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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, 2013

OR

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

For the transition period from _____ to _____

333-126751
(Commission File Number)

LAZARD GROUP LLC

(Exact name of registrant as specified in its charter)

Delaware	**51-0278097**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

30 Rockefeller Plaza
New York, NY 10020
(Address of principal executive offices)

Registrant's telephone number: (212) 632-6000

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 has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 24, 2013, in addition to profit participation interests, there were 129,766,090 common membership interests and two managing member interests outstanding.

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When we use the terms, "Lazard Group", "Lazard", "we", "us", "our" and "the Company", we mean Lazard Group LLC, a Delaware limited liability company that is the current holding company for the subsidiaries that conduct our businesses. Lazard Ltd is a Bermuda exempt company whose shares of Class A common stock (the "Class A common stock") are publicly traded on the New York Stock Exchange under the Symbol "LAZ". Lazard Ltd's subsidiaries include Lazard Group and their respective subsidiaries. Lazard Ltd has no material operating assets other than indirect ownership as of March 31, 2013 of approximately 98.8% of the common membership interests in Lazard Group. Lazard Ltd controls Lazard Group through two of its indirect wholly-owned subsidiaries who are co-managing members of Lazard Group.

Lazard Group has two primary holders of its common membership interests: Lazard Ltd and LAZ-MD Holdings LLC ("LAZ-MD Holdings"), a holding company that is owned by Lazard Group's current and former managing directors. The Lazard Group common membership interests held by LAZ-MD Holdings are effectively exchangeable over time on a one-for-one basis with Lazard Ltd for shares of Lazard Ltd's Class A common stock. In addition, Lazard Group has granted profit participation interests in Lazard Group to certain of its managing directors. The profit participation interests are discretionary profits interests that are intended to enable Lazard Group to compensate its managing directors in a manner consistent with historical practices.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
MARCH 31, 2013 AND DECEMBER 31, 2012
(UNAUDITED)
(dollars in thousands)

	March 31, 2013	December 31, 2012
ASSETS		
Cash and cash equivalents	$ 580,088	$ 845,503
Deposits with banks	254,143	292,494
Cash deposited with clearing organizations and other segregated cash	60,484	65,232
Receivables (net of allowance for doubtful accounts of $22,805 and $23,017 at March 31, 2013 and December 31, 2012, respectively):		
Fees	368,682	400,529
Customers and other	72,740	53,713
Related parties	124,618	128,388
	566,040	582,630
Investments	394,277	402,514
Property (net of accumulated amortization and depreciation of $226,570 and $225,861 at March 31, 2013 and December 31, 2012, respectively)	239,575	225,032
Goodwill and other intangible assets (net of accumulated amortization of $36,158 and $35,281 at March 31, 2013 and December 31, 2012, respectively)	393,317	392,822
Other assets	302,082	242,153
Total Assets	$ 2,790,006	$ 3,048,380

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
MARCH 31, 2013 AND DECEMBER 31, 2012
(UNAUDITED)
(dollars in thousands)

	March 31, 2013	December 31, 2012
LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Deposits and other customer payables	$ 246,792	$ 269,763
Accrued compensation and benefits	273,962	467,578
Senior debt	1,076,850	1,076,850
Capital lease obligations	16,395	17,863
Related party payables	211,417	209,072
Other liabilities	509,092	478,167
Total Liabilities	2,334,508	2,519,293
Commitments and contingencies		
MEMBERS' EQUITY		
Members' equity (net of 4,232,481 and 10,230,729 shares of Lazard Ltd Class A common stock, at a cost of $128,047 and $295,442 at March 31, 2013 and December 31, 2012, respectively)	486,580	545,572
Accumulated other comprehensive loss, net of tax	(106,481)	(92,393)
Total Lazard Group LLC Members' Equity	380,099	453,179
Noncontrolling interests	75,399	75,908
Total Members' Equity	455,498	529,087
Total Liabilities and Members' Equity	$2,790,006	$3,048,380

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2013 AND 2012
(UNAUDITED)
(dollars in thousands)

	Three Months Ended March 31,	
	2013	2012
REVENUE		
Investment banking and other advisory fees	$ 168,104	$273,541
Money management fees	231,137	204,561
Interest income	2,673	4,729
Other	21,464	20,317
Total revenue	423,378	503,148
Interest expense	22,194	22,620
Net revenue	401,184	480,528
OPERATING EXPENSES		
Compensation and benefits	277,726	338,303
Occupancy and equipment	29,299	26,277
Marketing and business development	18,192	28,267
Technology and information services	22,980	20,393
Professional services	8,327	9,097
Fund administration and outsourced services	13,465	13,451
Amortization of intangible assets related to acquisitions	877	1,118
Other	9,094	11,044
Total operating expenses	379,960	447,950
OPERATING INCOME	21,224	32,578
Provision for income taxes	3,022	4,834
NET INCOME	18,202	27,744
LESS - NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	2,097	2,179
NET INCOME ATTRIBUTABLE TO LAZARD GROUP LLC	$ 16,105	$ 25,565

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2013 AND 2012
(UNAUDITED)
(dollars in thousands)

