underwriting Committee. The Underwriting Committee shall act by majority vote of those present at a meeting where there is a quorum. In order for there to be a quorum at a meeting of the Underwriting Committee, there must be present at least three members of the Underwriting Committee, at least one of whom must be an LFCM-Appointed Member and at least one of whom must be a Lazard-Appointed Member. At any meeting of the Underwriting Committee, the number of votes cast by the LFCM-Appointed Members must always equal the number of votes cast by the Lazard-Appointed Members, even if there is an unequal number of LFCM-Appointed Members and Lazard-Appointed Members present at such meeting. The Chairman of the Board of LFCM Holdings shall be entitled to attend any meeting of the Underwriting Committee, but shall not vote and shall not be designated as either an LFCM-Appointed Member or a Lazard-Appointed Member.

(f) *Release*. LFCM Holdings hereby releases, on behalf of itself and each LFCM Company, each Lazard Group Company and each of its Subsidiaries or Affiliates or any of its, its Subsidiary's or its Affiliate's, employees, agents, members, managers, officers and directors (together, the "Lazard Indemnitees") from and against any and all claims, demands, complaints, liabilities, losses, damages, costs and expenses (collectively, "Damages") arising from, relating to or in connection with the provision of any assistance by any Lazard Group Company pursuant to Section 2.2(b), except to the extent that such Damages were caused by acts or omissions of such Lazard Indemnitee, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the gross negligence or willful misconduct of such Lazard Indemnitee, in which case, such Lazard Indemnitee shall not be entitled to the benefits of this Section 2.2(f) to the extent that such Damages were caused by such gross negligence or willful misconduct.

(g) *Indemnity*. LFCM Holdings hereby agrees to indemnify, defend and hold harmless the Lazard Indemnitees from and against any and all Damages arising from, relating to or in connection with any demand, claim, proceeding or complaint by a third party (each, a "Third-Party Claim") in respect of any Underwriting or Distribution Opportunity for which any LFCM Company is engaged (including any Lazard Referred Opportunity), except to the extent that such Damages were caused by acts or omissions of such Lazard Indemnitee, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the gross negligence or willful misconduct of such Lazard Indemnitee, in which case, such Lazard Indemnitee shall not be entitled to the benefits of this Section 2.2(g) to the extent that such Damages were caused by such gross negligence or willful misconduct. Lazard Group hereby agrees to indemnify, defend and hold harmless each LFCM Company and each of its Subsidiary's or its Affiliate's, employees, agents, members, managers, officers and directors (together, the "LFCM Indemnitees") from and against any and all Damages to the extent arising from, relating to or in connection with any Lazard Group Company's gross negligence or willful misconduct in respect of the assistance it provides pursuant to Section 2.2(b), except to the extent that such Damages were caused by acts or omissions of any LFCM Indemnitee, which acts or omissions are finally determined by a court of competent jurisdiction to be the result of the gross negligence or willful misconduct of such Lazard Indemnitee, in which case, such Lazard Indemnitee shall not be entitled to the benefits of this Section 2.2(g) to the extent that such Damages were caused by such gross negligence or willful misconduct.

Section 2.3 LFCM Holdings Referral Agreement.

(a) *LFCM Referrals*. If LFCM Holdings or any LFCM Company becomes aware of any Financial Advisory or Asset Management Opportunity through the North American Merchant Banking Business or the European Merchant Banking Business, the LFCM Representative shall deliver notice (a "LFCM Referral Notice") to the Lazard Group Representative informing Lazard Group of such Financial Advisory or Asset Management Opportunity and offering to refer such Financial Advisory or Asset Management Opportunity to Lazard Group, subject in each case to applicable law, the applicable client's consent and any then-existing contractual or fiduciary obligations of any LFCM Company. During the period beginning on the date of receipt by the Lazard Group Representative of the LFCM Referral Notice and expiring on the date (the "LFCM Referral Expiration Date") that is ten (10) business days thereafter, Lazard Group shall have the right to accept such Financial Advisory or Asset Management Opportunity by having the Lazard Group Representative deliver notice (the "Lazard Acceptance Notice") to the LFCM Representative of such decision, subject in each case to applicable law, the applicable client's consent and any then-existing contractual or fiduciary obligations of any LFCM Company. LFCM Holdings shall not, and shall cause the LFCM Companies not to, refer any Financial Advisory or Asset Management Opportunity to any person other than a Lazard Group Company unless (i) otherwise requested by the applicable client or required by any then-existing contractual obligation or fiduciary obligation, (ii) Lazard Group shall not accept the offer set forth in the LFCM Referral Notice or (iii) the Lazard Group Representative shall fail to deliver a Lazard Acceptance Notice to the LFCM Representative on or prior to the LFCM Referral Expiration Date. For purposes of clarity, nothing in this Agreement shall require any Lazard Group Company to accept, effect or participate in any Financial Advisory or Asset Management Opportunity.

(b) *LFCM Referral Fee*. In consideration of the referrals described in Section 2.3(a), Lazard Group shall pay to LFCM Holdings a customary finders' fee as Lazard Group and LFCM Holdings shall mutually agree for each Financial Advisory or Asset Management Opportunity referred by an LFCM Company for which any Lazard Group Company is engaged.

Section 2.4 Brokerage Accounts and Transactions. As long as Lazard Capital Markets LLC ("LCM") shall be a Controlled Subsidiary of LFCM Holdings, Lazard Group agrees to use its commercially reasonable efforts to cause: (i) Lazard Frères & Co. LLC ("LF&Co") and its Subsidiaries to maintain their proprietary and employee accounts at LCM on the same terms and conditions in effect as of the date hereof with respect to the Capital Markets Business (and LFCM Holdings shall cause LCM to maintain such proprietary and employee accounts at LCM on such terms and conditions); (ii) Lazard Asset Management Securities LLC ("LAM Securities") to enter into and maintain a clearing agreement with LCM, on terms mutually agreeable to the parties thereto, pursuant to which LAM Securities will introduce customer accounts and transactions to LCM; and (iii) Lazard Asset Management LLC ("LAM") to refer customer accounts and transactions to LCM in accordance with applicable law, rules and regulation and customer agreements. LCM shall not be obligated to accept any account or transaction referred by LF&Co, LAM or LAM Securities, and Lazard Group shall not be obligated to comply with this Section 2.4, if prohibited by applicable law, rule or regulation. Upon the request of Lazard Group, LFCM Holdings shall cause LCM to provide all information relating to any proprietary and employee account of LF&Co and its Subsidiaries at LCM described in clause (i) of this Section 2.4 if, in the opinion of Lazard Group, such information is necessary to comply with

applicable law or regulation. The allocation of fees and costs for such services shall be set forth on Schedule 2.4.

Section 2.5 Alliance Term. Unless earlier terminated by either Party as permitted under the provisions of this Agreement, the obligations set forth in this Article II shall commence on the date hereof and shall continue for five (5) years thereafter (the "Alliance Term"); provided, however, that the Alliance Term shall automatically renew for successive one-year terms unless either party elects otherwise by providing the other party with prior written notice delivered no later than 150 days prior to the end of such term and no earlier than 210 days prior to the end of such term.

Section 2.6 Termination of Alliance.

(a) The Alliance Term may be terminated for cause by either Party if the other Party is in breach of any of its material obligations under this Article II and fails to remedy such breach within thirty (30) days of receipt by the other Party of a written notice from the non-breaching Party that specifies the material breach.

(b) In addition, either Party may terminate the Alliance Term, which termination shall occur immediately after written notice of such termination is delivered to the other Party, if:

(i) the non-terminating Party or any significant Subsidiary of such Party shall make an assignment for the benefit of creditors;

(ii) the non-terminating Party or any significant Subsidiary of such Party shall petition or apply to any tribunal for the appointment of a trustee or receiver of it, or of any substantial part of its assets, or commence any proceeding relating to it under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect;

(iii) any bankruptcy, insolvency, receivership or similar petition or application is filed, or any proceedings are commenced against the non-terminating Party or any significant Subsidiary of such Party and the non-terminating Party or any significant Subsidiary of such Party by any act indicates its approval thereof, consent thereto, or acquiescence therein, or any order is entered appointing a trustee or receiver, adjudicating the non-terminating Party bankrupt or insolvent, or approving the petition in any such proceedings and such order remains unstayed or undischarged for more than sixty (60) days; or

(iv) any order is entered in any proceedings against the non-terminating Party or any significant Subsidiary of such Party decreeing the dissolution of the non-terminating Party or such significant Subsidiary and such order remains unstayed or undischarged for more than sixty (60) days.

(c) Either Party may terminate the Alliance Term, upon written notice delivered within 90 days of the occurrence of a Change of Control of either Party. Such written notice shall specify the time and date of such termination (or, if not specified, such termination

shall be effective 10 days after the delivery of such notice). The Party undergoing the Change of Control shall use its reasonable best efforts to notify the other Party of such event at the earliest time that it is legally permitted and practically able to do so.

Section 2.7 Effect of Termination of Alliance Term. Upon any expiration or earlier termination of the Alliance Term and the obligations of the Parties under this Article II, the rights and obligations of the Parties under Article II shall terminate, except for the rights and obligations under Sections 2.2(c), 2.2(d), 2.2(f) and 2.2(g) and any claims or causes of actions of the Parties with respect to material breaches of this Article II prior to the effective time of such termination, which shall survive such termination.

ARTICLE III

OPTIONS TO PURCHASE

Section 3.1 Option to Purchase LAI North America. Lazard Group shall have the right and option, to be exercised at any time on or prior to the ninth anniversary of the date hereof and in Lazard Group's sole and absolute discretion, to purchase and acquire all of the outstanding limited liability company interests in Lazard Alternative Investments LLC, a Delaware limited liability company ("LAI North America"), for an aggregate purchase price of eight million dollars (U.S. $8,000,000) (the "North American Option"). To exercise the North American Option, Lazard Group shall deliver a written notice (the "North American Option Notice") to LFCM Holdings setting forth (a) that Lazard Group is exercising the North American Option and (b) the date, time and location of the purchase and sale of all of the outstanding limited liability company interests of LAI North America pursuant to the exercise of the North American Option; provided, however, that such date shall be at least 45 business days after the North American Option Notice is delivered to LFCM Holdings.

Section 3.2 Closing of the Purchase and Sale of LAI North America.

(a) The closing of the purchase and sale of all of the outstanding limited liability company interests of LAI North America pursuant to the exercise of the North American Option (the "North America Closing") shall be held on the date and at the time and location designated in the North American Option Notice, or as otherwise mutually agreed by Lazard Group and LFCM Holdings; provided, however, that the North America Closing shall not occur until the purchase and sale of all of the outstanding limited liability company interests of LAI North America as contemplated by this Agreement shall not (i) be prohibited by applicable law or (ii) require any material consent that has not been obtained, unless Lazard Group shall waive the receipt of such material consent.

(b) If the North American Option is exercised, each party shall use reasonable best efforts to effectuate the purchase and sale of all of the outstanding limited liability company interests of LAI North America, including (i) promptly making all registrations and filings with, and obtaining all necessary consents from, all governmental authorities and taking all reasonable steps as may be necessary or advisable to obtain an approval or waiver from all applicable governmental authorities, (ii) promptly taking such steps to obtain all required third-party consents for the transaction, and (iii) the duly approved and authorized prompt execution and delivery of

such further instruments of assignment, transfer, conveyance, endorsement, direction or authorization and other documents as may be reasonably requested to effectuate the purchase and sale.

(c) At the North America Closing, LFCM Holdings shall deliver to Lazard Group or its designated Subsidiaries (i) all duly approved and authorized instruments of assignment, transfer, conveyance, endorsement, direction or authorization and other documents as may be reasonably requested by Lazard Group to effectuate the transfer of all of LFCM Holdings' and its Subsidiaries' right, title and interest in, to and under all of the outstanding limited liability company interests in LAI North America, free and clear of all Liens (other than any restrictions on transfer under the Securities Act), (ii) a certificate, dated as of the North America Closing, as to the non-foreign status of LFCM Holdings, in the form of Exhibit A hereto, as well as any applicable state or local withholding certificate reasonably requested by Lazard Group, (iii) an agreement, executed by LFCM Holdings and Lazard Group and in form reasonably acceptable to LFCM Holdings and Lazard Group, whereby (A) LFCM Holdings shall represent and warrant to Lazard Group that (1) it is duly organized, validly existing, has the necessary company power and authority to consummate the subject transactions and requires no consents other than those set forth on a schedule to such agreement, (2) immediately after the North America Closing, Lazard Group or its designated Subsidiary shall own all of the outstanding limited liability company interests in LAI North America, free and clear of all Liens, other than any Liens created by Lazard Group or its Subsidiaries upon acquisition of such interests and other than any restrictions on transfer under the Securities Act, (3) all of the North American Merchant Banking Business of LFCM Holdings and its Subsidiaries shall have been conducted solely within LAI North America and its Subsidiaries and the Funds managed by LAI North America or its Subsidiaries, (4) it has complied with all of its covenants set forth in this Agreement to the extent relating to or affecting the North American Merchant Banking Business, and (5) except as set forth on the balance sheet of LAI North America and its Subsidiaries or set forth on a disclosure schedule to the agreement, neither LAI North America nor any of the Subsidiaries of LAI North America has any material Liabilities; (B) Lazard Group shall agree to assume all of the Liabilities of LFCM Holdings and its Subsidiaries to the extent that such Liabilities relate primarily to the North American Merchant Banking Business and such Liabilities are specifically disclosed on a disclosure schedule, and LFCM Holdings shall agree, and shall cause its Subsidiaries, to transfer and convey all of the assets owned by LFCM Holdings and its Subsidiaries to the extent that such assets relate primarily to the North American Merchant Banking Business (other than the LFCM Retained Interest); (C) Lazard Group shall represent and warrant to LFCM Holdings that it is duly organized, validly existing, has the necessary company power and authority to consummate the subject transactions; (D) LFCM Holdings shall agree to indemnify Lazard Group, its Affiliates, representatives and successors for any Liabilities to the extent resulting from a breach of LFCM Holdings' representations, warranties or covenants set forth in such agreement (including for any liability or obligation of LAI North America or any of its Subsidiaries that is not primarily related to the North American Merchant Banking Business); provided that the maximum amount payable under such indemnification obligation for a breach of representation or warranty (other than a breach of the representation relating to the title of the limited liability company interests in LAI North America or the representation relating to the liabilities of LFCM Holdings or its Subsidiaries, including LAI North America and its Subsidiaries) is U.S. $8,000,000); and (E) Lazard Group shall agree to indemnify LFCM Holdings, its Affiliates, representatives and successors for any Liabilities to the extent resulting from a breach of Lazard Group's representations, warranties or covenants set forth in such agreement.

(d) At the North America Closing, and in consideration of the agreement and deliveries set forth in Section 3.2(c), Lazard Group shall deliver to LFCM Holdings, by wire transfer to an account designated by LFCM Holdings, an amount in immediately available funds equal to eight million dollars (U.S. $8,000,000).

Section 3.3 Option to Purchase LAI Europe. Lazard Group shall have the right and option, to be exercised at any time on or prior to the ninth anniversary of the date hereof and in Lazard Group's sole and absolute discretion, to purchase and acquire all of the issued shares in the share capital of Lazard Alternative Investments (Europe) Limited, a private limited company organized under the laws of England and Wales ("LAI Europe"), for an aggregate purchase price of two million dollars (U.S. $2,000,000) (the "European Option"). To exercise the European Option, Lazard Group shall deliver a written notice (the "European Option Notice") to LFCM Holdings setting forth (a) that Lazard Group is exercising the European Option and (b) the date, time and location of the purchase and sale of all of the issued shares in the share capital of LAI Europe pursuant to the exercise of the European Option; provided, however, that such date shall be at least 45 business days after the European Option Notice is delivered to LFCM Holdings.

Section 3.4 Closing of the Purchase and Sale of LAI Europe .

(a) The closing of the purchase and sale of all of the issued shares in the share capital of LAI Europe pursuant to the exercise of the European Option (the "Europe Closing") shall be held on the date and at the time and location designated in the European Option Notice, or as otherwise mutually agreed by Lazard Group and LFCM Holdings; provided, however, that the Europe Closing shall not occur until the purchase and sale of all of the issued shares in the share capital of LAI Europe as contemplated by this Agreement shall not (i) be prohibited by applicable law or (ii) require any material consent that has not been obtained, unless Lazard Group shall waive the receipt of such material consent.

(b) If the European Option is exercised, each party shall use reasonable best efforts to effectuate the purchase and sale of all of the issued shares in the share capital of LAI Europe, including (i) promptly making all registrations and filings with, and obtaining all necessary consents from, all governmental authorities and taking all reasonable steps as may be necessary or advisable to obtain an approval or waiver from all applicable governmental authorities, (ii) promptly taking such steps to obtain all required third-party consents for the transaction and (iii) the duly approved and authorized prompt execution and delivery of such further instruments of assignment, transfer, conveyance, endorsement, direction or authorization and other documents as may be reasonably requested to effectuate the purchase and sale.

(c) At the Europe Closing, LFCM Holdings shall deliver to Lazard Group or its designated Subsidiaries (i) all duly approved and authorized instruments of assignment, transfer, conveyance, endorsement, direction or authorization and other documents as may be reasonably requested by Lazard Group to effectuate the transfer of all of LFCM Holdings' and its Subsidiaries' right, title and interest in, to and under all of the issued shares in the share capital of LAI Europe, free and clear of all Liens (other than any restrictions on transfer under the Securities Act), (ii) a certificate, dated as of the Europe Closing, as to the non-foreign status of LFCM Holdings, in the form of Exhibit A hereto, as well as any applicable state or local withholding certificate reasonably requested by Lazard Group, (iii) an agreement, executed by LFCM Hold-

ings and Lazard Group and in form reasonably acceptable to LFCM Holdings and Lazard Group, pursuant to which (A) LFCM Holdings shall represent and warrant to Lazard Group that (1) it is duly organized, validly existing, has the necessary company power and authority to consummate the subject transactions and requires no consents other than those set forth on a schedule to the agreement, (2) immediately after the Europe Closing, Lazard Group or its designated Subsidiary shall own all right, title and interest in, to and under all of the issued shares in the share capital of LAI Europe, free and clear of all Liens, other than any Liens created by Lazard Group or its Subsidiaries upon acquisition of such shares and other than any restrictions on transfer under the Securities Act, (3) all of the European Merchant Banking Business of LFCM Holdings and its Subsidiaries shall have been conducted solely within LAI Europe and its Subsidiaries and the Funds managed by LAI Europe or its Subsidiaries, (4) it has complied with all of its covenants set forth in this Agreement to the extent relating to or affecting the European Merchant Banking Business, and (5) except as set forth on the balance sheet of LAI Europe and its Subsidiaries or set forth on a disclosure schedule to the agreement, neither LAI Europe nor any of the Subsidiaries of LAI Europe has any material Liabilities; (B) Lazard Group shall agree to assume all of the Liabilities of LFCM Holdings and its Subsidiaries to the extent that such Liabilities relate primarily to the European Merchant Banking Business and such Liabilities are specifically disclosed on a disclosure schedule, and LFCM Holdings shall agree, and shall cause its Subsidiaries, to transfer and convey all of the assets owned by LFCM Holdings and its Subsidiaries to the extent that such assets relate primarily to the European Merchant Banking Business (other than the LFCM Retained Interest); (C) Lazard Group shall represent and warrant to LFCM Holdings that it is duly organized, validly existing, has the necessary company power and authority to consummate the subject transactions; (D) LFCM Holdings shall agree to indemnify Lazard Group, its Affiliates, representatives and successors for any Liabilities to the extent resulting from a breach of LFCM Holdings' representations, warranties or covenants set forth in such agreement (including for any liability or obligation of LAI Europe or any of its Subsidiaries that is not primarily related to the European Merchant Banking Business); provided that the maximum amount payable under such indemnification obligation for a breach of representation or warranty (other than a breach of the representation relating to the title of the limited liability company interests in LAI Europe or the representation relating to the liabilities of LFCM Holdings or its Subsidiaries, including LAI Europe and its Subsidiaries) is U.S. $2,000,000; and (E) Lazard Group shall agree to indemnify LFCM Holdings, its Affiliates, representatives and successors for any Liabilities to the extent resulting from a breach of Lazard Group's representations, warranties or covenants set forth in such agreement.

(d) At the Europe Closing, and in consideration of the agreement and deliveries set forth in Section 3.4(c), Lazard Group shall deliver to LFCM Holdings, by wire transfer to an account designated by LFCM Holdings, an amount in immediately available funds equal to two million dollars (U.S. $2,000,000).

Section 3.5 Further Assurances. Each party agrees that, if Lazard Group exercises the North American Option or the European Option, each party shall execute, acknowledge, deliver, file, record and publish such further certificates, amendments to certificates, instruments and documents, and do all such other acts and things as may be required by law, or as may be required to carry out the intent and purposes of this Agreement with respect to the North American Option or the European Option, as applicable.

Section 3.6 Costs and Expenses. Each party shall pay its own costs and expenses in connection with the exercise of the North American Option and European Option and the purchase and sale of all of the outstanding limited liability company interests of LAI North America and issued shares in the share capital of LAI Europe, respectively, pursuant thereto.

Section 3.7 Covenants Regarding the Merchant Banking Business.

(a) *Covenants Relating to the North American Merchant Banking Business.* LFCM Holdings hereby agrees that, on the date hereof and until the earlier of (1) the expiration of the North American Option or (2) the North America Closing, except with the prior written consent of Lazard Group, LFCM Holdings shall, and shall cause its Subsidiaries to:

(i) except as set forth in Schedule 3.7(a)(i), conduct all of the North American Merchant Banking Business of LFCM Holdings and its Subsidiaries, and hold all of the assets, rights, property and interests relating to the North American Merchant Banking Business, in each case solely in and through LAI North America, its wholly owned Subsidiaries, its Controlled Subsidiaries that are general partners, managers or persons acting in a comparable capacity of a Fund and the Funds managed by LAI North America or its Controlled Subsidiaries;

(ii) (A) not conduct any business or activity other than the North American Merchant Banking Business in or through LAI North America or its Subsidiaries and the Funds managed by LAI North America or its Subsidiaries, and (B) cause LAI North America and its Subsidiaries not to assume any liabilities or obligations other than those primarily related to the North American Merchant Banking Business;

(iii) use reasonable efforts to cause the North American Merchant Banking Business of LFCM Holdings and its Subsidiaries to be conducted in the ordinary course in all material respects consistent with past practice;

(iv) (A) except for (1) distributions to the equityholders of any non-wholly owned Subsidiary of LAI North America, (2) distributions or dividends (in each case consisting of either cash or securities received as an in-kind distribution from a Fund) from any Subsidiary of LAI North America to LAI North America, (3) distribution or dividends (in each case consisting of either cash or securities received as an in-kind distribution from a Fund) representing realized profits, realized income or realized gain from LAI North America to LAI Holdings, from LAI Holdings to LFCM Holdings, or from LFCM Holdings to its members or (4) redemptions or repurchases of equity interests or shares of capital stock in LAI North America or any of its Subsidiaries that are held by investment professionals or officers whose employment with LAI North America or any of its Subsidiaries has terminated, not make any distributions or declare, pay or set aside any dividends with respect to, or split, combine, redeem, reclassify, purchase or otherwise acquire, directly or indirectly, any equity interests or shares of capital stock of, or other equity or voting interest in, LAI North America or any of its Subsidiaries, or (B) except for issuances of non-voting equity securities to investment professionals and officers of the general partner, manager or persons acting in a comparable capacity of a Fund managed by LAI North America or its Subsidiaries in return for capital contributed

or services provided by such investment professionals and officers, not make any other changes in the capital structure of LAI North America or any of its Subsidiaries;

(v) except for issuances of non-voting equity securities to investment professionals and officers of the general partner, manager or persons acting in a comparable capacity of a Fund managed by LAI North America or its Subsidiaries in return for capital support contributed or services provided by such investment professionals and officers, not authorize for issuance, issue, sell, deliver or agree or commit to issue, sell or deliver (A) any equity interests or capital stock of or other equity or voting interest in, LAI North America or any of its Subsidiaries or (B) any Equity Rights in respect of any security convertible into, exchangeable for or evidencing the right to subscribe for or acquire either (1) any equity interests or shares of capital stock of, or other equity or voting interest in, LAI North America or any of its Subsidiaries or (2) any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire, any shares of the capital stock of, or other equity or voting interest in, LAI North America or any of its Subsidiaries;

(vi) not sell, transfer, assign, convey, lease, license, mortgage, pledge or otherwise subject to any Lien any of the material properties or assets, tangible or intangible, relating to the North American Merchant Banking Business (other than any Fund or portfolio company or investment of any Fund) or LAI North America or any of its Subsidiaries, except in the ordinary course of business consistent with past practice;

(vii) cause LAI North America and its Subsidiaries not to incur, assume or guarantee (including by way of any agreement to "keep well" or of any similar arrangement) or cancel or waive any claims under any indebtedness or other claims or rights of substantial value or amend or modify the terms relating to any such indebtedness, claims or rights, except in the ordinary course of business consistent in nature with past practice (which exceptions include, for the avoidance of doubt, ordinary course guarantees of "clawback" obligations to return some or all of any carried interest distributions);

(viii) except for investments made that are to be warehoused and subsequently sold to a Fund whose formation has been approved by the Lazard LAI Directors, cause LAI North America and its Subsidiaries not to acquire any business or person, by merger or consolidation, purchase of substantial assets or equity interests, or by any other manner, in a single transaction or a series of related transactions, or enter into any contract, letter of intent or similar arrangement (whether or not enforceable) with respect to the foregoing;

(ix) other than any agreement, contract or transaction to invest in any Fund for which LAI North America or its Subsidiaries is the general partner, manager or persons acting in a comparable capacity and other than transactions in the ordinary course of business with the Capital Markets Business that are on an arm's length basis, cause LAI North America and its Subsidiaries not to enter into any agreement, contract or transaction between itself, on the one hand, and any Affiliate of LFCM Holdings and its Subsidiaries (other than LAI North America and its Subsidiaries), on the other hand;

(x) not enter into any agreement for any transaction or series of related transactions, or engage in any transaction or series of related transactions that, upon the consummation of such transaction or series of related transactions, would result in any Change of Control of LAI Holdings, LAI North America or any Subsidiary of LAI North America;

(xi) cause LAI Holdings to have a board of directors comprised of five members, at least two of whom shall be designated by Lazard Group (the "Lazard LAI Directors"), which two Lazard LAI Directors shall not be removed without the prior written consent of Lazard Group;

(xii) include a provision in the operating agreement of LAI Holdings that would require approval of both Lazard LAI Directors for any changes to the capital structure of LAI Holdings or its Subsidiaries (other than any general partner, manager or entity acting in a comparable capacity of a Non-Sponsored Fund);

(xiii) include a provision in the operating agreement of LAI Holdings and its Subsidiaries, as applicable, that would require prior approval of both Lazard LAI Directors to adopt, amend or modify any governance or economic arrangements (including governance and economic arrangements between LFCM Holdings and its Subsidiaries, on the one hand, and Lazard Group and its Subsidiaries, on the other hand, and including the allocation of carried interest and management fees) for each Fund existing as of the date hereof managed by LFCM Holdings or any of its Subsidiaries, subject to agreements existing as of the date hereof, including the appointment of investment committees, Bruce Wasserstein's veto rights as Head of Lazard and contractual arrangements with Fund managers;

(xiv) from the date hereof until the earliest of (A) the fifth anniversary of the date hereof, (B) the expiration of the North American Option and (C) the North America Closing, support, financially or otherwise, the development of the North American Merchant Banking Business in accordance with current business plans and methods of operations, including contemplated staffing plans, and provide LAI Holdings and its Subsidiaries with adequate financial support toward this end, including adequate funding to pay for any losses of the general partner or manager (or comparable person) of such Funds; provided that the funding obligation shall not exceed the aggregate amounts set forth in Schedule 3.7(a)(xiv);

(xv) subject to Section 3.7(a)(xiv), pay all of the financial obligations of LAI Holdings or any of its Subsidiaries to the extent not paid and perform all of the covenants and obligations of LAI Holdings or any of its Subsidiaries to the extent not performed, including any and all obligations of LAI Holdings and its Subsidiaries to any third party;

(xvi) require the approval of the board of directors of LFCM Holdings (in addition to the board of directors of LAI Holdings) to approve any budget of LAI Holdings or any of its Subsidiaries and any material deviations from such budget;

(xvii) use the amounts provided by Lazard Group to LFCM Holdings set forth on Schedule 3.7(a)(xvii) for the purposes set forth on such Schedule; and

(xviii) not enter into any agreement with any investor or group of investors in any Fund for which LAI North America or its Subsidiaries is the general partner, manager or persons acting in a comparable capacity that would require approval or consent of such investor or a group of investors in order for Lazard Group to acquire all of the outstanding limited liability company interests in LAI North America pursuant to the North American Option.

(b) *Covenants Relating to the European Merchant Banking Business.* LFCM Holdings hereby agrees that, on the date hereof and until the earlier of (1) the expiration of the European Option or (2) the Europe Closing, except with the prior written consent of Lazard Group, LFCM Holdings shall, and shall cause its Subsidiaries to:

(i) except as set forth on Schedule 3.7(b)(i), conduct all of the European Merchant Banking Business of LFCM Holdings and its Subsidiaries, and hold all of the assets, rights, property and interests relating to the European Merchant Banking Business, in each case solely in and through LAI Europe, its wholly owned Subsidiaries, its Controlled Subsidiaries that are general partners, managers or persons acting in a comparable capacity of a Fund and the Funds managed by LAI Europe or its Controlled Subsidiaries;

(ii) (A) not conduct any business or activity other than the European Merchant Banking Business in or through LAI Europe or its Subsidiaries and the Funds managed by LAI Europe or its Subsidiaries, and (B) cause LAI Europe and its Subsidiaries not to assume any liabilities or obligations other than those primarily related to the European Merchant Banking Business;

(iii) use reasonable efforts to cause the European Merchant Banking Business of LFCM Holdings and its Subsidiaries to be conducted in the ordinary course in all material respects;

(iv) (A) except for (1) distributions to the equityholders of any non-wholly owned Subsidiary of LAI Europe and payments of profit shares to investment professionals or officers, (2) distributions or dividends (in each case consisting of either cash or securities received as an in-kind distribution from a Fund) from any Subsidiary of LAI Europe to LAI Europe, (3) distributions or dividends (in each case consisting of either cash or securities received as an in-kind distribution from a Fund) representing realized profits, realized income or realized gain from LAI Europe to LAI Holdings, from LAI Holdings to LFCM Holdings, or from LFCM Holdings to its members or (4) redemptions or repurchases of equity interests or shares of capital stock in LAI Europe or any of its Subsidiaries that are held by investment professionals or officers whose employment with LAI Europe or any of its Subsidiaries has terminated, not make any distributions or declare, pay or set aside any dividends with respect to, or split, combine, redeem, reclassify, purchase or otherwise acquire, directly or indirectly, any equity interests or shares of capital stock of, or other equity or voting interest in, LAI Europe or

any of its Subsidiaries, or (B) except for issuances of non-voting equity securities to investment professionals and officers of the general partner, manager or persons acting in a comparable capacity of a Fund managed by LAI Europe or its Subsidiaries in return for capital contributed or services provided by such investment professionals and officers, not make any other changes in the capital structure of LAI Europe or any of its Subsidiaries;

(v) except for issuances of non-voting equity securities to investment professionals and officers of the general partner, manager or persons acting in a comparable capacity of a Fund managed by LAI Europe or its Subsidiaries in return for capital contributed or services provided by such investment professionals and officers, not authorize for issuance, issue, sell, deliver or agree or commit to issue, sell or deliver (A) any equity interests or capital stock of or other equity or voting interest in, LAI Europe or any of its Subsidiaries or (B) any Equity Rights in respect of any security convertible into, exchangeable for or evidencing the right to subscribe for or acquire either (1) any equity interests or shares of capital stock of, or other equity or voting interest in, LAI Europe or any of its Subsidiaries or (2) any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire, any shares of the capital stock of, or other equity or voting interest in, LAI Europe or any of its Subsidiaries;

(vi) not sell, transfer, assign, convey, lease, license, mortgage, pledge or otherwise subject to any Lien any of the material properties or assets, tangible or intangible, relating to the European Merchant Banking Business (other than any Fund or portfolio company or investment of any Fund) or LAI Europe or any of its Subsidiaries, except in the ordinary course of business;

(vii) cause LAI Europe and its Subsidiaries not to incur, assume or guarantee (including by way of any agreement to “keep well” or of any similar arrangement) or cancel or waive any claims under any indebtedness or other claims or rights of substantial value or amend or modify the terms relating to any such indebtedness, claims or rights, except in the ordinary course of business consistent with past practice (which exceptions include, for the avoidance of doubt, ordinary course guarantees of “clawback” obligations to return some or all of any carried interest distributions);

(viii) except for investments made that are to be warehoused and subsequently sold to a Fund whose formation has been approved by the Lazard LAI Directors, cause LAI Europe and its Subsidiaries not to acquire any business or person, by merger or consolidation, purchase of substantial assets or equity interests, or by any other manner, in a single transaction or a series of related transactions, or enter into any contract, letter of intent or similar arrangement (whether or not enforceable) with respect to the foregoing;

(ix) other than any agreement, contract or transaction to invest in any Fund for which LAI Europe or its Subsidiaries is the general partner, manager or persons acting in a comparable capacity and other than transactions in the ordinary course of business with the Capital Markets Business that are on an arm’s length basis, cause LAI Europe and its Subsidiaries not to enter into any agreement, contract or transaction be-

tween itself, on the one hand, and any Affiliate of LFCM Holdings and its Subsidiaries (other than LAI Europe and its Subsidiaries), on the other hand;

(x) not enter into any agreement for any transaction or series of related transactions, or engage in any transaction or series of related transactions that, upon the consummation of such transaction or series of related transactions, would result in any Change of Control of LAI Holdings, LAI Europe or any Subsidiary of LAI Europe;

(xi) cause LAI Holdings to have a board of directors comprised of at five members, at least two of which shall be Lazard LAI Directors, which two Lazard LAI Directors shall not be removed without the prior written consent of Lazard Group;

(xii) include a provision in the operating agreement of LAI Holdings that would require approval of both Lazard LAI Directors for any changes to the capital structure of LAI Holdings or its Subsidiaries (other than any general partner, manager or entity acting in a comparable capacity of a Non-Sponsored Fund);

(xiii) include a provision in the operating agreement of LAI Holdings and its Subsidiaries, as applicable, that would require prior approval of both Lazard LAI Directors to adopt, amend or modify any governance or economic arrangements (including governance and economic arrangements between LFCM Holdings and its Subsidiaries, on the one hand, and Lazard Group and its Subsidiaries, on the other hand, and including allocation of carried interest and management fees) for each Fund existing as of the date hereof managed by LFCM Holdings or any of its Subsidiaries, subject to agreements existing as of the date hereof, including the appointment of investment committees, Bruce Wasserstein's veto rights as Head of Lazard and contractual arrangements with Fund managers;

(xiv) from the date hereof, support, financially or otherwise, the development of the European Merchant Banking Business in accordance with current business plans and methods of operations, including contemplated staffing plans, and provide LAI Holdings and its Subsidiaries with adequate financial support toward this end, including adequate funding to pay for any losses of the general partner or manager (or comparable person) of such Funds; provided that the funding obligation shall not exceed the aggregate amounts contemplated in Schedule 3.7(b)(xiv);

(xv) subject to Section 3.7(b)(xiv), pay all of the financial obligations of LAI Holdings or any of its Subsidiaries to the extent not paid and perform all of the covenants and obligations of LAI Holdings or any of its Subsidiaries to the extent not performed, including any and all obligations of LAI Holdings and its Subsidiaries to any third party;

(xvi) require the approval of the board of directors of LFCM Holdings (in addition to the board of directors of LAI Holdings) to approve any budget of LAI Holdings or any of its Subsidiaries and any material deviations from such budget;

(xvii) use the amounts provided by Lazard Group to LFCM Holdings set forth on Schedule 3.7(b)(xvii) for the purposes set forth on such Schedule; and

(xviii) not enter into any agreement with any investor or group of investors in any Fund for which LAI Europe or its Subsidiaries is the general partner, manager or person acting in a comparable capacity that would require approval or consent of such investor or a group of investors in order for Lazard Group to acquire all of the issued shares in the share capital of LAI Europe pursuant to the European Option.

(c) *Formation of Funds*

(i) None of LAI Holdings nor any of its Subsidiaries shall, and LFCM Holdings shall cause LAI Holdings and its Subsidiaries not to, form, sponsor or manage any Fund after the date hereof (other than any Fund that LAI Holdings or any of its Subsidiaries sponsors or manages as of the date hereof) unless the conditions set forth on Schedule 3.7(c)(i) have been met.

(ii) For purposes of Section 3.7(a) and (b), the phrase "general partner, manager or person acting in a comparable capacity of a Fund" shall, with respect to Corporate Partners II Limited, include Corporate Partners II Holdings LLC.

Section 3.8 Lazard Group Non-Compete.

(a) Subject to Section 3.8(c), Lazard Group agrees that, during the period commencing on the date hereof and until the earlier of (1) the expiration of the North American Option or (2) the North America Closing, Lazard Group shall not, and shall cause its Controlled Affiliates not to, directly or indirectly, conduct, own, manage, have control of, by itself or in combination with other persons (whether as employer, proprietor, owner, shareholder, partner, member, trustee or otherwise), any business that engages in or competes with any North American Competitive Business.

(b) Subject to Section 3.8(c), Lazard Group agrees that, during the period commencing on the date hereof and until the earlier of (1) the expiration of the European Option or (2) the Europe Closing, Lazard Group shall not, and shall cause its Controlled Affiliates not to, directly or indirectly, conduct, own, manage, have control of, by itself or in combination with other persons (whether as employer, proprietor, owner, shareholder, partner, member, trustee or otherwise), any business that engages in or competes with any European Competitive Business.

(c) Notwithstanding the foregoing, but except as set forth in Section 3.9, nothing in this Agreement shall:

(i) prohibit Lazard Group or any of its Affiliates from acquiring or holding, as a passive investment, securities of any person listed on a stock exchange or automated quotation system to the extent that such investment does not directly or indirectly confer upon Lazard Group or any of its Affiliates more than 5% of the voting power with respect to, or interests in the profits of, such person;

(ii) prohibit Lazard Group or any of its Affiliates from acquiring or holding securities of any person whose principal business is not the European Competitive Business or the North American Competitive Business; provided, however, that if Lazard Group or any of its Controlled Affiliates shall acquire any person and, but for the

exception provided in this Section 3.8(c)(ii), such acquisition would be in violation of Section 3.8(a) or 3.8(b), then Lazard Group shall not form any successor Fund that engages in or competes with any North American Competitive Business or European Competitive Business, as applicable;

(iii) limit or otherwise restrict the ability of Lazard Group, any Lazard Group Company or any Controlled Affiliate of Lazard Group to conduct any financial advisory or asset management services (including with respect to the placement of securities by, or advisory of, any merchant banking or private investment funds or management companies but excluding the management, sponsorship or formation of alternative investment Funds whose primary objective is to make privately negotiated investments in companies or other entities primarily doing business in North America or Europe or headquartered in North America with substantial business in North America or in Europe with substantial business in Europe, real estate located in North America or in Europe or loans relating to real estate located in North America or Europe), including the activities and services incidental thereto; or

(iv) limit or otherwise restrict the ability of Lazard Group, any Lazard Group Company or any Controlled Affiliate of Lazard Group to invest in or through, or hold investments in or through, any company (other than any Fund) or to invest, as a passive investment, in or through, or hold investments in or through, any Fund.

(d) Lazard Group acknowledges and agrees that the restrictive covenants and other agreements contained in this Section 3.8 are an essential part of this Agreement, the Separation Agreement and the transactions contemplated thereby, and constitute a material inducement to LFCM Holdings' entering into and performing its obligations under this Agreement and the Separation Agreement. It is the intention of the parties hereto that if any of the restrictions or covenants contained herein is held to cover a geographic area or to be for a length of time that is not permitted by applicable law, or is in any way construed to be too broad or to any extent invalid, such provision shall not be construed to be null, void and of no effect, but to the extent such provision would then be valid or enforceable under applicable law, such provision shall be construed and interpreted or reformed to provide for a restriction or covenant having the maximum enforceable geographic area, time period and other provisions as shall be valid and enforceable under applicable law. Lazard Group acknowledges, stipulates and agrees that a breach or non-compliance of any of its obligations under this Section 3.8 will result in irreparable harm and continuing damage to the LFCM Companies for which there will be no adequate remedy at law, and therefore agree that the LFCM Companies shall be entitled to specific enforcement of the terms hereof and any other equitable remedy to which the LFCM Companies may be entitled, including injunctive relief. In the event of a breach or threatened breach of this Section 3.8, each LFCM Company and its successors or assigns may, in addition to other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions of this Section 3.8 without posting a bond or other security.

Section 3.9 Acknowledgement of Existing Obligations.

(a) Lazard Group hereby acknowledges that it will, and will cause its applicable Subsidiaries to, comply with its obligations with respect to the Funds managed by LAI Holdings or its Subsidiaries existing as of the date hereof, which obligations are set forth on Schedule 3.9(a).

(b) Notwithstanding Section 3.8, Lazard Group hereby agrees that it will, and will cause its applicable Subsidiaries, to comply with the covenants under the agreements for the Funds managed by LAI Holdings or its Subsidiaries, which covenants and agreements and applicable Subsidiaries are set forth on Schedule 3.9(b) and relate to (i) allocation of certain investment opportunities and restrictions on forming funds with the same investment parameters and (ii) with respect to certain funds targeted to make investments in a specific sector or industry, restrictions on accepting certain assignments relating to the purchase or sale of assets, properties or companies in such sector or industry. To the extent that any covenant set forth on Schedule 3.9(b) would require an employee or managing director of Lazard Group or any of its Subsidiaries to comply with such covenant, and LAI Holdings or its Subsidiaries shall have informed Lazard Group of such covenant, Lazard Group shall use commercially reasonable efforts to cause such employees or managing director to comply with such covenants, including by notifying such employee or managing director of such covenant.

Section 3.10 No Obligation to Provide Capital or Funding. Except as set forth on Schedule 3.10, the Parties agree that, after the Separation, Lazard Group shall have no obligation to provide capital or other funding or services with respect to any Fund managed by LAI Holdings or any of its Subsidiaries that is formed after the date hereof, unless otherwise agreed in writing by Lazard Group after the date hereof.