	Three Months Ended March 31,	
	2013	2012
NET INCOME	$ 18,202	$27,744
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Currency translation adjustments	(12,136)	21,589
Amortization of interest rate hedge	264	264
Employee benefit plans:		
Actuarial loss (net of tax benefit of $1,795 and $1,282 for the three months ended March 31, 2013 and 2012, respectively)	(3,423)	(2,597)
Adjustment for items reclassified to earnings (net of tax expense of $402 and $297 for the three months ended March 31, 2013 and 2012, respectively)	1,218	815
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(14,077)	20,071
COMPREHENSIVE INCOME	4,125	47,815
LESS - COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	2,108	2,247
COMPREHENSIVE INCOME ATTRIBUTABLE TO LAZARD GROUP LLC	$ 2,017	$45,568

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2013 AND 2012
(UNAUDITED)
(dollars in thousands)

	Three Months Ended March 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 18,202	$ 27,744
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Noncash items included in net income:		
Depreciation and amortization of property	8,059	6,975
Amortization of deferred expenses, share-based incentive compensation and interest rate hedge	88,039	93,902
Amortization of intangible assets related to acquisitions	877	1,118
Loss on sale of intercompany receivable	–	5,638
(Increase) decrease in operating assets:		
Deposits with banks	30,635	36,866
Cash deposited with clearing organizations and other segregated cash	2,812	3,124
Receivables-net	9,760	(17,429)
Investments	4,774	(9,629)
Other assets	(77,495)	(52,849)
Increase (decrease) in operating liabilities:		
Deposits and other payables	(13,026)	(19,680)
Accrued compensation and benefits and other liabilities	(147,058)	(174,783)
Net cash used in operating activities	(74,421)	(99,003)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property	(29,198)	(26,848)
Disposals of property	2,631	1,609
Net cash used in investing activities	(26,567)	(25,239)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from:		
Contributions from noncontrolling interests	–	704
Sale of intercompany receivable	–	81,105
Excess tax benefits from share-based incentive compensation	2,211	–
Payments for:		
Capital lease obligations	(1,004)	(740)
Distributions to noncontrolling interests	(2,617)	(18,703)
Purchase of Lazard Ltd Class A common stock	(30,168)	(45,236)
Distributions to members	–	(20,245)
Settlement of vested share-based incentive compensation	(116,954)	(24,925)
Other financing activities	–	(238)
Net cash used in financing activities	(148,532)	(28,278)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(15,895)	7,995
NET DECREASE IN CASH AND CASH EQUIVALENTS	(265,415)	(144,525)
CASH AND CASH EQUIVALENTS—January 1	845,503	820,984
CASH AND CASH EQUIVALENTS—March 31	$ 580,088	$ 676,459

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2012
(UNAUDITED)
(dollars in thousands)

	Members' Equity	Accumulated Other Comprehensive Income (Loss), Net of Tax	Total Lazard Group Members' Equity	Noncontrolling Interests	Total Members' Equity
Balance – January 1, 2012 (*)	**$693,596**	**$ (79,252)**	**$ 614,344**	**$ 103,923**	**$ 718,267**
Comprehensive income (loss):					
Net income	25,565		25,565	2,179	27,744
Other comprehensive income (loss) - net of tax:					
Currency translation adjustments		21,521	21,521	68	21,589
Amortization of interest rate hedge		264	264		264
Employee benefit plans:					
Net actuarial loss		(2,597)	(2,597)		(2,597)
Adjustments for items reclassified to earnings		815	815		815
Comprehensive income			45,568	2,247	47,815
Amortization of share-based incentive compensation	86,136		86,136		86,136
Distributions to members and noncontrolling interests, net	(20,245)		(20,245)	(17,999)	(38,244)
Purchase of Lazard Ltd Class A common stock	(45,236)		(45,236)		(45,236)
Delivery of Lazard Ltd Class A common stock in connection with share-based incentive compensation and related tax expense of $972	(25,897)		(25,897)		(25,897)
Other	(233)		(233)		(233)
Balance – March 31, 2012 (*)	**$713,686**	**$ (59,249)**	**$ 654,437**	**$ 88,171**	**$ 742,608**

(*) Includes 129,766,090 common membership interests at both January 1, 2012 and March 31, 2012. Also includes profit participation interests and two managing member interests at each such date.

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THREE MONTH PERIOD ENDED MARCH 31, 2013
(UNAUDITED)
(dollars in thousands)

	Members' Equity	Accumulated Other Comprehensive Income (Loss), Net of Tax	Total Lazard Group Members' Equity	Noncontrolling Interests	Total Members' Equity
Balance – January 1, 2013 (*)	**$ 545,572**	**$ (92,393)**	**$ 453,179**	**$ 75,908**	**$ 529,087**
Comprehensive income (loss):					
Net income	16,105		16,105	2,097	18,202
Other comprehensive income (loss) - net of tax:					
Currency translation adjustments		(12,147)	(12,147)	11	(12,136)
Amortization of interest rate hedge		264	264		264
Employee benefit plans:					
Net actuarial loss		(3,423)	(3,423)		(3,423)
Adjustments for items reclassified to earnings		1,218	1,218		1,218
Comprehensive income			2,017	2,108	4,125
Amortization of share-based incentive compensation	70,712		70,712		70,712
Distributions to noncontrolling interests, net				(2,617)	(2,617)
Purchase of Lazard Ltd Class A common stock	(30,168)		(30,168)		(30,168)
Delivery of Class A common stock in connection with shared-based incentive compensation and related tax benefit of $862	(116,092)		(116,092)		(116,092)
Business acquisitions and related equity transactions:					
Lazard Ltd Class A common stock issuable (including related amortization)	451		451		451
Balance – March 31, 2013 (*)	**$ 486,580**	**$ (106,481)**	**$ 380,099**	**$ 75,399**	**$ 455,498**

(*) Includes 129,766,090 common membership interests at both January 1, 2013 and March 31, 2013. Also includes profit participation interests and two managing member interests at each such date.

See notes to condensed consolidated financial statements.

LAZARD GROUP LLC

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

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

The accompanying condensed consolidated financial statements are those of Lazard Group LLC and its subsidiaries (collectively referred to with its subsidiaries as "Lazard Group" or the "Company"). Lazard Group is a Delaware limited liability company and is governed by an Operating Agreement dated as of May 10, 2005, as amended (the "Operating Agreement").

Lazard Ltd, a Bermuda holding company, and its subsidiaries (collectively referred to as "Lazard Ltd"), including its indirect investment in Lazard Group LLC, is one of the world's preeminent financial advisory and asset management firms and has long specialized in crafting solutions to the complex financial and strategic challenges of our clients. We serve a diverse set of clients around the world, including corporations, governments, institutions, partnerships and individuals.

Lazard Ltd indirectly held approximately 98.8% of all outstanding Lazard Group common membership interests as of March 31, 2013 and December 31, 2012. Lazard Ltd, through its control of the managing members of Lazard Group, controls Lazard Group. LAZ-MD Holdings LLC ("LAZ-MD Holdings"), an entity owned by Lazard Group's current and former managing directors, held approximately 1.2% of the outstanding Lazard Group common membership interests as of March 31, 2013 and December 31, 2012. Additionally, LAZ-MD Holdings was the sole owner of the one issued and outstanding share of Lazard Ltd's Class B common stock (the "Class B common stock") which provided LAZ-MD Holdings with approximately 1.2% of the voting power but no economic rights in Lazard Ltd as of March 31, 2013 and December 31, 2012. Subject to certain limitations, LAZ-MD Holdings' interests in Lazard Group are exchangeable for Lazard Ltd Class A common stock, par value $0.01 per share ("Class A common stock").

Lazard Group's principal operating activities are included in two business segments:

- Financial Advisory, which offers corporate, partnership, institutional, government, sovereign and individual clients across the globe a wide array of financial advisory services regarding mergers and acquisitions ("M&A") and other strategic matters, restructurings, capital structure, capital raising and various other financial matters, and
- Asset Management, which offers a broad range of global investment solutions and investment management services in equity and fixed income strategies, alternative investments and private equity funds to corporations, public funds, sovereign entities, endowments and foundations, labor funds, financial intermediaries and private clients.

In addition, we record selected other activities in our Corporate segment, including management of cash, investments and outstanding indebtedness, as well as certain commercial banking activities of Lazard Group's Paris-based Lazard Frères Banque SA ("LFB").

LFB is a registered bank regulated by the Autorité de Contrôle Prudentiel. It is engaged primarily in commercial and private banking services for clients and funds managed by Lazard Frères Gestion SAS ("LFG") and other clients, investment banking activities, including participation in underwritten offerings of securities in France, and asset-liability management.

LAZARD GROUP LLC

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

Basis of Presentation

The accompanying condensed consolidated financial statements of Lazard Group have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America ("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 Group's Annual Report on Form 10-K for the year ended December 31, 2012 (the "Form 10-K"). The accompanying December 31, 2012 unaudited condensed consolidated statement of financial condition data was derived from audited consolidated financial statements, but does not include all disclosures required by U.S. GAAP for annual financial statement purposes. The accompanying 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 knowledge of current events and actions that Lazard may undertake in the future, actual results may differ materially from the estimates. The consolidated results of operations for the three month period ended March 31, 2013 are not necessarily indicative of the results to be expected for any future interim or annual period.

The condensed consolidated financial statements include Lazard Group and 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"); the French limited liability companies Compagnie Financière Lazard Frères SAS ("CFLF") along with its subsidiaries, LFB and LFG, and Maison Lazard SAS and its subsidiaries; and Lazard & Co., Limited ("LCL"), through Lazard & Co., Holdings Limited ("LCH"), an English private limited company, together with their jointly owned affiliates and subsidiaries.

The Company's policy is to consolidate (i) entities in which it has a controlling financial interest, (ii) variable interest entities ("VIEs") where the Company has a variable interest and is deemed to be the primary beneficiary and (iii) limited partnerships where the Company is the general partner, unless the presumption of control is overcome. When the Company does not have a controlling interest in an entity, but exerts significant influence over the entity's operating and financial decisions, the Company applies the equity method of accounting in which it records in earnings its share of earnings or losses of the entity. Intercompany transactions and balances have been eliminated.