ARTICLE IV

LFCM NON-COMPETE

Section 4.1 LFCM Non-Compete.

(a) Subject to Section 4.1(b), LFCM Holdings agrees that, during the Non-Compete Term, LFCM Holdings shall not, and shall cause its Controlled Affiliates (it being understood that any Fund or investment or portfolio company of a Fund shall not be deemed to be a Controlled Affiliate of LFCM Holdings) not to, directly or indirectly, conduct, own, manage, have control of, by itself or in combination with other persons (whether as employer, proprietor, owner, shareholder, partner, member, trustee or otherwise), any business that engages in or competes with any Lazard Competitive Business; provided that upon the latest to occur of (i) expiration of the Alliance Term, (ii) termination of the Alliance Term (other than a termination of the Alliance Term because of a breach by LFCM Holdings of this Agreement), and (iii) the expiration or earlier termination of the Capital Markets License (as defined in the License Agreement) (provided, further, that, so long as the LFCM License (as defined in the License Agreement) is in effect, the foregoing proviso shall be applicable only so long as the LFCM Holdings shall not be using any of the Licensed Marks (as defined in the License Agreement) under the LFCM License), this non-compete obligation shall not apply to LCM.

(b) Notwithstanding the foregoing, nothing in this Agreement shall:

(i) prohibit LFCM Holdings or any of its Affiliates from acquiring or holding, as a passive investment, securities of any person listed on a stock exchange or automated quotation system to the extent that such investment does not directly or indirectly confer upon LFCM Holdings or any of its Affiliates more than 5% of the voting power with respect to, or interests in the profits of, such person;

(ii) prohibit the formation, sponsorship, investment or management activities of, or investments in, any Fund formed, sponsored or managed by LFCM Holdings or any of its Subsidiaries (or for which LFCM Holdings or any of its Subsidiaries acts in a similar capacity);

(iii) prohibit LFCM Holdings or any of its Affiliates from conducting, owning, managing, having control of, by itself or in combination with other persons (whether as employer, proprietor, owner, shareholder, partner, member, trustee or otherwise), any business that engages in or competes with any Lazard Competitive Business if: (A) such business was not a Lazard Competitive Business as of the date hereof and (B) LFCM Holdings or its Affiliates shall have conducted, owned, managed, had control of, as applicable, such business prior to the time at which such business engaged in or competed with any Lazard Competitive Business.

(iv) prohibit LCM from forming, sponsoring or managing one hedge Fund on the terms and conditions set forth on Schedule 4.1(b)(iv).

(c) LFCM Holdings acknowledges and agrees that the restrictive covenants and other agreements contained in this Section 4.1 are an essential part of this Agreement, the Separation Agreement, the License Agreement and the transactions contemplated thereby, and constitute a material inducement to Lazard Group's entering into and performing its obligations under this Agreement and the Separation Agreement. It is the intention of the parties hereto that if any of the restrictions or covenants contained herein is held to cover a geographic area or to be for a length of time that is not permitted by applicable law, or is in any way construed to be too broad or to any extent invalid, such provision shall not be construed to be null, void and of no effect, but to the extent such provision would then be valid or enforceable under applicable law, such provision shall be construed and interpreted or reformed to provide for a restriction or covenant having the maximum enforceable geographic area, time period and other provisions as shall be valid and enforceable under applicable law. LFCM Holdings acknowledges, stipulates and agrees that a breach or non-compliance of any of its obligations under this Section 4.1 will result in irreparable harm and continuing damage to the Lazard Group Companies for which there will be no adequate remedy at law, and therefore agree that the Lazard Group Companies shall be entitled to specific enforcement of the terms hereof and any other equitable remedy to which the Lazard Group Companies may be entitled, including injunctive relief. In the event of a breach or threatened breach of this Section 4.1, each Lazard Group Company and its successors or assigns may, in addition to other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions of this Section 4.1 without posting a bond or other security.

ARTICLE V

GENERAL TERMS AND CONDITIONS

Section 5.1 Complete Agreement. (a) This Agreement and the Exhibits hereto, the Separation Agreement and the Annexes, Exhibits and Schedules thereto shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

(b) Each Party represents to the other Party hereto as follows:

(i) such Party has the requisite company power and authority and has taken all company action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by such Party and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof (assuming the due execution and delivery hereof by the other Party hereto).

Section 5.2 Expenses. Except as expressly set forth in this Agreement, all third party fees, costs and expenses paid or incurred in connection with the transactions contemplated by this Agreement shall be paid by the Party incurring such fees, costs or expenses.

Section 5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than the laws regarding choice of laws and conflicts of laws that would apply the substantive laws of any other jurisdiction) as to all matters, including matters of validity, construction, effect, performance and remedies.

Section 5.4 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a Party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number or person as a Party may designate by notice to the other Party):

If to Lazard Group:

Lazard Group LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: General Counsel
Fax: (212) 332-5972

If to LFCM Holdings:

LFCM Holdings LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Chief Executive Officer
Fax: (212) 332-1789.

Section 5.5 Amendment, Modification or Waiver. This Agreement may be amended, modified, waived or supplemented, in whole or in part, only by a written agreement signed by all of the Parties. The waiver by such Parties of any breach of this Agreement shall not be construed as a waiver of any subsequent breach.

Section 5.6 Successors and Assigns; No Third-Party Beneficiaries. (a) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns, but neither this Agreement nor any of the rights, interests and obligations hereunder shall be assigned or otherwise transferred, in whole or in part, by any Party without the prior written consent of each of the Parties.

(b) This Agreement is solely for the benefit of the Parties and is not intended to confer upon any other persons any rights or remedies hereunder.

Section 5.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 5.8 Delaware Court. Each of the Parties agrees that all actions or proceedings arising out of or in connection with this Agreement, or for recognition and enforcement of any judgment arising out of or in connection with this Agreement, shall be tried and determined exclusively in the state or federal courts in the State of Delaware, and each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the Parties hereby expressly waives any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such action or proceeding: (a) any claim that it is not subject to personal jurisdiction in the aforesaid courts for any reason; (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; and (c) that (i) any of the aforesaid courts is an inconvenient or inappropriate forum for such action or proceeding, (ii) venue is not proper in any of the aforesaid courts and (iii) this Agreement, or the subject matter hereof, may not be enforced in or by any of the aforesaid courts.

Section 5.9 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement.

Section 5.10 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and ef-

fect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

Section 5.11 No Joint Venture. Notwithstanding any provision hereof, this Agreement does not create, and is not intended to create, a joint venture, partnership or agency relationship between the Parties. For all purposes of this Agreement, each Party shall be and act as an independent contractor and not as partner, joint venturer or agent of the other and shall not bind nor attempt to bind the other to any contract. Each Party shall be free to manage and control its business as it sees fit, without the management, control or assistance of the other Party, except as otherwise prescribed herein.

Section 5.12 No Individual Authority. Neither Party shall, without the express, prior written consent of the other Party, take any action for or on behalf of or in the name of the other Party, or assume, undertake or enter into any commitment, debt, duty or obligation binding upon any other Party, except for actions expressly provided for in this Agreement.

Section 5.13 Non-Exclusivity. Unless otherwise expressly set forth herein or in any other agreement between the Parties or other members of their respective Groups, the undertakings referenced herein and the relationship between the Parties, and all aspects thereof are and shall be non-exclusive. Provided that such activities do not otherwise constitute a breach of this Agreement or the Separation Agreement, each Party may develop itself, or purchase or otherwise acquire from third parties, any products or services, and each Party may engage in any business, even if such business is competitive with the business of the other Party.

Section 5.14 Regulatory Obligations. Nothing in this Agreement shall require either Party or any of its Subsidiaries to violate or breach any applicable law, including any regulatory obligations binding on such person.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its duly authorized representative.

LAZARD GROUP LLC

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Chief Financial Officer

LFCM HOLDINGS LLC

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Authorized Signatory

EXHIBIT 10.23

AGREEMENT RELATING TO RETENTION AND
NONCOMPETITION AND OTHER COVENANTS

AGREEMENT by and among Lazard Ltd, a company incorporated under the laws of Bermuda (the "Company"), Lazard Group LLC, a Delaware limited liability company ("Lazard Group"), and Bruce Wasserstein (the "Executive"), dated as of the 4th day of May, 2005.

The Company has determined that it is in the best interests of the Company and its shareholders to assure that the Company and Lazard Group will have the continued dedication of the Executive following the sale of its shares in an initial public offering (the "IPO"). Therefore, in order to accomplish these objectives, the Board of Directors of each of the Company and Lazard Group has respectively caused the Company and Lazard Group to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Effective Time. The "Effective Time" shall mean the effective time of consummation of the mandatory sale of all "Interests" (as defined in the Third Amended and Restated Operating Agreement of Lazard LLC, dated as of January 1, 2002, as amended (as it may be amended from time to time, the "LLC Agreement") pursuant to Section 6.02(b) of the LLC Agreement (as the provisions of such Section 6.02(b) may be waived or modified) or otherwise. The date on which the Effective Time shall occur shall be referred to herein as the "Effective Date").

2. Employment Period. The Company and Lazard Group hereby agree to employ the Executive, and the Executive hereby agrees to enter into the employ of the Company and continue to be employed by Lazard Group, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Time and ending on the third anniversary of the Effective Date (the "Employment Period").

3. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, the Executive shall serve as Chairman and Chief Executive Officer of each of the Company and of Lazard Group, with such authority, duties and responsibilities as are commensurate with such positions, and shall serve as a member of the Company's Board of Directors (the "Board").

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote substantially all of his attention and time during normal business hours to the business and affairs of the Company and Lazard Group and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to, consistent with and subject to the policies applicable to members of the Board (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures or fulfill speaking engagements, and (C) manage personal investments or engage in other activities consistent with past practice, so long as such activities do not significantly inter-

fere with the performance of the Executive's responsibilities as an employee of the Company and Lazard Group in accordance with this Agreement.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary") of no less than $4,800,000, which shall be payable in accordance with the normal payroll practices of Lazard Group. The term "Base Salary" shall refer to the Annual Base Salary as it may be increased.

(ii) Other Benefits. During the Employment Period, the Executive shall be entitled to participate in all employee pension, welfare, and other benefit plans, practices, policies and programs generally applicable to the most senior executives of the Company and Lazard Group on a basis and on terms no less favorable than that provided to such senior executives; provided that the Executive shall not be eligible to participate in any equity-related, bonus, incentive, profit sharing or deferred compensation plan or any similar plan, scheme or arrangement without the consent of the Board other than (A) as set forth in Section 3(b)(i), (B) participation in the tax-qualified and supplemental retirement plans of Lazard Group or its affiliates or (C) participation in plans that provide the Executive only the opportunity to defer the receipt of income otherwise payable hereunder. In addition, the Executive shall be entitled to perquisites and fringe benefits no less favorable than those provided to him by Lazard Group immediately prior to the Effective Date, to the extent not inconsistent with the policies of the Company or Lazard Group, as applicable, as in effect from time to time.

(iii) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Executive in the performance of his duties in accordance with the policies of the Company or Lazard Group, as applicable, as in effect from time to time.

(iv) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of the Company or Lazard Group, as applicable, as in effect from time to time with respect to the senior executives of the Company and Lazard Group.

4. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give the Executive written notice in accordance with Section 11(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days in a 365-day period as a result of incapacity due to mental or physical illness that is determined to be

total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period either with or without Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the Executive is convicted of, or pleads guilty or nolo contendere to a charge of commission of, a felony;

(ii) the Executive has engaged in gross neglect or willful misconduct in carrying out his duties, which results in material economic harm to the Company; or

(iii) an act or failure to act by the Executive, which, under the provisions of applicable law, disqualifies the Executive from acting as the Chief Executive Officer of the Company or as a director of the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of each of the resolutions duly adopted by (1) the affirmative vote of a majority of the members then in office of the Nominating and Governance Committee of the Board recommending such action to the Board (at a meeting of such Committee called and held for such purpose, after reasonable notice is provided to the Executive and he is given an opportunity, together with counsel, to be heard) and (2) the affirmative vote of a majority of the members of the Board then in office approving such recommendation, after delivery of notice to each director and the Executive at least seven (7) business days before the date of a meeting called and held for such purpose (which meeting shall be at least seven (7) days after the Committee meeting) and at which the Executive is given an opportunity, together with counsel, to be heard (it being understood that the failure to provide adequate notice in accordance with this clause (2) shall invalidate any action or resolution of the Board to terminate the Executive for Cause), which resolutions find that, in the good faith opinion of both the Committee and the Board, the Executive is guilty of the conduct described in subsections (i), (ii) or (iii) above, and, with respect to subsections (ii) and (iii) specifies the particulars thereof in detail.

(c) Good Reason. During the Employment Period, the Executive's employment may be terminated by the Executive with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean in the absence of a written consent of the Executive:

(i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3(a)(i) of this Agreement, or any

other action by the Company or Lazard Group, as applicable, which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company or Lazard Group, as applicable, promptly after receipt of notice thereof given by the Executive; or

(ii) a material breach of the terms of this Agreement, including, without limitation, any failure by the Company or Lazard Group, as applicable, to comply with any of the provisions of Section 3(b) or 10(c) of this Agreement, excluding for this purpose an action not taken in bad faith and which is remedied by the Company or Lazard Group, as applicable, promptly after receipt of notice thereof given by the Executive.

The Executive's mental or physical incapacity following the occurrence of an event described above in clause (i) or (ii) shall not affect the Executive's ability to terminate employment for Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 11(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. For purposes of this Agreement, "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein within 30 days of such notice, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive's employment is voluntarily terminated by the Executive without Good Reason, the Date of Termination shall be the date as specified by the Executive in the Notice of Termination which date shall not be less than three months after the Executive notifies the Company of such termination, unless waived in writing by the Company, and (iv) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

5. Obligations of the Company upon Termination. (a) By the Company Other Than for Cause, Death or Disability or By the Executive for Good Reason, prior to a Change of Control. If, during the Employment Period and prior to a "Change of Control" (as

defined in the LAZ-MD Holdings LLC Operating Agreement), the Company shall terminate the Executive's employment other than for Cause, death or Disability or the Executive shall terminate employment for Good Reason:

(i) Lazard Group shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination, and (2) any earned and unpaid cash bonus amounts for calendar years completed prior to the Date of Termination, in each case, to the extent not theretofore paid (the sum of the amounts described in subclauses (1) and (2), the "Accrued Obligations"); and

B. the amount equal to the product of (1) two and (2) the Executive's Annual Base Salary; and

(ii) (A) for the remainder of the Executive's life and that of his current spouse, the Executive, his spouse and his eligible dependents shall continue to be eligible to participate in the medical and dental benefit plans of Lazard Group on the same basis as the Executive participated in such plans immediately prior to the Date of Termination, to the extent that the applicable plan permits such continued participation for all or any portion of such period (it being agreed that Lazard Group will use its reasonable efforts to cause such continued coverage to be permitted under the applicable plan for the entire period) and (B) in the event such benefits continuation period is required to be limited to a shorter period, the actual period of continuation shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and, for purposes of determining the Executive's eligibility for and right to commence receiving benefits under the retiree healthcare benefit plans of Lazard Group, the Executive shall receive additional years of age and service credit equal to the number of years and portions thereof in the applicable benefits continuation period (collectively the "Medical Benefits");

(iii) to the extent not theretofore paid or provided, Lazard Group shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of Lazard Group and its affiliates through the Date of Termination (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for the payment of the Accrued Obligations, and the timely payment or provision of Other Benefits. The Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 5(b) shall include death benefits as in effect on the date of the Executive's death with respect to senior executives of the Company and Lazard Group and their beneficiaries, and the provision of the Medical Benefits to the Executive's current spouse and his eligible dependents.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for the payment of the Accrued Obligations and the timely payment or provision of Other Benefits. The Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 5(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits as in effect at any time thereafter generally with respect to senior executives of the Company and Lazard Group and the provision of the Medical Benefits to the Executive and his current spouse and his eligible dependents.

(d) Cause; Other than for Good Reason; Expiration of the Employment Period. If, during the Employment Period, the Executive's employment shall be terminated for Cause or the Executive terminates his employment without Good Reason, or if the Executive's employment with the Company ceases upon or following the expiration of the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay or provide to the Executive (i) the Accrued Obligations, (ii) the Medical Benefits (other than upon a termination for Cause) and (iii) the Other Benefits, in each case to the extent theretofore unpaid.

(e) By the Company Other Than for Cause, Death or Disability or By the Executive for Good Reason, On or After a Change of Control. If, during the Employment Period and on or after a Change of Control, the Company shall terminate the Executive's employment other than for Cause, death or Disability or the Executive shall terminate employment for Good Reason, Lazard Group shall pay or provide to the Executive (i) a lump sum cash payment within 30 days after the Date of Termination equal to the sum of (A) the Accrued Obligations and (B) the amount equal to the product of (1) three and (2) the Executive's Annual Base Salary, (ii) the Medical Benefits and (iii) the Other Benefits.

(f) Section 409A. Notwithstanding the timing of the payments pursuant to Section 5(a) of this Agreement, to the extent the Executive would otherwise be entitled to a payment during the six months beginning on the Date of Termination that would be subject to the additional tax imposed under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), (i) the payment will not be made to the Executive and instead will be made, at the election of Lazard Group, either to a trust in compliance with Rev. Proc. 92-64 or an escrow account established to fund such payments (provided that such funds shall be at all times subject to the creditors of the Company and its affiliates) and (ii) the payment, together with interest thereon at the rate of "prime" plus 1%, will be paid to the Executive on the earlier of the six-month anniversary of Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). Similarly, to the extent the Executive would otherwise be entitled to any benefit (other than a cash payment) during the six months beginning on the Date of Termination that would be subject to the additional tax under Section 409A of the Code, the benefit will be delayed and will begin being provided (together, if applicable, with an adjustment to compensate the Executive for the delay, with such adjustment to be determined in Lazard Group's reasonable good faith discretion) on the earlier of the six-month anniversary of the Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). Lazard Group will establish the trust or escrow account, as applicable, no

later than ten days after the Executive's Date of Termination. It is the intention of the parties that the payments and benefits to which the Executive could become entitled in connection with termination of employment under this Agreement comply with Section 409A of the Code. In the event that the parties determine that any such benefit or right does not so comply, they will negotiate reasonably and in good faith to amend the terms of this Agreement such that it complies (in a manner that attempts to minimize the economic impact of such amendment on the Executive and Lazard Group and its affiliates).

6. Non-exclusivity of Rights. Except as specifically provided, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided the Company or any of its affiliates and for which the Executive may qualify, provided that to the extent the Executive is entitled to severance pay under Section 5 of this Agreement, he shall not be entitled to severance pay under any severance policy of the Company or its affiliates. Amounts or benefits that are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with Lazard Group or any of its affiliates at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

7. Full Settlement. Lazard Group's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company or its affiliates may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and, such amounts shall not be reduced whether or not the Executive obtains other employment. Lazard Group agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company or its affiliates, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Code, provided that the Executive prevails on one material issue.

8. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment, benefit or distribution by Lazard Group or its affiliates to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 8) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed

with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 8(c), all determinations required to be made under this Section 8, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche LLP or such other nationally recognized certified public accounting firm reasonably acceptable to the Company as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by Lazard Group. Any Gross-Up Payment, as determined pursuant to this Section 8, shall be paid by Lazard Group to the Executive within five days of the later of (i) the due date for the payment of any Excise Tax, and (ii) the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and its affiliates and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by Lazard Group should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 8(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by Lazard Group to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that Lazard Group shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, Lazard Group shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by Lazard Group pursuant to Section 8(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 8(c)) promptly pay to Lazard Group the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by Lazard Group pursuant to Section 8(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

9. Confidential Information; Restrictive Covenants

(a) Confidential Information. In the course of involvement in the Company's activities or otherwise, the Executive has obtained or may obtain confidential information concerning the Company's businesses, strategies, operations, financial affairs, organizational and personnel matters (including information regarding any aspect of the Executive's tenure as a managing director, member, partner or employee of the Company or of the termination of such position, partnership or employment), policies, procedures and other non-public matters, or con-

cerning those of third parties. The Executive shall not at any time (whether during or after the Executive's employment with the Company) disclose or use for the Executive's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than the Company, any trade secrets, information, data, or other confidential or proprietary information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, financing methods, plans, or the business and affairs of the Company, provided that the foregoing shall not apply to information which is not unique to the Company or which is generally known to the industry or the public other than as a result of the Executive's breach of this covenant or as required pursuant to an order of a court, governmental agency or other authorized tribunal. The Executive agrees that upon termination of the Executive's employment with the Company for any reason, the Executive or, in the event of the Executive's death, the Executive's heirs or estate at the request of the Company, shall return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Company, except that the Executive (or the Executive's heirs or estate) may retain personal notes, notebooks and diaries. The Executive further agrees that the Executive shall not retain or use for the Executive's account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the businesses of the Company. Without limiting the foregoing, the existence of, and any information concerning, any dispute between the Executive and the Company shall be subject to the terms of this Section 9(a), except that the Executive may disclose information concerning such dispute to the arbitrator or court that is considering such dispute, and to the Executive's legal counsel, spouse or domestic partner, and tax and financial advisors, provided that such persons agree not to disclose any such information other than as necessary to the prosecution or defense of the dispute.

(b) Noncompetition. (i) The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company. The Executive further acknowledges and agrees that in connection with the reorganization of Lazard Group, and in the course of the Executive's subsequent employment, the Executive has been and shall be provided with access to sensitive and proprietary information about the clients, prospective clients, knowledge capital and business practices of the Company, and has been and shall be provided with the opportunity to develop relationships with clients, prospective clients, consultants, employees, representatives and other agents of the Company, and the Executive further acknowledges that such proprietary information and relationships are extremely valuable assets in which the Company has invested and shall continue to invest substantial time, effort and expense. Executive hereby agrees that while employed by the Company and thereafter until (A) three months after the Executive's Date of Termination other than following a termination by the Company without Cause or by the Executive for Good Reason or (B) one month after the date of the Executive's termination by the Company without Cause or by the Executive for Good Reason (and such period, the "Noncompete Restriction Period"), the Executive shall not, directly or indirectly (other than in respect of the activities of Wasserstein & Co., LP that do not involve the direct rendering of services by the Executive), on the Executive's behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee, director, advisor, partner, consultant or otherwise, engage in a "Competing Activity," or acquire or maintain any ownership interest in, a "Competitive Enterprise." For purposes of this Agreement, (x) "Competing Activity" means the providing of services or performance of activities for a Competitive Enterprise in a line of busi-

ness that is similar to any line of business in respect of which the Executive provided services to the Company, and (y) "Competitive Enterprise" shall mean a business (or business unit) that (1) engages in any activity or (2) owns or controls a significant interest in any entity that engages in any activity, that in either case, competes anywhere with any activity in which the Company is engaged up to and including the Executive's Date of Termination. Notwithstanding anything in this Section 9(b), the Executive shall not be considered to be in violation of this Section 9(b) solely by reason of owning, directly or indirectly, any stock or other securities of a Competitive Enterprise (or comparable interest, including a voting or profit participation interest, in any such Competitive Enterprise) if the Executive's interest does not exceed 5% of the outstanding capital stock of such Competitive Enterprise (or comparable interest, including a voting or profit participation interest, in such Competitive Enterprise).

(ii) The Executive acknowledges that the Company is engaged in business throughout the world. Accordingly, and in view of the nature of the Executive's position and responsibilities, the Executive agrees that the provisions of this Section 9(b) shall be applicable to each jurisdiction, foreign country, state, possession or territory in which the Company may be engaged in business while the Executive is employed by the Company. Notwithstanding anything contained in Sections 9(b) and 9(c) of this Agreement to the contrary, in no event shall the Executive's services to or relationship with Wasserstein & Co., LP, to the extent consistent with his relationship with and services to Wasserstein & Co., LP as of the date hereof, be considered to be in violation of, or give rise to a violation of, Section 9(b) or 9(c) of this Agreement. If the Executive desires to make available to Wasserstein & Co., LP any corporate opportunity of the Company that arises from a relationship of the Company (other than any relationship of the Executive existing on November 15, 2001), the Executive shall first receive the written consent of the Nominating and Governance Committee of the Board; it being understood, for the avoidance of doubt, that such written consent shall not be required in connection with the offering to Wasserstein & Co., LP of an opportunity by the Company on behalf of a client of the Company.

(c) Nonsolicitation of Clients. The Executive hereby agrees that during the Noncompete Restriction Period, the Executive shall not, in any manner, directly or indirectly (other than in respect of the activities of Wasserstein & Co., LP that do not involve the direct rendering of services by the Executive), (a) Solicit a Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Company, or (b) interfere with or damage (or attempt to interfere with or damage) any relationship between the Company and a Client. For purposes of this Agreement, the term "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, persuading, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action, and the term "Client" means any client or prospective client of the Company, whether or not the Company has been engaged by such Client pursuant to a written agreement; provided that an entity which is not a client of the Company shall be considered a "prospective client" for purposes of this sentence only if the Company made a presentation or written proposal to such entity during the 12-month period preceding the Date of Termination or was preparing to make such a presentation or proposal at the time of the Date of Termination.

(d) No Hire of Employees. The Executive hereby agrees that while employed by the Company and thereafter until six-months after the Executive's Date of Termination (the "No Hire Restriction Period"), the Executive shall not, directly or indirectly, for himself or on

behalf of any third party at any time in any manner, Solicit, hire, or otherwise cause any employee who is at the associate level or above, officer or agent of the Company to apply for, or accept employment with, any Competitive Enterprise, or to otherwise refrain from rendering services to the Company or to terminate his or her relationship, contractual or otherwise, with the Company, other than in response to a general advertisement or public solicitation not directed specifically to employees of the Company.

(e) Nondisparagement; Transfer of Client Relationships. The Executive shall not at any time (whether during or after the Executive's employment with the Company), and shall instruct his spouse, domestic partner, parents, and any of their lineal descendants (it being agreed that in any dispute between the parties regarding whether the Executive breached such obligation to instruct, the Company shall bear the burden of demonstrating that the Executive breached such obligation) not to, make any comments or statements to the press, employees of the Company, any individual or entity with whom the Company has a business relationship or any other person, if such comment or statement is disparaging to the Company, its reputation, any of its affiliates or any of its current or former officers, members or directors, except for truthful statements as may be required by law. The Company agrees not to, and to cause its Board and senior executives not to, make any comments or statements to the press, employees of the Company, any individual or entity with whom the Company has a business relationship or any other person, if such statement or comment is disparaging to the Executive, except for truthful statement as may be required by law. During the period commencing on the Executive's Date of Termination and ending 90 days thereafter, the Executive hereby agrees to take all actions and do all such things as may be reasonably requested by the Company from time to time to maintain for the Company the business, goodwill, and business relationships with any of the Company's Clients with whom the Executive worked during the term of the Executive's employment, provided that such actions and things do not materially interfere with other employment of the Executive.

(f) Notice of Termination. Pursuant to Sections 4(d) and 4(e), the Executive has agreed to provide three months' written notice to the Company prior to his termination of employment without Good Reason. The Executive hereby agrees that, if, during the three-month period after the Executive has provided notice of termination to the Company or prior thereto, the Executive enters (or has entered into) a written agreement to perform Competing Activities for a Competitive Enterprise, such action shall be deemed a violation of Section 9(b).

(g) Covenants Generally. The Executive's covenants as set forth in Section 9 of this Agreement are from time to time referred to herein as the "Covenants." If any of the Covenants is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such Covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining such Covenants shall not be affected thereby; provided, however, that if any of such Covenants is finally held to be invalid, illegal or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such Covenant shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. For purposes of this Section 9, the "Company" shall mean the Company and its subsidiaries and affiliates, and its and their predecessors.

(h) Acknowledgement. The Executive understands that the provisions of the Covenants may limit the Executive's ability to work in a business similar to the business of the Company; however, the Executive agrees that in light of the Executive's education, skills, abilities and financial resources, the Executive shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Covenants, that any provisions of the Covenants prevent the Executive from earning a living. In connection with the enforcement of or any dispute arising in connection with the Covenants, the wishes or preferences of a Client or prospective Client of the Company as to who shall perform its services, or the fact that the Client or prospective Client of the Company may also be a Client of a third party with whom the Executive is or becomes associated, shall neither be relevant nor admissible as evidence. The Executive hereby agrees that prior to accepting employment with any other person or entity during his employment with the Company or during the Noncompete Restriction Period or the No Hire Restriction Period, the Executive shall provide such prospective employer with written notice of the provisions of this Agreement, with a copy of such notice delivered no later than the date of the Executive's commencement of such employment with such prospective employer, to the General Counsel of the Company.

(i) Expiration of the Employment Period. The provisions of this Section 9 shall remain in full force and effect from the Effective Time through the expiration of the period specified therein notwithstanding the earlier termination of the Employment Period or the Executive's employment.

(i) Covenants Reasonable. The Company and the Executive acknowledge that the time, scope, geographic area and other provisions of the Covenants have been specifically negotiated by sophisticated commercial parties and agree that all such provisions are reasonable under the circumstances of the activities contemplated by this Agreement. The Executive acknowledges and agrees that the terms of the Covenants: (i) are reasonable in light of all of the circumstances, (ii) are sufficiently limited to protect the legitimate interests of the Company, (iii) impose no undue hardship on the Executive and (iv) are not injurious to the public. The Executive further acknowledges and agrees that the Executive's breach of the Covenants will cause the Company irreparable harm, which cannot be adequately compensated by money damages. The Executive also agrees that the Company shall be entitled to injunctive relief for any actual or threatened violation of any of the Covenants in addition to any other remedies it may have, including money damages. The Executive acknowledges and agrees that any such injunctive relief or other remedies shall be in addition to, and not in lieu of, any forfeitures of awards (required pursuant to the terms of any such awards) that may be granted to the Executive in the future under one or more of the Company's compensation and benefit plans.

10. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and Lazard Group and their respective successors and assigns.

(c) The Company and Lazard Group will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or Lazard Group to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company and Lazar Group would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" and "Lazard Group" shall mean the Company and Lazard Group as hereinbefore defined and any successor to their respective businesses and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

11. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to principles of conflict of laws. Any dispute, controversy or claim between the parties arising out of or relating to or in connection with this Agreement, or in any way relating to any other relationship that exists or has existed between the parties hereto, or any amendment or modification hereof, shall be settled by the courts of the State of New York. In the event of any conflict or inconsistency between this Agreement and any of the other documents entered into by the Executive in connection with the reorganization of Lazard and the IPO, including, without limitation the Agreement Relating to Reorganization between the Executive and Lazard Group, dated as of the date hereof (the "Reorganization Agreement," together with any such other documents, the "Reorganization Documents"), the terms of this Agreement shall control; provided that any dispute regarding the Executive's HoldCo Interests or Exchangeable Interests (each as defined in the Reorganization Agreement), but not any dispute concerning an actual or purported termination of the Executive's employment or any actual or purported breach of the Covenants, or any other dispute required by applicable law or regulation to be arbitrated, shall be governed by, and subject to, the dispute resolution provision in the applicable Reorganization Document.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

Lazard Ltd
30 Rockefeller Plaza
New York, New York 10020
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) For purposes of this Agreement, "affiliate" shall mean any entity controlled by, controlling or under common control with the Company.

(d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(e) Lazard Group may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) The Executive's, the Company's or Lazard Group's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive, the Company or Lazard Group may have hereunder, including, without limitation, the right of the Company to terminate the Executive for Cause pursuant to Section 4(b) or the right of the Executive to terminate employment for Good Reason pursuant to Section 4(c)(i) through (iii) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(h) This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(i) Except as expressly provided herein, from and after the Effective Time, this Agreement shall supersede any other employment agreement between the parties with respect to the subject matter hereof, including, without limitation, the Amended and Restated Employment Agreement between the Executive and Lazard LLC, dated as of December __, 2004. This Agreement shall become effective if and only if the Effective Time occurs.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from their respective Boards of Directors, each of the Company and Lazard Group has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

/s/ Bruce Wasserstein
BRUCE WASSERSTEIN

LAZARD LTD

By /s/ Steven J. Golub

LAZARD GROUP LLC

By /s/ Steven J. Golub

EXHIBIT 10.24

AGREEMENT RELATING TO
REORGANIZATION OF LAZARD

AGREEMENT, dated as of May 10, 2005 (this "Agreement"), by and between Lazard LLC, a Delaware limited liability company ("Lazard"), on its behalf and on behalf of its subsidiaries and affiliates (collectively with Lazard, and its and their predecessors and successors, the "Firm"), and Bruce Wasserstein (the "Executive").

WHEREAS, as of the date hereof, the Executive is the Head of Lazard and a "Class A Member" of Lazard (each as defined in the Third Amended and Restated Operating Agreement of Lazard, dated as of January 1, 2002, as amended (as it may be amended from time to time, the "LLC Agreement")); and

WHEREAS, in connection with the Executive's participation in the reorganization of Lazard (the "Reorganization") currently expected to occur substantially on the terms and conditions described in Amendment No. 2 to the draft Registration Statement on Form S-1 (the "S-1") dated March 21, 2005, as filed with the Securities and Exchange Commission, relating to the initial public offering (the "IPO" and together with the Reorganization and the HoldCo Formation (as defined below), as each may be modified, adjusted or implemented after the date hereof, the "Transactions") of shares of Class A common stock of Lazard Ltd., a company incorporated under the laws of Bermuda ("PubliCo"), the Executive has agreed to enter into this Agreement with Lazard to set forth the Executive's understanding of the terms of the Transactions applicable to the Executive as a Class A Member (as defined in the LLC Agreement) and as a member of a newly formed Delaware limited liability company ("HoldCo") to be formed in connection with the Reorganization and of the fact that the terms are in draft form and may be changed or altered after the date hereof (other than as expressly provided herein), and approval of the Transactions (including as such terms may be changed or altered).

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Executive and Lazard hereby agree as follows:

1. Effectiveness of Agreement. This Agreement shall become effective upon the HoldCo Formation (as defined below) (such time of effectiveness, the "Effective Time").

2. The Transactions.

(a) Formation of HoldCo. Effective upon the Reorganization and consummation of the mandatory sale of all "Interests" (as defined in the LLC Agreement) pursuant to Section 6.02(b) of the LLC Agreement (as the provisions of such Section 6.02(b) may be waived or modified) or otherwise (the "HoldCo Formation"), and provided that as of the effective time of the HoldCo Formation the Executive continues to be employed by the Firm, the Executive shall receive, in exchange for the Executive's Class A Interests (as defined in the LLC Agreement) outstanding immediately prior to the HoldCo Formation, the percentage of membership interests in HoldCo set forth on Schedule I attached hereto (such percentage to be increased pro rata to reflect the redemption of Class B-1 Interests pursuant to the Reorganization) that have

substantially the same rights, obligations and terms (including with respect to vesting) with respect to HoldCo pursuant to the HoldCo limited liability company operating agreement (the "HoldCo LLC Agreement") and applicable law as those of the exchanged Class A Interests, except as provided herein, including in Section 2(b), or except to the extent that any other changes, taken as a whole with any benefits provided, are not materially adverse to the Executive (such membership interests, the "HoldCo Interests").

(b) Profits Interest Allocation. In connection with the Reorganization, subject to the consummation of the HoldCo Formation and subject to and effective upon the closing of the IPO, and provided that as of the date of the closing of the IPO (the "IPO Date"), the Executive continues to be employed by HoldCo or one of its affiliates (including Lazard), the Executive shall become a member participating in the profits of HoldCo with a profit percentage in HoldCo of no less than the amount specified on Schedule I attached hereto (the "Profits Interest") (such percentage to be increased pro rata to reflect the redemption of Class B-1 Interests pursuant to the Reorganization) having the rights, obligations and terms set forth in the HoldCo LLC Agreement so long as the Executive shall remain employed by the Firm. Subject to the provisions of the HoldCo LLC Agreement and the determination of the Board of Directors of HoldCo (the "HoldCo Board"), HoldCo shall make (i) distributions in respect of income taxes arising from such Profit Interests and (ii) from and after the third anniversary of the IPO Date distributions that are intended to be equivalent to the aggregate amount of dividends that the Executive (and, if applicable, the Executive's "Entities" (as defined below)) would have received had the Executive (and, if applicable, the Executive's Entities) exchanged such person's "Exchangeable Interests" (as defined below) for exchangeable membership interests in Lazard that were then immediately exchanged for "PubliCo Shares" (as defined in Section 2(e)(i)) effective as of the third anniversary of the IPO Date (with such amount of distributions, and such profit percentage, to be adjusted from time to time to reflect the actual exchange, in whole or in part, of such Exchangeable Interests).

(c) Treatment of Memo Capital and Other Capital. Upon the HoldCo Formation, HoldCo shall assume the obligations of Lazard for memo capital and other capital in Lazard, and the Executive hereby acknowledges such assumption and releases Lazard in full from such obligations. HoldCo shall distribute to the Executive amounts in respect of the Executive's assumed memo capital in respect of Class A-1 capital and former Class A-1 capital, if any, in equal installments on the first, second, third and fourth anniversaries of the IPO Date, plus any interest accrued through each distribution date. The Executive further hereby agrees that all of his rights and title to and in any and all capital of HoldCo allocated with respect to any Exchangeable Interests which are exchanged for exchangeable membership interests in Lazard that are in turn exchanged for PubliCo Shares, and the related profits interests (other than, for the avoidance of doubt, the capital to be repaid in accordance with the immediately foregoing sentence), shall be forfeited without payment therefor, effective immediately upon the exchange of such Exchangeable Interests. This Section 2(c) supercedes and replaces any other agreements or understandings with respect to all capital of Lazard and HoldCo, other than in respect of earnings on such capital, which shall be continued in accordance with past practice.

(d) Stockholders' Agreement. The Executive hereby agrees that all Exchangeable Interests and PubliCo Shares held by the Executive and the Executive's Entities (including PubliCo Shares obtained pursuant to the exchange of Exchangeable Interests for ex-

changeable membership interests in Lazard which are then exchanged for PubliCo Shares) shall be subject to a stockholders' agreement which shall provide, among other things, that the Executive (on behalf of himself and any "Entity" (as defined in Section 2(e)(ii)) to whom he has transferred any Class A-2 Interests (as defined in the LLC Agreement) or transfers any such Exchangeable Interests or PubliCo Shares) shall delegate to such person(s) or entity as is described in such agreement the right to vote PubliCo Shares held by the Executive or by any such Entity to whom he made such a transfer. The Executive hereby agrees to execute and deliver such stockholders' agreement (or, in the case of any Entity, to cause the execution and delivery thereof) in accordance with the HoldCo LLC Agreement.

(e) Exchangeable Interests.

(i) A portion of the HoldCo Interests received by the Executive pursuant to Section 2(a) equal in percentage to the Executive's Lazard Class A-2 Interests as of the IPO Date as adjusted in the same manner as all other Lazard Class A-2 Interests in connection with the HoldCo Formation (such portion, the "Exchangeable Interests") shall be exchangeable, on the terms set forth in this Section 2(e) and the HoldCo LLC Agreement, for membership interests in Lazard that are in turn exchangeable for shares of Class A common stock of PubliCo ("PubliCo Shares"), such exchange to be accomplished in each case by HoldCo distributing to the Executive (in exchange for the appropriate portion of the Executive's Exchangeable Interests) the corresponding portion of HoldCo's applicable ownership interest in Lazard and causing PubliCo to issue the PubliCo Shares to the Executive in exchange for such distributed ownership interest in Lazard (or such other structure as may be reflected in the Holdco LLC Agreement and documents ancillary thereto which provide for a similar exchange, directly or indirectly, of Exchangeable Interests for PubliCo Shares). The documents reflecting the Exchangeable Interests shall contain the restrictive covenants set forth in the HoldCo LLC Agreement addressing the subject matter of the Covenants, which covenants shall be consistent with, and no more restrictive on the Executive than those contained in this Agreement. The Executive's Exchangeable Interests shall not be subject to reduction for any reason.

(ii) Subject to the provisions of the HoldCo LLC Agreement, the Exchangeable Interests may be exchanged for exchangeable membership interests in Lazard that are in turn exchangeable for PubliCo Shares as described above, at the Executive's election, on and after the eighth anniversary of the IPO Date; provided, however, that (A) if the Executive remains employed by the Firm through the third anniversary of the IPO Date, the Executive's Exchangeable Interests (and any Exchangeable Interests held by any trust or any entity that is wholly-owned by the Executive or of which the entire ownership or beneficial interests are held by any combination of the Executive and his spouse, parents, and any of their descendants by lineage or adoption (an "Entity")), may be exchanged for exchangeable membership interests in Lazard that are in turn exchangeable for PubliCo Shares, in whole or in part, at the Executive's (or, if applicable, such Entity's) election, in three equal installments on and after each of the third, fourth and fifth anniversaries of the IPO Date, provided that each such installment may be exchanged only if the Executive has complied with the provisions of Section 9 of the

Agreement Relating to Retention and Noncompetition and Other Covenants (the "Retention Agreement") between the Executive and Lazard Ltd. dated _____, 2005 (the "Covenants"), and (B) if the Executive remains employed by the Firm through the second anniversary of the IPO Date (but not through the third anniversary of the IPO Date), the Executive's Exchangeable Interests may be exchanged, in whole or in part, at the Executive's (or, if applicable, such Entity's) election, in three equal installments on and after each of the fourth, fifth and sixth anniversaries of the IPO Date, provided that each such installment may be exchanged only if the Executive has complied with the Covenants. Notwithstanding the above, (w) if the Executive's employment is terminated by the Firm without "Cause" or by the Executive for "Good Reason" (each as defined in the Retention Agreement) or by reason of the Executive's "Disability" (as defined in the Retention Agreement) prior to the third anniversary of the IPO Date, the Executive's Exchangeable Interests may be exchanged as if the Executive had remained employed on the third anniversary of the IPO Date and complied with the requirements of clause (A) above (i.e., the Executive may exchange his Exchangeable Interests on the third, fourth and fifth anniversaries of the IPO Date as described in clause (A) above, provided that each such installment may be exchanged only if the Executive has complied with the Covenants); (x) if the Executive's employment is terminated by reason of the Executive's death (1) prior to or on the second anniversary of the IPO Date, the Executive's Exchangeable Interests shall, at the election of the Firm, either (A) become exchangeable in full no later than the first anniversary of such death or (B) be purchased by HoldCo at the trading price of PubliCo Shares on the date of such repurchase no later than the first anniversary of such death or (2) subsequent to the second anniversary of the IPO Date but prior to the fourth anniversary of the IPO Date, the Executive's Exchangeable Interests may, to the extent not previously exchanged, be exchangeable in full on the later of (A) the third anniversary of the IPO Date and (B) the anniversary of the IPO Date next following such death; (y) if following the IPO Date and prior to the third anniversary of the IPO Date, the Executive's employment terminates due to his Retirement (defined as the voluntary resignation by the Executive on or after the date he attains age 65 or attains age 55 and has at least ten years of continuous service as a managing director of Lazard or one of its affiliates) and thereafter the Executive dies, the Executive's Exchangeable Interests shall be treated as set forth in clause (x) of this Section, provided that the Covenants have been complied with since his retirement without regard to the time limits set forth therein; and (z) in the event of a "Change of Control" (as defined in the HoldCo LLC Agreement), the Executive's Exchangeable Interests shall be exchanged prior to the occurrence of such event at a time and in a fashion designed to allow the Executive to participate in the Change of Control transaction on a basis no less favorable (prior to any applicable taxes) than that applicable to holders of PubliCo Shares.

(iii) Prior to the applicable exchange date and as a condition to the exchange of the Exchangeable Interests for PubliCo Shares, the Executive shall have entered into a stockholders' agreement, as described in Section 2(d), and otherwise complied in all material respects with the terms of the HoldCo LLC Agreement applicable to such exchange. Each of HoldCo and PubliCo shall have the right to require the exchange of all or part of the Executive's Exchangeable In-

terests for PubliCo Shares during the period beginning on the ninth anniversary of the IPO Date and ending 30 days after such anniversary.

(f) Registration; Dilution. The definitive agreements relating to the Transactions will contain (i) provisions obligating PubliCo to file a registration statement with the U.S. Securities and Exchange Commission in order to register the reoffer and resale of the PubliCo Shares on and following the exchange of the Exchangeable Interests, subject to customary blackout provisions and other customary restrictions, and obligating PubliCo to use reasonable efforts to list such PubliCo Shares on the New York Stock Exchange, and (ii) customary antidilution and corporate event adjustment protections (consistent with adjustments applicable to PubliCo Shares) with respect to the Exchangeable Interests and the Exchangeable Interests' exchange rights into PubliCo Shares.

(g) Cooperation With Respect to Taxes. Lazard shall use its reasonable efforts to structure the Transactions in a manner that does not result in any material tax to the Executive (that the Executive would not have incurred in the absence of the Transactions) upon the exchange of the Class A-2 Interests into Exchangeable Interests or other exchange of Class A-2 Interests into HoldCo Interests, it being understood that this shall not be a commitment to maintain the current tax treatment or benefits applicable to the Executive.

3. Dispute Resolution. Any dispute, controversy or claim between the Executive and the Firm on or subsequent to the IPO Date arising out of or relating to or concerning the provisions of this Agreement shall be finally settled by arbitration in New York City before, and in accordance with the rules then obtaining of, the New York Stock Exchange, Inc. (the "NYSE") or, if the NYSE declines to arbitrate the matter, the American Arbitration Association (the "AAA") in accordance with the commercial arbitration rules of the AAA; provided, however, that any dispute relating to the basis for any actual or purported termination of the Executive's employment or any actual or purported breach of the Covenants shall be governed by the dispute resolution provisions of the Retention Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflict of laws which could cause the application of the law of any jurisdiction other than the State of New York.

4. Other Agreements. As of the Effective Time, this Agreement shall supersede any other agreement, written or oral, pertaining to the matters covered herein. For the avoidance of doubt, this Agreement shall not supersede the Retention Agreement.

5. No IPO. Notwithstanding anything to the contrary contained herein, this Agreement shall terminate (i) on December 31, 2005, if the IPO Date does not occur prior to December 31, 2005, or (ii) on such date earlier than December 31, 2005, if any, on which (A) the IPO is finally abandoned or terminated by Lazard or (B) the Class B-1 and Class C Members and Transaction Agreement, dated as of December 12, 2004, terminates. Upon any such termination, this Agreement shall be of no further force and effect and the rights and obligations of the parties hereto shall be governed by the terms of the LLC Agreement and the Amended and Restated Employment Agreement between the Executive and Lazard LLC, dated as of December 16, 2004.

6. Miscellaneous.

(a) Notices hereunder shall be delivered to Lazard at its principal executive office directed to the attention of its General Counsel, and to the Executive at the Executive's last address appearing in the Firm's employment records. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid.

(b) This Agreement may not be amended or modified, other than by a written agreement executed by the Executive and the Firm. This Agreement shall be binding upon and inure to the benefit of the Executive's permitted successors and assigns. This Agreement shall be binding upon and inure to the benefit of the Firm and its successors and assigns.

(c) The Firm may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation, and may withhold from, and offset by, any amounts or benefits provided under this Agreement, any amounts owed to the Firm by the Executive, including, without limitation, any advances, expenses, loans, or other monies the Executive owes the Firm pursuant to a written agreement or any written policy of the Firm which has been communicated to the Executive.

(d) Except as expressly provided herein, this Agreement shall not confer on any person other than the Firm and the Executive any rights or remedies hereunder. There shall be no third-party beneficiaries to this Agreement.

(e) The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Executive and the Firm hereto have caused this Agreement to be executed and delivered on the date first above written.

LAZARD LLC
(on its behalf, and on behalf of its subsidiaries and affiliates)

By: /s/ Steven J. Golub
Name: Steven J. Golub
Title: Authorized Person

BRUCE WASSERSTEIN

By: /s/ Bruce Wasserstein

SCHEDULE I

HoldCo Interests (as per Section 2(a)):	1.95%
Profit Interests (as per Section 2(b)):	1.95%

Initialed by the Executive: /s/ BW

Initialed by Lazard: /s/ SJG

EXHIBIT 10.25

AGREEMENT RELATING TO RETENTION AND
NONCOMPETITION AND OTHER COVENANTS

AGREEMENT, dated as of May 4, 2005 (this "Agreement"), by and between Lazard LLC, a Delaware limited liability company ("Lazard"), on its behalf and on behalf of its subsidiaries and affiliates (collectively with Lazard, and its and their predecessors and successors, the "Firm"), and Steven J. Golub (the "Executive").

WHEREAS, as of the date hereof, the Executive is a "Managing Director" and a "Class A Member" of Lazard (each as defined in the Third Amended and Restated Operating Agreement of Lazard, dated as of January 1, 2002, as amended (as it may be amended from time to time, the "LLC Agreement")); and

WHEREAS, pursuant to the LLC Agreement and those certain Goodwill Vesting Agreement and Acknowledgements entered into between Lazard and the Executive (each a "Goodwill Agreement," and, together with the LLC Agreement, the "Current Agreements"), as a Class A Member, the Executive is subject to certain restrictions relating to competition and solicitation; and

WHEREAS, in connection with the Executive's participation in the reorganization of Lazard (the "Reorganization") currently expected to occur substantially on the terms and conditions described in Amendment No. 2 to the draft Registration Statement on Form S-1 (the "S-1") dated March 21, 2005, as filed with the Securities and Exchange Commission, relating to the initial public offering (the "IPO" and together with the Reorganization and the HoldCo Formation (as defined below), as each may be modified, adjusted or implemented after the date hereof, the "Transactions") of shares of Class A common stock of Lazard Ltd, a Bermuda limited company ("PubliCo"), the Executive has agreed to enter into this Agreement with Lazard to set forth the Executive's (1) understanding of the terms of the Transactions applicable to the Executive as a Class A Member (as defined in the LLC Agreement) and as a member of a newly formed Delaware limited liability company ("HoldCo") to be formed in connection with the Reorganization and of the fact that the terms are in draft form and may be changed or altered after the date hereof (other than as expressly provided herein), and approval of the Transactions (including as such terms may be changed or altered), (2) continuing employment commitment in contemplation of the IPO and following the IPO, as well as the terms and conditions of the Executive's continued employment with the Firm prior to the IPO (as provided in Section 3(b)), and (3) obligations in respect of keeping information concerning the Firm confidential, not engaging in competitive activities, not soliciting the Firm's clients, not hiring the Firm's employees, not disparaging the Firm or its directors, members or employees, and cooperating with the Firm in maintaining certain relationships, while employed by the Firm and following the termination of the Executive's employment.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Executive and Lazard hereby agree as follows:

1. Term. Subject to the final sentence of this Section 1, Sections 3(d) and (e), Section 10(c) and Section 16(b), the "Term" of this Agreement shall commence as of the date hereof (the "Effective Date") and shall continue until the third anniversary of the IPO Date. Notwithstanding that the Term commences as of the Effective Date, certain provisions of this Agreement shall not take effect until a later date, as specified herein. In addition, notwithstanding anything to the contrary contained herein, this Agreement (other than Section 3(b)) shall terminate (i) on December 31, 2005, if the date of the closing of the IPO (the "IPO Date") does not occur prior to December 31,2005, or (ii) on such date earlier than December 31, 2005, if any, on which (A) the IPO is finally abandoned or terminated by Lazard or (B) the Purchase and Transaction Support Agreement among Lazard and certain holders of "Class B-1 Interests" and "Class C Interests" (each as defined in the LLC Agreement) terminates. Upon any such termination, this Agreement (other than Section 3(b)) shall be of no further force and effect and the rights and obligations of the parties hereto shall be governed by the terms of the Current Agreements and any agreements or portions thereof that had otherwise been superseded by Section 16(a).

2. The Transactions.

(a) Participation in the Reorganization. The Executive hereby acknowledges that he has reviewed and understands the terms of the proposed Transactions and that such terms, including the structure of the Transactions, may be modified or otherwise altered by the Board of Directors of Lazard, an authorized committee thereof or the "Head of Lazard and Chairman of the Executive Committee" (as defined in the LLC Agreement) as such person(s) may determine in furtherance of the purposes underlying the Transactions. The Executive hereby covenants to execute and deliver such documents, consents and agreements as shall be necessary to effectuate each of the Transactions (as described in the S-1 or as such Transactions may be modified or altered in accordance with the foregoing sentence), including, without limitation, any amendments to the Current Agreements or this Agreement (solely to the extent such amendments are necessary to effectuate any such modifications and alterations to the Transactions and are not inconsistent with the intent and purpose of this Agreement and other than as set forth in the last sentence of this Section 2(a)), a customary accredited investor representation letter, a HoldCo membership agreement and the stockholders' agreement referred to in Section 2(f). Notwithstanding anything contained herein to the contrary, in no event shall the following provisions be modified in a manner that materially and adversely affects the following rights of the Executive as and to the extent set forth in such provisions of this Agreement: (i) Section 2(c) solely with respect to the vesting of the Class A-2 Interests and the corresponding Holdco Interests, (ii) Section 2(e) solely with respect to the timing of payment of the memo and other capital in Lazard, (iii) Section 2(g)(i) solely with respect to the last sentence thereof relating to the restrictive covenants applicable to the Exchangeable Interests, (iv) Section 2(g)(ii) solely with respect to the timing of exchangeability of the Exchangeable Interests, (v) Section 2(g)(iv) solely with respect to the definition of Cause, and (vi) Schedule I.

(b) Formation of HoldCo. Effective upon the Reorganization and consummation of the mandatory sale of all "Interests" (as defined in the LLC Agreement) pursuant to Section 6.02(b) of the LLC Agreement (as the provisions of such Section 6.02(b) may be waived or modified) or otherwise (the "HoldCo Formation"), and provided that as of the effective time of the HoldCo Formation the Executive continues to be employed by the Firm, the Executive shall receive, in exchange for the Executive's Class A Interests (as defined in the LLC

Agreement) outstanding immediately prior to the HoldCo Formation, the percentage of membership interests in HoldCo set forth on Schedule I attached hereto (such percentage to be increased pro rata to reflect the redemption of Class B-1 Interests pursuant to the Reorganization) that have substantially the same rights, obligations and terms (including with respect to vesting) with respect to HoldCo pursuant to the HoldCo limited liability company operating agreement (the "HoldCo LLC Agreement") and applicable law as those of the exchanged Class A Interests, except as provided herein, including in Sections 2(a) and 2(d), or except to the extent that any other changes, taken as a whole with any benefits provided, are not materially adverse to the Executive (such membership interests, the "HoldCo Interests"). The Holdco LLC Agreement will include those terms set forth on Schedule II attached hereto, subject to the limitations set forth therein.

(c) Vesting of Class A-2 Interests (or the Holdco Interests Corresponding to Such Class A-2 Interests). Subject to the consummation of the HoldCo Formation and subject to and effective upon the IPO Date, and provided that as of the IPO Date the Executive continues to be employed by the Firm (or has had his employment terminated by the Firm without "Cause" (as defined below) or on account of "disability" within the meaning of the long-term disability plan of the Firm applicable to the Executive ("Disability") or death), following the date hereof and prior to the IPO Date, the Class A-2 Interests (as defined in the LLC Agreement) (the "Class A-2 Interests") held by the Executive as of the date hereof (or upon consummation of the Reorganization, the HoldCo Interests received by the Executive in the Reorganization that correspond to the Executive's Class A-2 Interests as of the date hereof) that are not vested as of the IPO Date, shall become fully vested. Such vesting shall occur (i) in the case of a termination of employment prior to the IPO Date on the terms described above in this Section 2(c), on the date of such termination (provided that in the event that the IPO Date shall not occur as contemplated by this Agreement, such vesting shall be deemed not to have occurred, unless it is otherwise provided by the Current Agreements) or (ii) in any other case, on the IPO Date.

(d) Profits Interest Allocation. In connection with the Reorganization, subject to the consummation of the HoldCo Formation and subject to and effective upon the closing of the IPO, and provided that as of the IPO Date the Executive continues to be employed by HoldCo or one of its affiliates (including Lazard), the Executive shall become a member participating in the profits of HoldCo with a profit percentage in HoldCo of no less than the amount specified on Schedule I attached hereto (the "Profits Interest") (such percentage to be increased pro rata to reflect the redemption of Class B-1 Interests pursuant to the Reorganization) having the rights, obligations and terms set forth in the HoldCo LLC Agreement so long as the Executive shall remain employed by the Firm. Subject to the provisions of the HoldCo LLC Agreement and the determination of the Board of Directors of HoldCo (the "HoldCo Board"), HoldCo shall make (i) distributions in respect of income taxes arising from such Profit Interests and (ii) from and after the third anniversary of the IPO Date distributions that are intended to be equivalent to the aggregate amount of dividends that the Executive (and, if applicable, the Executive's "Entities" (as defined below)) would have received had the Executive (and, if applicable, the Executive's Entities) exchanged such person's "Exchangeable Interests" (as defined below) for exchangeable membership interests in Lazard that were then immediately exchanged for "PubliCo Shares" (as defined below) effective as of the third anniversary of the IPO Date (with such amount of distributions, and such profit percentage, to be adjusted from time to time to reflect the actual exchange, in whole or in part, of such Exchangeable Interests).

(e) Treatment of Memo Capital and Other Capital. Upon the HoldCo Formation, HoldCo shall assume the obligations of Lazard for memo capital and other capital in Lazard, and the Executive hereby acknowledges such assumption and releases Lazard in full from such obligations. HoldCo shall distribute to the Executive amounts in respect of the Executive's assumed memo capital in respect of Class A-1 capital and former Class A-1 capital, if any, in equal installments on the first, second, third and fourth anniversaries of the IPO Date, plus any interest accrued through each distribution date. The Executive further hereby agrees that all of his rights and title to and in any and all capital of HoldCo allocated with respect to any Exchangeable Interests which are exchanged for exchangeable membership interests in Lazard that are in turn exchanged for PubliCo Shares, and the related profits interests (other than, for the avoidance of doubt, the capital to be repaid in accordance with the immediately foregoing sentence), shall be forfeited without payment therefor, effective immediately upon the exchange of such Exchangeable Interests. This Section 2(e) supercedes and replaces any other agreements or understandings with respect to all capital of Lazard and HoldCo, other than in respect of earnings on such capital, which shall be continued in accordance with past practice.

(f) Stockholders' Agreement. The Executive hereby agrees that all Exchangeable Interests and PubliCo Shares (as defined in Section 2(g)(i)) held by the Executive and the Executive's Entities (including PubliCo Shares obtained pursuant to the exchange of Exchangeable Interests for exchangeable membership interests in Lazard which are then exchanged for PubliCo Shares) shall be subject to a stockholders' agreement which shall provide, among other things, that the Executive (on behalf of himself and any "Entity" (as defined in Section 2(g)(ii)) to whom he has transferred any Class A-2 Interests (as defined in the LLC Agreement) or transfers any such Exchangeable Interests or PubliCo Shares) shall delegate to such person(s) or entity as is described in such agreement the right to vote PubliCo Shares held by the Executive or by any such Entity to whom he made such a transfer. The Executive hereby agrees to execute and deliver such stockholders' agreement (or, in the case of any Entity, to cause the execution and delivery thereof) in accordance with the HoldCo LLC Agreement. The stockholders' agreement will include those terms set forth on Schedule III attached hereto, subject to the limitations set forth therein.

(g) Exchangeable Interests.

(i) A portion of the HoldCo Interests received by the Executive pursuant to Section 2(b) equal in percentage to the Executive's Lazard Class A-2 Interests as of the IPO Date as adjusted in the same manner as all other Lazard Class A-2 Interests in connection with the HoldCo Formation (such portion, the "Exchangeable Interests") shall be exchangeable, on the terms set forth in this Section 2(g) and the HoldCo LLC Agreement, for membership interests in Lazard that are in turn exchangeable for shares of Class A common stock of PubliCo ("PubliCo Shares"), such exchange to be accomplished in each case by HoldCo distributing to the Executive (in exchange for the appropriate portion of the Executive's Exchangeable Interests) the corresponding portion of HoldCo's applicable ownership interest in Lazard and causing PubliCo to issue the PubliCo Shares to the Executive in exchange for such distributed ownership interest in Lazard (or such other structure as may be reflected in the Holdco LLC Agreement and documents ancillary thereto which provide for a similar exchange, directly or indirectly, of Exchangeable Inter-

ests for PubliCo Shares). The documents reflecting the Exchangeable Interests shall contain the restrictive covenants set forth in the HoldCo LLC Agreement addressing the subject matter of the Covenants, which covenants shall be consistent with, and no more restrictive on the Executive than those contained in this Agreement. The Executive's Exchangeable Interests shall not be subject to reduction for any reason.

(ii) Subject to the provisions of the HoldCo LLC Agreement, the Exchangeable Interests may be exchanged for exchangeable membership interests in Lazard that are in turn exchangeable for PubliCo Shares as described above, at the Executive's election, on and after the eighth anniversary of the IPO Date; provided, however, that (A) if the Executive remains employed by the Firm through the third anniversary of the IPO Date, the Executive's Exchangeable Interests (and any Exchangeable Interests held by any trust or any entity that is wholly-owned by the Executive or of which the entire ownership or beneficial interests are held by any combination of the Executive and his spouse, parents, and any of their descendants by lineage or adoption (an "Entity")), may be exchanged for exchangeable membership interests in Lazard that are in turn exchangeable for PubliCo Shares, in whole or in part, at the Executive's (or, if applicable, such Entity's) election, in three equal installments on and after each of the third, fourth and fifth anniversaries of the IPO Date, provided that each such installment may be exchanged only if the Executive has complied with the Covenants (as defined in Section 10), and (B) if the Executive remains employed by the Firm through the second anniversary of the IPO Date (but not through the third anniversary of the IPO Date), the Executive's Exchangeable Interests may be exchanged, in whole or in part, at the Executive's (or, if applicable, such Entity's) election, in three equal installments on and after each of the fourth, fifth and sixth anniversaries of the IPO Date, provided that each such installment may be exchanged only if the Executive has complied with the Covenants. Notwithstanding the above, (w) if the Executive's employment is terminated by the Firm without "Cause" or by the Executive for Good Reason (each as defined below) or by reason of the Executive's Disability prior to the third anniversary of the IPO Date, the Executive's Exchangeable Interests may be exchanged as if the Executive had remained employed on the third anniversary of the IPO Date and complied with the requirements of clause (A) above (i.e., the Executive may exchange his Exchangeable Interests on the third, fourth and fifth anniversaries of the IPO Date as described in clause (A) above, provided that each such installment may be exchanged only if the Executive has complied with the Covenants); (x) if the Executive's employment is terminated by reason of the Executive's death (1) prior to or on the second anniversary of the IPO Date, the Executive's Exchangeable Interests shall, at the election of the Firm, either (A) become exchangeable in full no later than the first anniversary of such death or (B) be purchased by HoldCo at the trading price of PubliCo Shares on the date of such repurchase no later than the first anniversary of such death or (2) subsequent to the second anniversary of the IPO Date but prior to the fourth anniversary of the IPO Date, the Executive's Exchangeable Interests may, to the extent not previously exchanged, be exchangeable in full on the later of (A) the third anniversary of the IPO Date and (B) the anniversary of the IPO Date next following such death; (y) if following the IPO Date and prior to the third anniversary of the IPO Date, the Executive's employment terminates due to his "Retirement" (defined as the

voluntary resignation by the Executive on or after the date he attains age 65 or attains age 55 and has at least ten years of continuous service as a managing director of Lazard or one of its affiliates) and thereafter the Executive dies, the Executive's Exchangeable Interests shall be treated as set forth in clause (x) of this Section, provided that the Covenants have been complied with since his retirement without regard to the time limits set forth therein; and (z) in the event of a "Change of Control" (as defined in the HoldCo LLC Agreement), the Executive's Exchangeable Interests shall be exchanged prior to the occurrence of such event at a time and in a fashion designed to allow the Executive to participate in the Change of Control transaction on a basis no less favorable (prior to any applicable taxes) than that applicable to holders of PubliCo Shares.

(iii) Prior to the applicable exchange date and as a condition to the exchange of the Exchangeable Interests for PubliCo Shares, the Executive shall have entered into a stockholders' agreement, as described in Section 2(f), and otherwise complied in all material respects with the terms of the HoldCo LLC Agreement applicable to such exchange. Each of HoldCo and PubliCo shall have the right to require the exchange of all or part of the Executive's Exchangeable Interests for PubliCo Shares during the period beginning on the ninth anniversary of the IPO Date and ending 30 days after such anniversary.

(iv) For purposes of this Agreement, "Cause" shall mean: (A) conviction of the Executive of, or a guilty or *nolo contendere* plea (or the equivalent in a non-United States jurisdiction) by the Executive to, a felony (or the equivalent in a non-United States jurisdiction), or of any other crime that legally prohibits the Executive from working for the Firm; (B) breach by the Executive of a regulatory rule that materially adversely affects the Executive's ability to perform his duties to the Firm; (C) willful and deliberate failure on the part of the Executive (i) to perform his employment duties in any material respect or (ii) to follow specific reasonable directions received from the Firm, in each case following written notice to the Executive of such failure and, if such failure is curable, the Executive's failing to cure such failure within a reasonable time (but in no event less than 30 days); or (D) a breach of the Covenants that is (individually or combined with other such breaches) demonstrably and materially injurious to Lazard or any of its affiliates. Notwithstanding the foregoing, with respect to the events described in clauses (B) and (C)(i) hereof, the Executive's acts or failure to act shall not constitute Cause to the extent taken (or not taken) based upon the direct instructions of the Head of Lazard (or after the IPO Date, the Chief Executive Officer of PubliCo (the "CEO") or the Board of Directors of PubliCo (the "PubliCo Board")) or a more senior executive officer of Lazard.

(h) Registration; Dilution. The definitive agreements relating to the Transactions will contain (i) provisions obligating PubliCo to file a registration statement with the U.S. Securities and Exchange Commission in order to register the reoffer and resale of the PubliCo Shares on and following the exchange of the Exchangeable Interests, subject to customary blackout provisions and other customary restrictions, and obligating PubliCo to use reasonable efforts to list such PubliCo Shares on the New York Stock Exchange, and (ii) customary antidilution and corporate event adjustment protections (consistent with adjustments applicable

to PubliCo Shares) with respect to the Exchangeable Interests and the Exchangeable Interests' exchange rights into PubliCo Shares.

(i) Cooperation With Respect to Taxes. Lazard shall use its reasonable efforts to structure the Transactions in a manner that does not result in any material tax to the Executive (that the Executive would not have incurred in the absence of the Transactions) upon the exchange of the Class A-2 Interests into Exchangeable Interests or other exchange of Class A-2 Interests into HoldCo Interests, it being understood that this shall not be a commitment to maintain the current tax treatment or benefits applicable to the Executive.

(j) HoldCo Governance Structure. Lazard shall use its reasonable efforts to structure the HoldCo governance terms with a view to permitting it to perform its obligations under this Agreement, including, without limitation, with respect to making the distributions and payments provided for in Sections 2(d) and (e) and permitting and effecting the exchange of the Exchangeable Interests for PubliCo Shares in the manner and at the times contemplated by Section 2(g).

3. Continued Employment.

(a) Employment. The Executive hereby agrees to continue in the employ of the Firm, subject to the terms and conditions of this Agreement. In that regard, the Executive is committed to remaining in the employ of the Firm through the IPO Date and for at least two years following the IPO Date. Lazard acknowledges that this Section 3(a) is not legally binding or enforceable, nor is this Section 3(a) consideration for any right or benefit under this Agreement.

(b) Duties and Responsibilities; Code of Conduct. During the portion of the Term that is prior to the IPO Date, the Executive shall serve as a Managing Director of Lazard or one of its affiliates (including, but not limited to, HoldCo or PubliCo) and as Vice Chairman of Lazard, and during the portion of the Term commencing on and following the IPO Date, the Executive shall serve as Vice Chairman of PubliCo and as a Managing Director and the Chairman of the Financial Advisory Group of Lazard Group, LLC. In such positions, the Executive shall have such duties and responsibilities as the Head of Lazard (or after the IPO Date, the CEO) may from time to time determine and as are commensurate with such positions. During the Term, other than in respect of charitable, educational and similar activities which do not materially affect the Executive's duties to the Firm (or in respect of directorships, trusteeships, or similar posts, in each case, that are approved by the head of the Lazard house at which the Executive serves as a Managing Director prior to the IPO Date, or the CEO or PubliCo Board as per the policy of PubliCo from and after the IPO Date), the Executive shall devote his entire working time, labor, skill and energies to the business and affairs of the Firm. During the Term, the Executive shall comply with the Firm's professional code of conduct as in effect from time to time and shall execute on an annual basis and at such additional times as the Firm may reasonably request such code as set forth in the Firm's "Professional Conduct Manual" or other applicable manual or handbook of the Firm as in effect from time to time and applicable to other managing directors in the same geographic location as the Executive.

(c) Compensation.

(i) Base Salary. During the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be paid a base salary at an annual rate of $1.5 million (the "Base Salary"), payable in accordance with the Firm's normal payroll practices. The CEO, the PubliCo Board or a committee of the PubliCo Board (the "Committee") may from time to time review and increase the Executive's Base Salary in his, or its sole discretion, as applicable.

(ii) Annual Bonus. During the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder through the date of payment, the Executive shall be paid a bonus in respect of each calendar year ending during such portion of the Term in an amount not less than $1.5 million (the "Minimum Bonus Amount"), which Minimum Bonus Amount may be increased by the CEO or the PubliCo Board or the Committee (to the extent required by law, the rules of any stock exchange or stock trading system to which PubliCo is subject, or corporate governance procedures established by the PubliCo Board), in his or its discretion, as applicable (each year's award paid pursuant to this Section 3(c)(ii) shall hereinafter be referred to as the "Bonus"). Consistent with the policies and programs generally applicable to the senior most executives of the Firm, any portion of the Bonus (including the Minimum Bonus Amount) may be satisfied in the form of equity compensation which may be subject to vesting conditions and/or restrictive covenants (it being understood that the sole remedy for violation of any such restrictive covenants shall be forfeiture of such equity compensation and/or recapture of previous gains in respect of such equity compensation and that notwithstanding Section 11(b), money damages shall not be an available remedy).

(iii) Long-term Incentive Compensation. During the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be eligible to participate in any equity incentive plan for executives of the Firm as may be in effect from time to time, in accordance with the terms of any such plan.

(iv) Employee Benefit Plans. During the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be eligible to participate in the employee retirement and welfare benefit plans and programs of the type made available to the senior most executive's of the Firm generally, in accordance with their terms and as such plans and programs may be in effect from time to time, including, without limitation, savings, profit-sharing and other retirement plans or programs, 401(k), medical, dental, flexible spending account, hospitalization, short-term and long-term disability and life insurance plans.

(d) Termination of Employment.

(i) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Term. If the Firm determines in good faith that the Disability of the Executive has occurred during the Term, it may give the Executive written notice in accordance with Section 16(c) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Firm shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties.

(ii) Cause. The Firm may terminate the Executive's employment during the Term either with or without Cause.

(iii) Good Reason. The Executive's employment may be terminated during the portion of the Term commencing on the IPO Date by the Executive with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean in the absence of a written consent of the Executive: (A) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as of the IPO Date as contemplated by Section 3(b) of this Agreement, or any other action by the Firm which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Firm, promptly after receipt of notice thereof given by the Executive; or (B) a material breach of the terms of this Agreement following the IPO Date, including, without limitation, any failure by the Firm to comply with any of the provisions of Section 3(c) of this Agreement, excluding for this purpose an action not taken in bad faith and which is remedied by the Firm promptly after receipt of notice thereof given by the Executive. The Executive's mental or physical incapacity following the occurrence of an event described above in clause (A) or (B) shall not affect the Executive's ability to terminate employment for Good Reason.

(iv) Notice of Termination. Any termination by the Firm for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 16(c) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (A) indicates the specific termination provision in this Agreement relied upon, (B) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (C) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice). The failure by the Executive or the Firm to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Firm, respectively, hereunder or preclude the

Executive or the Firm, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Firm's rights hereunder.

(v) Date of Termination. For purposes of this Agreement, "Date of Termination" means (A) if the Executive's employment is terminated by the Firm for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein within 30 days of such notice, as the case may be, (B) if the Executive's employment is terminated by the Firm other than for Cause or Disability, the Date of Termination shall be the date on which the Firm notifies the Executive of such termination, (C) if the Executive's employment is voluntarily terminated by the Executive without Good Reason, the Date of Termination shall be the date as specified by the Executive in the Notice of Termination, which date shall not be less than three months after the Executive notifies the Firm of such termination, unless waived in writing by the Firm, and (D) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

(e) Obligations of the Firm upon Termination following the IPO Date.

(i) By the Firm Other Than for Cause, Death or Disability or By the Executive for Good Reason, Following the IPO Date and prior to a Change of Control. If, during the portion of the Term following the IPO Date and prior to a Change of Control, the Firm shall terminate the Executive's employment other than for Cause, death or Disability or the Executive shall terminate employment for Good Reason:

(A) the Firm shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(I) the sum of (x) the Executive's Base Salary through the Date of Termination, (y) the product of (1) the Minimum Bonus Amount and (2) a fraction, the numerator of which is the number of days elapsed in the current calendar year through the Date of Termination and the denominator of which is 365 (the "Pro-Rata Bonus"), and (z) any earned and unpaid cash bonus amounts for calendar years completed prior to the Date of Termination, in each case, to the extent not theretofore paid (the sum of the amounts described in subclauses (x), (y) and (z), the "Accrued Obligations"); and

(II) the amount equal to the product of (x) two and (y) the sum of the Executive's Base Salary and the greater of (1) the Minimum Bonus Amount or (2) the average annual bonus (or, to the extent applicable, cash distributions) paid or payable to the Executive for the two calendar years immediately preceding the year during which occurs the Date of Termination (the "Average Annual Bonus"); and

(B) (I) until the later to occur of the second anniversary of the Executive's Date of Termination and February 29, 2008, the Executive and his eligible dependents shall continue to be eligible to participate in the medical and dental benefit plans of Lazard Group on the same basis as the Executive participated in such plans immediately prior to the Date of Termination, which benefits continuation period shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and, (II) for purposes of determining the Executive's eligibility for and right to commence receiving benefits under the retiree healthcare benefit plans of Lazard Group, the Executive will receive additional years of age and service credit equal to the number of years and portions thereof in the benefits continuation period described in clause (I) above (the "Medical Benefits"); and

(C) to the extent not theretofore paid or provided, the Firm shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Firm and its affiliates through the Date of Termination (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(ii) Death. If the Executive's employment is terminated by reason of the Executive's death during the portion of the Term commencing on the IPO Date, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of the Accrued Obligations, and the timely payment or provision of Other Benefits. The Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 3(e)(ii) shall include death benefits as in effect on the date of the Executive's death with respect to senior executives of the Firm.

(iii) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the portion of the Term commencing on the IPO Date, this Agreement shall terminate without further obligations to the Executive, other than for payment of the Accrued Obligations and the timely payment or provision of Other Benefits. The Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 3(e)(iii) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits as in effect at any time thereafter generally with respect to senior executives of the Firm.

(iv) Cause; Other Than for Good Reason; Expiration of the Term. If, during the portion of the Term commencing on the IPO Date, the Executive's employment shall be terminated for Cause or the Executive terminates his employment without Good Reason, or if the Executive's employment with the Firm

ceases upon or following the expiration of the Term, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay or provide to the Executive (i) the Accrued Obligations (provided that the Executive shall not be entitled to the Pro-Rata Bonus upon a termination by the Firm for Cause or by the Executive without Good Reason) and (ii) the Other Benefits, in each case to the extent theretofore unpaid.

(v) By the Firm Other Than for Cause, Death or Disability or By the Executive for Good Reason, Following the IPO Date and On or After a Change of Control. If, during the portion of the Term following the IPO Date and on or after a Change of Control, the Firm shall terminate the Executive's employment other than for Cause, death or Disability or the Executive shall terminate employment for Good Reason, the Firm shall pay or provide to the Executive: (A) a lump sum cash payment within 30 days after the Date of Termination equal to the sum of (I) the Accrued Obligations and (II) the amount equal to the product of (x) three and (y) the sum of the Executive's Base Salary and the greater of (1) the Minimum Bonus Amount or (2) the Average Annual Bonus, (B) the Medical Benefits as described in Section 3(e)(i)(B) above until the later to occur of the third anniversary of the Executive's Date of Termination and February 29, 2008 (which, for the avoidance of doubt, shall also be the period used for determining the Executive's years of age and service credit), and (C) Other Benefits.

(f) Section 409A of the Code. Notwithstanding the timing of the payments pursuant to Section 3(e) of this Agreement, to the extent the Executive would otherwise be entitled to a payment during the six months beginning on the Date of Termination that would be subject to the additional tax imposed under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), (i) the payment will not be made to the Executive and instead will be made, at the election of the Firm, either to a trust in compliance with Rev. Proc. 92-64 or an escrow account established to fund such payments (provided that such funds shall be at all times subject to the creditors of the Firm and its affiliates) and (ii) the payment, together with interest thereon at the rate of "prime" plus 1%, will be paid to the Executive on the earlier of the six-month anniversary of Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). Similarly, to the extent the Executive would otherwise be entitled to any benefit (other than a cash payment) during the six months beginning on the Date of Termination that would be subject to the additional tax under Section 409A of the Code, the benefit will be delayed and will begin being provided (together, if applicable, with an adjustment to compensate the Executive for the delay, with such adjustment to be determined in the Firm's reasonable good faith discretion) on the earlier of the six-month anniversary of the Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). The Firm will establish the trust or escrow account, as applicable, no later than ten days after the Executive's Date of Termination. It is the intention of the parties that the payments and benefits to which the Executive could become entitled in connection with termination of employment under this Agreement comply with Section 409A of the Code. In the event that the parties determine that any such benefit or right does not so comply, they will negotiate reasonably and in good faith to amend the terms of this Agreement such that it complies (in a manner that attempts to minimize the economic impact of such amendment on the Executive and the Firm).

(g) Non-exclusivity of Rights. Except as specifically provided, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Firm or any of its affiliates and for which the Executive may qualify, provided that to the extent the Executive is entitled to severance pay under Section 3(e) of this Agreement, he shall not be entitled to severance pay under any severance policy of the Firm or its affiliates. Amounts or benefits that are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Firm or any of its affiliates at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

(h) Full Settlement. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and, such amounts shall not be reduced whether or not the Executive obtains other employment. Except as provided in Section 16(f), the Firm's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Firm may have against the Executive.

(i) Certain Additional Payments by the Firm.

(i) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment, benefit or distribution by the Firm or its affiliates to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 3(i)) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(ii) Subject to the provisions of Section 3(i)(iii), all determinations required to be made under this Section 3(i), including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche LLP or such other nationally recognized certified public accounting firm reasonably acceptable to the Firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Firm and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the

Firm. All fees and expenses of the Accounting Firm shall be borne solely by the Firm. Any Gross-Up Payment, as determined pursuant to this Section 3(i), shall be paid by the Firm to the Executive within five days of the later of (A) the due date for the payment of any Excise Tax, and (B) the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Firm and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Firm should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Firm exhausts its remedies pursuant to Section 3(i)(iii) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Firm to or for the benefit of the Executive.

(iii) The Executive shall notify the Firm in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Firm of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Firm of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Firm (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Firm notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(A) give the Firm any information reasonably requested by the Firm relating to such claim,

(B) take such action in connection with contesting such claim as the Firm shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Firm,

(C) cooperate with the Firm in good faith in order effectively to contest such claim, and

(D) permit the Firm to participate in any proceedings relating to such claim;

provided, however, that the Firm shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 3(i)(iii), the Firm shall control

all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Firm shall determine; provided, however, that if the Firm directs the Executive to pay such claim and sue for a refund, the Firm shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Firm's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If, after the receipt by the Executive of an amount advanced by the Firm pursuant to Section 3(i)(iii), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Firm's complying with the requirements of Section 3(i)(iii)) promptly pay to the Firm the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Firm pursuant to Section 3(i)(iii), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Firm does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

4. Confidential Information. In the course of involvement in the Firm's activities or otherwise, the Executive has obtained or may obtain confidential information concerning the Firm's businesses, strategies, operations, financial affairs, organizational and personnel matters (including information regarding any aspect of the Executive's tenure as a managing director, member, partner or employee of the Firm or of the termination of such position, partnership or employment), policies, procedures and other non-public matters, or concerning those of third parties. The Executive shall not at any time (whether during or after the Executive's employment with the Firm) disclose or use for the Executive's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than the Firm, any trade secrets, information, data, or other confidential or proprietary information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, financing methods, plans, or the business and affairs of the Firm, provided that the foregoing shall not apply to information which is not unique to the Firm or which is generally known to

the industry or the public other than as a result of the Executive's breach of this covenant or as required pursuant to an order of a court, governmental agency or other authorized tribunal. The Executive agrees that upon termination of the Executive's employment with the Firm for any reason, the Executive or, in the event of the Executive's death, the Executive's heirs or estate at the request of the Firm, shall return to the Firm immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Firm, except that the Executive (or the Executive's heirs or estate) may retain personal notes, notebooks and diaries. The Executive further agrees that the Executive shall not retain or use for the Executive's account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the businesses of the Firm. Without limiting the foregoing, the existence of, and any information concerning, any dispute between the Executive and the Firm shall be subject to the terms of this Section 4, except that the Executive may disclose information concerning such dispute to the arbitrator or court that is considering such dispute, and to the Executive's legal counsel, spouse or domestic partner, and tax and financial advisors (provided that such persons agree not to disclose any such information other than as necessary to the prosecution or defense of the dispute).

5. Noncompetition.

(a) The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Executive further acknowledges and agrees that in connection with the Reorganization, and in the course of the Executive's subsequent employment with the Firm, the Executive has been and shall be provided with access to sensitive and proprietary information about the clients, prospective clients, knowledge capital and business practices of the Firm, and has been and shall be provided with the opportunity to develop relationships with clients, prospective clients, consultants, employees, representatives and other agents of the Firm, and the Executive further acknowledges that such proprietary information and relationships are extremely valuable assets in which the Firm has invested and shall continue to invest substantial time, effort and expense. As a Managing Director and Class A Member of Lazard, the Executive is currently bound by certain restrictive covenants, including a noncompetition restriction, pursuant to the terms of the Goodwill Agreement. Accordingly, the Executive hereby reaffirms and agrees that while employed by the Firm and thereafter until (i) three months after the Executive's Date of Termination for any reason other than a termination by the Firm without Cause or by the Executive for Good Reason or (ii) one month after the Executive's Date of Termination by the Firm without Cause or by the Executive for Good Reason (such period, the "Noncompete Restriction Period"), the Executive shall not, directly or indirectly, on the Executive's behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee, director, advisor, partner, consultant or otherwise, engage in a "Competing Activity," or acquire or maintain any ownership interest in, a "Competitive Enterprise." For purposes of this Agreement, (i) "Competing Activity" means the providing of services or performance of activities for a Competitive Enterprise in a line of business that is similar to any line of business to which the Executive provided services to the Firm in a capacity that is similar to the capacity in which the Executive acted for the Firm while employed by the Firm, and (ii) "Competitive Enterprise" shall mean a business (or business unit) that (A) engages in any activity or (B) owns or controls a significant interest in any entity that engages in any activity, that in either case, competes anywhere with any activity in which the Firm is engaged up to and including the Executive's Date of Termination. Notwithstanding anything to the contrary in this

Section 5, the foregoing provisions of this Section 5 shall not prohibit the Executive's providing services to an entity having a stand-alone business unit which unit would, if considered separately for purposes of the definition of "Competitive Enterprise" hereunder, constitute such a Competitive Enterprise, provided the Executive is not providing services to such business unit and provided further that employment in a senior executive capacity of the business unit shall be deemed to be engaging in a Competitive Activity. Further, notwithstanding anything in this Section 5, the Executive shall not be considered to be in violation of this Section 5 solely by reason of owning, directly or indirectly, any stock or other securities of a Competitive Enterprise (or comparable interest, including a voting or profit participation interest, in any such Competitive Enterprise) if the Executive's interest does not exceed 5% of the outstanding capital stock of such Competitive Enterprise (or comparable interest, including a voting or profit participation interest, in such Competitive Enterprise).

(b) The Executive acknowledges that the Firm is engaged in business throughout the world. Accordingly, and in view of the nature of the Executive's position and responsibilities, the Executive agrees that the provisions of this Section 5 shall be applicable to each jurisdiction, foreign country, state, possession or territory in which the Firm may be engaged in business while the Executive is employed by the Firm.