2. RECENT ACCOUNTING DEVELOPMENTS

Offsetting (Netting) Assets and Liabilities—In the first quarter of 2013, the Company adopted the new disclosure requirements issued by the Financial Accounting Standards Board (the "FASB") regarding the nature of an entity's rights of setoff and related arrangements associated with its financial instruments, including derivatives, repurchase agreements and reverse repurchase agreements and securities borrowing and securities lending transactions that are either (i) offset or (ii) subject to an enforceable master netting arrangement. The new disclosures are designed to make financial statements prepared under U.S. GAAP more comparable to those prepared under International Financial Reporting Standards ("IFRS") and will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position. The disclosure requirements are effective for interim and annual reporting periods beginning on or after January 1, 2013, with retrospective application required. The adoption of the new disclosure requirements did not have a material impact on the Company's consolidated financial statements.

LAZARD GROUP LLC

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

Reclassifications Out of Accumulated Other Comprehensive Income—In the first quarter of 2013, the Company adopted the FASB's amended guidance regarding the presentation of amounts reclassified out of accumulated other comprehensive income. The amendment required that the amounts reclassified out of accumulated other comprehensive income be presented by component and disclosed where the respective line item was reported in the consolidated statement of operations. The amendment was to be applied prospectively, and is effective with interim and annual periods beginning after December 15, 2012, with early adoption permitted. The adoption of the amended guidance did not have a material impact on the Company's consolidated financial statements.

3. RECEIVABLES

The Company's receivables represent receivables from fees, customers and other and related parties.

Receivables are stated net of an estimated allowance for doubtful accounts of $22,805 and $23,017 at March 31, 2013 and December 31, 2012, respectively, for past due amounts and for specific accounts deemed uncollectible, which may include situations where a fee is in dispute. The Company recorded bad debt expense, net of recoveries, of $148 and $1,281 for the three month periods ended March 31, 2013 and 2012, respectively. In addition, the Company recorded charge-offs, foreign currency translation and other adjustments, which resulted in a net increase (decrease) to the allowance for doubtful accounts of $(360) and $441 for the three month periods ended March 31, 2013 and 2012, respectively. At March 31, 2013 and December 31, 2012, the Company had receivables deemed past due or uncollectible of $24,729 and $25,604, respectively.

Of the Company's total receivables at March 31, 2013 and December 31, 2012, $68,381 and $76,481, respectively, represented interest-bearing financing fee receivables. In addition, at March 31, 2013 and December 31, 2012, the Company had interest-bearing related parties receivables of $103,376 and $101,833, respectively. Based upon our historical loss experience and the credit quality of the counterparties, and as there were no past due or uncollectible amounts, there was no allowance for doubtful accounts required at those dates related to such receivables.

The aggregate carrying amount of our non-interest bearing receivables of $394,283 and $404,316 at March 31, 2013 and December 31, 2012, respectively, approximates fair value.

LAZARD GROUP LLC

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

4. INVESTMENTS

The Company's investments and securities sold, not yet purchased, consist of the following at March 31, 2013 and December 31, 2012:

	March 31, 2013	December 31, 2012
Debt (including interest-bearing deposits of $579 and $578, respectively)	$ 7,460	$ 5,948
Equities	49,180	44,992
Funds:		
Alternative investments (a)	56,961	57,890
Debt (a)	17,827	19,918
Equity (a)	145,341	154,310
Private equity	110,496	112,444
	330,625	344,562
Equity method	7,012	7,012
Total investments	394,277	402,514
Less:		
Interest-bearing deposits	579	578
Equity method	7,012	7,012
Investments, at fair value	$386,686	$ 394,924
Securities sold, not yet purchased, at fair value (included in "other liabilities")	$ 3,175	$ 2,755

(a) Interests in alternative investment funds, debt funds and equity funds include investments with fair values of $7,797, $16,525 and $72,751, respectively, at March 31, 2013 and $5,054, $18,615 and $76,907, respectively, at December 31, 2012, held in order to satisfy the Company's liability upon vesting of previously granted Lazard Fund Interests ("Lazard Fund Interests") and other similar deferred compensation arrangements. Lazard Fund Interests represent grants by the Company to eligible employees of actual or notional interests in a number of Lazard-managed funds (see Notes 6 and 12 of Notes to Condensed Consolidated Financial Statements).

Debt securities primarily consist of seed investments invested in debt securities held within separately managed accounts related to our Asset Management business and non-U.S. government debt securities.

Equities primarily consist of seed investments invested in marketable equity securities of large-, mid- and small-cap domestic, international and global companies held within separately managed accounts related to our Asset Management business.

Interests in alternative investment funds primarily consist of interests in various Lazard-managed hedge funds and fund of funds.

Debt funds primarily consist of seed investments in funds related to our Asset Management business, which invest in debt securities, and amounts related to Lazard Fund Interests discussed above.