6. Nonsolicitation of Clients. The Executive hereby agrees that during the Noncompete Restriction Period, the Executive shall not, in any manner, directly or indirectly, (a) Solicit a Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Firm, to the extent the Executive is soliciting a Client to provide them with services that would be considered a Competing Activity if such services were provided by the Executive, or (b) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and a Client. For purposes of this Agreement, the term "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, persuading, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action, and the term "Client" means any client or prospective client of the Firm to whom the Executive provided services, or for whom the Executive transacted business, or whose identity became known to the Executive in connection with the Executive's relationship with or employment by the Firm, whether or not the Firm has been engaged by such Client pursuant to a written agreement; provided that an entity which is not a client of the Firm shall be considered a "prospective client" for purposes of this sentence only if the Firm made a presentation or written proposal to such entity during the 12-month period preceding the Date of Termination or was preparing to make such a presentation or proposal at the time of the Date of Termination.

7. No Hire of Employees. The Executive hereby agrees that while employed by the Firm and thereafter until six-months after the Executive's Date of Termination (the "No Hire Restriction Period"), the Executive shall not, directly or indirectly, for himself or on behalf of any third party at any time in any manner, Solicit, hire, or otherwise cause any employee who is at the associate level or above, officer or agent of the Firm to apply for, or accept employment with, any Competitive Enterprise, or to otherwise refrain from rendering services to the Firm or to terminate his or her relationship, contractual or otherwise, with the Firm, other than in response to a general advertisement or public solicitation not directed specifically to employees of the Firm.

8. Nondisparagement; Transfer of Client Relationships. The Executive shall not at any time (whether during or after the Executive's employment with the Firm), and shall instruct his spouse, domestic partner, parents, and any of their lineal descendants (it being agreed that in any dispute between the parties regarding whether the Executive breached such obligation to instruct, the Firm shall bear the burden of demonstrating that the Executive breached such obligation) not to, make any comments or statements to the press, employees of the Firm, any individual or entity with whom the Firm has a business relationship or any other person, if such comment or statement is disparaging to the Firm, its reputation, any of its affiliates or any of its current or former officers, members or directors, except for truthful statements as may be required by law. During the period commencing on the Executive's Date of Termination and ending 90 days thereafter, the Executive hereby agrees to take all actions and do all such things as may be reasonably requested by the Firm from time to time to maintain for the Firm the business, goodwill, and business relationships with any of the Firm's Clients with whom the Executive worked during the term of the Executive's employment, provided that such actions and things do not materially interfere with other employment of the Executive.

9. Notice of Termination Required. Pursuant to Sections 3(d)(iv) and (v), the Executive has agreed to provide three months' written notice to the Firm prior to his termination of employment. The Executive hereby agrees that, if, during the three-month period after the Executive has provided notice of termination to the Firm or prior thereto, the Executive enters (or has entered into) a written agreement to perform Competing Activities for a Competitive Enterprise, such action shall be deemed a violation of Section 5.

10. Covenants Generally.

(a) The Executive's covenants as set forth in Sections 4 through 9 of this Agreement are from time to time referred to herein as the "Covenants." If any of the Covenants is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such Covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining such Covenants shall not be affected thereby; provided, however, that if any of such Covenants is finally held to be invalid, illegal or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such Covenant shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder.

(b) The Executive acknowledges that the Executive's compliance with the Covenants is an important factor to the continued success of the Firm's operations and its future prospects. The Executive further acknowledges the importance to the Firm of his continued employment during the period prior to and following the IPO Date and of his not competing or otherwise interfering with the Firm during such period. The Executive understands that the provisions of the Covenants may limit the Executive's ability to work in a business similar to the business of the Firm; however, the Executive agrees that in light of the Executive's education, skills, abilities and financial resources, the Executive shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Covenants, that any provisions of the Covenants prevent the Executive from earning a living. In connection with the enforcement of or any dispute arising in connection with the Covenants, the wishes or preferences of a Client or prospective Client of the Firm as to who shall perform its services, or the fact that the

Client or prospective Client of the Firm may also be a Client of a third party with whom the Executive is or becomes associated, shall neither be relevant nor admissible as evidence. The Executive hereby agrees that prior to accepting employment with any other person or entity during his employment with the Firm or during the Noncompete Restriction Period or the No Hire Restriction Period, the Executive shall provide such prospective employer with written notice of the provisions of this Agreement, with a copy of such notice delivered no later than the date of the Executive's commencement of such employment with such prospective employer, to the General Counsel of Lazard or HoldCo, as the case may be.

(c) The provisions of Sections 4 through 11 shall remain in full force and effect from the date hereof through the expiration of the period specified therein notwithstanding the earlier termination of the Term or the Executive's employment.

11. Remedies.

(a) Forfeiture of Class A-2 Interests upon a Breach of the Covenants Prior to the IPO Date. If, during the period from the date hereof through the IPO Date, the Executive breaches any of the Covenants set forth in Section 5, 6 or 7 in any respect or breaches any other Covenant in a material respect, the Executive shall be required to forfeit (i) all unvested Class A-2 Interests, plus (ii) if the Executive has violated the Goodwill Agreement, all vested Class A-2 Interests (such forfeitures, the "Pre-IPO Damages"). The Executive and Lazard agree that the Pre-IPO Damages are reasonable in proportion to the probable damages likely to be sustained by the Firm if the Executive breaches the Covenants, that the amount of actual damages to be sustained by the Firm in the event of such breach is incapable of precise estimation, that such forfeiture of interests is not intended to constitute a penalty or punitive damages for any purposes, and that the forfeiture of such interests by the Executive would not result in severe economic hardship for the Executive and his family. The Executive further agrees that satisfaction of any Pre-IPO Damages as set forth in this Section 11(a) shall not, in any manner, relieve the Executive of any future obligations to abide by the Covenants.

(b) Other Remedies. The Firm and the Executive acknowledge that the time, scope, geographic area and other provisions of the Covenants have been specifically negotiated by sophisticated commercial parties and agree that all such provisions are reasonable under the circumstances of the activities contemplated by this Agreement. The Executive acknowledges and agrees that the terms of the Covenants: (i) are reasonable in light of all of the circumstances, (ii) are sufficiently limited to protect the legitimate interests of the Firm, (iii) impose no undue hardship on the Executive and (iv) are not injurious to the public. The Executive further acknowledges and agrees that the Executive's breach of the Covenants will cause the Firm irreparable harm, which cannot be adequately compensated by money damages. The Executive also agrees that the Firm shall be entitled to injunctive relief for any actual or threatened violation of any of the Covenants in addition to any other remedies it may have, including money damages. The Executive acknowledges and agrees that any such injunctive relief or other remedies (including the Pre-IPO Damages) shall be in addition to, and not in lieu of, any forfeitures of awards (required pursuant to the terms of any such awards) that may be granted to the Executive in the future under one or more of the Firm's compensation and benefit plans.

12. Arbitration. Subject to the provisions of Sections 13 and 14, any dispute, controversy or claim between the Executive and the Firm on or subsequent to the IPO Date arising out of or relating to or concerning the provisions of this Agreement, any agreement between the Executive and the Firm relating to or arising out of the Executive's employment with the Firm or otherwise concerning any rights, obligations or other aspects of the Executive's employment relationship in respect of the Firm ("Employment Related Matters"), shall be finally settled by arbitration in New York City before, and in accordance with the rules then obtaining of, the New York Stock Exchange, Inc. (the "NYSE") or, if the NYSE declines to arbitrate the matter, the American Arbitration Association (the "AAA") in accordance with the commercial arbitration rules of the AAA. Prior to the IPO Date, any such dispute shall be resolved in accordance with the provisions of Section 9.04 of the LLC Agreement.

13. Injunctive Relief; Submission to Jurisdiction. Notwithstanding the provisions of Section 12, and in addition to its right to submit any dispute or controversy to arbitration, the Firm may bring an action or special proceeding in a state or federal court of competent jurisdiction sitting in the City of New York, whether or not an arbitration proceeding has theretofore been or is ever initiated, for the purpose of temporarily, preliminarily, or permanently enforcing the provisions of the Covenants, or to enforce an arbitration award, and, for the purposes of this Section 13, the Executive (a) expressly consents to the application of Section 14 to any such action or proceeding, (b) agrees that proof shall not be required that monetary damages for breach of the provisions of the Covenants or this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (c) irrevocably appoints the General Counsel of Lazard as the Executive's agent for service of process in connection with any such action or proceeding, who shall promptly advise the Executive of any such service of process.

14. Choice of Forum.

(a) THE EXECUTIVE AND THE FIRM HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE CITY OF NEW YORK OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT OR ANY EMPLOYMENT RELATED MATTERS THAT IS NOT OTHERWISE REQUIRED TO BE ARBITRATED OR RESOLVED ACCORDING TO THE PROVISIONS OF SECTION 12. This includes any suit, action or proceeding to compel arbitration or to enforce an arbitration award. This also includes any suit, action, or proceeding arising out of or relating to any post-employment Employment Related Matters. The Executive and the Firm acknowledge that the forum designated by this Section 14 has a reasonable relation to this Agreement, and to the Executive's relationship to the Firm. Notwithstanding the foregoing, nothing herein shall preclude the Firm or the Executive from bringing any action or proceeding in any other court for the purpose of enforcing the provisions of Sections 13, 14 or 15.

(b) The agreement of the Executive and the Firm as to forum is independent of the law that may be applied in the action, and the Executive and the Firm agree to such forum even if the forum may under applicable law choose to apply non-forum law. The Executive and the Firm hereby waive, to the fullest extent permitted by applicable law, any objection which the Executive or the Firm now or hereafter may have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding in any court referred to in Section

14(a). The Executive and the Firm undertake not to commence any action arising out of or relating to or concerning this Agreement in any forum other than a forum described in this Section 14, or, to the extent applicable, Section 12. The Executive and the Firm agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such suit, action or proceeding in any such court shall be conclusive and binding upon the Executive and the Firm.

15. Choice of Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (UNITED STATES OF AMERICA), WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS WHICH COULD CAUSE THE APPLICATION OF THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

16. Miscellaneous.

(a) This Agreement shall supersede any other agreement, written or oral, pertaining to the matters covered herein, except to the extent set forth on Schedule I. In the event that this Agreement is terminated pursuant to the penultimate sentence of
Section 1, all agreements that had been superseded pursuant to this Section 16(a) shall revert to full effectiveness.

(b) Other than in the case of a termination of this Agreement in accordance with the penultimate sentence of Section 1, Sections 3(e), 3(h), 3(i), 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 shall survive the termination of this Agreement and the Executive's employment and shall inure to the benefit of and be binding and enforceable by the Firm and the Executive.
Section 3(b) shall survive the termination of this Agreement for any reason, including, without limitation, the penultimate sentence of Section 1.

(c) Notices hereunder shall be delivered to Lazard at its principal executive office directed to the attention of its General Counsel, and to the Executive at the Executive's last address appearing in the Firm's employment records. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid.

(d) This Agreement may not be amended or modified, other than by a written agreement executed by the Executive and the Firm, nor may any provision hereof be waived other than by a writing executed by the Executive or the Firm; provided, that any waiver, consent, amendment or modification of any of the provisions of this Agreement shall not be effective against the Firm without the written consent of the Head of Lazard (or after the IPO Date, the CEO) or its successors, or such individual's designee. The Executive may not, directly or indirectly (including by operation of law), assign the Executive's rights or obligations hereunder without the prior written consent of the Head of Lazard (or after the IPO Date, the CEO) or its successors, or such individual's designee, and any such assignment by the Executive in violation of this Agreement shall be void. This Agreement shall be binding upon the Executive's permitted successors and assigns. Without the Executive's consent, Lazard may at any time and from time to time assign its rights and obligations hereunder to any of its subsidiaries or affiliates (and have such rights and obligations reassigned to it or to any other subsidiary or affiliate), provided

that no such assignment shall relieve Lazard from its obligations under this Agreement or impair Lazard's right to enforce this Agreement against the Executive. This Agreement shall be binding upon and inure to the benefit of the Firm and its successors and assigns.

(e) Without limiting the provisions of Section 10(a), if any provision of this Agreement is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby.

(f) The Firm may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation, and may withhold from, and offset by, any amounts or benefits provided under this Agreement, any amounts owed to the Firm by the Executive, including, without limitation, any advances, expenses, loans, or other monies the Executive owes the Firm pursuant to a written agreement or any written policy of the Firm which has been communicated to the Executive.

(g) Except as expressly provided herein, this Agreement shall not confer on any person other than the Firm and the Executive any rights or remedies hereunder. There shall be no third-party beneficiaries to this Agreement.

(h) The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Executive and the Firm hereto have caused this Agreement to be executed and delivered on the date first above written.

LAZARD LLC
(on its behalf, and on behalf of its subsidiaries and affiliates)

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Authorized Person

STEVEN J. GOLUB

By: /s/ Steven J. Golub

SCHEDULE I

HoldCo Interests (as per Section 2(b)):	1.7%
Profit Interests (as per Section 2(d)):	1.7%

Initialed by the Executive: /s/ SJG

Initialed by Lazard: /s/ SDH

EXHIBIT 10.26

FORM OF AGREEMENT RELATING TO RETENTION AND
NONCOMPETITION AND OTHER COVENANTS

AGREEMENT, dated as of May 4, 2005 (this "Agreement"), by and between Lazard LLC, a Delaware limited liability company ("Lazard"), on its behalf and on behalf of its subsidiaries and affiliates (collectively with Lazard, and its and their predecessors and successors, the "Firm"), and the individual named on Schedule I (the "Executive").

WHEREAS, as of the date hereof, the Executive is a "Managing Director" and a "Class A Member" of Lazard (each as defined in the Third Amended and Restated Operating Agreement of Lazard, dated as of January 1, 2002, as amended (as it may be amended from time to time, the "LLC Agreement")); and

WHEREAS, pursuant to the LLC Agreement and the Goodwill Vesting Agreement and Acknowledgement between Lazard and the Executive (the "Goodwill Agreement," and, together with the LLC Agreement, the "Current Agreements"), as a Class A Member, the Executive is subject to certain restrictions relating to competition and solicitation; and

WHEREAS, in connection with the Executive's participation in the reorganization of Lazard (the "Reorganization") currently expected to occur substantially on the terms and conditions described in Amendment No. 2 to the draft Registration Statement on Form S-1 (the "S-1") dated March 21, 2005, as filed with the Securities and Exchange Commission, relating to the initial public offering (the "IPO" and together with the Reorganization and the HoldCo Formation (as defined below), as each may be modified, adjusted or implemented after the date hereof, the "Transactions") of shares of Class A common stock of Lazard Ltd, a Bermuda limited company ("PubliCo"), the Executive has agreed to enter into this Agreement with Lazard to set forth the Executive's (1) understanding of the terms of the Transactions applicable to the Executive as a Class A Member (as defined in the LLC Agreement) and as a member of a newly formed Delaware limited liability company ("HoldCo") to be formed in connection with the Reorganization and of the fact that the terms are in draft form and may be changed or altered after the date hereof (other than as expressly provided herein), and approval of the Transactions (including as such terms may be changed or altered), (2) continuing employment commitment in contemplation of the IPO and following the IPO (as provided in Section 3(a)) and (3) obligations in respect of keeping information concerning the Firm confidential, not engaging in competitive activities, not soliciting the Firm's clients, not hiring the Firm's employees, not disparaging the Firm or its directors, members or employees, and cooperating with the Firm in maintaining certain relationships, while employed by the Firm and following the termination of the Executive's employment.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Executive and Lazard hereby agree as follows:

1. Term. Subject to the final sentence of this Section 1, Section 10(c) and to Section 16(b), the "Term" of this Agreement shall commence as of the date hereof (the "Effective Date") and shall continue indefinitely until terminated in accordance with this Section 1. Either party to this Agreement may terminate the Term (and the Executive's employment) upon

three months' prior written notice to the other party; *provided, however*, that such notice (or pay in lieu of notice) shall not be required in the event of the termination of the Executive's employment by reason of the Executive's death or "disability" (within the meaning of the long-term disability plan of the Firm applicable to the Executive) ("Disability") or by the Firm for Cause (as defined in Section 2(g)(iv)), may be waived by the Firm in the event of receipt of notice of a termination by the Executive or may, if the Firm wishes to terminate the Term with immediate effect, be satisfied by providing the Executive with his base salary during such three-month period in lieu of such notice. Notwithstanding that the Term commences as of the Effective Date, certain provisions of this Agreement shall not take effect until a later date, as specified herein. In addition, notwithstanding anything to the contrary contained herein, this Agreement shall terminate (i) on September 30, 2005, if the date of the closing of the IPO (the "IPO Date") does not occur prior to September 30, 2005, or (ii) on such date earlier than September 30, 2005, if any, on which (A) the IPO is finally abandoned or terminated by Lazard or (B) the Purchase and Transaction Support Agreement among Lazard and certain holders of "Class B-1 Interests" and "Class C Interests" (each as defined in the LLC Agreement) terminates. Upon any such termination, this Agreement shall be of no further force and effect and the rights and obligations of the parties hereto shall be governed by the terms of the Current Agreements and any agreements or portions thereof that had otherwise been superseded by Section 16(a).

2. The Transactions.

(a) Participation in the Reorganization. The Executive hereby acknowledges that he has reviewed and understands the terms of the proposed Transactions and that such terms, including the structure of the Transactions, may be modified or otherwise altered by the Board of Directors of Lazard, an authorized committee thereof or the "Head of Lazard and Chairman of the Executive Committee" (as defined in the LLC Agreement) as such person(s) may determine in furtherance of the purposes underlying the Transactions. The Executive hereby covenants to execute and deliver such documents, consents and agreements as shall be necessary to effectuate each of the Transactions (as described in the S-1 or as such Transactions may be modified or altered in accordance with the foregoing sentence), including, without limitation, any amendments to the Current Agreements or this Agreement (solely to the extent such amendments are necessary to effectuate any such modifications and alterations to the Transactions and are not inconsistent with the intent and purpose of this Agreement and other than as set forth in the last sentence of this Section 2(a)), a customary accredited investor representation letter, a HoldCo membership agreement and the stockholders' agreement referred to in Section 2(f). Notwithstanding anything contained herein to the contrary, in no event shall the following provisions be modified in a manner that materially and adversely affects the following rights of the Executive as and to the extent set forth in such provisions of this Agreement: (i) Section 2(c) solely with respect to the vesting of the Class A-2 Interests and the corresponding Holdco Interests, (ii) Section 2(e) solely with respect to the timing of payment of the memo and other capital in Lazard, (iii) Section 2(g)(i) solely with respect to the last sentence thereof relating to the restrictive covenants applicable to the Exchangeable Interests, (iv) Section 2(g)(ii) solely with respect to the timing of exchangeability of the Exchangeable Interests, (v) Section 2(g)(iv) solely with respect to the definition of Cause and (vi) Schedule I.

(b) Formation of HoldCo. Effective upon the Reorganization and consummation of the mandatory sale of all "Interests" (as defined in the LLC Agreement) pursuant

to Section 6.02(b) of the LLC Agreement (as the provisions of such Section 6.02(b) may be waived or modified) or otherwise (the "HoldCo Formation"), and provided that as of the effective time of the HoldCo Formation the Executive continues to be employed by the Firm, the Executive shall receive, in exchange for the Executive's Class A Interests (as defined in the LLC Agreement) outstanding immediately prior to the HoldCo Formation, the percentage of membership interests in HoldCo set forth on Schedule I attached hereto (such percentage to be increased pro rata to reflect the redemption of Class B-1 Interests pursuant to the Reorganization) that have substantially the same rights, obligations and terms (including with respect to vesting) with respect to HoldCo pursuant to the HoldCo limited liability company operating agreement (the "HoldCo LLC Agreement") and applicable law as those of the exchanged Class A Interests, except as provided herein, including in Sections 2(a) and 2(d), or except to the extent that any other changes, taken as a whole with any benefits provided, are not materially adverse to the Executive (such membership interests, the "HoldCo Interests"). The Holdco LLC Agreement will include those terms set forth on Schedule II attached hereto, subject to the limitations set forth therein.

(c) Vesting of Class A-2 Interests (or the Holdco Interests Corresponding to Such Class A-2 Interests). Subject to the consummation of the HoldCo Formation and subject to and effective upon the IPO Date, and provided that as of the IPO Date the Executive continues to be employed by the Firm (or has had his employment terminated by the Firm without "Cause" (as defined below) or on account of Disability or death), following the date hereof and prior to the IPO Date, the Class A-2 Interests (as defined in the LLC Agreement) (the "Class A-2 Interests") held by the Executive as of the date hereof (or upon consummation of the Reorganization, the HoldCo Interests received by the Executive in the Reorganization that correspond to the Executive's Class A-2 Interests as of the date hereof) that are not vested as of the IPO Date, shall become fully vested. Such vesting shall occur (i) in the case of a termination of employment prior to the IPO Date on the terms described above in this Section 2(c), on the date of such termination (provided that in the event that the IPO Date shall not occur as contemplated by this Agreement, such vesting shall be deemed not to have occurred, unless it is otherwise provided by the Current Agreements) or (ii) in any other case, on the IPO Date.

(d) Profits Interest Allocation. In connection with the Reorganization, subject to the consummation of the HoldCo Formation and subject to and effective upon the closing of the IPO, and provided that as of the IPO Date the Executive continues to be employed by HoldCo or one of its affiliates (including Lazard), the Executive shall become a member participating in the profits of HoldCo with a profit percentage in HoldCo of no less than the amount specified on Schedule I attached hereto (the "Profits Interest") (such percentage to be increased pro rata to reflect the redemption of Class B-1 Interests pursuant to the Reorganization) having the rights, obligations and terms set forth in the HoldCo LLC Agreement so long as the Executive shall remain employed by the Firm. Subject to the provisions of the HoldCo LLC Agreement and the determination of the Board of Directors of HoldCo (the "HoldCo Board"), HoldCo shall make (i) distributions in respect of income taxes arising from such Profit Interests and (ii) from and after the third anniversary of the IPO Date distributions that are intended to be equivalent to the aggregate amount of dividends that the Executive (and, if applicable, the Executive's "Entities" (as defined below)) would have received had the Executive (and, if applicable, the Executive's Entities) exchanged such person's "Exchangeable Interests" (as defined below) for exchangeable membership interests in Lazard that were then immediately exchanged for "PubliCo Shares" (as defined below) effective as of the third anniversary of the IPO Date (with such

amount of distributions, and such profit percentage, to be adjusted from time to time to reflect the actual exchange, in whole or in part, of such Exchangeable Interests).

(e) Treatment of Memo Capital and Other Capital. Upon the HoldCo Formation, HoldCo shall assume the obligations of Lazard for memo capital and other capital in Lazard, and the Executive hereby acknowledges such assumption and releases Lazard in full from such obligations. HoldCo shall distribute to the Executive amounts in respect of the Executive's assumed memo capital in respect of Class A-1 capital and former Class A-1 capital, if any, in equal installments on the first, second, third and fourth anniversaries of the IPO Date, plus any interest accrued through each distribution date. The Executive further hereby agrees that all of his rights and title to and in any and all capital of HoldCo allocated with respect to any Exchangeable Interests which are exchanged for exchangeable membership interests in Lazard that are in turn exchanged for PubliCo Shares, and the related profits interests (other than, for the avoidance of doubt, the capital to be repaid in accordance with the immediately foregoing sentence), shall be forfeited without payment therefor, effective immediately upon the exchange of such Exchangeable Interests. This Section 2(e) supercedes and replaces any other agreements or understandings with respect to all capital of Lazard and HoldCo, other than in respect of earnings on such capital, which shall be continued in accordance with past practice.

(f) Stockholders' Agreement. The Executive hereby agrees that all Exchangeable Interests and PubliCo Shares (as defined in Section 2(g)(i)) held by the Executive and the Executive's Entities (including PubliCo Shares obtained pursuant to the exchange of Exchangeable Interests for exchangeable membership interests in Lazard which are then exchanged for PubliCo Shares) shall be subject to a stockholders' agreement which shall provide, among other things, that the Executive (on behalf of himself and any "Entity" (as defined in Section 2(g)(ii)) to whom he has transferred any Class A-2 Interests (as defined in the LLC Agreement) or transfers any such Exchangeable Interests or PubliCo Shares) shall delegate to such person(s) or entity as is described in such agreement the right to vote PubliCo Shares held by the Executive or by any such Entity to whom he made such a transfer. The Executive hereby agrees to execute and deliver such stockholders' agreement (or, in the case of any Entity, to cause the execution and delivery thereof) in accordance with the HoldCo LLC Agreement. The stockholders' agreement will include those terms set forth on Schedule III attached hereto, subject to the limitations set forth therein.

(g) Exchangeable Interests.

(i) A portion of the HoldCo Interests received by the Executive pursuant to Section 2(b) equal in percentage to the Executive's Lazard Class A-2 Interests as of the IPO Date as adjusted in the same manner as all other Lazard Class A-2 Interests in connection with the HoldCo Formation (such portion, the "Exchangeable Interests") shall be exchangeable, on the terms set forth in this Section 2(g) and the HoldCo LLC Agreement, for membership interests in Lazard that are in turn exchangeable for shares of Class A common stock of PubliCo ("PubliCo Shares"), such exchange to be accomplished in each case by HoldCo distributing to the Executive (in exchange for the appropriate portion of the Executive's Exchangeable Interests) the corresponding portion of HoldCo's applicable ownership interest in Lazard and causing PubliCo to issue the PubliCo Shares to the Executive in ex-

change for such distributed ownership interest in Lazard (or such other structure as may be reflected in the Holdco LLC Agreement and documents ancillary thereto which provide for a similar exchange, directly or indirectly, of Exchangeable Interests for PubliCo Shares). The documents reflecting the Exchangeable Interests shall contain the restrictive covenants set forth in the HoldCo LLC Agreement addressing the subject matter of the Covenants, which covenants shall be consistent with, and no more restrictive on the Executive than those contained in this Agreement. The Executive's Exchangeable Interests shall not be subject to reduction for any reason.

(ii) Subject to the provisions of the HoldCo LLC Agreement, the Exchangeable Interests may be exchanged for exchangeable membership interests in Lazard that are in turn exchangeable for PubliCo Shares as described above, at the Executive's election, on and after the eighth anniversary of the IPO Date; *provided*, *however*, that (A) if the Executive remains employed by the Firm through the third anniversary of the IPO Date, the Executive's Exchangeable Interests (and any Exchangeable Interests held by any trust or any entity that is wholly-owned by the Executive or of which the entire ownership or beneficial interests are held by any combination of the Executive and his spouse, parents, and any of their descendants by lineage or adoption (an "Entity")), may be exchanged for exchangeable membership interests in Lazard that are in turn exchangeable for PubliCo Shares, in whole or in part, at the Executive's (or, if applicable, such Entity's) election, in three equal installments on and after each of the third, fourth and fifth anniversaries of the IPO Date, provided that each such installment may be exchanged only if the Executive has complied with the Covenants (as defined in Section 10), and (B) if the Executive remains employed by the Firm through the second anniversary of the IPO Date (but not through the third anniversary of the IPO Date), the Executive's Exchangeable Interests may be exchanged, in whole or in part, at the Executive's (or, if applicable, such Entity's) election, in three equal installments on and after each of the fourth, fifth and sixth anniversaries of the IPO Date, provided that each such installment may be exchanged only if the Executive has complied with the Covenants. Notwithstanding the above, (w) if the Executive's employment is terminated by the Firm without "Cause" (as defined below) or by reason of the Executive's Disability prior to the third anniversary of the IPO Date, the Executive's Exchangeable Interests may be exchanged as if the Executive had remained employed on the third anniversary of the IPO Date and complied with the requirements of clause (A) above (i.e., the Executive may exchange his Exchangeable Interests on the third, fourth and fifth anniversaries of the IPO Date as described in clause (A) above, provided that each such installment may be exchanged only if the Executive has complied with the Covenants); (x) if the Executive's employment is terminated by reason of the Executive's death (1) prior to or on the second anniversary of the IPO Date, the Executive's Exchangeable Interests shall, at the election of the Firm, either (A) become exchangeable in full no later than the first anniversary of such death or (B) be purchased by HoldCo at the trading price of PubliCo Shares on the date of such repurchase no later than the first anniversary of such death or (2) subsequent to the second anniversary of the IPO Date but prior to the fourth anniversary of the IPO Date, the Executive's Exchangeable Interests may, to the extent not previously exchanged, be exchangeable in full on the later of (A) the third anniversary

of the IPO Date and (B) the anniversary of the IPO Date next following such death; (y) if following the IPO Date and prior to the third anniversary of the IPO Date, the Executive's employment terminates due to his Retirement (defined as the voluntary resignation by the Executive on or after the date he attains age 65 or attains age 55 and has at least ten years of continuous service as a managing director of Lazard or one of its affiliates) and thereafter the Executive dies, the Executive's Exchangeable Interests shall be treated as set forth in clause (x) of this Section, provided that the Covenants have been complied with since his retirement without regard to the time limits set forth therein; and (z) in the event of a "Change of Control" (as defined in the HoldCo LLC Agreement), the Executive's Exchangeable Interests shall be exchanged prior to the occurrence of such event at a time and in a fashion designed to allow the Executive to participate in the Change of Control transaction on a basis no less favorable (prior to any applicable taxes) than that applicable to holders of PubliCo Shares.

(iii) Prior to the applicable exchange date and as a condition to the exchange of the Exchangeable Interests for PubliCo Shares, the Executive shall have entered into a stockholders' agreement, as described in Section 2(f), and otherwise complied in all material respects with the terms of the HoldCo LLC Agreement applicable to such exchange. Each of HoldCo and PubliCo shall have the right to require the exchange of all or part of the Executive's Exchangeable Interests for PubliCo Shares during the period beginning on the ninth anniversary of the IPO Date and ending 30 days after such anniversary.

(iv) For purposes of this Agreement, "Cause" shall mean: (A) conviction of the Executive of, or a guilty or *nolo contendere* plea (or the equivalent in a non-United States jurisdiction) by the Executive to, a felony (or the equivalent in a non-United States jurisdiction), or of any other crime that legally prohibits the Executive from working for the Firm; (B) breach by the Executive of a regulatory rule that materially adversely affects the Executive's ability to perform his duties to the Firm; (C) willful and deliberate failure on the part of the Executive (i) to perform his employment duties in any material respect or (ii) to follow specific reasonable directions received from the Firm, in each case following written notice to the Executive of such failure and, if such failure is curable, the Executive's failing to cure such failure within a reasonable time (but in no event less than 30 days); or (D) a breach of the Covenants that is (individually or combined with other such breaches) demonstrably and materially injurious to Lazard or any of its affiliates. Notwithstanding the foregoing, with respect to the events described in clauses (B) and (C)(i) hereof, the Executive's acts or failure to act shall not constitute Cause to the extent taken (or not taken) based upon the direct instructions of the Head of Lazard (or after the IPO Date, the Chief Executive Officer of PubliCo (the " CEO")) or the Board of Directors of PubliCo or a more senior executive officer of Lazard.

(h) Registration; Dilution. The definitive agreements relating to the Transactions will contain (i) provisions obligating PubliCo to file a registration statement with the U.S. Securities and Exchange Commission in order to register the reoffer and resale of the PubliCo Shares on and following the exchange of the Exchangeable Interests, subject to custom-

ary blackout provisions and other customary restrictions, and obligating PubliCo to use reasonable efforts to list such PubliCo Shares on the New York Stock Exchange, and (ii) customary antidilution and corporate event adjustment protections (consistent with adjustments applicable to PubliCo Shares) with respect to the Exchangeable Interests and the Exchangeable Interests' exchange rights into PubliCo Shares.

(i) Cooperation With Respect to Taxes. Lazard shall use its reasonable efforts to structure the Transactions in a manner that does not result in any material tax to the Executive (that the Executive would not have incurred in the absence of the Transactions) upon the exchange of the Class A-2 Interests into Exchangeable Interests or other exchange of Class A-2 Interests into HoldCo Interests, it being understood that this shall not be a commitment to maintain the current tax treatment or benefits applicable to the Executive.

(j) HoldCo Governance Structure. Lazard shall use its reasonable efforts to structure the HoldCo governance terms with a view to permitting it to perform its obligations under this Agreement, including, without limitation, with respect to making the distributions and payments provided for in Sections 2(d) and (e) and permitting and effecting the exchange of the Exchangeable Interests for PubliCo Shares in the manner and at the times contemplated by Section 2(g).

3. Continued Employment. (a) Employment. The Executive hereby agrees to continue in the employ of the Firm, subject to the terms and conditions of this Agreement. In that regard, the Executive is committed to remaining in the employ of the Firm through the IPO Date and for at least two years following the IPO Date. Lazard acknowledges that this Section 3(a) is not legally binding or enforceable, nor is this Section 3(a) consideration for any right or benefit under this Agreement.

(b) Duties and Responsibilities; Code of Conduct. During the Term, the Executive shall serve as a Managing Director of Lazard or one of its affiliates (including, but not limited to, HoldCo or PubliCo), with such duties and responsibilities as the Head of Lazard (or after the IPO Date, the CEO) may from time to time determine, and, other than in respect of charitable, educational and similar activities which do not materially affect the Executive's duties to the Firm (or in respect of directorships, trusteeships, or similar posts, in each case, that are approved by the head of the Lazard house at which the Executive serves as a Managing Director) shall devote his entire working time, labor, skill and energies to the business and affairs of the Firm. During the Term, the Executive shall comply with the Firm's professional code of conduct as in effect from time to time and shall execute on an annual basis and at such additional times as the Firm may reasonably request such code as set forth in the Firm's "Professional Conduct Manual" or other applicable manual or handbook of the Firm as in effect from time to time and applicable to other managing directors in the same geographic location as the Executive.

(c) Compensation.

(i) Base Salary. During the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be paid an annualized base salary in the amount of the Executive's base salary as in effect on the date hereof, payable in the same manner

as other managing directors in the same geographic location are paid. The Executive's base salary shall be subject to annual review and increase, but not decrease, unless such decrease is in line with an across-the-board base salary decrease to all managing directors in the same geographic location as the Executive.

(ii) Annual Bonus. During the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder through the date of payment, the Executive may be awarded an annual bonus in an amount determined in the sole discretion of the CEO (subject to approval of the Board of Directors, or a committee of the Board of Directors, of PubliCo, to the extent required by law, the rules of any stock exchange or stock trading system to which PubliCo is subject, or corporate governance procedures established by the PubliCo Board of Directors). A portion of any such annual bonus may be satisfied in the form of equity compensation which may be subject to vesting conditions and/or restrictive covenants (it being understood that the sole remedy for violation of any such restrictive covenants shall be forfeiture of such equity compensation and/or recapture of previous gains in respect of such equity compensation and that, notwithstanding Section 11(b), money damages shall not be an available remedy).

(iii) Long-term Incentive Compensation. During the portion of the Term commencing on the second anniversary of the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be eligible to participate in any equity incentive plan for executives of the Firm as may be in effect from time to time, in accordance with the terms of any such plan.

(iv) Employee Benefit Plans. During the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be eligible to participate in the employee retirement and welfare benefit plans and programs of the type made available to the Firm's managing directors generally, in accordance with their terms and as such plans and programs may be in effect from time to time, including, without limitation, savings, profit-sharing and other retirement plans or programs, 401(k), medical, dental, flexible spending account, hospitalization, short-term and long-term disability and life insurance plans.

(d) At-Will Employment; No Severance. The Executive's employment hereunder shall be at-will and not for a definite period or duration. Subject to the Executive's right to continue to receive his base salary during the three-month notice period (to the extent not waived by the Firm) provided in Section 1, the Executive shall not be entitled under this Agreement to any severance payments or benefits or, in the absence of a breach of this Agreement by the Firm, any other damages under this Agreement upon termination of the Term or his employment with the Firm for any reason.

4. Confidential Information. In the course of involvement in the Firm's activities or otherwise, the Executive has obtained or may obtain confidential information concerning the Firm's businesses, strategies, operations, financial affairs, organizational and personnel matters (including information regarding any aspect of the Executive's tenure as a managing di-

rector, member, partner or employee of the Firm or of the termination of such position, partnership or employment), policies, procedures and other non-public matters, or concerning those of third parties. The Executive shall not at any time (whether during or after the Executive's employment with the Firm) disclose or use for the Executive's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than the Firm, any trade secrets, information, data, or other confidential or proprietary information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, financing methods, plans, or the business and affairs of the Firm, provided that the foregoing shall not apply to information which is not unique to the Firm or which is generally known to the industry or the public other than as a result of the Executive's breach of this covenant or as required pursuant to an order of a court, governmental agency or other authorized tribunal. The Executive agrees that upon termination of the Executive's employment with the Firm for any reason, the Executive or, in the event of the Executive's death, the Executive's heirs or estate at the request of the Firm, shall return to the Firm immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Firm, except that the Executive (or the Executive's heirs or estate) may retain personal notes, notebooks and diaries. The Executive further agrees that the Executive shall not retain or use for the Executive's account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the businesses of the Firm. Without limiting the foregoing, the existence of, and any information concerning, any dispute between the Executive and the Firm shall be subject to the terms of this Section 4, except that the Executive may disclose information concerning such dispute to the arbitrator or court that is considering such dispute, and to the Executive's legal counsel, spouse or domestic partner, and tax and financial advisors (provided that such persons agree not to disclose any such information other than as necessary to the prosecution or defense of the dispute).

5. Noncompetition. (a) The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Executive further acknowledges and agrees that in connection with the Reorganization, and in the course of the Executive's subsequent employment with the Firm, the Executive has been and shall be provided with access to sensitive and proprietary information about the clients, prospective clients, knowledge capital and business practices of the Firm, and has been and shall be provided with the opportunity to develop relationships with clients, prospective clients, consultants, employees, representatives and other agents of the Firm, and the Executive further acknowledges that such proprietary information and relationships are extremely valuable assets in which the Firm has invested and shall continue to invest substantial time, effort and expense. As a Managing Director and Class A Member of Lazard, the Executive is currently bound by certain restrictive covenants, including a noncompetition restriction, pursuant to the terms of the Goodwill Agreement. Accordingly, the Executive hereby reaffirms and agrees that while employed by the Firm and thereafter until (i) three months after the Executive's date of termination of employment for any reason other than a termination by the Firm without Cause or (ii) one month after the date of the Executive's termination by the Firm without Cause (in either case, the date of termination, the "Date of Termination," and such period, the "Noncompete Restriction Period"), the Executive shall not, directly or indirectly, on the Executive's behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee, director, advisor, partner, consultant or otherwise, engage in a "Competing Activity," or acquire or maintain any ownership interest in, a "Competitive Enter-

prise." For purposes of this Agreement, (i) "Competing Activity" means the providing of services or performance of activities for a Competitive Enterprise in a line of business that is similar to any line of business to which the Executive provided services to the Firm in a capacity that is similar to the capacity in which the Executive acted for the Firm while employed by the Firm, and (ii) "Competitive Enterprise" shall mean a business (or business unit) that (A) engages in any activity or (B) owns or controls a significant interest in any entity that engages in any activity, that in either case, competes anywhere with any activity in which the Firm is engaged up to and including the Executive's Date of Termination. Further, notwithstanding anything in this Section 5, the Executive shall not be considered to be in violation of this Section 5 solely by reason of owning, directly or indirectly, any stock or other securities of a Competitive Enterprise (or comparable interest, including a voting or profit participation interest, in any such Competitive Enterprise) if the Executive's interest does not exceed 5% of the outstanding capital stock of such Competitive Enterprise (or comparable interest, including a voting or profit participation interest, in such Competitive Enterprise).

(b) The Executive acknowledges that the Firm is engaged in business throughout the world. Accordingly, and in view of the nature of the Executive's position and responsibilities, the Executive agrees that the provisions of this Section 5 shall be applicable to each jurisdiction, foreign country, state, possession or territory in which the Firm may be engaged in business while the Executive is employed by the Firm.

6. Nonsolicitation of Clients. The Executive hereby agrees that during the Noncompete Restriction Period, the Executive shall not, in any manner, directly or indirectly, (a) Solicit a Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Firm, to the extent the Executive is soliciting a Client to provide them with services that would be considered a Competing Activity if such services were provided by the Executive, or (b) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and a Client. For purposes of this Agreement, the term "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, persuading, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action, and the term "Client" means any client or prospective client of the Firm, whether or not the Firm has been engaged by such Client pursuant to a written agreement; provided that an entity which is not a client of the Firm shall be considered a "prospective client" for purposes of this sentence only if the Firm made a presentation or written proposal to such entity during the 12-month period preceding the Date of Termination or was preparing to make such a presentation or proposal at the time of the Date of Termination.

7. No Hire of Employees. The Executive hereby agrees that while employed by the Firm and thereafter until six-months after the Executive's Date of Termination (the "No Hire Restriction Period"), the Executive shall not, directly or indirectly, for himself or on behalf of any third party at any time in any manner, Solicit, hire, or otherwise cause any employee who is at the associate level or above, officer or agent of the Firm to apply for, or accept employment with, any Competitive Enterprise, or to otherwise refrain from rendering services to the Firm or to terminate his or her relationship, contractual or otherwise, with the Firm, other than in response to a general advertisement or public solicitation not directed specifically to employees of the Firm.

8. Nondisparagement; Transfer of Client Relationships. The Executive shall not at any time (whether during or after the Executive's employment with the Firm), and shall instruct his spouse, domestic partner, parents, and any of their lineal descendants (it being agreed that in any dispute between the parties regarding whether the Executive breached such obligation to instruct, the Firm shall bear the burden of demonstrating that the Executive breached such obligation) not to, make any comments or statements to the press, employees of the Firm, any individual or entity with whom the Firm has a business relationship or any other person, if such comment or statement is disparaging to the Firm, its reputation, any of its affiliates or any of its current or former officers, members or directors, except for truthful statements as may be required by law. During the period commencing on the Executive's Date of Termination and ending 90 days thereafter, the Executive hereby agrees to take all actions and do all such things as may be reasonably requested by the Firm from time to time to maintain for the Firm the business, goodwill, and business relationships with any of the Firm's Clients with whom the Executive worked during the term of the Executive's employment, provided that such actions and things do not materially interfere with other employment of the Executive.

9. Notice of Termination Required. Pursuant to Section 1, the Executive has agreed to provide three months' written notice to the Firm prior to his termination of employment. The Executive hereby agrees that, if, during the three-month period after the Executive has provided notice of termination to the Firm or prior thereto, the Executive enters (or has entered into) a written agreement to perform Competing Activities for a Competitive Enterprise, such action shall be deemed a violation of Section 5.

10. Covenants Generally. (a) The Executive's covenants as set forth in Sections 4 through 9 of this Agreement are from time to time referred to herein as the "Covenants." If any of the Covenants is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such Covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining such Covenants shall not be affected thereby; *provided, however*, that if any of such Covenants is finally held to be invalid, illegal or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such Covenant shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder.