Equity funds primarily consist of seed investments in funds related to our Asset Management business, which are invested in equity securities, and amounts related to Lazard Fund Interests discussed above.

LAZARD GROUP LLC

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

Private equity investments include those owned by Lazard and those consolidated but not owned by Lazard. Private equity investments owned by Lazard are primarily comprised of investments in private equity funds. Such investments primarily include (i) a mezzanine fund, which invests in mezzanine debt of a diversified selection of small- to mid-cap European companies, (ii) a private equity fund targeting significant noncontrolling-stake investments in established public and private companies, (iii) Edgewater Growth Capital Partners III, L.P. ("EGCP III"), a private equity fund primarily making equity and buyout investments in middle market companies and (iv) Lazard Australia Corporate Opportunities Fund ("COF2"), a Lazard-managed Australian private equity fund targeting Australian mid-market investments.

Private equity investments consolidated but not owned by Lazard relate to the economic interests that are owned by the management team and other investors in the Edgewater Funds ("Edgewater") which aggregated $12,508 and $11,490 at March 31, 2013 and December 31, 2012, respectively (see Note 10 of Notes to Condensed Consolidated Financial Statements).

During the three month periods ended March 31, 2013 and 2012, the Company reported in revenue-other on its condensed consolidated statements of operations gross unrealized investment gains and losses pertaining to "trading" securities as follows (including, for the three month period ended March 31, 2012, restated amounts pertaining to certain non-broker dealer subsidiaries):

	Three Months Ended March 31,	
	2013	2012
Gross unrealized investment gains	$8,395	$14,312
Gross unrealized investment losses	$1,465	$ 129

5. FAIR VALUE MEASUREMENTS

Lazard categorizes its investments and certain other assets and liabilities recorded at fair value into a three-level fair value hierarchy as follows:

Level 1. Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that Lazard has the ability to access.

Level 2. Assets and liabilities whose values are based on (i) quoted prices for similar assets or liabilities in an active market, or quoted prices for identical or similar assets or liabilities in non-active markets, (ii) assets valued based on NAV or its equivalent redeemable at the measurement date or within the near term without redemption restrictions or (iii) inputs other than quoted prices that are directly observable or derived principally from, or corroborated by, market data.

Level 3. Assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect our own assumptions about the assumptions a market participant would use in pricing the asset or liability. Items included in Level 3 include securities or other financial assets whose volume and level of activity have significantly decreased when compared with normal market activity and there is no longer sufficient frequency or volume to provide pricing information on an ongoing basis, as well as assets valued based on NAV or its equivalent, but not redeemable within the near term as a result of redemption restrictions.

The Company's investments in non-U.S. Government and other debt securities are considered Level 1 assets when their respective fair values are based on unadjusted quoted prices in active markets and are considered Level 2 assets when their fair values are primarily based on prices as provided by external pricing services.

LAZARD GROUP LLC

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

The fair value of equities is classified as Level 1 or Level 3 as follows: marketable equity securities are classified as Level 1 and are valued based on the last trade price on the primary exchange for that security as provided by external pricing services; equity securities in private companies are generally classified as Level 3.

The fair value of investments in alternative investment funds is classified as either Level 2 or Level 3 depending on the time frame of any applicable redemption restriction, and is valued at NAV or its equivalent, which is primarily determined based on information provided by external fund administrators.

The fair value of investments in debt funds are considered Level 1 assets when the fair values are primarily based on the reported closing price for the fund or Level 2 assets when the fair values are primarily based on NAV or its equivalent and are redeemable within the near term.

The fair value of investments in equity funds is classified as Level 1, 2 or 3 as follows: publicly traded asset management funds are classified as Level 1 and are valued based on the reported closing price for the fund; investments in asset management funds redeemable in the near term are classified as Level 2 and are valued at NAV or its equivalent, which is primarily determined based on information provided by external fund administrators; and Level 3 represents funds valued based on NAV or its equivalent that are not redeemable within the near term.

The fair value of investments in private equity funds is classified as Level 3, and is primarily based on NAV or its equivalent. Such investments are not redeemable within the near term.

The fair values of derivatives entered into by the Company are classified as Level 2 and are based on the values of the related underlying assets, indices or reference rates as follows - the fair value of forward foreign currency exchange rate contracts is a function of the spot rate and the interest rate differential of the currency from the trade date to settlement date; the fair value of equity and fixed income swaps is based on the change in fair values of the related underlying equity security, financial instrument or index and a specified notional holding; and the fair value of interest rate swaps is based on the interest rate yield curve; and the fair value of derivative liabilities related to Lazard Fund Interests and other similar deferred compensation arrangements is based on the value of the underlying investments, adjusted for forfeitures. See Note 6 of Notes to Condensed Consolidated Financial Statements.

Where information reported is based on data received from external fund administrators or pricing services, the Company reviews such information to ascertain at which level within the fair value hierarchy to classify the investment.