(b) The Executive acknowledges that the Executive's compliance with the Covenants is an important factor to the continued success of the Firm's operations and its future prospects. The Executive further acknowledges the importance to the Firm of his continued employment during the period prior to and following the IPO Date and of his not competing or otherwise interfering with the Firm during such period. The Executive understands that the provisions of the Covenants may limit the Executive's ability to work in a business similar to the business of the Firm; *however,* the Executive agrees that in light of the Executive's education, skills, abilities and financial resources, the Executive shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Covenants, that any provisions of the Covenants prevent the Executive from earning a living. In connection with the enforcement of or any dispute arising in connection with the Covenants, the wishes or preferences of a Client or prospective Client of the Firm as to who shall perform its services, or the fact that the Client or prospective Client of the Firm may also be a Client of a third party with whom the Executive is or becomes associated, shall neither be relevant nor admissible as evidence. The Ex-

ecutive hereby agrees that prior to accepting employment with any other person or entity during his employment with the Firm or during the Noncompete Restriction Period or the No Hire Restriction Period, the Executive shall provide such prospective employer with written notice of the provisions of this Agreement, with a copy of such notice delivered no later than the date of the Executive's commencement of such employment with such prospective employer, to the General Counsel of Lazard or HoldCo, as the case may be.

(c) The provisions of Sections 4 through 11 shall remain in full force and effect from the date hereof through the expiration of the period specified therein notwithstanding the earlier termination of the Term or the Executive's employment.

11. Remedies. (a) Forfeiture of Class A-2 Interests upon a Breach of the Covenants Prior to the IPO Date. If, during the period from the date hereof through the IPO Date, the Executive breaches any of the Covenants set forth in Section 5, 6 or 7 in any respect or breaches any other Covenant in a material respect, the Executive shall be required to forfeit (i) all unvested Class A-2 Interests, plus (ii) if the Executive has violated the Goodwill Agreement, all vested Class A-2 Interests (such forfeitures, the "Pre-IPO Damages"). The Executive and Lazard agree that the Pre-IPO Damages are reasonable in proportion to the probable damages likely to be sustained by the Firm if the Executive breaches the Covenants, that the amount of actual damages to be sustained by the Firm in the event of such breach is incapable of precise estimation, that such forfeiture of interests is not intended to constitute a penalty or punitive damages for any purposes, and that the forfeiture of such interests by the Executive would not result in severe economic hardship for the Executive and his family. The Executive further agrees that satisfaction of any Pre-IPO Damages as set forth in this Section 11(a) shall not, in any manner, relieve the Executive of any future obligations to abide by the Covenants.

(b) Other Remedies. The Firm and the Executive acknowledge that the time, scope, geographic area and other provisions of the Covenants have been specifically negotiated by sophisticated commercial parties and agree that all such provisions are reasonable under the circumstances of the activities contemplated by this Agreement. The Executive acknowledges and agrees that the terms of the Covenants: (i) are reasonable in light of all of the circumstances, (ii) are sufficiently limited to protect the legitimate interests of the Firm, (iii) impose no undue hardship on the Executive and (iv) are not injurious to the public. The Executive further acknowledges and agrees that the Executive's breach of the Covenants will cause the Firm irreparable harm, which cannot be adequately compensated by money damages. The Executive also agrees that the Firm shall be entitled to injunctive relief for any actual or threatened violation of any of the Covenants in addition to any other remedies it may have, including money damages. The Executive acknowledges and agrees that any such injunctive relief or other remedies (including the Pre-IPO Damages) shall be in addition to, and not in lieu of, any forfeitures of awards (required pursuant to the terms of any such awards) that may be granted to the Executive in the future under one or more of the Firm's compensation and benefit plans.

12. Arbitration. Subject to the provisions of Sections 13 and 14, any dispute, controversy or claim between the Executive and the Firm on or subsequent to the IPO Date arising out of or relating to or concerning the provisions of this Agreement, any agreement between the Executive and the Firm relating to or arising out of the Executive's employment with the Firm or otherwise concerning any rights, obligations or other aspects of the Executive's em-

ployment relationship in respect of the Firm ("Employment Related Matters"), shall be finally settled by arbitration in New York City before, and in accordance with the rules then obtaining of, the New York Stock Exchange, Inc. (the "NYSE") or, if the NYSE declines to arbitrate the matter, the American Arbitration Association (the "AAA") in accordance with the commercial arbitration rules of the AAA. Prior to the IPO Date, any such dispute shall be resolved in accordance with the provisions of Section 9.04 of the LLC Agreement.

13. Injunctive Relief; Submission to Jurisdiction. Notwithstanding the provisions of Section 12, and in addition to its right to submit any dispute or controversy to arbitration, the Firm may bring an action or special proceeding in a state or federal court of competent jurisdiction sitting in the City of New York, whether or not an arbitration proceeding has theretofore been or is ever initiated, for the purpose of temporarily, preliminarily, or permanently enforcing the provisions of the Covenants, or to enforce an arbitration award, and, for the purposes of this Section 13, the Executive (a) expressly consents to the application of Section 14 to any such action or proceeding, (b) agrees that proof shall not be required that monetary damages for breach of the provisions of the Covenants or this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (c) irrevocably appoints the General Counsel of Lazard as the Executive's agent for service of process in connection with any such action or proceeding, who shall promptly advise the Executive of any such service of process.

14. Choice of Forum. (a) THE EXECUTIVE AND THE FIRM HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE CITY OF NEW YORK OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT OR ANY EMPLOYMENT RELATED MATTERS THAT IS NOT OTHERWISE REQUIRED TO BE ARBITRATED OR RESOLVED ACCORDING TO THE PROVISIONS OF SECTION 12. This includes any suit, action or proceeding to compel arbitration or to enforce an arbitration award. This also includes any suit, action, or proceeding arising out of or relating to any post-employment Employment Related Matters. The Executive and the Firm acknowledge that the forum designated by this Section 14 has a reasonable relation to this Agreement, and to the Executive's relationship to the Firm. Notwithstanding the foregoing, nothing herein shall preclude the Firm or the Executive from bringing any action or proceeding in any other court for the purpose of enforcing the provisions of Sections 13, 14 or 15.

(b) The agreement of the Executive and the Firm as to forum is independent of the law that may be applied in the action, and the Executive and the Firm agree to such forum even if the forum may under applicable law choose to apply non-forum law. The Executive and the Firm hereby waive, to the fullest extent permitted by applicable law, any objection which the Executive or the Firm now or hereafter may have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding in any court referred to in Section 14(a). The Executive and the Firm undertake not to commence any action arising out of or relating to or concerning this Agreement in any forum other than a forum described in this Section 14, or, to the extent applicable, Section 12. The Executive and the Firm agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such suit, action or proceeding in any such court shall be conclusive and binding upon the Executive and the Firm.

15. Choice of Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (UNITED STATES OF AMERICA), WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS WHICH COULD CAUSE THE APPLICATION OF THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

16. Miscellaneous. (a) This Agreement shall supersede any other agreement, written or oral, pertaining to the matters covered herein, except to the extent set forth on Schedule I. In the event that this Agreement is terminated pursuant to the penultimate sentence of Section 1, all agreements that had been superseded pursuant to this Section 16(a) shall revert to full effectiveness.

(b) Other than in the case of a termination of this Agreement in accordance with the penultimate sentence of Section 1, Sections 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 shall survive the termination of this Agreement and the Executive's employment and shall inure to the benefit of and be binding and enforceable by the Firm and the Executive.

(c) Notices hereunder shall be delivered to Lazard at its principal executive office directed to the attention of its General Counsel, and to the Executive at the Executive's last address appearing in the Firm's employment records. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid.

(d) This Agreement may not be amended or modified, other than by a written agreement executed by the Executive and the Firm, nor may any provision hereof be waived other than by a writing executed by the Executive or the Firm; *provided*, that any waiver, consent, amendment or modification of any of the provisions of this Agreement shall not be effective against the Firm without the written consent of the Head of Lazard (or after the IPO Date, the CEO) or its successors, or such individual's designee. The Executive may not, directly or indirectly (including by operation of law), assign the Executive's rights or obligations hereunder without the prior written consent of the Head of Lazard (or after the IPO Date, the CEO) or its successors, or such individual's designee, and any such assignment by the Executive in violation of this Agreement shall be void. This Agreement shall be binding upon the Executive's permitted successors and assigns. Without the Executive's consent, Lazard may at any time and from time to time assign its rights and obligations hereunder to any of its subsidiaries or affiliates (and have such rights and obligations reassigned to it or to any other subsidiary or affiliate), provided that no such assignment shall relieve Lazard from its obligations under this Agreement or impair Lazard's right to enforce this Agreement against the Executive. This Agreement shall be binding upon and inure to the benefit of the Firm and its successors and assigns.

(e) Without limiting the provisions of Section 10(a), if any provision of this Agreement is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby.

(f) The Firm may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant

to any applicable law or regulation, and may withhold from, and offset by, any amounts or benefits provided under this Agreement, any amounts owed to the Firm by the Executive, including, without limitation, any advances, expenses, loans, or other monies the Executive owes the Firm pursuant to a written agreement or any written policy of the Firm which has been communicated to the Executive.

(g) Except as expressly provided herein, this Agreement shall not confer on any person other than the Firm and the Executive any rights or remedies hereunder. There shall be no third-party beneficiaries to this Agreement.

(h) The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Executive and the Firm hereto have caused this Agreement to be executed and delivered on the date first above written.

LAZARD LLC
(on its behalf, and on behalf of its subsidiaries and affiliates)

By: _____
Name:
Title:

EXECUTIVE (the individual named on Schedule I)

By: _____
Print Name:

SCHEDULE I

Name (as per Preamble):	Mr. Michael Castellano
HoldCo Interests (as per Section 2(b)):	0.45%
Profit Interests (as per Section 2(d)):	0.45%

Effective upon the IPO Date, the following provisions of this Schedule I shall take effect and shall constitute binding and enforceable agreements of the Firm.

1. Title. Notwithstanding anything to the contrary contained in Section 3(b) of this Agreement, from the IPO Date through the third anniversary of the IPO Date, the Executive shall serve as Managing Director and Chief Financial Officer of PubliCo and of Lazard Group LLC.

2. Compensation. Notwithstanding anything to the contrary contained in Sections 3(c)(i) and (ii) of this Agreement, subject to the Executive's continued employment hereunder, for each of the calendar years 2005, 2006 and 2007, the Executive shall, so long as the Executive remains employed by the Firm through the end of the applicable year, be entitled to receive annual compensation (base salary plus annual bonus) of not less than $2,000,000 per year (the "Guaranteed Amount"). Notwithstanding anything to the contrary contained in Section 3(c)(iv) of this Agreement, during the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be eligible to participate in the employee retirement and welfare benefit plans and programs of the type made available to the senior most executives of the Firm generally, in accordance with their terms and as such plans and programs may be in effect from time to time, including, without limitation, savings, profit-sharing and other retirement plans or programs, 401(k), medical, dental, flexible spending account, hospitalization, short-term and long-term disability and life insurance plans.

3. Severance Pay and Benefits under Certain Circumstances. Notwithstanding anything to the contrary contained in Section 3(d) of this Agreement, in the event that during the period commencing on the IPO Date and concluding on the third anniversary thereof, the Executive's employment with the Firm is terminated by the Firm without Cause or by the Executive for Good Reason (as defined below), Lazard shall pay the Executive, in a lump sum in cash within 30 days after the Date of Termination, the aggregate of the following amounts: (i) any unpaid base salary through the Date of Termination; (ii) (x) the product of (1) the Guaranteed Amount and (2) a fraction, the numerator of which is the number of days elapsed in the current calendar year through the Date of Termination and the denominator of which is 365 minus (y) any base salary paid for such year through the Date of Termination (including amounts payable pursuant to clause (i) of this sentence); (iii) any earned and unpaid cash bonus amounts for calendar years completed prior to the Date of Termination; and (iv) the product of (x) the "Severance Multiple" (as defined below) multiplied by (y) the greater of (1) the Guaranteed Amount or (2) the sum of (A) the Executive's base salary as of the Date of Termination plus (B) the average annual bonus (or, to the extent applicable, cash distributions) paid or payable to the Executive for the two calendar years immediately preceding the

year during which occurs the Date of Termination. In addition, (i) for a period of months equal to the product of (x) 12 multiplied by (y) the Severance Multiple, the Executive and his eligible dependents shall continue to be eligible to participate in the medical and dental benefit plans of Lazard on the same basis as the Executive participated in such plans immediately prior to the Date of Termination, to the extent that the applicable plan permits such continued participation for all or any portion of such period (it being agreed that Lazard will use its reasonable efforts to cause such continued coverage to be permitted under the applicable plan for the entire period), which benefits continuation period shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and (ii) to the extent permitted under the applicable plan, the Executive will receive additional years of age and service credit equal to the Severance Multiple for purposes of determining his eligibility for and right to commence receiving benefits under the retiree healthcare benefit plans of Lazard Group.

For all purposes of this Agreement, including without limitation, Sections 2(g)(ii) and Section 5(a), a resignation on or prior to the third anniversary of the IPO Date by the Executive for Good Reason shall be treated as a termination of the Executive by the Firm without Cause.

In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Section 3 of this Schedule and such amounts shall not be reduced whether or not the Executive obtains other employment. Except as provided in Section 16(f) of this Agreement, the Firm's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Firm may have against the Executive.

4. Certain Definitions. For purposes of this Schedule I, the following terms shall have the following meanings:

- "Good Reason" shall mean (i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as in effect as of the IPO Date, or any other action by the Firm which results in a material diminution in such position, authority, duties or responsibilities from the level in effect as of the IPO Date, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Firm, promptly after receipt of notice thereof given by the Executive, (ii) a material breach by the Firm of the terms of this Agreement, including, without limitation, any failure by the Firm to comply with paragraph 2 of this Schedule, excluding for this purpose an action not taken in bad faith and which is remedied by the Firm promptly after receipt of notice thereof given by the Executive, or (iii) any requirement that the Executive's principal place of employment be relocated to a location that is more than 30 miles from the Executive's principal place of employment as of the date hereof (in the event of a termination for Good Reason, the notice requirements of Section 1 shall not apply).

- "Severance Multiple" shall equal (i) 1.5, if the Date of Termination occurs prior to a Change of Control or (ii) 3, if the Date of Termination occurs on or following the date of a Change of Control.

5. Excise Tax. In the event it shall be determined that any payment, benefit, or distribution by the Firm to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this paragraph) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. All determinations required to be made under this paragraph, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche LLP or such other certified public accounting firm reasonably acceptable to the Firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to Lazard and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by Lazard. All fees and expenses of the Accounting Firm shall be borne solely by Lazard. Any Gross-Up Payment shall be paid by Lazard to the Executive within five days of the later of (i) the due date for the payment of any Excise Tax, and (ii) the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon Lazard and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by Lazard should have been made ("Underpayment") or that Gross-Up Payments which were made by Lazard should not have been made ("Overpayment"). In the event that there occurs an Underpayment and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by Lazard to or for the benefit of the Executive. In the event that there occurs an Overpayment and the Executive becomes entitled to receive any refund with respect to the Excise Tax, the Executive shall promptly pay to Lazard the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto).

6. Section 409A. Notwithstanding anything in this Agreement to the contrary, to the extent the Executive would otherwise be entitled to a payment during the six months beginning on the Date of Termination that would be subject to the additional tax imposed under Section 409A of the Code, (i) the payment will not be made to the Executive and instead will be made, at the election of the Firm, either to a trust in compliance with Rev. Proc. 92-64 or an escrow account established to fund such payments (provided that such funds shall be at all times

subject to the creditors of the Firm and its affiliates) and (ii) the payment, together with interest thereon at the rate of "prime" plus 1%, will be paid to the Executive on the earlier of the six-month anniversary of Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). Similarly, to the extent the Executive would otherwise be entitled to any benefit (other than a cash payment) during the six months beginning on the Date of Termination that would be subject to the additional tax under Section 409A of the Code, the benefit will be delayed and will begin being provided (together, if applicable, with an adjustment to compensate the Executive for the delay, with such adjustment to be determined in the Firm's reasonable good faith discretion) on the earlier of the six-month anniversary of the Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). The Firm will establish the trust or escrow account, as applicable, no later than ten days following the Executive's Date of Termination. It is the intention of the parties that the payments and benefits to which the Executive could become entitled in connection with termination of employment under this Agreement comply with Section 409A of the Code. In the event that the parties determine that any such benefit or right does not so comply, they will negotiate reasonably and in good faith to amend the terms of this Agreement such that it complies (in a manner that attempts to minimize the economic impact of such amendment on the Executive and the Firm).

7. Miscellaneous. Paragraphs 2, 3, 4, 5 and 6 of this Schedule I are hereby added to the list of Sections in Section 16(b) of this Agreement.

Initialed by the Executive: /s/ MJC

Initialed by Lazard: /s/ SDH

SCHEDULE I

Name (as per Preamble):	Mr. Scott Hoffman
HoldCo Interests (as per Section 2(b)):	0.55%
Profit Interests (as per Section 2(d)):	0.55%

Effective upon the IPO Date, the following provisions of this Schedule I shall take effect and shall constitute binding and enforceable agreements of the Firm.

1. Title. Notwithstanding anything to the contrary contained in Section 3(b) of this Agreement, from the IPO Date through the third anniversary of the IPO Date, the Executive shall serve as Managing Director and General Counsel of PubliCo and of Lazard Group LLC.

2. Compensation. Notwithstanding anything to the contrary contained in Sections 3(c)(i) and (ii) of this Agreement, subject to the Executive's continued employment hereunder, for each of the calendar years 2005, 2006 and 2007, the Executive shall, so long as the Executive remains employed by the Firm through the end of the applicable year, be entitled to receive annual compensation (base salary plus annual bonus) of not less than $2,250,000 per year (the "Guaranteed Amount"). Notwithstanding anything to the contrary contained in Section 3(c)(iv) of this Agreement, during the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be eligible to participate in the employee retirement and welfare benefit plans and programs of the type made available to the senior most executives of the Firm generally, in accordance with their terms and as such plans and programs may be in effect from time to time, including, without limitation, savings, profit-sharing and other retirement plans or programs, 401(k), medical, dental, flexible spending account, hospitalization, short-term and long-term disability and life insurance plans.

3. Severance Pay and Benefits under Certain Circumstances. Notwithstanding anything to the contrary contained in Section 3(d) of this Agreement, in the event that during the period commencing on the IPO Date and concluding on the third anniversary thereof, the Executive's employment with the Firm is terminated by the Firm without Cause or by the Executive for Good Reason (as defined below), Lazard shall pay the Executive, in a lump sum in cash within 30 days after the Date of Termination, the aggregate of the following amounts: (i) any unpaid base salary through the Date of Termination; (ii) (x) the product of (1) the Guaranteed Amount and (2) a fraction, the numerator of which is the number of days elapsed in the current calendar year through the Date of Termination and the denominator of which is 365 minus (y) any base salary paid for such year through the Date of Termination (including amounts payable pursuant to clause (i) of this sentence); (iii) any earned and unpaid cash bonus amounts for calendar years completed prior to the Date of Termination; and (iv) the product of (x) the "Severance Multiple" (as defined below) multiplied by (y) the greater of (1) the Guaranteed Amount or (2) the sum of (A) the Executive's base salary as of the Date of Termination plus (B) the average annual bonus (or, to the extent applicable, cash distributions) paid or payable to the Executive for the two calendar years immediately preceding the

year during which occurs the Date of Termination. In addition, (i) for a period of months equal to the product of (x)12 multiplied by (y) the Severance Multiple, the Executive and his eligible dependents shall continue to be eligible to participate in the medical and dental benefit plans of Lazard on the same basis as the Executive participated in such plans immediately prior to the Date of Termination, to the extent that the applicable plan permits such continued participation for all or any portion of such period (it being agreed that Lazard will use its reasonable efforts to cause such continued coverage to be permitted under the applicable plan for the entire period), which benefits continuation period shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and (ii) to the extent permitted under the applicable plan, the Executive will receive additional years of age and service credit equal to the Severance Multiple for purposes of determining his eligibility for and right to commence receiving benefits under the retiree healthcare benefit plans of Lazard Group.

For all purposes of this Agreement, including without limitation, Sections 2(g)(ii) and Section 5(a), a resignation on or prior to the third anniversary of the IPO Date by the Executive for Good Reason shall be treated as a termination of the Executive by the Firm without Cause.

In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Section 3 of this Schedule and such amounts shall not be reduced whether or not the Executive obtains other employment. Except as provided in Section 16(f) of this Agreement, the Firm's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Firm may have against the Executive.

4. Certain Definitions. For purposes of this Schedule I, the following terms shall have the following meanings:

- "Good Reason" shall mean (i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as in effect as of the IPO Date, or any other action by the Firm which results in a material diminution in such position, authority, duties or responsibilities from the level in effect as of the IPO Date, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Firm, promptly after receipt of notice thereof given by the Executive, (ii) a material breach by the Firm of the terms of this Agreement, including, without limitation, any failure by the Firm to comply with paragraph 2 of this Schedule, excluding for this purpose an action not taken in bad faith and which is remedied by the Firm promptly after receipt of notice thereof given by the Executive, or (iii) any requirement that the Executive's principal place of employment be relocated to a location that is more than 30 miles from the Executive's principal place of employment as of the date hereof (in the event of a termination for Good Reason, the notice requirements of Section 1 shall not apply).

- "Severance Multiple" shall equal (i) 1.5, if the Date of Termination occurs prior to a Change of Control or (ii) 3, if the Date of Termination occurs on or following the date of a Change of Control.

5. Excise Tax. In the event it shall be determined that any payment, benefit, or distribution by the Firm to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this paragraph) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. All determinations required to be made under this paragraph, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche LLP or such other certified public accounting firm reasonably acceptable to the Firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to Lazard and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by Lazard. All fees and expenses of the Accounting Firm shall be borne solely by Lazard. Any Gross-Up Payment shall be paid by Lazard to the Executive within five days of the later of (i) the due date for the payment of any Excise Tax, and (ii) the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon Lazard and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by Lazard should have been made ("Underpayment") or that Gross-Up Payments which were made by Lazard should not have been made ("Overpayment"). In the event that there occurs an Underpayment and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by Lazard to or for the benefit of the Executive. In the event that there occurs an Overpayment and the Executive becomes entitled to receive any refund with respect to the Excise Tax, the Executive shall promptly pay to Lazard the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto).

6. Section 409A. Notwithstanding anything in this Agreement to the contrary, to the extent the Executive would otherwise be entitled to a payment during the six months beginning on the Date of Termination that would be subject to the additional tax imposed under Section 409A of the Code, (i) the payment will not be made to the Executive and instead will be made, at the election of the Firm, either to a trust in compliance with Rev. Proc. 92-64 or an escrow account established to fund such payments (provided that such funds shall be at all times

subject to the creditors of the Firm and its affiliates) and (ii) the payment, together with interest thereon at the rate of "prime" plus 1%, will be paid to the Executive on the earlier of the six-month anniversary of Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). Similarly, to the extent the Executive would otherwise be entitled to any benefit (other than a cash payment) during the six months beginning on the Date of Termination that would be subject to the additional tax under Section 409A of the Code, the benefit will be delayed and will begin being provided (together, if applicable, with an adjustment to compensate the Executive for the delay, with such adjustment to be determined in the Firm's reasonable good faith discretion) on the earlier of the six-month anniversary of the Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). The Firm will establish the trust or escrow account, as applicable, no later than ten days following the Executive's Date of Termination. It is the intention of the parties that the payments and benefits to which the Executive could become entitled in connection with termination of employment under this Agreement comply with Section 409A of the Code. In the event that the parties determine that any such benefit or right does not so comply, they will negotiate reasonably and in good faith to amend the terms of this Agreement such that it Complies (in a manner that attempts to minimize the economic impact of such amendment on the Executive and the Firm).

7. Miscellaneous. Paragraphs 2, 3, 4, 5 and 6 of this Schedule I are hereby added to the list of Sections in Section 16(b) of this Agreement.

Initialed by the Executive: /s/ SDH

Initialed by Lazard: /s/ BW

SCHEDULE I

Name (as per Preamble):	Mr. Charles Ward
HoldCo Interests (as per Section 2(b)):	1.50%
Profit Interests (as per Section 2(d)):	1.50%

Effective upon the IPO Date, the following provisions of this Schedule I shall take effect and shall constitute binding and enforceable agreements of the Firm.

1. Title. Notwithstanding anything to the contrary contained in Section 3(b) of this Agreement, from the IPO Date through the third anniversary of the IPO Date, the Executive shall serve as President of PubliCo and Lazard Group LLC.

2. Compensation. Notwithstanding anything to the contrary contained in Sections 3(c)(i) and (ii) of this Agreement, subject to the Executive's continued employment hereunder, for each of the calendar years 2005, 2006 and 2007, the Executive shall, so long as the Executive remains employed by the Firm through the end of the applicable year, be entitled to receive annual compensation (base salary plus annual bonus) of not less than $3,000,000 per year (the "Guaranteed Amount"), provided that such Guaranteed Amount shall be reduced in the same proportion as any reductions in annual compensation (base salary and annual bonus) applicable to the majority of the other Deputy Chairmen then providing services to the Firm. Notwithstanding the last sentence of Section 3(c)(i) of this Agreement, the Firm may reduce the Executive's base salary if it determines that doing so is necessary to preserve the tax-deductibility of the Executive's compensation. Notwithstanding anything to the contrary contained in Section 3(c)(iv) of this Agreement, during the portion of the Term commencing on the IPO Date, subject to the Executive's continued employment hereunder, the Executive shall be eligible to participate in the employee retirement and welfare benefit plans and programs of the type made available to the senior most executives of the Firm generally, in accordance with their terms and as such plans and programs may be in effect from time to time, including, without limitation, savings, profit-sharing and other retirement plans or programs, 401(k), medical, dental, flexible spending account, hospitalization, short-term and long-term disability and life insurance plans.

3. Severance Pay and Benefits under Certain Circumstances. Notwithstanding anything to the contrary contained in Section 3(d) of this Agreement, in the event that during the period commencing on the IPO Date and concluding on the third anniversary thereof, the Executive's employment with the Firm is terminated by the Firm without Cause or by the Executive for Good Reason (as defined below), Lazard shall pay the Executive, in a lump sum in cash within 30 days after the Date of Termination, the aggregate of the following amounts: (i) any unpaid base salary through the Date of Termination; (ii) (x) the product of (1) the Guaranteed Amount and (2) a fraction, the numerator of which is the number of days elapsed in the current calendar year through the Date of Termination and the denominator of which is 365 minus (y) any base salary paid for such year through the Date of Termination (including amounts payable pursuant to clause (i) of this sentence); (iii) any earned and unpaid cash

bonus amounts for calendar years completed prior to the Date of Termination; and (iv) the product of (x) the "Severance Multiple" (as defined below) multiplied by (y) the greater of (1) the Guaranteed Amount or (2) the sum of (A) the Executive's base salary as of the Date of Termination plus (B) the average annual bonus (or, to the extent applicable, cash distributions) paid or payable to the Executive for the two calendar years immediately preceding the year during which occurs the Date of Termination. In addition, (i) for a period of months equal to the product of (x) 12 multiplied by (y) the Severance Multiple, the Executive and his eligible dependents shall continue to be eligible to participate in the medical and dental benefit plans of Lazard on the same basis as the Executive participated in such plans immediately prior to the Date of Termination, to the extent that the applicable plan permits such continued participation for all or any portion of such period (it being agreed that Lazard will use its reasonable efforts to cause such continued coverage to be permitted under the applicable plan for the entire period), which benefits continuation period shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and (ii) to the extent permitted under the applicable plan, the Executive will receive additional years of age and service credit equal to the Severance Multiple for purposes of determining his eligibility for and right to commence receiving benefits under the retiree healthcare benefit plans of Lazard Group.

For all purposes of this Agreement, including without limitation, Sections 2(g)(ii) and Section 5(a), a resignation on or prior to the third anniversary of the IPO Date by the Executive for Good Reason shall be treated as a termination of the Executive by the Firm without Cause.

In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Section 3 of this Schedule and such amounts shall not be reduced whether or not the Executive obtains other employment. Except as provided in Section 16(f) of this Agreement, the Firm's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Firm may have against the Executive.

4. Certain Definitions. For purposes of this Schedule I, the following terms shall have the following meanings:

- "Good Reason" shall mean (i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as in effect as of the IPO Date, or any other action by the Firm which results in a material diminution in such position, authority, duties or responsibilities from the level in effect as of the IPO Date, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Firm, promptly after receipt of notice thereof given by the Executive, (ii) a material breach by the Firm of the terms of this Agreement, including, without limitation, any failure by the Firm to comply with paragraph 2 of this Schedule, excluding for this purpose an action not taken in bad faith and which is remedied by the Firm promptly after receipt of notice thereof given by the Executive, or (iii) any requirement that the Executive's

principal place of employment be relocated to a location that is more than 30 miles from the Executive's principal place of employment as of the date hereof (in the event of a termination for Good Reason, the notice requirements of Section 1 shall not apply).

- "Severance Multiple" shall equal (i) 1.5, if the Date of Termination occurs prior to a Change of Control or (ii) 3, if the Date of Termination occurs on or following the date of a Change of Control.

5. Excise Tax. In the event it shall be determined that any payment, benefit, or distribution by the Firm to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this paragraph) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. All determinations required to be made under this paragraph, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche LLP or such other certified public accounting firm reasonably acceptable to the Firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to Lazard and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by Lazard. All fees and expenses of the Accounting Firm shall be borne solely by Lazard. Any Gross-Up Payment shall be paid by Lazard to the Executive within five days of the later of (i) the due date for the payment of any Excise Tax, and (ii) the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon Lazard and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by Lazard should have been made ("Underpayment") or that Gross-Up Payments which were made by Lazard should not have been made ("Overpayment"). In the event that there occurs an Underpayment and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by Lazard to or for the benefit of the Executive. In the event that there occurs an Overpayment and the Executive becomes entitled to receive any refund with respect to the Excise Tax, the Executive shall promptly pay to Lazard the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto).

6. Section 409A. Notwithstanding anything in this Agreement to the contrary, to the extent the Executive would otherwise be entitled to a payment during the six months beginning on the Date of Termination that would be subject to the additional tax imposed under Section 409A

of the Code, (i) the payment will not be made to the Executive and instead will be made, at the election of the Firm, either to a trust in compliance with Rev. Proc. 92-64 or an escrow account established to fund such payments (provided that such funds shall be at all times subject to the creditors of the Firm and its affiliates) and (ii) the payment, together with interest thereon at the rate of "prime" plus 1%, will be paid to the Executive on the earlier of the six-month anniversary of Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). Similarly, to the extent the Executive would otherwise be entitled to any benefit (other than a cash payment) during the six months beginning on the Date of Termination that would be subject to the additional tax under Section 409A of the Code, the benefit will be delayed and will begin being provided (together, if applicable, with an adjustment to compensate the Executive for the delay, with such adjustment to be determined in the Firm's reasonable good faith discretion) on the earlier of the six-month anniversary of the Date of Termination or the Executive's death or disability (within the meaning of Section 409A of the Code). The Firm will establish the trust or escrow account, as applicable, no later than ten days following the Executive's Date of Termination. It is the intention of the parties that the payments and benefits to which the Executive could become entitled in connection with termination of employment under this Agreement comply with Section 409A of the Code. In the event that the parties determine that any such benefit or right does not so comply, they will negotiate reasonably and in good faith to amend the terms of this Agreement such that it complies (in a manner that attempts to minimize the economic impact of such amendment on the Executive and the Firm).

7. Miscellaneous. Paragraphs 2, 3, 4, 5 and 6 of this Schedule I are hereby added to the list of Sections in Section 16(b) of this Agreement.

Initialed by the Executive: /s/ CW

Initialed by Lazard: /s/ SDH

EXHIBIT 10.28

Effective as of January 1, 2004

Mr. Vernon E. Jordan, Jr.
2940 Benton Place, N.W.
Washington, D.C. 20009

Dear Vernon:

This letter sets forth the terms of your continued association with Lazard:

1. Position. You shall continue to serve as a Senior Managing Director of Lazard Frères & Co. LLC, with appropriate authority and responsibilities commensurate with such position. Your principal business activity shall include the promotion and development of the business affairs and relationships of the Firm, both on a domestic and international platform. In this role, you will continue to provide advice, counsel and support to the global operations of Lazard, including but not limited to its Banking and Asset Management operations, and will work closely with all other Managing Directors and the Firm's various specialty groups. It is understood that the Firm shall support all of your activities to the fullest extent possible.

2. Activities. You agree that you will devote substantially all of your business time to the responsibilities and activities set forth in the first paragraph hereof. It is understood that you may continue your association with the law firm of Akin, Gump, Strauss, Hauer & Feld, L.L.P. in an "of counsel" capacity on the terms in effect as of the date hereof, provided that if this arrangement should for any reason become mutually unmanageable, you will consider in good faith either some other form of arrangement or termination of your relationship. It is also understood that you will not be precluded from serving as a director of any corporation, provided that you agree to consult in advance of your acceptance of the directorship of any industrial corporation with the Head of the Firm (except in the case of directorships that you currently hold as to which the Firm's agreement has previously been given) and that you may decide in your own judgment to resign from or not stand for re-election to certain boards on which you presently serve.

3. Compensation. For each calendar year during which you act as a Managing Director you shall receive a salary at the rate of $500,000 per annum, paid in accordance with Lazard's normal practices. You shall receive a guaranteed minimum amount of total compensation of $4,000,000 for calendar year 2004, and of $3,000,000 for each of calendar years 2005 and 2006, whether or not the Firm makes a profit. All guaranteed amounts shall be inclusive of salary.

4. Incentive. It is mutually understood between us that the Firm in its sole discretion may pay to you additional compensation, in excess of the amount guaranteed to you herein, for any year in which your activities in terms of business promotion and development produce financial results to the Firm beyond those contemplated by the level of compensation to be re-

ceived by you hereunder. Such amount, if any, shall be arrived at by the Firm after due consideration of your association with client relationships and revenue generation.

5. Attributes of Membership Interest. (a) Notwithstanding any of the foregoing, any membership interest may be reduced pro rata to the extent that the membership interests of all other Managing Directors are reduced pro rata; provided however that no such reduction, if any, shall affect the amount of your minimum guarantee in any year. Your membership interest and other aspects of your affiliation with the Firm are subject to the Operating Agreement of Lazard LLC, and any successor document. It is agreed that you shall be entitled to the minimum guarantees set forth herein without regard to the provisions of any such successor document, and that except insofar as such document may contain provisions generally applicable to members of Lazard, your rights will not be adversely affected by such successor document. Such membership interest, as well as any bonus paid to you through operation of the guarantee contained herein, shall be subject to a capital contribution retention requirement in accordance with the aforementioned Operating Agreement (or any successor section of a successor document which capital retention is currently ten per cent (10%)). The minimum guarantee will be paid in accordance with Lazard's standard policies. Any compensation you may receive from any other entity shall not reduce amounts payable to you under this paragraph.

(b) In the event that you are terminated for Cause, as defined herein, you shall have no right to receive further salary or payments on account of your interest in Lazard (including any guarantee). For purposes of this agreement, "Cause" shall mean (1) your willful failure, continuing for thirty days after written notice, to substantially perform the responsibilities set forth in this agreement, or (2) willful misconduct that is demonstrably and materially injurious to Lazard after Lazard has given you reasonable notice thereof and an opportunity to cure. Cause shall not exist if your failure to perform your responsibilities is the result of actions taken by Lazard that make it substantially impossible for you to perform the duties set forth in this agreement. In the event that Lazard terminates your employment without cause or you terminate your employment following a breach by Lazard of any material term of this letter, you shall be paid all remaining unpaid guaranteed compensation payable hereunder through December 31, 2006 in the same manner and at the same dates said compensation would have been to you had your employment not terminated.

(c) In the event of your death, your estate will receive only the minimum guarantee for the calendar year of your death, payable in accordance with normal Lazard practices.

6. Expense Reimbursement. We understand that your promotion of the business of the Firm entails considerable travel, entertainment and promotion expenses. We will continue to reimburse you or allow you to charge directly to the Firm, all such expenses incurred on its behalf, on the same terms applicable to, and subject to such documentation as is customarily required by the Firm of, its Managing Directors. We will also continue to arrange for use by you on a priority basis of a corporate apartment to be maintained by the Firm in New York City, with appropriate advance notice in order to avoid any conflicting usage.

7. Secretarial Services. We agree to continue to provide an office for your present secretary in Washington, D.C. and to compensate her at an appropriate level, after consultation with you, for so long as she performs secretarial responsibilities on your behalf. We will also

offer to her participation in our employee benefits program to the extent that this is feasible, if so desired.

8. Benefits. You shall continue to receive all benefits and fringes as are normally provided to all Managing Directors of Lazard. Such benefits include, without limitation, opportunities for principal investment, preparation of tax returns for Federal and state governments, expenses incurred for estate planning and certain insurance benefits.

9. Amendment. The terms and provisions of this letter may not be modified without our mutual written consent.

10. Governing Law. This letter shall be interpreted under and governed by the laws of the State of New York.

Very truly yours,

/s/ Michael J. Castellano

Agreed to and approved:

/s/ Vernon E. Jordan, Jr.
Vernon E. Jordan, Jr.

EXHIBIT 10.30

REGISTRATION RIGHTS AGREEMENT

Registration Rights Agreement, dated as of May 10, 2005 (this "Agreement"), by and among Lazard Group Finance LLC, a Delaware limited liability company (the "Issuer"), Lazard Ltd, an exempted company organized under the laws of Bermuda ("PubliCo"), Lazard LLC, a Delaware limited liability company (the "Company") and IXIS-Corporate & Investment Bank, an entity organized under the laws of France (the "Investor").

W I T N E S S E T H :

WHEREAS, the Company is engaged in a series of financing transactions, including an IPO of PubliCo, in conjunction with a reorganization of the Company (the "Reorganization");

WHEREAS, as part of the Reorganization and in connection with the IPO, the Company, has, or has caused the Issuer and PubliCo to issue and sell in one or more underwritten public offerings the Securities;

WHEREAS, entry into this Agreement by the Issuer, PubliCo and the Company is a condition to consummation by the Investor of the transactions contemplated by the letter agreement, dated as of March 15, 2005, by and among the Company and the Investor (the "Purchase Agreement"), whereby the Investor has agreed to purchase, and the Company has agreed to cause the Issuer and PubliCo to sell to the Investor, the Securities; and

WHEREAS, the Company, the Issuer, PubliCo and the Investor desire to enter into this Agreement to set forth the terms and conditions of the registration rights and obligations of the Issuer, PubliCo, the Company and the Investor, their respective Affiliates and certain transferees of Securities to be held by the Investor or its Affiliates;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, it is agreed as follows:

Article I
Definitions

Section 1.1 Definitions. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Purchase Agreement. As used in this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Exchange Act" means the Securities Exchange Act of 1934, as from time to time amended, and the rules and regulations of the SEC promulgated thereunder.

"HoldCo" means LAZ-MD Holdings LLC, a limited liability company organized or to be organized under the laws of the state of Delaware.

"Holder" shall mean the Investor, any Affiliate of the Investor, and any permitted transferee, pursuant to this Agreement, of Registrable Securities held by such Holder, in each case so long as such Holder holds Registrable Securities.

"Partners" means each holder of exchangeable interests in HoldCo and each other managing director or employee of PubliCo or the Company or their respective subsidiaries or controlled Affiliates that receives any awards of or convertible or exchangeable into PubliCo shares.

"Person" means any individual, partnership, corporation, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or other entity.

"PubliCo Shares" means shares ordinary or common shares of PubliCo.

"Prospectus" means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement or any other amendments and supplements to such prospectus, including without limitation any preliminary prospectus, any pre-effective or post-effective amendment and all material incorporated by reference in any prospectus.

"Registrable Securities" means Securities which are issued or sold to any Holder pursuant to and in accordance with the terms of the Purchase Agreement, and any securities issued or issuable in respect of or in exchange for any such Securities. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (i) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such Registration Statement, (ii) such securities shall have been sold to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, or (iii) such securities shall have ceased to be outstanding. For any calculations relating to Registrable Securities herein, the Debt Securities are counted as the number of PubliCo Shares issuable in respect of such Debt Securities (whether or not then issued), assuming that the maximum number of PubliCo Shares issuable in respect of the Debt Securities have been issued in respect thereof.

"Registration Expenses" has the meaning set forth in Article V.

"Registration Statement" means any registration statement of the Company which covers Registrable Securities pursuant to the provisions of this Agreement, all amendments and supplements to such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Securities Act" means the Securities Act of 1933, as from time to time amended, and the rules and regulations of the SEC promulgated thereunder.

Article II
Demand Registrations

Section 2.1 Requests for Registration. Subject to the provisions of this Article II, any Holder or group of Holders holding Registrable Securities representing at least 50.1% the Registrable Securities then outstanding may at any time make (a) one written request for registration under the Securities Act of at least 33% of such Holders' Registrable Securities consisting of Debt Securities on the Issuer and (b) four written requests for registration under the Securities Act of at least 25% of such Holders' Registrable Securities consisting of PubliCo Shares having an aggregate market value greater than U.S.$20 million on PubliCo (such written request, in either case, a "Demand Registration"). Such requests shall specify the amount of Registrable Securities to be registered and the intended method or methods of disposition. Promptly after receipt of such request, the Issuer, in the case of Registrable Securities consisting of Debt Securities, or PubliCo in the case of Registrable Securities consisting of PubliCo Shares shall send written notice of such request to all Holders and shall, subject to the provisions of this Article II, include in such Demand Registration all Registrable Securities with respect to which the Issuer or PubliCo, as the case may be, receives written requests (specifying the amount of Registrable Securities to be registered and the intended method or methods of disposition) for inclusion therein within 15 days after such notice is sent; provided that if the managing underwriter(s) for a Demand Registration in which Registrable Securities are proposed to be included pursuant to this Article II that involves an underwritten offering shall advise the Holders and the Issuer or PubliCo, as the case may be, that in its reasonable opinion, the number of Registrable Securities to be sold would adversely affect the success of the offering, then the Issuer or PubliCo, as the case may be, will reduce the number of Registrable Securities included in such registration to the number that, in the opinion of the managing underwriter(s), can be sold without having the adverse effect referred to above. The number of Registrable Securities that may be registered shall be allocated in the following priority: first, pro rata among the Holders participating in the Demand Registration, based on the number of Registrable Securities beneficially owned by the respective Holders, second, all Debt Securities or PubliCo Shares proposed to be registered for offer and sale by the Issuer or PubliCo, as the case may be, and third, to Debt Securities or PubliCo Shares proposed to be registered pursuant to any piggy-back registration rights of third parties. As promptly as practicable thereafter, but in no event later than 45 days after the end of such 15-day period, but subject to Section 2.3 hereof, the Issuer or PubliCo, as the case may be, shall use its reasonable best efforts to file with the SEC a Registration Statement, registering all Registrable Securities that any Holders have requested to register, for disposition in accordance with the intended method or methods set forth in their notices to the Issuer or PubliCo, as the case may be. The Issuer and/or PubliCo, as the case may be, shall use its reasonable best efforts to cause such Registration Statement to be declared effective as soon as practicable after filing and to remain effective until the earlier of (i) 150 days following the date on which it was declared effective and (ii) the date on which all of the Registrable Securities covered thereby are disposed of in accordance with the method or methods of disposition stated therein; provided that no Registration Statement for a Demand Registration shall become effective prior to the day following the expiration of the Lock-up Period.