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The following tables present the categorization of investments and certain other assets and liabilities measured at fair value on a recurring basis as of March 31, 2013 and December 31, 2012 within the fair value hierarchy:

	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Debt (excluding interest-bearing deposits)	$ 1,487	$ 5,394	$ –	$ 6,881
Equities	48,996	–	184	49,180
Funds:				
Alternative investments	–	55,657	1,304	56,961
Debt	17,823	4	–	17,827
Equity	135,436	9,905	–	145,341
Private equity	–	–	110,496	110,496
Derivatives	–	4,172	–	4,172
Total	$ 203,742	$ 75,132	$ 111,984	$ 390,858
Liabilities:				
Securities sold, not yet purchased	$ 3,175	$ –	$ –	$ 3,175
Derivatives	–	159,370	–	159,370
Total	$ 3,175	$ 159,370	$ –	$ 162,545

	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Debt (excluding interest-bearing deposits)	$ 1,443	$ 3,927	$ –	$ 5,370
Equities	44,802	–	190	44,992
Funds:				
Alternative investments	–	54,433	3,457	57,890
Debt	19,914	4	–	19,918
Equity	145,231	9,069	10	154,310
Private equity	–	–	112,444	112,444
Derivatives	–	933	–	933
Total	$ 211,390	$ 68,366	$ 116,101	$ 395,857
Liabilities:				
Securities sold, not yet purchased	$ 2,696	$ 59	$ –	$ 2,755
Derivatives	–	102,492	–	102,492
Total	$ 2,696	$ 102,551	$ –	$ 105,247

There were no transfers between any of the Level 1, 2 and 3 categories in the fair value measurement hierarchy during the three month periods ended March 31, 2013 and 2012.

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The following tables provide a summary of changes in fair value of the Company's Level 3 assets for the three month periods ended March 31, 2013 and 2012:

	Three Months Ended March 31, 2013					
	Beginning Balance	Net Unrealized/ Realized Gains (Losses) Included In Revenue-Other (a)	Purchases/ Acquisitions	Sales/ Dispositions	Foreign Currency Translation Adjustments	Ending Balance
Investments:						
Equities	$ 190	$ –	$ –	$ –	$ (6)	$ 184
Alternative investment funds	3,457	94	–	(2,247)	–	1,304
Equity funds	10	–	–	(10)	–	–
Private equity funds	112,444	682	–	(1,256)	(1,374)	110,496
Total Level 3 Assets	$ 116,101	$ 776	$ –	$ (3,513)	$ (1,380)	$ 111,984

	Three Months Ended March 31, 2012					
	Beginning Balance	Net Unrealized/ Realized Gains (Losses) Included In Revenue-Other (a)	Purchases/ Acquisitions	Sales/ Dispositions	Foreign Currency Translation Adjustments	Ending Balance
Investments:						
Equities	$ 211	$ –	$ –	$ –	$ 6	$ 217
Alternative investment funds	10,171	127	10	(4,393)	–	5,915
Private equity funds	122,718	7,564	2,696	(17,872)	1,457	116,563
Total Level 3 Assets	$ 133,100	$ 7,691	$ 2,706	$ (22,265)	$ 1,463	$ 122,695

(a) Earnings for three month periods ended March 31, 2013 and 2012 include net unrealized gains of $670 and $6,080, respectively.

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Fair Value of Certain Investments Based on NAV—The Company's Level 2 and Level 3 investments at March 31, 2013 and December 31, 2012 include certain investments that are valued using NAV or its equivalent as a practical expedient in determining fair value. Information with respect thereto was as follows:

	March 31, 2013							
				Estimated Liquidation Period of Investments Not Redeemable			Investments Redeemable	
	Fair value	Unfunded Commitments	% of Fair Value Not Redeemable	% Next 5 Years	% 5-10 Years	% Thereafter	Redemption Frequency	Redemption Notice Period
Alternative investment funds	$ 56,961	$ –	NA	NA	NA	NA	(a)	<30-120 days
Debt funds	4	–	NA	NA	NA	NA	(b)	30 days
Equity funds	9,905	–	NA	NA	NA	NA	(c)	<30-90 days
Private equity funds	110,496	31,501	100%	13%	39%	48%	NA	NA
Total	$ 177,366	$ 31,501						

Redemption frequency as follows:

(a) daily (10%), weekly (9%), monthly (43%) and quarterly (38%)
(b) daily (100%)
(c) daily (36%) and monthly (64%)

	December 31, 2012							
				Estimated Liquidation Period of Investments Not Redeemable			Investments Redeemable	
	Fair value	Unfunded Commitments	% of Fair Value Not Redeemable	% Next 5 Years	% 5-10 Years	% Thereafter	Redemption Frequency	Redemption Notice Period
Alternative investment funds	$ 57,890	$ –	NA	NA	NA	NA	(a)	<30-120 days
Debt funds	4	–	NA	NA	NA	NA	(b)	30 days
Equity funds	9,079	–	2%	–%	–%	2%	(c)	30-120 days
Private equity funds	112,444	31,482	100%	13%	39%	48%	NA	NA
Total	$ 179,417	$ 31,482						

Redemption frequency as follows:

(a) daily (10%), weekly (9%), monthly (38%) and quarterly (43%)
(b) daily (100%)
(c) daily (37%) and monthly (61%)

See Note 4 of Notes to Condensed Consolidated Financial Statements for discussion of significant investment strategies for investments with value based on NAV.

Investment Capital Funding Commitments—At March 31, 2013, the maximum unfunded commitments by the Company for capital contributions to investment funds related to (i) CP II, amounting to $1,940 for potential "follow-on investments" and/or for fund expenses through the earlier of February 25, 2017 or the liquidation of the fund, (ii) EGCP III, amounting to $21,435, through the earlier of October 12, 2016 (*i.e.*, the end of the

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investment period) for investments and/or expenses (with a portion of the undrawn amount of such commitment as of that date remaining committed until October 12, 2023 in respect of "follow-on investments" and/or fund expenses) or the liquidation of the fund and (iii) COF2, amounting to $8,126, through the earlier of November 11, 2016 (*i.e.*, the end of the investment period) for investments and/or fund expenses (with a portion of the undrawn amount of such commitment as of that date remaining committed until November 11, 2019 in respect of "follow-on investments" and/or fund expenses) or the liquidation of the fund.

6. DERIVATIVES

The Company enters into forward foreign currency exchange rate contracts, interest rate swaps, interest rate futures, equity and fixed income swaps and other derivative contracts to hedge exposures to fluctuations in currency exchange rates, interest rates and equity and debt markets. The Company reports its derivative instruments separately as assets and liabilities unless a legal right of set-off exists under a master netting agreement enforceable by law. The Company's derivative instruments are recorded at their fair value, and are included in "other assets" and "other liabilities" on the consolidated statements of financial condition. Gains and losses on the Company's derivative instruments not designated as hedging instruments are included in "interest income" and "interest expense", respectively, or "revenue other", depending on the nature of the underlying item, on the consolidated statements of operations.

In addition to the derivative instruments described above, the Company records derivative liabilities relating to its obligations pertaining to Lazard Fund Interests awards and other similar deferred compensation arrangements, the fair value of which is based on the value of the underlying investments, adjusted for estimated forfeitures, and is included in "accrued compensation and benefits" in the consolidated statements of financial condition. Changes in the fair value of the derivative liabilities are included in "compensation and benefits" in the consolidated statements of operations, the impact of which equally offsets the changes in the fair value of investments which are currently expected to be delivered upon settlement of Lazard Fund Interests awards and other similar deferred compensation arrangements, which are reported in "revenue-other" in the consolidated statements of operations.

The tables below represent the fair values of the Company's derivative instruments reported within "other assets" and "other liabilities" and the fair value of the Company's derivative liabilities relating to its obligations pertaining to Lazard Fund Interests and other similar deferred compensation arrangements (see Note 12 of Notes to Condensed Consolidated Financial Statements) on the accompanying condensed consolidated statements of financial condition as of March 31, 2013 and December 31, 2012:

	March 31, 2013	December 31, 2012
Derivative Assets:		
Forward foreign currency exchange rate contracts	$ 4,172	$ 893
Equity and fixed income swaps and other (a)	–	40
	$ 4,172	$ 933
Derivative Liabilities:		
Forward foreign currency exchange rate contracts	$ 249	$ 322
Interest rate swaps	215	235
Equity and fixed income swaps (a)	97	4,342
Lazard Fund Interests and other similar deferred compensation arrangements	158,809	97,593
	$159,370	$ 102,492

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(a) For equity and fixed income swaps, amounts represent the netting of gross derivative assets and liabilities of $1,171 and $1,268 as of March 31, 2013, respectively, and $0 and $4,342 as of December 31, 2012, respectively, for contracts with the same counterparty under legally enforceable master netting agreements. Such amounts are offset in "other assets" against receivables for net cash collateral under such contracts of $12,599 and $15,304 as of March 31, 2013 and December 31, 2012, respectively.

Net gains (losses) with respect to derivative instruments (predominantly reflected in "revenue-other") and the Company's derivative liabilities relating to its obligations pertaining to Lazard Fund Interests and other similar deferred compensation arrangements (included in "compensation and benefits" expense) as reflected on the accompanying condensed consolidated statements of operations for the three month periods ended March 31, 2013 and 2012, were as follows:

	Three Months Ended March 31,	
	2013	2012
Forward foreign currency exchange rate contracts	$ 5,231	$ (1,922)
Lazard Fund Interests and other similar deferred compensation arrangements	(3,725)	(2,767)
Equity and fixed income swaps and other	(4,488)	(9,857)
	$(2,982)	$(14,546)

7. *PROPERTY*

At March 31, 2013 and December 31, 2012, property consists of the following:

	Estimated Depreciable Life in Years	March 31, 2013	December 31, 2012
Buildings	33	$161,639	$ 166,560
Leasehold improvements	3-20	153,477	143,408
Furniture and equipment	3-10	131,920	122,124
Construction in progress		19,109	18,801
Total		466,145	450,893
Less - accumulated depreciation and amortization		226,570	225,861
Property		$239,575	$ 225,032

8. *GOODWILL AND OTHER INTANGIBLE ASSETS*

The components of goodwill and other intangible assets at March 31, 2013 and December 31, 2012 are presented below:

	March 31, 2013	December 31, 2012
Goodwill	$365,649	$ 364,328
Other intangible assets (net of accumulated amortization)	27,668	28,494
	$393,317	$ 392,822

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At March 31, 2013 and December 31, 2012, goodwill of $301,108 and $299,787, respectively, was attributable to the Company's Financial Advisory segment and, at each such respective date, $64,541 of goodwill was attributable to the Company's Asset Management segment.