Notwithstanding anything to the contrary in this Article II, no Holder shall have the right to require the Issuer or PubliCo, as the case may be, to register any Registrable Securities pursuant to Article II during any period (not to exceed 135 days) following the closing of the

completion of the distribution of the securities offered by the Issuer or PubliCo, as the case may be, and registered pursuant to the Article III Notice that would cause the Issuer or PubliCo, as the case may be, to breach a lock-up provision contained in the underwriting agreement for such distribution.

Section 2.2 Number and Timing of Registrations. The Holders shall be entitled to request no more than one (1) Demand Registration on the Issuer and no more than four (4) Demand Registrations on PubliCo.

Section 2.3 Suspension of Registration. The Company or PubliCo shall have the right to delay the filing or effectiveness of the Registration Statement for any Demand Registration or to require the Holders not to sell under any Registration Statement or to delay the preparation and filing of any supplement or post-effective amendment to the applicable Registration Statement or Prospectus or any document incorporated therein by reference, in each case during two periods aggregating not more than 150 days in each 12-month period, if (i) the Issuer or PubliCo, as the case may be, would, in accordance with the advice of its outside counsel, be required to disclose in the Prospectus information not otherwise then required to be publicly disclosed and (ii) in the judgment of the Issuer's or PubliCo's Board of Directors, as the case may be, there is a reasonable likelihood that such disclosure, or any other action to be taken in connection with the Prospectus, would materially and adversely affect any existing or prospective material business situation, transaction or negotiation or otherwise materially and adversely affect the Issuer or PubliCo, as the case may be. In the event that the ability of the Holders to sell shall be suspended for any reason, the period of such suspension shall not count towards compliance with the 150-day period referred to under clause (i) of Section 2.1 of this Agreement.

Section 2.4 Interrupted Registration. A registration requested pursuant to this Article II shall not be deemed to have been requested by the Holders of Registrable Securities pursuant to Section 2.2: (i) unless it has been declared effective by the SEC; (ii) if after it has become effective, such registration is interfered with by any stop order, injunction or other order or requirement of the SEC for any reason other than misrepresentation or an omission by the requesting Holders; (iii) if the conditions to closing specified in the underwriting agreement, if any, entered into in connection with such registration are not satisfied other than by reason of some wrongful act or omission, or act or omission in bad faith, by such Holders; or (iv) if such request has been withdrawn by the requesting Holders and such Holders shall have elected to pay all Registration Expenses of the Issuer or PubliCo, as the case may be, in connection with such withdrawn request.

Article III
Piggy-back Registrations

Section 3.1 Right to Include Registrable Securities. If at any time after expiration of the Lock-Up Period the Issuer or PubliCo proposes to register any of its Securities or PubliCo Shares under the Securities Act, whether or not for sale for its own account (other than pursuant to a registration statement on Form S-4 or Form S-8, any successor or similar forms or a registration statement for the sale of PubliCo Shares issuable or issued upon exchange, conversion or sale of Partners' interests in HoldCo), in a manner that would permit registration

of Registrable Securities for sale to the public under the Securities Act, it will each such time promptly give written notice to all Holders: (i) of its intention to do so, (ii) of the form of registration statement of the SEC that has been selected by the Issuer or PubliCo, as the case may be, and (iii) of rights of Holders under this Article III (the "Article III Notice"). The Issuer or PubliCo, as the case may be, will include in the proposed registration all Registrable Securities that the Issuer or PubliCo, as the case may be, is requested in writing, within 15 days after the Article III Notice is given, to register by the Holders thereof (the "Piggy-back Registration"); provided, however, that (i) if, at any time after giving written notice of its intention to register any Securities or PubliCo Shares and prior to the effective date of the Registration Statement filed in connection with such registration, the Issuer or PubliCo, as the case may be, shall determine that none of such Securities or PubliCo Shares shall be registered, the Issuer or PubliCo, as the case may be, may, at its election, give written notice of such determination to all Holders who so requested registration and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such abandoned registration, without prejudice, however, to the rights of Holders under Article II hereof and (ii) in case of a determination by the Issuer or PubliCo, as the case may be, to delay registration of its Securities or PubliCo Shares, the Issuer or PubliCo, as the case may be, shall be permitted to delay the registration of such Registrable Securities pursuant to this Article III for the same period as the delay in registering such other Securities or PubliCo Shares by the Issuer or PubliCo, as the case may be or may abandon the registration of Securities, in the sole discretion of the Issuer or PubliCo, as the case may be. No registration effected under this Article III shall relieve the Issuer or PubliCo, as the case may be, of its obligations to effect registrations upon request under Article II. If the Piggy-back Registration will be an underwritten offering, the Issuer or PubliCo, as the case may be, will be entitled to select all of the underwriters.

Section 3.2 Priority; Registration Form. If the managing underwriter(s) for a registration in which Registrable Securities are proposed to be included pursuant to this Article III that involves an underwritten offering shall advise the Issuer or PubliCo, as the case may be, that in its opinion, the inclusion of the number of Registrable Securities or PubliCo Shares to be sold for the account of Holders would adversely affect the success of the offering, then the number of Securities or PubliCo Shares to be sold shall be reduced to the number that, in the opinion of the managing underwriter(s), can be sold without having the adverse effect referred to above. The reduced number of Securities or PubliCo Shares that may be registered shall be allocated, in the following priority: first, all of Securities or PubliCo Shares proposed to be registered for offer and sale by the Issuer or PubliCo, as the case may be, second, to Securities or PubliCo Shares proposed to be registered pursuant to any demand registration rights of third parties, third, to Registrable Securities proposed to be registered by Holders as a Piggy-back Registration The reduced number of Registrable Securities that may be registered shall be allocated pro rata among the Holders participating in the Piggy-back Registration, based on the number of Registrable Securities beneficially owned by the respective Holders. If, as a result of the proration provisions of this Section 3.2, any Holder shall not be entitled to include all Registrable Securities in a registration pursuant to this Article III that such Holder has requested be included, such Holder may elect to withdraw its Registrable Securities from the registration.

Section 3.3 Merger, Consolidation, etc. Notwithstanding anything in this Article III to the contrary, Holders shall not have any right to include their Registrable Securities in any distribution or registration of Securities or PubliCo Shares by the Issuer or PubliCo, as the case

may be, which is pursuant to a merger, amalgamation, consolidation, acquisition, exchange offer, sale of PubliCo Shares issuable or issued upon exchange, conversion or sale of Partners' interests in HoldCo, recapitalization, other reorganization, dividend reinvestment plan, stock option plan or other employee benefit plan, or any similar transaction having similar effect.

Article IV
Registration Procedures

Section 4.1 Use Reasonable Best Efforts. For purposes of a registration request relating to Debt Securities, if required by the Securities Act, such request shall give rise to registration obligations of both the Issuer in respect of such Debt Securities and of PubliCo in respect of the PubliCo shares issuable in respect of such Debt Securities. In connection with the Issuer's or PubliCo's registration obligations pursuant to Article II and Article III hereof, the Issuer or PubliCo, as the case may be, shall use its reasonable best efforts to effect such registrations to permit the sale of such Registrable Securities in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Issuer or PubliCo, as the case may be, shall as expeditiously as reasonably practicable:

(a) prepare and file with the SEC a Registration Statement or Registration Statements relating to the registration on any appropriate form under the Securities Act, and to cause such Registration Statements to become effective as soon as reasonably practicable and to remain continuously effective for the time period required by this Agreement to the extent permitted under the Securities Act;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period set forth in Section 2.1; and to cause the Registration Statement and the related Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed in accordance with the Securities Act and any rules and regulations promulgated thereunder; and otherwise to comply with the provisions of the Securities Act as may be necessary to facilitate the disposition of all Registrable Securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of disposition by the selling Holders thereof set forth in such Registration Statement or such Prospectus or Prospectus supplement;

(c) notify the selling Holders and the managing underwriter(s), if any, promptly if at any time (i) any Prospectus, Registration Statement or amendment or supplement thereto is filed, (ii) any Registration Statement, or any post-effective amendment thereto, becomes effective, (iii) the SEC requests any amendment or supplement to, or any additional information in respect of, any Registration Statement or Prospectus, (iv) the SEC issues any stop order suspending the effectiveness of a Registration Statement or initiates any proceedings for that purpose, (v) the Issuer or PubliCo, as the case may be, receives any notice that the qualification of any Registrable Securities for sale in any jurisdiction has been suspended or that any proceeding has been initiated for the purpose of suspending such qualification, or (vi) any event occurs which requires that any changes be made in such Registration Statement or any related Prospectus so that such Registration Statement or Prospectus will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or

necessary to make the statements therein not misleading; provided, however, that in the case of this subclause (vi), such notice need only state that an event of such nature has occurred, without describing such event. The Issuer or PubliCo, as the case may be, hereby agrees to promptly reimburse any selling Holders for any reasonable out-of-pocket losses and expenses incurred in connection with any uncompleted sale of any Registrable Securities in the event that the Issuer or PubliCo, as the case may be, fails to timely notify such Holder that the Registration Statement then on file with the SEC is no longer effective;

(d) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the qualification of any Registrable Securities for sale in any jurisdiction, at the earliest reasonably practicable moment;

(e) if requested by the managing underwriter(s) or any Holder of Registrable Securities being sold in connection with an underwritten offering, incorporate into a Prospectus supplement or a post-effective amendment to the Registration Statement any information which the managing underwriter(s) and such Holder reasonably agree is required to be included therein relating to such sale of Registrable Securities; and to file such supplement or post-effective amendment as soon as practicable in accordance with the Securities Act and the rules and regulations promulgated thereunder and the Companies Act 1981 of Bermuda;

(f) furnish to each selling Holder and each managing underwriter, if any, one signed copy of the Registration Statement or Registration Statements and any post-effective amendment thereto, including all financial statements and schedules thereto, all documents incorporated therein by reference and all exhibits thereto (including exhibits incorporated by reference) as promptly as practicable after filing such documents with the SEC and the Registrar of Companies in Bermuda;

(g) deliver to each selling Holder and each underwriter, if any, as many copies of the Prospectus or Prospectuses (including each preliminary Prospectus) and any amendment or supplement thereto as such Persons may reasonably request; and to consent to the use of such Prospectus or any amendment or supplement thereto by each such selling Holder and underwriter, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus, amendment or supplement;

(h) prior to any public offering of Registrable Securities, use its reasonable best efforts to register or qualify, or to cooperate with the selling Holders, the underwriter(s), if any, and their respective counsel in connection with the registration or qualification of, such Registrable Securities for offer and sale under the securities or blue sky laws of such jurisdictions as may be requested by the Holders of a majority of the Registrable Securities included in such Registration Statement; to keep each such registration or qualification effective during the period set forth in Section 2.1 that the applicable Registration Statement is required to be kept effective; and to do any and all other acts or things necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by such Registration Statement; provided, however, that the Issuer or PubliCo, as the case may be, will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service in any jurisdiction where it is not then so subject;

(i) to cooperate with the selling Holders and the underwriter(s), if any, in the preparation and delivery of certificates representing the Registrable Securities to be sold, such certificates to be in such denominations and registered in such names as such selling Holders or managing underwriter(s) may request at least two (2) Business Days prior to any sale of Registrable Securities represented by such certificates;

(j) subject to Section 4.3 hereof, upon the occurrence of any event described in clause (vi) of Section 4.1(c) above, promptly to prepare and file a supplement or post-effective amendment to the applicable Registration Statement or Prospectus or any document incorporated therein by reference, and any other required documents, so that such Registration Statement and Prospectus will not thereafter contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, and to cause such supplement or post-effective amendment to become effective as soon as practicable;

(k) to take all other actions in connection therewith as are reasonably necessary or desirable in order to expedite or facilitate the disposition of the Registrable Securities included in such Registration Statement and, in the case of an underwritten offering: (i) to enter into an underwriting agreement in customary form with the managing underwriter(s) (such agreement to contain standard and customary indemnities, representations, warranties and other agreements of or from the Issuer or PubliCo, as the case may be; (ii) to obtain opinions of counsel to the Issuer or PubliCo, as the case may be, (which (if reasonably acceptable to the underwriter(s)) may be the Issuer's or PubliCo's inside counsel) addressed to the underwriter(s), such opinions to be in customary form; and (iii) to obtain "comfort" letters from the Issuer's or PubliCo's independent certified public accountants addressed to the underwriter(s), such letters to be in customary form;

(l) make available for inspection by any selling Holder of Registrable Securities, any underwriter(s) participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by any such selling Holder or underwriter(s) all financial and other records, pertinent corporate documents and properties of the Issuer or PubliCo, as the case may be, and cause the Issuer's or PubliCo's officers, directors, employees, attorneys and independent accountants to supply all information reasonably requested by any such selling Holders, underwriter(s), attorneys, accountants or agents in connection with such Registration Statement. Each selling Holder of Registrable Securities agrees, on its own behalf and on behalf of all its underwriter(s), accountants, attorneys and agents, that the information obtained by it as a result of such inspections shall be kept confidential by it and not disclosed by it, in each case unless and until such information is made generally available to the public other than by such selling Holder. Each selling Holder of Registrable Securities further agrees, on its own behalf and on behalf of all its underwriter(s), accountants, attorneys and agents, that it will, upon learning that disclosure of such information is sought in a court of competent jurisdiction, give notice to the Issuer or PubliCo, as the case may be, and allow the Issuer or PubliCo, as the case may be, at its expense, to undertake appropriate action to prevent disclosure of the information deemed confidential;

(m) take all such other actions not inconsistent with the terms of this Agreement as the Holders of a majority of the Registrable Securities being sold or the

underwriter(s), if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(n) if and to the extent PubliCo sponsors an American Depositary Receipt program in respect of PubliCo Shares, if requested by a Holder, it shall create additional American Depositary Shares ("ADS") in respect of PubliCo Shares to be registered, representing the same number of underlying shares per ADS as the ADSs that previously were created and issued; and

(o) reasonably cooperate with the selling Holders and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made by the NASD.

Section 4.2 Holders' Obligation to Furnish Information. The Issuer or PubliCo, as the case may be, may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Issuer or PubliCo, as the case may be, such information regarding the distribution of such Registrable Securities as the Issuer or PubliCo, as the case may be, may from time to time reasonably request in writing.

Section 4.3 Suspension of Sales Pending Amendment of Prospectus. Each Holder shall, upon receipt of any notice from the Company of the happening of any event of the kind described in clauses (iii)-(vi) of Section 4.1(c) above, suspend the disposition of any Registrable Securities covered by such Registration Statement or Prospectus until such Holder's receipt of the copies of a supplemented or amended Prospectus or until it is advised in writing by the Issuer or PubliCo, as the case may be, that the use of the applicable Prospectus may be resumed, and, if so directed by the Issuer or PubliCo, as the case may be, such Holder will deliver to the Issuer or PubliCo, as the case may be, all copies, other than permanent file copies, then in such Holder's possession of any Prospectus covering such Registrable Securities. If the Issuer or PubliCo, as the case may be, shall have given any such notice during a period when a Demand Registration is in effect, the 90-day period described in Section 2.1 shall be extended by the number of days of such suspension period.

Section 4.4 No Required Registration. The Issuer or PubliCo, as the case may be, shall not be required to file a Registration Statement pursuant to the provisions of Article IV hereof, if the Issuer or PubliCo, as the case may be, shall receive a written opinion from its counsel that all of the Registrable Securities which any Holder has requested or may request to have registered may, as of the date of such opinion, be sold in the public market of the United States, in unlimited amounts, under Rule 144(k), without registration under the Securities Act.

Article V
Registration Expenses

Section 5.1 Registration Expenses. All reasonable and documented expenses incident to the Issuer's or PubliCo's performance of or compliance with its obligations under this Agreement, including without limitation all (i) registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws, (iii) printing expenses, (iv) fees and disbursements of its counsel and its independent certified public accountants (including the

expenses of any special audit or "comfort" letters required by or incident to such performance or compliance), (v) securities acts liability insurance (if the Issuer or PubliCo, as the case may be, elects to obtain such insurance) and (vi) the expenses and fees for listing securities to be registered on each securities exchange on which Securities are then listed shall be borne by the demanding Holders in the case of a Demand Registration, and the Issuer or PubliCo, as the case may be, otherwise (all such expenses being herein referred to as "Registration Expenses"); provided, however, that Registration Expenses shall not include any underwriting discounts, commissions or fees attributable to the sale of the Registrable Securities or the fees and expenses of counsel for the Holders of Registrable Securities covered by each Registration Statement, which underwriting discounts, commissions, fees and expenses of counsel shall in all cases be borne solely by the Holders.

Article VI
Indemnification

Section 6.1 Indemnification by the Company. In the event of any registration of any securities of the Issuer or PubliCo, as the case may be, under the Securities Act pursuant to Article II or Article III hereof, the Issuer or PubliCo, as the case may be, will, and hereby does, indemnify and hold harmless the selling Holder of any Registrable Securities covered by such Registration Statement, its affiliates, general and limited partners, members and shareholders and each of its and their directors, officers, managers, employees, attorneys, investment advisors and agents, each other Person who participates as an underwriter, if any, in the offering or sale of such securities and each other Person, if any, who controls such selling Holder or any such underwriter within the meaning of the Securities Act, against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with the Issuer's or PubliCo's consent, which consent shall not be unreasonably withheld) to which such selling Holder or other indemnified Person may become subject under the Securities Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement under which such securities were registered under the Securities Act or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary Prospectus, together with the documents incorporated by reference therein (as amended or supplemented if the Issuer or PubliCo, as the case may be, shall have filed with the SEC any amendment thereof or supplement thereto), if used prior to the effective date of such Registration Statement, or contained in the Prospectus, together with the documents incorporated by reference therein (as amended or supplemented if the Issuer or PubliCo, as the case may be, shall have filed with the SEC any amendment thereof or supplement thereto), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or (iii) any violation by the Issuer or PubliCo, as the case may be, of any federal, state or common law rule or regulation applicable to the Issuer or PubliCo, as the case may be, and relating to action required of or inaction by the Issuer or PubliCo, as the case may be, in connection with any such registration, and the Issuer or PubliCo, as the case may be, will reimburse such selling Holder and each other indemnified Person for any legal or any other

expenses reasonably incurred by any of them in connection with defending any such loss, claim, liability, action or proceeding; provided, however, that the Issuer or PubliCo, as the case may be, shall not be liable to any such selling Holder or other indemnified Person in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such Registration Statement or amendment thereof or supplement thereto or in any such preliminary, final or summary Prospectus in reliance upon and in conformity with written information furnished to the Issuer or PubliCo, as the case may be, by or on behalf of any such selling Holder or other indemnified Person, specifically for use in the preparation thereof; and provided, further, that the Issuer or PubliCo, as the case may be, will not be liable to any Person who participates as an underwriter in any underwritten offering or sale of Registrable Securities, or to any Person who is a selling Holder in any non-underwritten offering or sale of Registrable Securities, or any other Person, if any, who controls such underwriter or selling Holder within the meaning of the Securities Act, under the indemnity agreement in this Section 6.1 with respect to any preliminary Prospectus or the final Prospectus (including any amended or supplemented preliminary or final Prospectus), as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter, selling Holder or controlling Person results from the act that such underwriter or selling Holder sold Registrable Securities to a person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final Prospectus as then amended or supplemented, whichever is most recent, if the Issuer or PubliCo, as the case may be, has previously furnished copies thereof to such underwriter or selling Holder and such final Prospectus, as then amended or supplemented, has corrected any such misstatement or omission.

Section 6.2 Indemnification by the Selling Holders. In consideration of the Issuer's or PubliCo's including any Registrable Securities in any Registration Statement filed in accordance with Article II or Article III hereof, each prospective selling Holder (each, a "Holder Indemnitor") of such Registrable Securities shall be deemed to have agreed to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 6.1 hereof) the Issuer or PubliCo, as the case may be, and its directors, officers, employees, managers, attorneys, investment advisors and agents and each person controlling the Issuer or PubliCo, as the case may be, within the meaning of the Securities Act (each, an "Indemnitee") against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with such Holder Indemnitor's consent, which consent shall not be unreasonably withheld) to which the Indemnitees may become subject under the Securities Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon any statement or alleged statement in or omission or alleged omission from such Registration Statement, any preliminary, final or summary Prospectus contained therein, or any amendment or supplement, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Issuer or PubliCo, as the case may be, or its representatives by or on behalf of such selling Holder specifically for use in the preparation of such Registration Statement, preliminary, final or summary Prospectus or amendment or supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Issuer or PubliCo, as the case may be, or any of its directors, officers or controlling Persons. The Issuer, or PubliCo, as the case may be, may require as a condition to its including Registrable Securities in any Registration Statement filed hereunder that the holder

thereof acknowledge its agreement to be bound by the provisions of this Agreement (including Article VI) applicable to it.

Section 6.3 Notices of Claims. Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Article VI, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Article VI, except to the extent that the indemnifying party is actually materially prejudiced by such failure to give notice. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party; provided, further, that if, in the indemnified party's reasonable judgment, a conflict of interest between the indemnified party and the indemnifying party exists or may exist in respect of such claim, then such indemnified party shall have the right to participate in the defense of such claim and to employ one firm of attorneys at the indemnifying party's expense to represent such indemnified party. No indemnified party will consent to entry of any judgment or enter into any settlement without the indemnifying party's consent to such judgment or settlement, which shall not be unreasonably withheld.

Section 6.4 Contribution. If the indemnification provided for in this Article VI is unavailable or insufficient to hold harmless an indemnified party under this Article VI, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in this Article VI in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statements or omission. The Issuer or PubliCo, as the case may be, agrees, and the Holders (in consideration of the Issuer's or PubliCo's including any Registrable Securities in any Registration Statement filed in accordance with Article II or Article III hereof) shall be deemed to have agreed, that it would not be just and equitable if contributions pursuant to this Section 6.4 were to be determined by pro rata allocation or by any other method or allocation which does not take account of the equitable considerations referred to in the first sentence of this Section 6.4. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this Section 6.4 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim (which shall be limited as provided in Section 6.3 if the indemnifying party has assumed the defense of any such action accordance with the provisions thereof) which is the subject of this Section 6.4. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Promptly

after receipt by an indemnified party under this Section 6.4 of notice of the commencement of any action against such party in respect of which a claim for contribution has been made against an indemnifying party under this Section 6.4, such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in Section 6.3 has not been given with respect to such action; provided, however, that the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise under this Section 6.4, except to the extent that the indemnifying party is actually materially prejudiced by such failure to give notice.

Article VII
Rule 144

Section 7.1 Rule 144. The Issuer and PubliCo shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder, so long as it is subject to such reporting requirements, all to the extent required from time to time to enable the Holders to sell Registrable Securities without registration under the Securities Act within the limitations of the exemptions provided by Rule 144. Upon the request of any Holder, the Issuer or PubliCo, as the case may be, shall deliver to such Holder a written statement stating whether it has complied with such requirements, and will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

Article VIII
Underwritten Registrations

Section 8.1 Selection of Underwriter(s). If any of the Registrable Securities covered by any Demand Registration are to be sold in an underwritten offering, the underwriter or underwriters and managing underwriter or managing underwriters that will administer the offering shall be selected by the Issuer or PubliCo, as the case may be; provided, however, that such underwriter(s) and managing underwriter(s) shall be subject to the approval of the Holders of a majority in aggregate amount of Registrable Securities included in such offering, which approval shall not be unreasonably withheld.

Section 8.2 Agreements of Selling Holders. No Holder shall sell any of its Registrable Securities in any underwritten offering pursuant to a registration hereunder unless such Holder (i) agrees to sell such Registrable Securities on a basis provided in any underwriting agreement in customary form, including the making of customary representations, warranties and indemnities and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting agreements or as reasonably requested by the Issuer or PubliCo, as the case may be, (whether or not such offering is underwritten).

Article IX
Holdback Agreements

Section 9.1 Restrictions on Public Sales by Holders. To the extent not inconsistent with applicable law, each Holder that is timely notified in writing by the managing underwriter or underwriters shall not effect any public sale or distribution (including a sale pursuant to Rule 144) of any securities of the same class or issue being registered in an underwritten offering (other than pursuant to an employee stock option, stock purchase, stock bonus or similar plan, pursuant to a merger, an exchange offer or a transaction of the type specified in Rule 145(a) under the Securities Act) or any securities of the Issuer or PubliCo, as the case may be, convertible into or exchangeable or exercisable for securities of the same class or issue, during the 7-day period prior to the effective date of the applicable Registration Statement, if such date is known, or during the period beginning on such effective date and ending either (i) 60 days after such effective date or (ii) any such earlier date as may be requested by the managing underwriter or underwriters of such registration, except as part of such registration.

Article X
Effectiveness and Termination

Section 10.1 Effectiveness. This Agreement shall take effect immediately upon the Closing and shall remain in effect until it is terminated pursuant to Section 10.2 hereof.

Section 10.2 Termination. Other than the termination provisions applicable to particular Sections of this Agreement that are specifically provided elsewhere in this Agreement, this Agreement shall terminate upon the earliest to occur of the following:

(a) The tenth anniversary of the Closing; or

(b) Mutual written agreement of the Company, the Issuer, PubliCo and the Investor at any time to terminate this Agreement.

Article XI
Miscellaneous

Section 11.1 Amendments and Waivers. This Agreement may be amended, and waivers or consents to departures from the provisions hereof may be given, only by a written instrument duly executed, in the case of an amendment, by all of the parties hereto, or in the case of a waiver or consent, by the party against whom the waiver or consent, as the case may be, is to be effective.

Section 11.2 Successors, Assigns and Transferees. This Agreement shall be binding upon and shall inure to the benefit of the Company, the Holders and their respective successors, assigns and transferees.

Section 11.3 No Inconsistent Agreements. The Company, Issuer or PubliCo will not on or after the date of this Agreement enter into any agreement which conflicts with the provisions of this Agreement without the prior written consent of the majority of the Holders. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with

the rights granted to the holders of the Company's, Issuer's or PubliCo's other issued and outstanding securities under any such agreements. If the Company, Issuer or PubliCo grants registration or similar rights (including demand registration rights) to any Person other than an Affiliate, employee or Partner of the Company, Issuer, or PubliCo (such Person, a "Third Party") with respect to PubliCo Shares or Debt Securities that are more favorable in any material respect than the rights or benefits afforded to Holders herein, the Company, Issuer or PubliCo, as the case may be, shall grant substantially similar registration or similar rights with respect to PubliCo Shares or Debt Securities to the Holders.

Section 11.4 Integration. This Agreement and the documents referred to herein or delivered pursuant hereto that form a part hereof contain the entire understanding of the Company and the Holders with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein. This Agreement supersedes all prior agreements and understandings between the Company and the Holders with respect to its subject matter.

Section 11.5 Notices. All notices and other communications provided for hereunder shall be in writing and shall be sent by first class mail, telecopier or hand delivery:

If to the Company, to:

Lazard LLC
30 Rockefeller Plaza
New York, NY 10020
Fax: (212) 332-5972
Attn: Scott D. Hoffman, Esq.

If to Issuer, to:

Lazard Group Finance LLC
30 Rockefeller Plaza
New York, NY 10020
Fax: (212) 332-5972
Attn: Scott D. Hoffman, Esq.

If to PubliCo, to:

Lazard Ltd
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda
Fax: (441) 292 4720
Attn: Secretary

In each case, with a copy to:

Wachtell Lipton Rosen & Katz
51 W. 52nd Street
New York, NY 10019
Fax: (212) 403-2327
Attn: Adam Chinn, Esq. & David C. Karp, Esq.

If to any of the Holders, to the address of such Holders as shown in the record books of the Issuer or PubliCo, as the case may be.

All such notices and communications shall be deemed to have been given or made (i) when delivered by hand or (ii) when telecopied, receipt acknowledged. The Company, Issuer or PubliCo may change its address for receipt of notices by notice of such change given in the manner contemplated hereby to the Holders.

Section 11.6 Descriptive Headings. The headings in this Agreement are for convenience of reference only and shall not limit, expand or otherwise affect the meaning of the terms contained herein.

Section 11.7 Severability. In the event that any one or more of the provisions hereof is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision, in every other respect and of the remaining provisions hereof shall not be in any way impaired, it being intended that all rights, powers and privileges of the Company, Issuer, PubliCo and the Holders shall be enforceable to the fullest extent permitted by law.

Section 11.8 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without regard to the principles thereof relating to conflict of laws.

[Rest of Page Intentionally Blank;
Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

LAZARD LLC

By: /s/ Steven J. Golub
Name: Steven J. Golub
Title: Vice Chairman

IXIS CORPORATE & INVESTMENT BANK

By: /s/ Anthony Orsatelli
Name: Anthony Orsatelli
Title: Président du Directoire

LAZARD GROUP FINANCE LLC

By: /s/ Steven J. Golub
Name: Steven J. Golub
Title: President

LAZARD LTD

By: /s/ Steven J. Golub
Name: Steven J. Golub
Title: President

EXHIBIT 10.31

LAZARD LLC

May 10, 2005

Ellis Jones, as Trustee
BW NY Goodwill L.L.C.
BW ROW Goodwill L.L.C.
c/o The Corporation Trust Company
1209 Orange Street
Wilmington, Delaware 19801

Dear Mr. Jones:

This letter agreement sets forth the mutual understanding between Lazard LLC ("Lazard" on its behalf and on behalf of its subsidiaries and affiliates (collectively with Lazard, and its and their predecessors and successors, the "Lazard Group") and each of BW NY Goodwill L.L.C. and BW ROW Goodwill L.L.C. (collectively, the "Family Trusts") regarding the rights and obligations applicable to the Lazard Class A-2 Interests (as defined in the Third Amended and Restated Operating Agreement of Lazard, dated as of January 1, 2002, as amended (the "LLC Agreement")) that are held in the Family Trusts as set forth on Schedule I attached hereto (the "Trusts Interests"), in connection with the participation of the Trusts Interests in the reorganization of Lazard (the "Reorganization"), currently expected to occur substantially on the terms and conditions described in Amendment No. 4 to the Registration Statement on Form S-1, dated April 18, 2005, as filed with the Securities and Exchange Commission, relating to the initial public offering (the "IPO") and together with the Reorganization and the consummation of the mandatory sale of all "Interests" (as defined in the LLC Agreement) pursuant to Section 6.02(b) of the LLC Agreement (as the provisions of such Section 6.02(b) may be waived or modified) or otherwise (the "HoldCo Formation"), of shares of Class A common stock of Lazard Ltd, a Bermuda limited company ("PubliCo").

The Trusts Interests (and the Exchangeable Interests and any PubliCo Shares (each as defined in the Agreement Relating to the Reorganization of Lazard by and between Lazard and Bruce Wasserstein (the "Reorganization Agreement")) received or receivable in respect of the Trusts Interests) shall be treated in the same manner as, and have the same rights and obligations as, the Class A-2 Interests directly held by the Executive as of the date hereof as set forth in the Reorganization Agreement; *provided* that, for purposes of the Trusts Interests, references in the Reorganization Agreement to the "Executive" shall be deemed, where appropriate, to be or include references to the Family Trusts, whether or not this is expressly specified in the relevant provisions of the Reorganization Agreement; *provided further*, for the avoidance of doubt, that references in the Reorganization Agreement to the Executive's continued employment or service with Lazard or one of its affiliates shall be references to Mr. Wasserstein only.

To the extent required of Mr. Wasserstein and requested by the Lazard Group, the Family Trusts shall become a party to or otherwise agree to be bound by the terms of any agreements

referred to in the Reorganization Agreement, including without limitation the stockholders' agreement referred to in Section 2(d) thereof, or required to be entered into in connection with the Reorganization or HoldCo Formation, and the Lazard Group may condition its obligations in respect of the Trusts Interests on the satisfaction by the Family Trusts of the foregoing requirement.

Lazard hereby agrees that following the HoldCo Formation and subject to the completion of the IPO, it will nominate to the board of directors of PubliCo one person designated by the Family Trusts (or their designee) until such time as (1) the PubliCo Shares then owned, directly or indirectly, by the Family Trusts or any beneficiaries thereof (in the aggregate), plus (2) the PubliCo Shares issuable under the terms of any Exchangeable Interests issued by the Lazard Group then owned, directly or indirectly, by the Family Trusts or any beneficiaries thereof (in the aggregate), constitute less than 50% of the PubliCo Shares issuable under the terms of any Exchangeable Interests initially issued by the Lazard Group in connection with the HoldCo Formation and held by the Family Trusts (in the aggregate) as of the IPO Date.

Notwithstanding anything to the contrary contained herein, the effectiveness of this letter agreement is conditioned upon and subject to the completion of the HoldCo Formation and the IPO.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflict of laws which could cause the application of the law of any jurisdiction other than the State of New York. This Agreement may not be amended or modified, other than by a written agreement executed by the parties hereto. This Agreement shall be binding upon and inure to the benefit of Lazard and each of the Family Trusts and their respective successors and assigns.

Each of Lazard and the trustee for each of the Family Trusts, intending to be legally bound, has caused this letter agreement to be executed and delivered in its name and on its behalf as of the date first above written.

LAZARD LLC
(on its behalf, and on behalf of its subsidiaries and affiliates and their successors and assigns)

By: /s/ Michael J. Castellano
Name: Michael J. Castellano
Title: Chief Financial Officer

ELLIS JONES, as Trustee for the
BW NY Goodwill L.L.C.
BW ROW Goodwill L.L.C.

/s/ Ellis Jones
Name: Ellis Jones
Title: Trustee

EXHIBIT 10.32

$125,000,000

SENIOR REVOLVING CREDIT AGREEMENT

among

LAZARD GROUP LLC,

JPMORGAN CHASE BANK, N.A.,

CITIBANK, N.A.,

THE BANK OF NEW YORK

AND

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent

Dated as of May 10, 2005

J.P. MORGAN SECURITIES INC.
and CITIGROUP GLOBAL MARKETS INC.,
as Joint Lead Arrangers

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Exhibit D - Form of Closing Certificate
Exhibit E - Form of Assignment and Assumption
Exhibit F - Form of Compliance Certificate

SENIOR REVOLVING CREDIT AGREEMENT, dated as of May 10, 2005, among LAZARD GROUP LLC, a Delaware limited liability company (the "Company"), the Banks from time to time parties hereto, CITIBANK, N.A., a national banking association ("Citibank"), and THE BANK OF NEW YORK, New York Branch ("The Bank of New York"), and JPMORGAN CHASE BANK, N.A., a New York banking corporation as a Bank (in such capacity, "JPMorgan Chase Bank") and as Administrative Agent for the Banks hereunder (in such capacity, the "Administrative Agent").

W I T N E S S E T H :

WHEREAS, the Company has applied to the Banks for loans in an aggregate principal amount at any one time outstanding not in excess of $125,000,000; and

WHEREAS, the Banks are willing to make the loans to the Company upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms have the following meanings:

"Act": the Securities and Exchange Act of 1934, as amended from time to time.

"Adjustment Date": as defined in the Pricing Grid.

"Administrative Agent": JPMorgan Chase Bank in its capacity as administrative agent for the Banks hereunder, and its successors in such capacity.

"Affiliate": any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Company. For purposes of this definition, a Person shall be deemed to be "controlled by" the Company if the Company possesses, directly or indirectly, power either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors of such Person or (ii) direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agreement": this Senior Revolving Credit Agreement, as amended, supplemented or modified from time to time.

"Applicable Margin": the Applicable Margin will be determined in accordance with the Pricing Grid.

"Assignee": as defined in Section 12.7.

"Assignment and Assumption": an agreement substantially in the form of Exhibit E.

"Available Commitment": as to each Bank, at a particular time, an amount equal to the difference between (a) the amount of such Bank's Commitment and (b) the aggregate outstanding principal amount of Loans made by such Bank (after giving effect to any simultaneous repayment of Loans at such time); collectively, as to the Banks, the "Available Commitments".

"Banks": JPMorgan Chase Bank, Citibank and The Bank of New York, as parties to this Agreement, and permitted assignees pursuant to subsection 12.7 (individually, a "Bank").

"Benefited Bank": as defined in Section 12.8.

"Board of Directors": as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

"Board of Governors": the Board of Governors of the Federal Reserve System, or any successor entity to the functions of the Board of Governors of the Federal Reserve System.

"Borrowing Date": any Business Day on which the Banks make Loans hereunder, as specified in a notice pursuant to subsection 2.6 or subsection 2.7.

"Broker-Dealer Indebtedness": Indebtedness of the Subsidiaries of the Company which are registered broker-dealers.

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close; provided, that when such term is used to describe a day on which a borrowing, payment or interest rate determination is to be made in respect of a Eurodollar Loan, or the first day or last day of an Interest Period in respect of a Eurodollar Loan, a Business Day must also be a day on which commercial banks are open for dealings in U.S. Dollar deposits in London.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock": any and all shares and interests (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than

a corporation) and any and all warrants, rights or options to purchase any of the foregoing but excluding any profit participation interests and the equity units of Lazard Asset Management LLC issued pursuant to the Lazard Asset Management LLC Limited Liability Company Agreement.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Bank or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or P-1 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Bank or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Bank or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; or (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Change in Control": (i) the acquisition by any individual or group (other than the Managing Directors (including individuals that become Managing Directors after the date of the IPO or that were Managing Directors on the date of the IPO), LAZ-MD Holdings, or, in the case of the Company, Holdings or its controlled affiliates) of beneficial ownership of more than 35% of either (a) the then-outstanding shares of Holdings Capital Stock, assuming the full exchange of all of the then-outstanding Exchangeable Interests for shares of Holdings Capital Stock in accordance with the Master Separation Agreement, (b) the then-outstanding shares of Company Capital Stock or (c) the combined voting power of the then-outstanding voting securities of the Company (if applicable) or Holdings entitled to vote generally in the election of directors (other than, for the purposes of this clause (i), any acquisition that would otherwise be a Change in Control under this clause (i) pursuant to which the Company and Holdings become Subsidiaries of another person (such person, the "Parent Company") and such

Parent Company shall not have an individual or group having beneficial ownership of more than 35% of the Capital Stock of the Parent Company generally entitled to elect the directors of the Parent Company), (ii) failure of Continuing Directors to constitute a majority of the Board of Directors of Holdings, (iii) failure of the Managing Directors (including individuals that become Managing Directors after the date of the IPO or that were Managing Directors on the date of the IPO) to hold, directly or indirectly, Holdings Capital Stock or securities convertible or exchangeable into Holdings Capital Stock (including, without limitation, Exchangeable Interests, restricted stock, restricted stock units or other issuances under Holdings' equity incentive plan) constituting at least 22.5% (on an as exchanged basis) of the amount of Holdings Capital Stock held by the Company's Managing Directors in the aggregate on the date of the IPO (or, in the case of the formation of any Parent Company, references to Holdings Capital Stock in this clause (iii) shall refer to the Capital Stock of the Parent Company generally entitled to elect the directors of the Parent Company (with such percentage to be based upon the shares of such Capital Stock received by holders of Holdings Capital Stock received pursuant to the formation of such Parent Company)) or (iv) failure of Holdings to beneficially own or be entitled to exercise, directly or indirectly, the right (whether by contract, limited liability company agreement, bylaws, agreement or otherwise) to elect a majority of the Board of Directors of the Company.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Commitment": as to each Bank, its obligation to make Loans to the Company pursuant to subsection 2.1; collectively, as to the Banks, the "Commitments".

"Commitment Fee Rate": the Commitment Fee Rate will be determined in accordance with the Pricing Grid.

"Commitment Percentage": as to each Bank, the percentage of the amount of the aggregate Commitments constituted by the amount of such Bank's Commitment.

"Commitment Period": on any date of determination thereof, the period from and including the Effective Date to but not including the earlier to occur of (a) the Maturity Date or (b) such other date as the Commitments shall terminate as provided herein.

"Common Interest": as defined in the Operating Agreement of the Company, as amended and restated as of the Effective Date.

"Commonly Controlled Entity": an entity, whether or not incorporated, which is under common control with the Company within the meaning of Section 4001 of ERISA or is part of a group that includes the Company and that is treated as a single employer under Section 414 of the Code.

"Company Capital Stock": the Common Interests of the Company.

"Consolidated Adjusted EBITDA": for any period, an amount determined for the Company and its Subsidiaries on a consolidated basis equal to (i) the sum, without

duplication, of the amounts for such period of (a) Consolidated Net Income, (b) Consolidated Interest Expense, (c) provisions for taxes based on income plus tax distributions in accordance with the Company's operating agreement (computed on a cash basis), (d) total depreciation expense, (e) total amortization expense, (f) other non-cash expenses, fees, charges, reserves or losses reducing Consolidated Net Income, including provisions for minority interests to the extent exceeding cash distributions to the related minority interest holders (excluding any such non-cash item otherwise included in this clause (f) to the extent that such item represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period (other than severance or restructuring related expenses or charges, which shall be added back); minus (ii) non-cash items increasing Consolidated Net Income for such period (excluding any such non-cash items to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period).

"Consolidated Interest Coverage Ratio": for any period, the ratio of (a) Consolidated Adjusted EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense": for any period, total cash interest expense (including that attributable to Capital Lease Obligations, but excluding debt issuance costs and similar charges and any amortization thereof) of the Company and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Company and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing); less (i) interest income on marketable securities, and (ii) in the case of Broker-Dealer Indebtedness and the Indebtedness of Lazard Frères Banque, interest income related to such Indebtedness. Consolidated Interest Expense shall not include the portion of the payments due under the terms of "mandatory" convertible or "mandatory" exchangeable securities (it being understood that such exchangeable securities refers to securities exchangeable into equity) representing contract adjustment payments (including interest accretion on the contract adjustment payment related liability) or the interest accruals under the Paris Profit Sharing Plan.

"Consolidated Leverage Ratio": as at the last day of any period, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated Adjusted EBITDA for such period.

"Consolidated Net Income": for any period, the net income (or loss) of the Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP; provided, that there shall be excluded (a) any net after-tax extraordinary or nonrecurring or unusual gains, losses, expenses or charges, including without limitation those attributable to business dispositions, asset dispositions (other than in the ordinary course of business), discontinued operations and the early extinguishment of indebtedness, (b) any fees, expenses or charges related to any offering of equity interests or debt of any kind (including those relating to the Recapitalization and the IPO) or related to any acquisition or merger or similar transaction (whether or not successful), including any fees, expenses,

charges or change in control payments related to such transaction, (c) the impact of any cumulative change in accounting principles during the applicable period, (d) any non-cash impairment charge or asset write off resulting from the application of SFAS 142 and 144, and the amortization of intangibles arising pursuant to SFAS 141 and (e) any non-cash expenses realized or resulting from employee benefit plans or post-employment benefit plans, grants of restricted stock, restricted stock units, stock appreciation rights, stock options or other rights, or one-time non-cash compensation charges (including any cash expenditure for the acquisition of equity interests of Holdings to be so granted to the extent that Holdings or any of its subsidiaries contributes to or otherwise invests in the equity of the Company a corresponding amount of cash). In addition, Consolidated Net Income shall be reduced by an amount equal to the tax distributions (computed on a cash basis) in accordance with the Company's operating agreement.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of the Company and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP; provided that, without duplication, "Consolidated Total Debt" shall not include the Indebtedness of Lazard Frères Banque or any Broker-Dealer Indebtedness (other than Broker-Dealer Indebtedness that is included in the calculation used to determine the capital requirements of any of the Company's Subsidiaries) or the Intesa Notes (and any Indebtedness of equal or junior ranking up to the amount of the Intesa Notes to the extent such notes have been repaid).

"Continuing Directors": the directors constituting Holdings' Board of Directors at the close of business on the Effective Date, and each other director, if, in each case, such other director's nomination for election to the Board of Directors of Holdings is recommended or approved by at least a majority of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Default": any of the events specified in Section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Designated Asset Sale": the sale, transfer or other disposition of any Capital Stock of any Designated Subsidiary, or issuance of any Capital Stock of any Designated Subsidiary, in each case to a Person other than the Company or a Wholly Owned Subsidiary of the Company.

"Designated Subsidiary": each of Lazard Frères & Co. LLC, Lazard Asset Management LLC, Lazard & Co., Limited and Lazard Frères SAS and each of their respective successors.

"Disposition Amount": as defined in Section 2.18.

"Effective Date": the date of this Agreement.

"Equity Security Units": the equity security units with a stated amount of $25 consisting of (a) a contract pursuant to which the holder agrees to purchase, for $25, shares of Class A common stock of Lazard Ltd on May 15, 2008 and (b) a 1/40, or 2.5%, ownership interest in a senior note of Lazard Group Finance LLC, with a principal amount of $1,000.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board of Governors) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Telerate screen (or otherwise on such screen), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Event of Default": any of the events specified in Section 9, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange": the New York Stock Exchange, Inc.

"Exchangeable Interest": a Class II Interest of LAZ-MD Holdings (or, if applicable, the Common Interest of the Company issued in exchange therefor) that, upon full exchange in accordance with the Master Separation Agreement, is entitled to receive share(s) of Holdings Capital Stock as set forth in the Master Separation Agreement.

"Fed Rate": with respect to (i) the first day in each period during which a Fed Rate Loan is outstanding, the rate per annum which is the average of the rates on the offered side of the Federal funds market quoted by three interbank Federal funds brokers selected by the Administrative Agent at approximately the time the Company requests such Fed Rate Loan, for dollar deposits in immediately available funds, for a period and in an amount, comparable to the principal amount of such Fed Rate Loan, and (ii) for each day in such period thereafter, the rate per annum which is the average of the rates on the offered side of the Federal funds market quoted by three interbank Federal funds brokers selected by the Administrative Agent at approximately 1:00 p.m., New York City time, on such date for dollar deposits in immediately available funds, for a period and in an amount comparable to the principal amount of such Fed Rate Loan; in the case of both clauses (i) and (ii) above, as determined by the Administrative Agent and rounded upwards, if necessary, to the nearest 1/100 of 1%.

"Fair Market Value": with respect to any asset or property, the price that would be negotiated in an arm's-length transaction between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

"Fed Rate Loans": Loans the rate of interest applicable to which is based upon the Fed Rate.

"FOCUS Report": a Financial and Operational Combined Uniform Single Report required to be filed on a quarterly basis with the SEC and the NASD or the Exchange, as applicable, or any report which is required in lieu of such report, or any equivalent reporting statement required by the applicable regulatory agency for any Designated Subsidiary.

"GAAP": generally accepted accounting principles in the United States, applied on a consistent basis.

"Governmental Authority": any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness (the "primary

obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include assurances given in the ordinary course of business for the payment of obligations of customers or suppliers of the Company or any Subsidiary, customary indemnifications, representations and warranties made in connection with purchases, sales or leasing of property or assets or issuances of securities, endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Company in good faith.

"Holdings": Lazard Ltd.

"Holdings Capital Stock": the Class A common stock, par value $.01 per share, of Holdings.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) all "mandatory" convertible or exchangeable indebtedness of such Person and all "mandatory" redeemable preferred Capital Stock of such Person, (h) the amount then outstanding under any Receivables Financing, (i) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (h) above, and (j) all obligations of the kind referred to in clauses (a) through (i) above

secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is directly liable therefor as a result of such Person's ownership interest in such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding anything to the contrary herein, Indebtedness shall exclude, (a) 100% of the Equity Security Units issued in connection with the IPO and (b) 80% of other "mandatory" convertible or exchangeable Indebtedness issued other than in connection with the IPO, in each case, prior to the remarketing period for such Indebtedness. After the remarketing period, Indebtedness shall include (x) the principal amount of any remarketed Indebtedness relating to such Equity Security Units or other "mandatory" convertible or exchangeable Indebtedness less (y) any Cash and Cash Equivalents of the Company and its Subsidiaries to the extent such Cash and Cash Equivalents are greater than $50,000,000.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Installment Notes": Indebtedness issued by the Company or any Subsidiary to facilitate the deferral by clients of capital gains which result from securities transactions.

"Interest Payment Date": (a) as to any Fed Rate Loan, the last day of each March, June, September and December while such Loan is outstanding and (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, and (c) as to any Eurodollar Loan having an Interest Period longer than three months each day which is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period.

"Interest Period": with respect to any Eurodollar Loan:

(1) initially, the period commencing on the Borrowing Date or date of conversion pursuant to subsection 2.7, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six (or, if available to all relevant Banks, nine or twelve) months thereafter, as selected by the Company in its notice of borrowing pursuant to subsection 2.6 or notice of conversion pursuant to subsection 2.7, as the case may be, given with respect thereto; and

(2) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six (or, if available to all relevant Banks, nine or twelve) months thereafter, as selected by the Company by irrevocable notice to the Administrative

Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

provided that the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period pertaining to a Eurodollar Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date;

(iii) any Interest Period pertaining to a Eurodollar Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Company shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"Intesa Notes": that certain 3.0% subordinated promissory note, dated June 10, 2003, in the principal amount of $50,000,000, issued by Lazard & Co. S.r.l in favor of Banca Intesa S.p.A. and that certain subordinated convertible promissory note, dated March 26, 2003, in the principal amount of $150,000,000, issued by Lazard Funding Limited LLC in favor of Banca Intesa S.p.A.

"Intesa Strategic Alliance": that certain strategic alliance entered into between the Company and Banca Intesa S.p.A. in September 2002, pursuant to which Banca Intesa S.p.A. acquired a 40% interest in Lazard & Co. S.r.l.

"Investment": any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase of any Capital Stock, bonds, notes debentures or other debt securities of, or any assets constituting a business unit of, or any other investment in, any Person.

"Investment Grade": a rating of the Company's senior unsecured non-credit enhanced indebtedness for borrowed money, in the case of S&P of BBB- or higher and in the case of Moody's of Baa3 or higher; provided, that in each case if the Company shall have no senior unsecured non-credit enhanced indebtedness for borrowed money, the Company's corporate credit rating shall be used; provided further that if at any time Moody's or S&P, or both, shall not maintain a rating for the Company's senior unsecured non-credit enhanced indebtedness for borrowed money, or shall not maintain a corporate credit rating for the Company, as the case may be, the Required Lenders and the

Company may agree to determine the ratings using the corresponding ratings level of one or more Nationally Recognized Statistical Rating Organizations (as defined in Rule 436 under the Securities Act of 1933).

"IPO": the initial public offering by Lazard Ltd. of its common shares, as further described in the S-1.

"Joint Lead Arrangers": J.P. Morgan Securities, Inc. and Citigroup Global Markets Inc.

"LAZ-MD Holdings": LAZ-MD Holdings LLC, a Delaware limited liability company.

"LFNY": Lazard Frères & Co. LLC, a New York limited liability company.

"LFNY Credit Agreement": the collective reference to the Subordinated Revolving Credit Agreements dated May, 2005 among Lazard Frères & Co. LLC and the Banks pursuant to which Lazard Frères & Co. LLC may borrow up to $25,000,000 on a revolving basis, as the same may be amended, supplemented or modified from time to time, together with any intercreditor agreement entered into in connection with such Credit Agreements.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, attachment lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction in respect of any of the foregoing).

"Loan": each loan made to the Company pursuant to subsection 2.1.

"Loans": the collective reference to the Loans.

"London Lease Commitment": as to the Company, its liability for certain operating lease commitments related to its office facilities in London with no assured substantive future use or benefit to the Company.

"Long Term Indebtedness": at any date of determination, Indebtedness (including Capital Lease Obligations) of the Company maturing after twelve months from such date.

"Long Term Investments": Investments of the Company other than those Investments which are listed on a national exchange and for which there is an active quoted price.

"Managing Directors": the collective reference to each of the managing directors of Holdings, the Company, LFCM Holdings LLC or any of their respective controlled

affiliates who holds, directly or indirectly, an equity interest of Holdings or securities convertible or exchangeable into equity interests of Holdings (including without limitation Exchangeable Interests, restricted stock, restricted stock units or other issuances under Holdings' equity incentive plan) and each trust, estate planning vehicle or other entity that holds or shall be transferred any such interest for tax or estate planning purposes.

"Margin Stock": as defined in Regulation U of the Board of Governors as in effect from time to time.

"Master Separation Agreement": means the Master Separation Agreement, dated as of the date hereof, by and among Holdings, LAZ-MD Holdings, the Company and LFCM Holdings LLC, as amended from time to time.

"Material Adverse Effect": a material adverse effect on the business, property, financial condition or results of operations of the Company and its Subsidiaries taken as a whole.

"Maturity Date": the date which is the fifth anniversary of the Effective Date.

"Members' Equity": ownership equity of the Company represented by common members' interests.

"Minority Interests": the collective reference to any capital contributions made by a third party to the Company and any profit participation interests and the equity units of Lazard Asset Management LLC issued pursuant to the Lazard Asset Management LLC Limited Liability Company Agreement.

"Moody's": Moody's Investors Service, Inc.

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"NASD": the National Association of Securities Dealers, Inc., or any other self-regulatory body which succeeds to the functions of the National Association of Securities Dealers, Inc.

"Net Capital": as defined in Rule 15c3-1, including the appendices thereto, as promulgated by the SEC under the Act (17 CFR 240.15c3-1), as such rule may be amended from time to time, or any rule or regulation of the SEC which replaces Rule 15c3-1.

"Net Proceeds": in the case of cash proceeds received (a) in connection with any Designated Asset Sale constituting a sale, transfer or other disposition of Capital Stock, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as

and when received), net of the sum of (i) attorneys' fees, accountants' fees, investment banking fees and other customary fees and expenses actually incurred in connection therewith, (ii) taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), (iii) the amount of all payments required to be made by the Company and the applicable Subsidiary to repay Indebtedness secured by assets transferred in connection with such sale, transfer or disposition, and (iv) the amount of any payments that the Company estimates in good faith will be required to be made in respect of contingent liabilities directly attributable to such event and set forth in a notice delivered to the Administrative Agent (provided that the Company will evaluate in good faith not less often than quarterly any estimate resulting in a reduction of Net Proceeds under this clause (iv) and will promptly notify the Administrative Agent if the estimated amount of such payments in respect of any contingent liability shall be reduced, and the Company and any such Subsidiary shall be deemed to have received Net Cash Proceeds equal to the amount of any such reduction), and (b) in connection with any issuance of any Capital Stock constituting a Designated Asset Sale, the cash proceeds received from such issuance, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts, taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and commissions and other customary fees and expenses actually incurred therewith.

In the case of non-cash proceeds received in connection with any Designated Asset Sale, the Net Proceeds shall be deemed to be the book value of the portion of the property giving rise thereto as reflected in the financial statements most recently delivered pursuant to Section 6.1 or, if not reflected therein, as reflected in the financial statements of the relevant entity, in each case as demonstrated in reasonable detail and certified to the Administrative Agent by a Responsible Officer.

"Non-Excluded Taxes": as defined in Section 2.17(a).

"Non-U.S. Lender": as defined in Section 2.17(d).

"Note": as defined in subsection 2.2; collectively, the "Notes".

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other monetary obligations and liabilities of the Company to the Administrative Agent or to any Bank, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under or in connection with, this Agreement, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Bank that are required to be paid by the Company pursuant hereto) or otherwise.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Paris House": the business operations of the Company headquartered in Paris.

"Paris Lease": the sale and lease-back of the real properties located at 121 Boulevard Haussmann, 75008, Paris, 119 Boulevard Haussmann, 75008, Paris, and 10 Avenue Percier, 75008, Paris.

"Paris Profit Sharing Plan": that certain Accord de participation de groupe initially dated March 21, 1996 among Lazard Frères SAS and its employees, Lazard Frères Gestion SAS and its employees, Maison Lazard SAS, Lazard Frères Banque and its employees and Fonds Partenaires Gestion and its employees.

"Participant": as defined in Section 12.7.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Receivables Financings": any Receivables Financing of a Receivables Subsidiary that meets the following conditions:

(a) senior management or the Board of Directors of the Company shall have determined in good faith that such Permitted Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary;

(b) all sales of accounts receivable and related assets to the Receivables Subsidiary (or valid capital contributions made to the Receivables Subsidiary) are made at Fair Market Value (as determined in good faith by senior management or the Board of Directors of the Company; and

(c) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by senior management or the Board of Directors of the Company).

"Permitted Refinancing Indebtedness": any Indebtedness issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund (collectively, to "Refinance"), the Indebtedness being Refinanced (or previous refinancings thereof constituting Permitted Refinancing Indebtedness); provided that (a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so Refinanced (plus unpaid accrued interest and premium thereon and underwriting discounts, fees, commissions and expenses), (b) the average life to maturity of such Permitted Refinancing Indebtedness is greater than or equal to the remaining

average life to maturity of the Indebtedness being Refinanced, (c) if the Indebtedness being Refinanced is subordinated in right of payment to the Obligations under this Agreement, such Permitted Refinancing Indebtedness shall be subordinated in right of payment to such Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being Refinanced and (d) no Permitted Refinancing Indebtedness shall have different obligors, or greater guarantees or security, than the Indebtedness being Refinanced, unless the incurrence of such Indebtedness, guarantees or security is permitted by a separate provision of this Agreement.

"Person": an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at any particular time, any employee benefit plan which is covered by ERISA and in respect of which the Company or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pricing Grid": the table set forth below.

	Applicable Margin		
Rating Agencies Rating Lazard Group LLC Investment Grade	**Eurodollar Loans**	**Federal Funds Rate Loans**	**Commitment Fee**
Both S&P and Moody's	125 bps	125 bps	25 bps
Either S&P or Moody's	150 bps	150 bps	30 bps
Neither S&P nor Moody's	200 bps	200 bps	37.5 bps

For the purposes of the Pricing Grid, the Company shall provide prompt written notice to the Administrative Agent of any change in being rated Investment Grade by either Moody's or S&P (or, if applicable, such other rating agency determined in accordance with the definition of "Investment Grade"). The Applicable Margin resulting from changes in the ratings of the Company shall be effective on the date (the "Adjustment Date") that is three Business Days after the date of such change in being rated Investment Grade and shall remain in effect until the next change to be effected pursuant to this paragraph.

"Pro Forma Balance Sheet": as defined in Section 4.1a.

"Recapitalization": the separation by the Company of its business and operations into two separate entities and the related recapitalization of the Company through certain financing transactions, the redemption of certain interests in the Company, and related transactions including the IPO, to be consummated on the date hereof, in each case, as more fully described in the S-1.

"Receivables Financing": any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may (a) sell, convey or otherwise transfer to a Receivables Subsidiary or (b) grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"Receivables Subsidiary" means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Permitted Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Chief Financial Officer of the Company (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary of the Company, (ii) is recourse to or obligates the Company or any other Subsidiary of the Company in any way or (iii) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof;

(b) with which neither the Company nor any other Subsidiary of the Company has any material contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be, on the whole, no less favorable to the Company or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and

(c) to which neither the Company nor any other Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Chief Financial Officer of the Company shall be evidenced to the Administrative Agent by delivery to the Administrative Agent a certified

copy of the resolution of the Board of Directors of the Company giving effect to such designation and a certificate of a Responsible Officer certifying that such designation complied with the foregoing conditions.

"Register": as defined in Section 12.7.

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

"Required Lenders": at any time, the holders of more than 50% of the sum of (a) the Commitments then in effect and (b) the sum of the aggregate unpaid principal amount of the Loans then outstanding.

"Requirement of Law": as to any Person, the certificate of incorporation and by–laws or partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the chief executive officer, president or chief financial officer of the Company, but in any event, with respect to financial matters, the chief financial officer of the Company.

"Restricted Payments": as defined in Section 7.8.

"S&P": Standard & Poor's Ratings Services.

"S-1": the Registration Statement filed by Holdings on Form S-1 with the SEC, as amended from time to time.

"SEC": the Securities and Exchange Commission, or such other regulatory body which succeeds to the functions of the Securities and Exchange Commission.

"Senior Note Indentures": the Indenture pursuant to which the Company issued $550,000,000 of senior notes and the Indenture pursuant to which the Company issued $437,500,000 of senior notes, together with all instruments and other agreements entered into by the Company in connection therewith.

"Senior Notes": the senior notes of the Company issued pursuant to the Senior Note Indentures together with the Equity Security Units.

"Significant Subsidiary": any Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC as of the date hereof, but excluding Lazard Group Finance LLC and Lazard Funding Limited LLC.

"Single Employer Plan": any Plan which is covered by Title IV of ERISA but which is not a Multiemployer Plan.

"Specified Non-Recourse Indebtedness": at any time, Indebtedness of the Company or any Subsidiary secured by real property, leasehold improvements and equipment of the Company or any Subsidiary to the extent that the terms of such Indebtedness provide that at such time recourse for repayment thereof and payment of any other obligation in respect thereof is only to such assets and is not a general obligation of the Company or any of its Subsidiaries (notwithstanding that such terms provide that such Indebtedness may become Specified Recourse Indebtedness upon the occurrence of certain events after such time).

"Specified Recourse Indebtedness": at any time, Indebtedness of the Company or any Subsidiary secured by leasehold improvements and equipment of the Company or any Subsidiary to the extent that the terms of such Indebtedness provide that at such time recourse for repayment thereof and payment of any other obligation in respect thereof is a general obligation of the Company or any of its Subsidiaries.

"Street Loans": short term borrowings made by the Company for the purpose of purchasing or carrying securities for the Company, or for customers of the Company.

"Subordinated Indebtedness": Indebtedness of the Company that is subordinated in right of payment to the Obligations, provided that, to the extent incurred after the Effective Date, such Indebtedness has (a) no maturity, amortization, mandatory redemption or repurchase option or sinking fund payment prior to the date that is six months after the Maturity Date and (b) customary subordination provisions as shall be reasonably satisfactory to the Administrative Agent.

"Subsidiary": as to any Person, (a) a corporation, limited liability company or other similar business entity of which shares of stock or other equity interests having ordinary voting power (other than stock or other equity interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors or other managers of such corporation or entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person or (b) any partnership of which such Person and/or one or more Subsidiaries of such Person has, directly or indirectly, more than 50% of the interest in profits and losses. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company.

"Swap Agreement": any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to,

one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"Trade Debt": of a Person, at a particular date, (i) indebtedness of such Person resulting from free credit balances and similar payables, day loans, Installment Notes, Street Loans, and other liabilities and obligations incurred in the ordinary course of business of such Person both as principal and as agent as an investment banker, futures commission merchant, broker dealer or financial services institution; and (ii) other short term indebtedness of such Person incurred in the ordinary course of its business not material individually or in the aggregate to such Person.

"Type": as to any Loan, its nature as a Fed Rate Loan or a Eurodollar Loan.

"Wholly Owned Subsidiary": of any Person, a Subsidiary of such Person 95% of the outstanding Capital Stock or other ownership interests of which shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

"Working Capital": as reflected on the balance sheet of the Company at any date of determination, the Members' Equity and any other Capital Stock of the Company plus, without duplication, the sum of (a) "mandatory" convertible or exchangeable indebtedness, (b) Long Term Indebtedness, (c) Subordinated Indebtedness, (d) Minority Interests, (e) reserves for the London Lease Commitment, (f) other liabilities related to retiree medical and pension liabilities and deferred compensation relating to the Company's statutory profit sharing plan in its Paris House, (g) deferred income related to the Intesa Strategic Alliance or similar arrangements that may be entered into in the future, (h) deferred income tax liabilities, (i) valuations attributable to any Swap Agreement and (j) issuances of preferred stock after the Effective Date to the extent not included in Members' Equity (provided that there shall be excluded from each of clauses (a) through (j) any obligations maturing within twelve months of such date), less, without duplication, the sum of (i) Long Term Investments, (ii) intangibles (including, but not limited to, goodwill), (iii) deferred financing costs, (iv) property, plant, equipment and leasehold improvements, (v) amounts related to deferred income tax assets, (vi) any assets related to bonuses, pension and other post-retirement benefit obligations, (vii) valuations attributable to any Swap Agreement, (viii) any advances or prepayments and (ix) any assets that will not convert into cash within twelve months of such date (provided that the deductions in clauses (i) through (ix) shall be reduced by any reserves or accumulated amortization or accumulated depreciation for such items).

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes or any certificate or other document made or delivered pursuant hereto.

(a) As used herein and in the Notes, unless otherwise specified, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance

with GAAP as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company wishes to amend any provision hereof, including, without limitation, any covenant in Article VI, to eliminate the effect of any change in generally accepted accounting principles adopted after the Effective Date on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders wish to amend any such provision for such purpose), then the Company's compliance with such provision shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such provision is amended in a manner satisfactory to the Company and the Required Lenders.

The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, subsection, schedule and exhibit references are to this Agreement unless otherwise specified.

SECTION 2. AMOUNT AND TERMS OF LOAN COMMITMENTS

2.1 Loans. (a) Subject to the terms and conditions hereof, each Bank severally agrees to make revolving credit loans (individually, a "Loan"; collectively, the "Loans") to the Company from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding not to exceed the amount set opposite such Bank's name on Schedule 2.1 hereto, as such amount may be reduced as provided herein. During the Commitment Period, the Company may use the Commitments by borrowing, prepaying the Loans in whole or in part subject to subsection 2.9, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Loans may from time to time be (i) Eurodollar Loans, (ii) Fed Rate Loans or (iii) a combination thereof, as determined by the Company and notified to the Administrative Agent in accordance with subsections 2.6 and 2.7, provided that no Loan shall be continued as or converted into a Eurodollar Loan after the day that is one month prior to the Maturity Date.

2.2 Notes. Each Bank may request that the Loans made by such Bank pursuant hereto shall be evidenced by a promissory note of the Company, substantially in the form of Exhibit A hereto, with appropriate insertions as to date and principal amount (individually a "Note"; collectively, the "Notes"), payable to the order of such Bank and evidencing the obligation of the Company to pay the aggregate unpaid principal amount of all Loans made by such Bank hereunder, with interest thereon as prescribed in subsection 2.3. Each Bank is hereby authorized to record the date and amount of each Loan made by such Bank, and the date and amount of each payment or prepayment of principal thereof on the schedule annexed to and constituting a part of its Note, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided, however, that any error or omission in making any such recordation shall not affect the obligations of the Company hereunder or under any Note. Each Note shall (x) be dated the date of the initial Loans hereunder, (y) be stated to mature on the last day of the Commitment Period and (z) bear interest on the unpaid principal amount thereof from time to time outstanding at the rates set forth in subsection 2.3.

2.3 Interest Rates and Interest Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each Fed Rate Loan shall bear interest for each day at a rate per annum equal to the Fed Rate determined for such day plus the Applicable Margin.

(c) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (d) of this subsection shall be payable from time to time on demand.

(d) (i) If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), then such overdue principal amount shall bear interest at a rate per annum which is 2% above the rate which would otherwise be applicable pursuant to subsection 2.3(a) or 2.3(b), as the case may be, and (ii) if all or a portion of any interest payable on any Loan or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum which is 2% above the rate then applicable to Fed Rate Loans, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

2.4 Fees. The Company agrees to pay to the Administrative Agent for the account of each Bank a commitment fee computed at the Commitment Fee Rate on the average daily amount of the undrawn Commitment of such Bank during the period for which payment is made, the accrued and unpaid portion of such fee to be payable in arrears on the last day of March, June, September and December of each year (commencing on the first such date to occur after the Effective Date) and on the Maturity Date. The Administrative Agent shall promptly distribute to each Bank its pro rata share of each payment of such fees.

2.5 Computation of Interest and Fees. (a) Interest and fees shall be computed on the basis of (i) a 360 day year for actual days elapsed for Eurodollar Loans and (ii) a 365 day or 366 day, as the case may be, year for actual days elapsed for Fed Rate Loans and for fees under this Agreement. The Administrative Agent shall as soon as practicable notify the Company and the Banks of each determination of a Eurodollar Rate or of a Fed Rate. Any change in the interest rate on a Loan resulting from a change in the Fed Rate shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Company and the Banks of such effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Company and the Banks in the absence of manifest error. The Administrative Agent shall, at the request of the Company, deliver to the Company a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to subsection 2.3(a) or 2.3(b), as the case may be.

2.6 Procedure for Borrowing. The Company may borrow Loans under the Commitments during the Commitment Period on any Business Day, provided that the Company shall give the Banks irrevocable notice (which notice must be received by the Administrative Agent prior to 3:00 P.M., New York City time, (a) three Business Days prior to the requested Borrowing Date, if all or any part of the requested Loans are to be initially Eurodollar Loans or (b) one Business Day prior to the requested Borrowing Date, otherwise), specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be of Eurodollar Loans, Fed Rate Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the amount of such Type of Loan and the length of the initial Interest Periods therefor. Each borrowing of Loans pursuant to the Commitments shall be in an aggregate principal amount equal to the lesser of (i) $5,000,000 or a whole multiple thereof, and (ii) the Available Commitments. Each Bank will make available to the Company at the office of the Administrative Agent specified in subsection 12.2, prior to 12:00 noon (New York City time) on the requested Borrowing Date, or as soon as practicable thereafter, an amount in immediately available funds equal to the amount of the Loan to be made by such Bank.

2.7 Conversion and Continuation Options. (a) The Company may elect from time to time to convert Eurodollar Loans to Fed Rate Loans, by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Company may elect from time to time to convert Fed Rate Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Bank thereof. All or any part of outstanding Eurodollar Loans and Fed Rate Loans may be converted as provided herein, provided that (i) no Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent has or the Banks have determined that such a conversion is not appropriate and (ii) no Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Maturity Date.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Company giving notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in subsection 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Administrative Agent has or the Banks have determined that such a continuation is not appropriate or (ii) after the date that is one month prior to the Maturity Date and provided, further, that if the Company shall fail to give such notice or if such continuation is not permitted such Loans shall be automatically converted to Fed Rate Loans on the last day of such then expiring Interest Period.

2.8 Termination or Reduction of Commitments. The Company shall have the right, upon not less than three Business Days' notice to the Banks, to terminate the Commitments or, from time to time, reduce the amount of the Commitments; provided that, subject to clause (ii) of the proviso in subsection 2.9, (x) any such reduction shall be accompanied by prepayment of the Loans to the extent, if any, that the amount of the Loans then outstanding exceeds the

amount of the Commitments as then reduced, (y) any such termination of the Commitments shall be accompanied by prepayment in full of the Loans then outstanding, together with accrued interest thereon to the date of such prepayment, and the payment of any unpaid commitment fee then accrued hereunder and other amounts, if any, payable by the Company hereunder and (z) any such reduction or prepayment shall be accompanied by payment of the costs arising therefrom pursuant to subsection 2.12. Any such reduction shall be in an amount of $5,000,000, or greater integral multiple of $5,000,000, and shall reduce permanently the amount of the Commitments then in effect.

2.9 Optional Prepayments of Loans. (a) The Company may, at any time, on the last day of any Interest Period with respect thereto, in the case of Eurodollar Loans (or on any other day if such prepayment is accompanied by payment of the costs arising therefrom pursuant to subsection 2.12), and from time to time, in the case of Fed Rate Loans, and upon three Business Days' irrevocable notice, in the case of Eurodollar Loans, and upon one Business Day's notice, in case of Fed Rate Loans, to the Administrative Agent, prepay the Loans on the date specified in such notice, in whole or in part, with accrued interest to the date of such prepayment on the amount prepaid; provided, however, that each partial prepayment of Loans shall be in a principal amount of $5,000,000 or a larger integral multiple of $1,000,000.

(b) Upon receipt of a notice of prepayment of Loans pursuant to subsection 2.9(a), the Administrative Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share of such prepayment.

2.10 Pro Rata Treatment and Payments. (a) Each borrowing of Loans by the Company from the Banks, each payment (including each prepayment) by the Company on account of principal of and interest on the Loans and any reduction of the Commitments of the Banks hereunder shall be made pro rata according to the respective Commitment Percentages of the Banks. All payments (including prepayments) to be made by the Company in respect of the Loans on account of principal, interest and fees shall be made without set–off or counterclaim and shall be made directly to the office of the Administrative Agent specified in subsection 12.2, in lawful money of the United States of America and in immediately available funds. The Administrative Agent shall distribute such payments to the Banks entitled thereto promptly upon receipt in like funds as received by the Administrative Agent. If any payment hereunder becomes due and payable on a day other than a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(b) Each Bank shall apply the amount of each payment (including each prepayment) made by the Company on account of principal of the Loans to the payment of the then outstanding principal amounts of Loans, in such amounts and in such order as the Company shall direct by notice to such Bank (or, in the case of a prepayment pursuant to subsection 2.9, as the Company shall direct in its notice of prepayment), provided that if the Company shall fail to give any such notice, each Bank shall apply the amount received to the payment of the then outstanding Loans pro rata according to the respective outstanding principal amounts of such Loans.

2.11 Non-Receipt of Funds by the Administrative Agent. (a) Unless the Administrative Agent shall have been notified by the Company prior to the date on which any payment in respect of a Loan is due from it hereunder (which notice shall be effective upon receipt) that the Company does not intend to make such payment, the Administrative Agent may assume that the Company has made such payment when due and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to each Bank on such payment date an amount equal to the portion of such assumed payment to which such Bank is entitled hereunder, and if the Company has not in fact made such payment to the Administrative Agent, such Bank shall, on demand, repay to the Administrative Agent the amount made available to such Bank together with interest thereon in respect of each day during the period commencing on the date such amount was made available to such Bank and ending on (but excluding) the date such Bank repays such amount to the Administrative Agent, at a rate per annum equal to the Administrative Agent's cost of obtaining overnight funds in the federal funds market in New York on each such day.

(b) A certificate of the Administrative Agent submitted to any Bank with respect to any amount owing under the foregoing paragraph (a) shall be prima facie evidence of the facts stated therein.

2.12 Indemnity. The Company agrees to indemnify each Bank and to hold each Bank harmless from any loss or expense which such Bank may sustain or incur as a consequence of (a) default by the Company in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Company has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Company in making any prepayment of or conversion from a Eurodollar Loan after the Company has given a notice thereof in accordance with the provisions of subsection 2.9 or (c) the making of a prepayment of Eurodollar Loans on a day which is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, prepaid, converted or continued, for the period from the date of such prepayment or of such failure to borrow, prepay, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein over (ii) the amount of interest (as reasonably determined by such Bank) which would have accrued to such Bank on such amount by redeploying such amount for a comparable period. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.13 Capital Adequacy. In the event that any of the Banks shall have determined that the adoption after the date hereof of any law, rule or regulation regarding capital adequacy, or any change after the date hereof therein or in the interpretation or application thereof or compliance by such Bank with any request or directive regarding capital adequacy (whether or not having the force of law) from any central bank or Governmental Authority, does or shall have the effect of reducing the rate of return on such Bank's capital as a consequence of its obligations hereunder to a level below that which such Bank could have achieved but for such adoption, change or compliance (taking into consideration such Bank's policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then after submission by

such Bank to the Company of a written request therefor, the amount of interest payable by the Company to such Bank on each Interest Payment Date shall be increased by such amount (as determined in good faith by such Bank in accordance with its practice applicable generally to similarly situated borrowers) as will compensate such Bank for the portion of such reduction allocable to the period in respect of which interest is so paid on such Interest Payment Date. A certificate as to any additional amounts payable pursuant to this subsection 2.13, together with a statement by such Bank that such amounts have been calculated consistently with amounts calculated and claimed for in the case of other borrowers parties to revolving credit agreements with such Bank, submitted by such Bank, through the Administrative Agent, to the Company, shall be conclusive evidence of the facts stated therein.

2.14 Inability to Determine Interest Rate. If prior to the first day of any Interest Period the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Company) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period the Administrative Agent shall give telecopy notice thereof to the Company and the Banks as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Fed Rate Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be converted to or continued as Fed Rate Loans and (z) any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to Fed Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Company have the right to convert Loans to Eurodollar Loans.

2.15 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Bank to make or maintain Eurodollar Loans as contemplated by this Agreement, then, such Bank shall give written notice thereof to the Company and to the Administrative Agent and (a) the commitment of such Bank hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Fed Rate Loans to Eurodollar Loans shall forthwith be suspended for the duration of such unlawfulness and (b) the Bank and the Company shall promptly enter into negotiations in good faith to agree to a solution to such illegality, limitation or impracticability; provided however, that if such an agreement has not been reached by the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law, such Bank's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Fed Rate Loans. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Company shall pay to such Bank such amounts, if any, as may be required pursuant to subsection 2.12. Each Bank that has delivered a notice pursuant to this Section, if the circumstances giving rise to such notice cease to exist, shall notify the Company thereof as soon as practicable.

2.16 Requirements of Law. (a) If the adoption of or any change in any requirement of law or in the interpretation or application thereof or compliance by any Bank with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(1) shall subject any Bank to any tax of any kind whatsoever with respect to this Agreement, any Note or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Bank in respect thereof (except for Non-Excluded Taxes covered by Section 2.17 and changes in the rate of tax on the overall net income of such Bank);

(2) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Bank which is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(3) shall impose on such Bank any other condition;

and the result of any of the foregoing is to increase the cost to such Bank, by an amount which such Bank deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the amount of interest payable by the Company to such Bank on the Interest Payment Date in respect of each Interest Period shall be increased by such amount (as determined in good faith by such Bank in accordance with its practice applicable generally to similarly situated borrowers) as will compensate such Bank for such increased cost or reduced amount receivable allocable to such Interest Period. Notwithstanding the foregoing, the Company shall have no obligation to pay any additional amounts with respect to such increased costs to the extent such increased costs are attributable to (i) the determination by the Internal Revenue Service that a Bank is a conduit entity participating in a conduit financing arrangement as defined under Section 7701(l) of the Code and the regulations thereunder (a "Conduit Financing Arrangement"), and the Company was not a participant to such arrangement (other than solely as borrower under this Agreement) or (ii) a change in the applicable lending office of a Bank. Each Bank represents that it is not participating in a Conduit Financing Arrangement. Any Bank claiming additional amounts pursuant to this subsection 2.16 shall use its reasonable efforts (consistent with internal policy and applicable legal and regulatory restrictions) to take such action, as requested by the Company in writing, if the taking of such action would avoid the need for or reduce the amount of any such additional amounts and would not, in the judgment of such Bank, be adverse to the affected Loans or to such Bank.

If any Bank becomes entitled to claim any additional amounts pursuant to this subsection, it shall promptly notify the Company (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this subsection submitted by such Bank to the Company (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The agreements in this subsection shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

No Bank shall be entitled to any compensation under this Section 2.16 for any costs incurred or reduction suffered with respect to any date unless such Bank shall have notified the Company that it will demand compensation for such costs or reductions under paragraph (b) above not more than 60 days after the later of (i) such date and (ii) the date on which such Bank shall have become aware of such costs or reductions.

2.17 Taxes. (a) All payments made by the Company under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Bank as a result of a present or former connection between the Administrative Agent or such Bank and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Bank having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Bank hereunder, the amounts so payable to the Administrative Agent or such Bank shall be increased to the extent necessary to yield to the Administrative Agent or such Bank (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that the Company shall not be required to increase any such amounts payable to any Bank with respect to any Non-Excluded Taxes (i) that are attributable to such Bank's failure to comply with the requirements of paragraph (d) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Bank at the time such Bank becomes a party to this Agreement, except to the extent that such Bank's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Company with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, the Company shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Company, as promptly as possible after the payment of such Non-Excluded or Other Taxes, the Company shall send to the Administrative Agent for its own account or for the account of the relevant Bank, as the case may be, proof of payment thereof. If the Company fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority, the Company shall indemnify the Administrative Agent and the Banks for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Bank as a result of any such failure.

(d) Each Bank (or Transferee) that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to the Company and the Administrative Agent (or, in the case of a Participant, to the Bank from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Company under this Agreement. Such forms shall be delivered by each Non-U.S. Lender on

or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Company at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Company (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver, in which case such Non-U.S. Lender shall not be entitled to an exemption from such U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest".

(e) If the Administrative Agent or any Bank determines, in its sole discretion, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Company or with respect to which the Company has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to the Company (but only to the extent of indemnity payments made, and/or additional amounts paid, by the Company under this Section 2.17 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent or such Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Company, upon the written request of the Administrative Agent or such Bank, agrees to repay the amount paid over to the Company (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Bank in the event the Administrative Agent or such Bank is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Company or any other Person.

(f) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.18 Commitment Reductions and Mandatory Prepayments. If on any date the Company or any of its Subsidiaries shall receive Net Proceeds from a Designated Asset Sale and if, after such Designated Asset Sale, the Company or any of its Subsidiaries owns less than 65% of the Capital Stock of the Designated Subsidiary subject to such Designated Asset Sale, the Commitments shall be permanently reduced by an amount equal to 100% of the value of such Net Proceeds (the "Disposition Amount"); provided that, if immediately prior to giving effect to such Designated Asset Sale, the Company and its Subsidiaries own in excess of 65% of the Capital Stock of the Designated Subsidiary that is subject to such Designated Asset Sale, the "Disposition Amount" shall be limited to the portion of the Net Proceeds attributable to the percentage of the Capital Stock of such Designated Subsidiary sold, transferred, otherwise disposed of or issued, that is equal to the difference between 65% and the percentage of the Capital Stock of such Designated Subsidiary owned by the Company and its Subsidiaries after giving effect to such Designated Asset Sale. Any such reduction shall be accompanied by (x) a prepayment of the Loans to the extent, if any, that the amount of the Commitments then reduced and (y) payment of the costs arising therefrom pursuant to Section 2.12.

SECTION 3. RESERVED

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce the Banks to enter into this Agreement and to make the Loans herein provided for, the Company hereby represents and warrants to the Banks and the Administrative Agent that:

4.1 Financial Condition. (a) The unaudited pro forma consolidated balance sheet of the Company and its consolidated Subsidiaries as at December 31, 2004 (including the notes thereto) (the "Pro Forma Balance Sheet"), copies of which have heretofore been furnished to each Bank (by inclusion in the S-1), has been prepared giving effect (as if such events had occurred on such date) to (i) the consummation of the IPO and the Recapitalization, (ii) the Loans to be made and the Senior Notes to be issued on the Effective Date and the use of proceeds thereof and (iii) the payment of fees and expenses in connection with the foregoing. The Pro Forma Balance Sheet has been prepared based on the best information available to the Company as of the date of delivery thereof, and presents fairly, subject to certain immaterial adjustments in the capital structure, on a pro forma basis the estimated financial position of Company and its consolidated Subsidiaries as at December 31, 2004 assuming that the events specified in the preceding sentence had actually occurred at such date.

(b) The audited consolidated balance sheets of the Company and its consolidated Subsidiaries as at December 31, 2002, December 31, 2003 and December 31, 2004, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from Deloitte & Touche LLP, present fairly the consolidated financial condition of the Company and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). Neither the Company nor any of its Subsidiaries has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph.

4.2 No Material Adverse Effect. Since December 31, 2004, there has been no event or development that would reasonably be expected to have a Material Adverse Effect or any event or development that would affect particularly the business of the Company or any of its Subsidiaries which would be reasonably likely to materially impair the Company's ability to perform its obligations under this Agreement or the Notes.

4.3 Existence; Compliance with Law. The Company (a) is a limited liability company formed and validly existing under the Limited Liability Company Law of the State of Delaware, or, if at any time after the Effective Date the Company has changed its form of business organization to a corporate or partnership form, is, on any date on or after the effectiveness of such change upon which this representation is made or deemed made, duly

organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the requisite power and authority under such law to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged and (c) is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except where the failure to so qualify would not reasonably be expected, in the aggregate, to have a Material Adverse Effect. Each of the Company's Significant Subsidiaries (x) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (y) has the requisite power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged and (z) is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except where the failure to so qualify would not reasonably be expected, in the aggregate, to have a Material Adverse Effect. Each of the Company and its Significant Subsidiaries is in compliance with all Requirements of Law except to the extent that the failure to comply therewith would not, in the aggregate, have a material adverse effect on the business, property, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, and would not materially adversely affect the ability of the Company to perform its obligations under this Agreement and the Notes.

4.4 Power; Authorization; Enforceable Obligations. The Company has the requisite power and authority and the legal right to make, deliver and perform this Agreement and the Notes and to borrow hereunder and has taken all necessary and proper action to authorize the borrowings on the terms and conditions of this Agreement and the Notes and to authorize the execution, delivery and performance of this Agreement and the Notes by the Company. No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the borrowings hereunder or with the execution, delivery or performance of this Agreement or the Notes by the Company or with the validity or enforceability of this Agreement or the Notes against the Company. This Agreement has been duly executed and delivered on behalf of the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). On the date of the initial Loans hereunder, each Note will have been duly executed and delivered on behalf of the Company and will constitute a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the Notes, the borrowings hereunder and the use of the proceeds thereof, will not violate the organizational or governing documents of the Company or any of its Significant Subsidiaries, any other material Requirement of Law or any material Contractual Obligation of the Company

or of any Significant Subsidiary, and will not result in, or require, the creation or imposition of any Lien on any of its or their respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation.

4.6 No Material Litigation. Except as disclosed to the Banks prior to the Effective Date or in the S-1, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Company, threatened by or against the Company or any of its Significant Subsidiaries or against any of its or their respective properties or revenues (a) with respect to this Agreement or the Notes or any of the transactions contemplated hereby, or (b) which is reasonably likely to be adversely determined and, if adversely determined, would reasonably be expected to have, a Material Adverse Effect.

4.7 No Default. Neither the Company nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation in any respect which would reasonably be expected to be materially adverse to the business, property, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole or which would reasonably be expected to materially adversely affect the ability of the Company to perform its obligations under this Agreement or the Notes. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each of the Company and its Subsidiaries, if any, has good record and marketable title in fee simple to or valid leasehold interests in all its material real property, and good title to all its other material property, and none of such property is subject to any Lien, except as permitted in subsection 7.3.

4.9 Taxes. Each of the Company and its Subsidiaries has filed or caused to be filed all tax returns which to the knowledge of the Company are required to be filed by it and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (except those taxes the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Company or any Significant Subsidiary, as the case may be, which taxes, if not paid or adequately provided for, would reasonably be expected to have a Material Adverse Effect); and no tax liens have been filed and, to the knowledge of the Company, no claims are being asserted with respect to any such taxes, fees or other charges.

4.10 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used (a) for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect for any purpose that violates the provisions of the Regulations of the Board or (b) for any purpose that violates the provisions of the Regulations of the Board.

4.11 ERISA. Neither a Reportable Event nor an “accumulated funding deficiency” (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, except as would not reasonably be expected to have a

Material Adverse Effect, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by a material amount. Neither the Company nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a material liability under ERISA, and neither the Company nor any Commonly Controlled Entity would become subject to any material liability under ERISA if the Company or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

4.12 Investment Company Act; Other Regulations. Neither the Company nor any of its Subsidiaries is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. Neither the Company nor any of its Subsidiaries is subject to regulation under any Requirement of Law (other than Regulation X of the Board and Rule 15c3-1 as promulgated by the SEC under the Act) that limits its ability to incur Indebtedness.

4.13 Significant Subsidiaries. Except as disclosed to the Administrative Agent by the Company in writing from time to time after the Effective Date, (a) Schedule 4.13 sets forth the name and jurisdiction of incorporation of each Significant Subsidiary and, as to each such Significant Subsidiary, the percentage of each class of Capital Stock owned by the Company and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Company or any Significant Subsidiary, except as created by this Agreement.

4.14 Accuracy of Information, etc. No statement or information contained in this Agreement, the S-1 or any other document, certificate or statement furnished by or on behalf of the Company to the Administrative Agent or the Banks, or any of them, for use in connection with the transactions contemplated by this Agreement, contained as of the date such statement, information, document or certificate was so furnished (or, in the case of the S-1, as of the date of this Agreement), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading in each case taken as a whole. The pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Company to be reasonable at the time made, it being recognized by the Banks that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to the Company that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the S-1 or in any other documents, certificates and statements furnished to the Administrative Agent and the Banks for use in connection with the transactions contemplated hereby.

4.15 Use of Proceeds. The proceeds of the Loans shall be used by the Company for general corporate purposes.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions of Initial Loans. The obligation of each Bank to make its initial Loan hereunder and the effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) Execution of Agreement. The Administrative Agent shall have received this Agreement, executed by an authorized officer of each Bank party hereto and by an authorized officer of the Company.

(b) Notes. The Administrative Agent shall have received a Note conforming to the requirements hereof and executed by an authorized officer of the Company for each Bank that has requested a Note prior to the Effective Date. The Administrative Agent shall promptly forward any such Notes to the appropriate Banks.

(c) IPO, Recapitalization, etc. (i) The IPO shall have been consummated substantially as described in the S-1; (ii) the gross proceeds of equity issued in connection with the IPO and Equity Security Units shall be at least $1,200,000,000 (such proceeds to include the value of any rollover of equity by the Company's B1 interest holders as contemplated by the S-1); and (iii) the Recapitalization shall have been consummated.

(d) Approvals. All governmental and third party approvals necessary as a condition to the consummation of the IPO shall have been received or such condition shall have been waived. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law that is in effect and enjoins or otherwise prohibits the consummation of the IPO, including the transactions contemplated hereby.

(e) Legal Opinion. The Administrative Agent shall have received, with a counterpart for each bank, (i) an opinion of Wachtell, Lipton, Rosen & Katz, special counsel to the Company, substantially in the form of Exhibit B, and (ii) an opinion of Scott D. Hoffman, Managing Director and the General Counsel to the Company, substantially in the form of Exhibit C, each dated the Effective Date and addressed to the Administrative Agent and the Banks.

(f) Closing Certificate. The Administrative Agent shall have received, with a counterpart for each Bank, a Closing Certificate of the Company dated the Effective Date, substantially in the form of Exhibit D, with appropriate insertions and attachments (including the certificate of formation and the operating agreement of the Company) executed by an officer of the Company.

(g) Incumbency and Signatures. The Administrative Agent shall have received, with a counterpart for each Bank, a certificate of an officer of the Company, dated the Effective Date, as to the incumbency and signatures of the officers of the

Company, duly authorized to sign this Agreement, the Notes and any certificate or other document required to be delivered pursuant thereto.

(h) Fees. Each Bank shall have received all fees required to be paid to such Bank under this Agreement on or prior to the Effective Date.

5.2 Conditions to All Loans. The making by each Bank of any Loan hereunder (but not the conversion or continuation of any Loan pursuant to Section 2.7) is subject to the satisfaction of the following conditions precedent on the relevant Borrowing Date:

(a) Representations and Warranties. The representations and warranties made by the Company herein or which are contained in any certificate furnished at any time under or in connection herewith shall be true and correct on and as of the Borrowing Date as if made on and as of such date (it being understood and agreed that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct only as of such specified date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Loan to be made on such Borrowing Date.

(c) Compliance Certificate. Notwithstanding the fact that no Event of Default has occurred and is continuing, if the Company has failed to comply with the financial covenants set forth in Section 7.1 for any period of time, the Company shall deliver a Compliance Certificate substantially in the form of Exhibit F.

Each borrowing by the Company hereunder shall constitute a representation and warranty by the Company as of the date of such borrowing or issuance that the conditions in clauses (a) and (b) of this subsection have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

The Company hereby agrees that, so long as the Commitments remain in effect, any Loan remains outstanding and unpaid or any other amount is owing to the Banks or the Administrative Agent hereunder, the Company shall and (except in the case of delivery of financial information, reports and notices) shall cause each Significant Subsidiary to:

6.1 Financial Statements. Furnish to each Bank:

(a) as soon as available, but in any event within 90 days after each December 31st or other date on which the annual audit of the Company is conducted, a copy of the balance sheet of the Company and its consolidated Subsidiaries as at such date and the related statement of income for the twelve–month period then ended, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally or regionally recognized standing not unacceptable to the Banks; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first, second and third quarterly periods of each calendar year of the Company, the unaudited balance sheet of the Company and its consolidated Subsidiaries as at the end of each such quarter and the related unaudited statement of income of the Company and its consolidated Subsidiaries for the fiscal year to date, certified by an Responsible Officer of the Company with responsibility for financial reporting matters (subject to normal year-end audit adjustments);

all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and, with respect to each financial statement furnished pursuant to the foregoing paragraph (a), in accordance with GAAP applied consistently throughout the period reflected therein.

6.2 Certificates; Other Information. Furnish to each Bank:

(a) concurrently with the delivery of the financial statements referred to in subsections 6.1(a) and (b), a certificate of an authorized financial officer of the Company (i) stating that, to the best of such authorized financial officer's knowledge, the Company and its Significant Subsidiaries during such period have observed or performed all of their covenants and other agreements, and satisfied every condition, contained in this Agreement and in the Notes to be observed, performed or satisfied by them, and that such officer has obtained no knowledge of any Event of Default except as specified in such certificate and (ii) setting forth quarterly computations with respect to compliance with Section 7.1 of this Agreement;

(b) as soon as available, but in any event not later than 45 days after the end of each of the quarterly periods of each fiscal year of each Designated Subsidiary, a copy of the Statement of Financial Condition and Computation of Net Capital of such Designated Subsidiary as of the end of such quarter included in Part II of such Designated Subsidiary's FOCUS Report, Annual Audit Report, amendment to Form ADV or amendment to Form BD (as applicable) for such quarter, certified as correct as of the date thereof, subject to changes resulting from subsequent audit adjustments, by an authorized officer of such Designated Subsidiary;

(c) as soon as possible and in any event within 30 days after the Company knows or has reason to know of the following events: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC, the Company or any Commonly Controlled Entity with respect to the withdrawal from, or the terminating, reorganization or insolvency of, any Single Employer Plan or Multiemployer Plan, a certificate of an authorized officer of the Company setting forth the details thereof and the action, if any, that the Company or the Commonly Controlled Entity proposes to take with respect thereto;

(d) promptly, such additional financial and other information, confidential or otherwise, as the Banks may from time to time reasonably request and which the Company is not expressly prohibited by law or written contract from disclosing; and

(e) within 5 days after the same are sent, copies of all financial statements and reports that Holdings or the Company sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that Holdings or the Company may make to, or file with, the SEC.

6.3 Conduct of Business and Maintenance of Existence; Compliance. (a) Continue to engage in business of the same general type as now conducted by it and preserve, renew and keep in full force and effect its existence (which, in the case of the Company shall be as a duly formed and existing limited liability company or, if the provisions set forth in the immediately succeeding sentence have been satisfied, a duly organized and existing corporation or partnership), except as otherwise expressly permitted under Section 7.4, (b) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business and (c) comply with all Contractual Obligations and Requirements of Law, except to the extent that failure to comply therewith would not reasonably be expected, in the aggregate, to have a material adverse effect on the business, property or financial condition or results of operations of the Company and its Subsidiaries, taken as a whole or which would reasonably be expected to materially adversely affect the ability of the Company to perform its obligations under this Agreement or the Notes. The Company may change the form of its business organization from limited liability company to corporate form or to a limited partnership form provided that (i) immediately upon giving effect to any such change, all representations and warranties made by the Company under Section 4 hereof are true and correct as if made at such time by the Company in such successor form and (ii) upon or prior to the date of such change, the Company shall have delivered to the Administrative Agent a certificate of the Company to such effect and opinion satisfactory to the Administrative Agent with respect to the assumption of all agreements, obligations and liabilities hereunder by the Company in such successor form.

6.4 Maintenance of Property; Insurance. Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted; maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business and of a similar size; and furnish to each Bank, upon written request, full information as to the insurance carried.

6.5 Inspection of Property; Books and Records; Discussions. Keep proper books of records and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities; and, with the prior consent of the Company, which shall not be unreasonably withheld, permit representatives of any Bank to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the Company and its Subsidiaries with officers and employees of the Company and its Significant Subsidiaries and with its independent certified public accountants.

6.6 Notices. Promptly give notice to the Administrative Agent and each Bank:

(a) of the occurrence of any Default or Event of Default;

(b) of any litigation or proceeding which may exist at any time between the Company or any Subsidiary and any other person, which is reasonably likely to be adversely determined and if adversely determined would have a Material Adverse Effect;

(c) of the following events, as soon as possible and in any event within 30 days after the Company knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Single Employer Plan or Multiemployer Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Company or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Single Employer Plan or Multiemployer Plan; and

(d) of any other development that has had or would reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this subsection shall be accompanied by a statement of a Responsible Officer of the Company setting forth details of the occurrence referred to therein and stating what action, if any, the Company proposes to take with respect thereto.

SECTION 7. NEGATIVE COVENANTS

The Company hereby agrees that, so long as the Commitments remain in effect, any Loan remains outstanding and unpaid or any other amount is owing to the Banks or the Administrative Agent hereunder, the Company shall not, and shall not permit any of its Significant Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio for the twelve-month period ending on the last day of any fiscal quarter, commencing with the fiscal quarter ended December 31, 2005, to be greater than 4.00 to 1.00; provided, that for the purposes of determining the ratio described above for the fiscal quarters of the Company ending December 31, 2005 and March 31, 2006, Consolidated Adjusted EBITDA for the relevant period shall be deemed to equal Consolidated Adjusted EBITDA for such fiscal quarter and each previous fiscal quarter commencing with the fiscal quarter ended September 30, 2005, multiplied by 2 (with respect to the two fiscal quarters ended December 31, 2005), and multiplied by 4/3rds (with respect to the three fiscal quarters ended March 31, 2006).

(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio for the twelve-month period ending on the last day of any fiscal quarter, commencing with the fiscal quarter ended December 31, 2005, to be less than 3.00 to 1.00; provided, that for the purposes of determining the ratio described above for the

fiscal quarters of the Company ending December 31, 2005 and March 31, 2006, Consolidated Interest Expense and Consolidated Adjusted EBITDA for the relevant period shall be deemed to equal Consolidated Interest Expense and Consolidated Adjusted EBITDA, as the case may be, for such fiscal quarter and each previous fiscal quarter commencing with the fiscal quarter ended September 30, 2005, multiplied by 2 (with respect to the two fiscal quarters ended December 31, 2005) and multiplied by 4/3rds (with respect to the three fiscal quarters ended March 31, 2006).

7.2 Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness arising under this Agreement or the Notes;

(b) Indebtedness of the Company to any Wholly Owned Subsidiary and of any Wholly Owned Subsidiary to the Company or any other Wholly Owned Subsidiary;

(c) Indebtedness outstanding on the date hereof and listed on Schedule 7.2 and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness;

(d) the Loans outstanding under the LFNY Credit Agreement and the Guarantee Obligations of the Company in connection with such agreement and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness;

(e) secured Broker-Dealer Indebtedness and Indebtedness of Lazard Frères Banque; provided that after giving effect to the incurrence of any unsecured Indebtedness by Lazard Frères Bank permitted under this Section 7.2(e), the aggregate of its unencumbered assets shall exceed the aggregate of its unsecured Indebtedness;

(f) Indebtedness of a Subsidiary acquired after the Effective Date or a corporation or other entity merged into or consolidated with the Company or any Subsidiary after the Effective Date and Indebtedness assumed in connection with the acquisition of assets, which Indebtedness in each case, exists at the time of such acquisition, merger or consolidation and is not created in contemplation of such event and where such acquisition, merger or consolidation is permitted by this Agreement and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness; provided that, immediately after giving effect to the acquisition or assumption of such Indebtedness, the Leverage Ratio shall not be greater than 3.5 to 1.0;

(g) Capital Lease Obligations in connection with the Paris Lease and any Indebtedness the net proceeds of which are used to refinance or replace such Capital Lease Obligations; provided that the principal amount of such Indebtedness does not exceed the value of the real property covered by the Paris Lease;

(h) additional Capital Lease Obligations in an aggregate principal amount not to exceed $10,000,000 at any one time outstanding;

(i) purchase money Indebtedness incurred by the Company or any Subsidiary prior to or within 270 days of the acquisition, lease or improvement of the respective

asset permitted under this Agreement in order to finance such acquisition or improvement, and any Permitted Refinancing Indebtedness in respect thereof, in an aggregate principal amount that at the time of, and after giving effect to, the incurrence thereof in an aggregate principal amount not to exceed $25,000,000 at any one time outstanding;

(j) Indebtedness of the Company in respect of the Senior Notes and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness;

(k) Indebtedness in connection with Permitted Receivables Financings in an aggregate principal amount not to exceed $50,000,000 at any one time outstanding;

(l) Indebtedness in respect of letters of credit issued for the account of the Company or its Subsidiaries (other than letters of credit issued as guaranties for Indebtedness of the Company and its Subsidiaries);

(m) Subordinated Indebtedness of the Company or any of its Subsidiaries;

(n) additional Indebtedness of the Company or any of its Subsidiaries in an aggregate principal amount (for the Company and all Subsidiaries) not to exceed $125,000,000 at any one time outstanding; provided that, immediately after giving effect to the incurrence of such additional Indebtedness, the Leverage Ratio shall not be greater than 3.5 to 1.0;

(o) Guarantee Obligations of the Company and its Subsidiaries in respect of Indebtedness of the Company or its Subsidiaries so long as the incurrence of such Indebtedness is permitted under this Agreement;

(p) Indebtedness under the Intesa Notes and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness;

(q) Specified Non-Recourse Indebtedness; and

(r) any Indebtedness of the Company to LFCM Holdings LLC arising out of or relating to the Recapitalization and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness.

7.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except:

(a) Liens created, incurred or assumed by any Subsidiary of the Company which is a registered broker-dealer upon assets owned by such Subsidiary or held for such Subsidiary's account to secure Trade Debt;

(b) Liens for taxes, assessments, governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company in accordance with GAAP;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's, or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings;

(d) (i) pledges or deposits in connection with workmen's compensation, unemployment insurance and other social security legislation, (ii) licenses, sublicenses, leases or subleases granted in the ordinary course of business not interfering in any material respect with the business of the Company or any of its Subsidiaries, (iii) Liens arising from UCC financing statements regarding operating leases and (iv) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents;

(e) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory and other obligations required by law, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate; are not substantial, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Company and its Subsidiaries taken as a whole;

(g) Liens on real property, leasehold improvements and equipment of the Company securing Specified Non-Recourse Indebtedness and/or Specified Recourse Indebtedness;

(h) any judgment Lien upon which execution has not been commenced, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after expiration of any such stay;

(i) purchase money Liens on property acquired or held by the Company or any Subsidiary in the ordinary course of business to secure the purchase price of such property or to secure Indebtedness incurred solely for the purpose of financing the acquisition, construction or improvement of such property or other Lien existing on any such property or assets at the time of acquisition (other than any such Liens created in contemplation of such acquisition that do not secure the purchase price); provided, however, that no such Lien shall extend to or cover any property other than property being acquired, constructed on or improved;

(j) any assignment of an account or chattel paper (i) as part of the sale of the business out of which such account or chattel paper arose, (ii) for the purpose of collection only, (iii) under a contract to an assignee who is also to do the performance under such contract or (iv) in whole or partial satisfaction of pre-existing Indebtedness;

(k) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any of the Liens permitted by clause (i) above upon the same real property or assets theretofore subject thereto without increase in the amount of Indebtedness secured thereby;

(l) any Lien securing Indebtedness permitted under Section 7.2(f); provided that such Lien (i) does not apply to any other property or assets of the Company or any of its Subsidiaries not securing such Indebtedness at the date of the acquisition of such property or asset, and (ii) such Lien is not created in contemplation of or in connection with such acquisition;

(m) any Lien securing Indebtedness permitted under Sections 7.2(e), 7.2(g), 7.2(h), 7.2(i), 7.2(k) and 7.2(r); and

(n) other Liens securing Indebtedness or other obligations permitted under Section 7.2 in an aggregate principal amount outstanding not to exceed $5,000,000 at any time outstanding.

7.4 Limitation on Fundamental Changes. Consummate any merger, amalgamation, statutory share exchange or consolidation or similar transaction (collectively, to "Merge") involving the Company and its Significant Subsidiaries, or a sale or other disposition of all or substantially all of the assets of Company and its Subsidiaries taken as a whole (any of the foregoing, a "Business Combination"), except that:

(a) any Subsidiary of the Company may Merge with or into the Company or enter into a Business Combination with the Company (provided that the Company shall be the continuing or surviving person) or Merge with or into, or enter into a Business Combination with, any other Wholly Owned Subsidiary;

(b) the Recapitalization shall be permitted; and

(c) any Business Combination shall be permitted if: (A) more than 50% of, respectively, the outstanding equity interests in, and more than 50% of the combined voting power of the then outstanding voting interests entitled to vote generally in the election of directors or similar governing body, as the case may be, of the person resulting from such Business Combination (including, without limitation, a person which as a result of such transaction owns Holdings or all or substantially all of Holdings' assets either directly or through one or more subsidiaries) shall be owned by persons who are the beneficial owners of the Company immediately prior to such Business Combination, and (B) no Change in Control shall occur.

7.5 RESERVED.

7.6 Limitation on Optional Payments and Modifications of Subordinated Indebtedness. (a) Make any optional payment or prepayment on, or optional redemption or purchase of, any Subordinated Indebtedness (other than payments by LFNY under the LFNY Credit Agreement); provided that such optional payments, prepayments, redemptions or

purchases shall be permitted so long as the Leverage Ratio is not greater than 3.5 to 1.0 after giving effect to such optional payment, prepayment, redemption or purchase, or (b) make any amendment, modification or change, or consent or agree to any amendment, modification or change to any of the terms relating to the payment or prepayment of principal of or interest on, any Subordinated Indebtedness (other than any such amendment, modification or change which would extend the maturity or reduce the amount of any payment of principal thereof or which would reduce the rate or extend the date for payment of interest thereon or any such amendment, modification or change which would not otherwise cause such Subordinated Indebtedness (assuming that such Indebtedness were incurred after the Effective Date) to fail to constitute Subordinated Indebtedness as defined herein). For the avoidance of doubt, the Intesa Notes can be repaid in accordance with their terms and such payments will not constitute optional payments or prepayments subject to this Section 7.6; provided that, any Senior Indebtedness incurred to make such payment or prepayment shall be subject to Section 7.2(n).

7.7 Clauses Restricting Subsidiary Distributions. Other than pursuant to the Senior Note Indentures and the LFNY Credit Agreement, enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Significant Subsidiary of the Company to (a) make Restricted Payments in respect of any Capital Stock of such Significant Subsidiary held by, or pay any Indebtedness owed to, the Company or any other Subsidiary of the Company, (b) make loans or advances to, or other Investments in, the Company or any other Subsidiary of the Company or (c) transfer any of its assets to the Company or any other Subsidiary of the Company, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions imposed by law, by any self-regulatory organizations or existing under this Agreement, (ii) any restrictions with respect to a Significant Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Significant Subsidiary, (iii) restrictions and conditions with respect to a Person that is not a Significant Subsidiary on the date hereof, which restrictions and conditions are in existence at the time such Person becomes a Significant Subsidiary and are not incurred in connection with, or in contemplation of, such Person becoming a Significant Subsidiary or (iv) restrictions and conditions no more restrictive than those in the Senior Note Indentures and the LFNY Credit Agreement.

7.8 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock (or equivalent) of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Company or any of its Subsidiaries, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any of the Company or any Subsidiary (collectively, "Restricted Payments"). Notwithstanding the foregoing, the Company and each Subsidiary may make the following Restricted Payments:

(a) amounts necessary for tax payments and distributions in accordance with the Company's operating agreement (or equivalent organizational document);

(b) distributions made in accordance with the Company's operating agreement in respect of profit participation interests;

(c) Restricted Payments made by any Subsidiary of the Company to any other Subsidiary of the Company;

(d) pro rata distributions to any holders of Capital Stock in a joint venture;

(e) Restricted Payments in an amount equal to (i) $38,000,000 per annum, plus (ii) a cumulative amount from and after the Effective Date equal to the sum of (A) so long as at the time of declaration the Working Capital of the Company is greater than zero, 40% of Consolidated Net Income as determined in accordance with the most recent financial statements delivered in accordance with Section 6.1, plus (B) proceeds received by the Company after the Effective date from the issuance of its Capital Stock and capital contributions (including, any proceeds from the exercise of any overallotment option held by the underwriters with respect to the common shares issued in the IPO on the Effective Date), plus (C) except with respect to the Equity Security Units, the principal amount of any convertible or exchangeable securities actually converted or exchanged, plus (D) the actual contract adjustment payments in respect of the Equity Security Units in an amount not to exceed $7,000,000 per annum;

(f) Restricted Payments necessary for any parent of the Company to pay operating expenses attributable to the Company and other similar corporate overhead costs and expenses incurred in the ordinary course of business which are attributable to the Company;

(g) if no Event of Default has occurred and is continuing, payments of dividends on any preferred stock;

(h) Restricted Payments made in connection with the Recapitalization;

(i) dividend payments to employees holding Capital Stock received upon the exercise of compensation options under a benefit plan; and

(j) Restricted Payments made in connection with the Lazard Asset Management Equity Plan.

For the avoidance of doubt, any payments or distributions made in connection with the Intesa Strategic Alliance will not constitute "Restricted Payments" subject to this Section 7.8.

7.9 Disposition of Designated Subsidiaries. Enter into any Designated Asset Sale, if, after giving effect to such Designated Asset Sale, the Company shall own, directly or indirectly, Capital Stock of any Designated Subsidiary representing less than a majority of (a) the Capital Stock of such Designated Subsidiary, (b) the Capital Stock of such Designated

Subsidiary entitled to vote generally in the election of directors or (c) the right to receive dividends or other distributions from such Designated Subsidiary.

SECTION 8. RESERVED

SECTION 9. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) The Company shall fail to pay any principal of any Loan when any such amount becomes due in accordance with the terms thereof or hereof; or to pay any interest on any Loan, or any other amount payable hereunder, within five days after such interest or other amount becomes due in accordance with the terms thereof or hereof; or

(b) Any representation or warranty made by the Company herein or pursuant hereto or which is contained in any certificate or other document furnished at any time under or in connection with this Agreement shall prove to have been incorrect in any material respect on or as of the date made; or

(c) The Company shall default in the observance or performance of any agreement contained in subsection 6.6(a) or in Section 7 (other than, so long as there are no Loans outstanding under this Agreement, Section 7.1);

(d) The Company shall default in the observance of the financial covenants set forth in Section 7.1 on any date on which there are no Loans outstanding under this Agreement and such default shall continue unremedied for a period of three calendar months following such date; or

(e) The Company shall default in the observance or performance of any other agreement contained in this Agreement (other than as provided in paragraphs (a) through (d) of this Section), and such default shall continue unremedied for a period of 30 days following notice thereof by the Administrative Agent to the Company; or

(f) The Company or any Significant Subsidiary shall (i) default in any payment of principal of or interest of any Indebtedness (other than the Loans) in excess of $10,000,000 (or in the case of the Company, $25,000,000) beyond the period of grace, if any, provided in the instrument or agreement (or any extension of such period granted to the Company) under which such Indebtedness was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Indebtedness in excess of $10,000,000 (or in the case of the Company, $25,000,000) to become due prior to its stated maturity; or

(g) (i) Any Person shall engage in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any

"accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Banks, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA or (v) any similar event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, could subject the Company or any Significant Subsidiary to any tax, penalty or other liabilities that, in the aggregate, would have a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against the Company or any Significant Subsidiary involving in the aggregate a liability (not paid or to the extent not covered by insurance) of $10,000,000 (or in the case of the Company, $25,000,000) or more and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(i) (i) the Company or any of its Significant Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Company or any of its Significant Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Company or any of its Significant Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of 60 days; or (iii) there shall be commenced against the Company or any Significant Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Company or any Significant Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Company or any Significant Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(j) a Change in Control shall occur.

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (i) above with respect to the Company, automatically the

Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Company declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Company, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Company.

SECTION 10. RESERVED

SECTION 11. THE ADMINISTRATIVE AGENT

11.1 Appointment. Each Bank hereby irrevocably designates and appoints JPMorgan Chase Bank as the Administrative Agent of such Bank under this Agreement, and irrevocably authorizes JPMorgan Chase Bank, as the Administrative Agent for such Bank, to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with the Banks, and no implied covenants, function, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent.

11.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

11.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement (except for its or such Person’s own gross negligence or willful misconduct), or (ii) responsible in any manner to the Banks for any recitals, statements, representations or warranties made by the Company or any officer thereof contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the Notes or for any failure of the Company to perform its obligations hereunder. The Administrative Agent

shall not be under any obligation to the Banks to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Company.

11.4 Reliance by Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Company), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Banks as it deems appropriate or it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the Notes in accordance with a request of the Banks, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Banks and all future holders of the Notes.

11.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Bank or the Company referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default" or "notice of event of default", as the case may be. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Banks. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Banks jointly; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Banks.

11.6 Non–Reliance on Administrative Agent. Each Bank expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Company, shall be deemed to constitute any representation or warranty by the Administrative Agent to such Bank. Each Bank represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Company and made its own decision to make its Loans hereunder and enter into this Agreement. Each Bank also represents that it will, independently and without reliance upon the Administrative Agent, and based on such documents and information as it shall

deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly required to be furnished to the Banks by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Company which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

11.7 Indemnification. Each Bank agrees to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Company and without limiting the obligation of the Company to do so), ratably according to the amount of its original Commitment and the amount of the original Commitment of the Administrative Agent, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Notes) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that the Banks shall not be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Administrative Agent's gross negligence or willful misconduct. The agreements in this subsection shall survive the payment of the Notes and all other amounts payable hereunder.

11.8 Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company as though the Administrative Agent were not the Administrative Agent hereunder. With respect to its Loans made or renewed by it and any Note issued to it, the Administrative Agent shall have the same rights and powers under this Agreement as any Bank and may exercise the same as though it were not the Administrative Agent, and the terms "Bank" and "Banks" shall include the Administrative Agent in its individual capacity.

11.9 Successor Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' notice to the Banks. If the Administrative Agent shall resign as Administrative Agent under this Agreement, then the Banks shall appoint a successor agent, which successor agent shall be subject to approval by the Company and the Administrative Agent, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Notes. After any retiring Agent's resignation hereunder as Administrative Agent, the provisions of this subsection 11.9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

SECTION 12. MISCELLANEOUS

12.1 Amendments and Waivers. Neither this Agreement, any Note, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this subsection. The Required Lenders and the Company or, with the written consent of the Required Lenders, the Administrative Agent and the Company may, from time to time, (a) enter into written amendments, supplements or modifications hereto for the purpose of adding any provisions to this Agreement or changing in any manner the rights of the Banks or of the Company hereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Bank's Commitment, eliminate or reduce the voting rights of any Bank under this Section 12.1, amend, modify or waive any provision of Section 2.10 or 12.7, in each case without the written consent of each Bank directly affected thereby; (ii) reduce any percentage specified in the definition of Required Lenders without the written consent of all Banks; or (iii) amend, modify or waive any provision of Section 11 without the written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Banks and shall be binding upon the Company, the Banks, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Company, the Banks and the Administrative Agent shall be restored to their former position and rights hereunder, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

12.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or when deposited in the mail, postage prepaid, or, in the case of facsimile notice, when sent, confirmation received, addressed as follows in the case of the Company, the Bank or the Administrative Agent, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Company:

Lazard Group LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Controller
Facsimile: (212) 632-6670

The Administrative Agent:
JPMorgan Chase Bank, N.A.

JPMorgan Chase Bank, N.A.
277 Park Avenue, 23rd Floor
New York, New York 10172
Attention: Thomas Mulligan
Facsimile: 646-534-1720

Citibank:

Citibank, N.A.
388 Greenwich Street
New York, New York
Attention: Matthew Nicholls
Facsimile: 646-291-1676

The Bank of New York:

The Bank of New York
One Wall Street, 41st Floor
New York, New York 10286
Attention: Paul Schmidt
Facsimile: 212-809-9566

provided that any notice, request or demand to or upon the Administrative Agent or any Bank pursuant to subsections 2.6, 2.7, 2.8 and 2.9 shall not be effective until received.

12.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Bank, any right, remedy, power or privilege hereunder or under the Notes, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided or provided in the Notes are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

12.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Notes.

12.5 Payment of Expenses and Taxes. The Company agrees (a) to pay or reimburse the Administrative Agent and the Lead Arranger for all its reasonable out-of-pocket costs and expenses incurred in connection with the preparation and execution, and any amendments or modifications or waivers of the provisions of this Agreement and any other documents prepared in connection therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements

of one counsel (and, if necessary, one local counsel per jurisdiction) to the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Company prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Bank and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement and any such other documents, including the reasonable fees and disbursements of one counsel (and, if necessary, one local counsel per jurisdiction) to each Bank and of one counsel (and, if necessary, one local counsel per jurisdiction) to the Administrative Agent, (c) to pay, indemnify, and hold each Bank and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents, and (d) to pay, indemnify, and hold each Bank and the Administrative Agent and their respective officers, directors, employees, affiliates, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against the Company under this Agreement (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Company shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. All amounts due under this Section 12.5 shall be payable promptly after written demand therefor. Statements payable by the Company pursuant to this Section 12.5 shall be submitted to the address of the Company set forth in Section 12.2, or to such other Person or address as may be hereafter designated by the Company in a written notice to the Administrative Agent. The agreements in this Section 12.5 shall survive repayment of the Loans and all other amounts payable hereunder. The Banks shall endeavor in good faith to limit the number of counsel retained by them to avoid duplication of expenses.

12.6 Confidentiality. The Banks shall not disclose any information that the Company or any of its Subsidiaries furnishes to the Banks, other than (a) as required by any law, rule or regulation or judicial process, (b) as requested by any state, federal or foreign authority or examiner regulating banks or banking, (c) to actual or proposed (with the consent of the Company) assignees, transferees and participants and (d) to its advisors and attorneys.

12.7 Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Company may not assign or otherwise transfer any of its rights or obligations hereunder without the prior

written consent of each Bank (and any attempted assignment or transfer by the Company without such consent shall be null and void) and (ii) no Bank may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Administrative Agent's and each Bank's Affiliates and their respective directors, officers, employees, agents and advisors) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Bank may assign to one or more assignees (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Company (such consent not to be unreasonably withheld or delayed), provided that no consent of the Company shall be required for an assignment to a Bank, an affiliate of a Bank, an Approved Fund (as defined below); and

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Loan to a Bank, an affiliate of a Bank or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Bank, an affiliate of a Bank or an Approved Fund or an assignment of the entire remaining amount of the assigning Bank Commitments or Loans hereunder, the amount of the Commitments or Loans of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Company and the Administrative Agent otherwise consent, provided that such amounts shall be aggregated in respect of each Bank and its affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(C) the Assignee, if it shall not be a Bank, shall deliver to the Administrative Agent an administrative questionnaire.

For the purposes of this Section 12.7, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Bank, (b) an affiliate of a Bank or (c) an entity or an affiliate of an entity that administers or manages a Bank.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.16, 2.17 and 12.5). Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this Section 12.7 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Company, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitments of, and principal amount of the Loans owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Company, the Administrative Agent and the Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company and any Bank, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Bank and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Bank hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c)(i) Any Bank may, without the consent of the Company or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Bank's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Bank's obligations under this Agreement shall remain unchanged, (B) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Company, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Bank will not, without the consent of the Participant, agree to any amendment, modification or

waiver that (1) requires the consent of each Bank directly affected thereby pursuant to the proviso to the second sentence of Section 12.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section, the Company agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.16 and 2.17 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.8(b) as though it were a Bank, provided such Participant shall be subject to Section 12.8(a) as though it were a Bank.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.16 or 2.17 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. Any Participant that is a Non-U.S. Lender shall not be entitled to the benefits of Section 2.17 unless such Participant complies with Section 12.1

(d) Any Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Bank from any of its obligations hereunder or substitute any such pledgee or Assignee for such Bank as a party hereto.

(e) The Company, upon receipt of written notice from the relevant Bank, agrees to issue Notes to any Bank requiring Notes to facilitate transactions of the type described in paragraph (d) above.

(f) By executing and delivering an Assignment and Assumption, the assigning Bank thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Bank warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Commitment and the outstanding balances of its Loans, in each case without giving effect to assignments thereof that have not become effective, are as set forth in such Assignment and Assumption; (ii) except as set forth in clause (i) above, such assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other instrument or document furnished pursuant hereto or thereto, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any of the foregoing, or the financial condition of the Company or the performance or observance by the Company of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto or thereto; (iii) each of the assignee and the assignor represents and warrants that it is legally authorized to enter into such Assignment and Assumption; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of any amendments or consents entered into prior to the date of such Assignment and Assumption and copies of the most recent financial statements delivered pursuant to Section 6.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (v) such assignee will independently and without reliance upon the

Administrative Agent, such assigning Bank or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agents on its behalf and to exercise such powers under this Agreement as are delegated to them by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations that by the terms of this Agreement are required to be performed by it as a Bank.

12.8 Adjustments; Absence of Right to Set-off.

(a) If any Bank (a "Benefited Bank") shall at any time receive any payment of all or part of its Loans or interest thereon (whether voluntarily or involuntarily, pursuant to events or proceedings of the nature referred to in subsection 10.1(e), or otherwise) in a greater proportion than any such payment to the other Bank, if any, in respect of such other Bank's Loans, or interest thereon, such Benefited Bank shall purchase for cash from the other Bank such portion of such other Bank's Loans as shall be necessary to cause such Benefited Bank to share the excess payment ratably with the other Bank; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Benefited Bank, such purchase shall be rescinded, and the purchase price returned, to the extent of such recovery, but without interest. The Company agrees that any Bank so purchasing a portion of the other Bank's Loans may exercise all rights of payment with respect to such portion as fully as if such Bank were the direct holder of such portion. Nothing contained in this paragraph 12.8(a) shall be deemed to limit or derogate the agreements set forth in the following paragraph 12.8(b).

(b) Each Bank agrees that it has not taken and will not take or assert as security for the payment of the Loans or any Note any security interest in or lien upon, whether created by contract, statute or otherwise, any property of the Company or any property in which the Company may have an interest, which is or at any time may be in the possession or subject to the control of such Bank. Each Bank hereby waives, and further agrees, that it will not seek to obtain payment of the Loans or any Note in whole or in part by exercising any right of set-off it may assert or possess with respect to any such property, whether created by contract, statute or otherwise. Any other agreement between the Company and any of the Banks to the contrary (whether in the nature of a general loan and collateral agreement, a security or pledge agreement or otherwise) shall be deemed amended hereby to the extent necessary so as not to be inconsistent with the provisions of this subsection 12.8(b). Nothing in this subsection 12.8(b) shall affect any right of set-off which any of the Banks may have for payment of obligations of the Company, howsoever arising, other than the Loans.

12.9 **WAIVERS OF JURY TRIAL**. **THE COMPANY AND THE ADMINISTRATIVE AGENT AND THE BANKS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

12.10 Submission to Jurisdiction; Waivers. The Company hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Company, as the case may be at its address set forth in Section 12.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

12.11 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Company and the Administrative Agent.

12.12 **Governing Law. This Agreement and the Notes and the rights and obligations of the parties under this Agreement and the Notes shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered in New York, New York by their proper and duly authorized officers as of the day and year first above written.

LAZARD GROUP LLC

By: /s/ Michael Castellano
Title: Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Bank

By: /s/ Thomas H. Mulligan
Title: Managing Director

CITIBANK, N.A.

By: /s/ Matthew Nicholls
Title: Director

THE BANK OF NEW YORK

By: /s/ Paul Schmidt
Title: Vice President

THIS NOTE IS SUBJECT TO THE PROVISIONS OF A SENIOR REVOLVING CREDIT AGREEMENT DATED AS OF MAY 10, 2005 AMONG THE UNDERSIGNED, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT AND AS BANK, CITIBANK, N.A. AND THE BANK OF NEW YORK.

EXHIBIT A

[FORM OF REVOLVING CREDIT NOTE]

$[_____]

New York, New York
[_____], 20[__]

FOR VALUE RECEIVED, the undersigned, LAZARD GROUP LLC, hereby unconditionally promises to pay on May 10, 2010 or such other date as the amounts hereunder may become due and payable as provided in the Senior Revolving Credit Agreement hereinafter referred to, to the order of [_____] (the "Bank"), at the office of the Bank specified in the Senior Revolving Credit Agreement, in lawful money of the United States of America and in immediately available funds, the principal amount of the lesser of (a) [_____($_____)], and (b) the aggregate unpaid principal amount of all loans made by the Bank to the undersigned pursuant to subsection 2.1 of the Senior Revolving Credit Agreement. The undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time from the date hereof at the applicable rates and on the dates provided for in subsection 2.3 of the Senior Revolving Credit Agreement, until paid in full (both before and after judgment). The holder of this Note is authorized to endorse the date and amount of each loan made by the Bank to the undersigned pursuant to subsection 2.1 of the Senior Subordinated Credit Agreement, and all payments of principal of such loans, on the schedule annexed hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, which endorsement shall constitute prima facie evidence of the accuracy of the information endorsed; provided, however, that any error or omission in making any such endorsement shall not affect the obligations of the undersigned hereunder.

This Note is one of the Notes referred to in the Senior Revolving Credit Agreement dated as of May 10, 2005 (as from time to time amended, supplemented or otherwise modified, the "Agreement") among the undersigned, the Bank, as Administrative Agent and as a bank, Citibank, N.A. and The Bank of New York and the terms thereof are incorporated herein by reference and the holder hereof is entitled to the benefits thereof. This Note is subject to optional prepayment in whole or in part only as permitted by subsection 2.9 of the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur or be continuing, all amounts then remaining unpaid on this Note shall become, or may be declared to be, due and payable in the manner, with the effect and subject to the conditions provided therein.

This Note shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

LAZARD GROUP LLC

By: _____
Title:

Schedule to Revolving Credit Note

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loans Made	Type/Int. Period	Amount of Principal Repaid	Unpaid Principal Balance	Notation Made by

EXHIBIT 31.1

I, Bruce Wasserstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 of Lazard Ltd (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Reserved]

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: June 16, 2005

/s/ Bruce Wasserstein

Bruce Wasserstein
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Michael J. Castellano, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 of Lazard Ltd (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Reserved]

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: June 16, 2005

/s/ Michael J. Castellano

Michael J. Castellano
Chief Financial Officer

EXHIBIT 32.1

June 16, 2005
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lazard Ltd (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Bruce Wasserstein
Bruce Wasserstein
Chairman and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

June 16, 2005
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lazard Ltd (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Michael J. Castellano
Michael J. Castellano
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.