Changes in the carrying amount of goodwill for the three month periods ended March 31, 2013 and 2012 are as follows:

	Three Months Ended March 31,	
	2013	2012
Balance, January 1	$364,328	$356,657
Business acquisition	1,440	–
Foreign currency translation adjustments	(119)	3,981
Balance, March 31	$365,649	$360,638

The gross cost and accumulated amortization of other intangible assets as of March 31, 2013 and December 31, 2012, by major intangible asset category, are as follows:

	March 31, 2013			December 31, 2012		
	Gross Cost	Accumulated Amortization	Net Carrying Amount	Gross Cost	Accumulated Amortization	Net Carrying Amount
Success/performance fees	$30,740	$ 10,678	$20,062	$30,740	$ 10,678	$20,062
Management fees, customer relationships and non-compete agreements	33,086	25,480	7,606	33,035	24,603	8,432
	$63,826	$ 36,158	$27,668	$63,775	$ 35,281	$28,494

Amortization expense of intangible assets for the three month periods ended March 31, 2013 and 2012 was $877 and $1,118, respectively. Estimated future amortization expense is as follows:

Year Ending December 31,	Amortization Expense (a)
2013 (April 1 through December 31)	$ 7,771
2014	8,278
2015	6,438
2016	5,181
Total amortization expense	$ 27,668

(a) Approximately 45% of intangible asset amortization is attributable to a noncontrolling interest.

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9. SENIOR DEBT

Senior debt is comprised of the following as of March 31, 2013 and December 31, 2012:

	Initial Principal Amount	Maturity Date	Annual Interest Rate	Outstanding As Of March 31, 2013	Outstanding As Of December 31, 2012
Lazard Group 7.125% Senior Notes	$550,000	5/15/15	7.125%	$ 528,500	$ 528,500
Lazard Group 6.85% Senior Notes	600,000	6/15/17	6.85%	548,350	548,350
Lazard Group Credit Facility	150,000	9/25/15	0.88%	–	–
Total				$1,076,850	$1,076,850

On September 25, 2012, Lazard Group entered into a $150,000, three-year senior revolving credit facility with a group of lenders (the "Credit Facility"), which expires in September 2015. The Credit Facility replaced a similar revolving credit facility which was terminated as a condition to effectiveness of the Credit Facility. Interest rates under the Credit Facility vary and are based on either a Federal Funds rate or a Eurodollar rate, in each case plus an applicable margin. As of March 31, 2013, the annual interest rate for a loan accruing interest (based on the Federal Funds overnight rate), including the applicable margin, was 0.88%. At March 31, 2013 and December 31, 2012, no amounts were outstanding under the Credit Facility.

The Credit Facility contains customary terms and conditions, including certain financial covenants. In addition, the Credit Facility, the indenture and the supplemental indentures relating to Lazard Group's senior notes, contain certain covenants, events of default and other customary provisions, including a customary make-whole provision in the event of early redemption, where applicable. As of March 31, 2013, the Company was in compliance with all of these provisions. All of the Company's senior debt obligations are unsecured.

As of March 31, 2013, the Company had approximately $274,000 in unused lines of credit available to it, including the Credit Facility, and unused lines of credit available to LFB of approximately $64,000 (at March 31, 2013 exchange rates) and Edgewater of $55,000. In addition, LFB has access to the Eurosystem Covered Bond Purchase Program of the Banque de France.

The Company's senior debt at March 31, 2013 and December 31, 2012 is carried at historical amounts. At those dates, the fair value of such senior debt outstanding was approximately $1,204,000 and $1,207,000, respectively, and exceeded the aggregate carrying value by approximately $127,000 and $130,000, respectively. The fair value of the Company's senior debt was based on market quotations. The Company's senior debt would be categorized within Level 2 of the hierarchy of fair value measurements if carried at fair value.

10. COMMITMENTS AND CONTINGENCIES

Leases—The Company 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 the Company's consolidated financial position or results of operations.

Guarantees—In the normal course of business, LFB provides indemnifications to third parties to protect them in the event of non-performance by its clients. At March 31, 2013, LFB had $4,671 of such indemnifications and held $3,845 of collateral/counter-guarantees to secure these commitments. The Company believes the likelihood of

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loss with respect to these indemnities is remote. Accordingly, no liability is recorded in the condensed consolidated statement of financial condition.

Certain Business Transactions—On July 15, 2009, the Company established a private equity business with Edgewater. Edgewater manages funds primarily focused on buy-out and growth equity investments in middle market companies. The acquisition was structured as a purchase by Lazard Group of interests in a holding company that in turn owns interests in the general partner and management company entities of the current Edgewater private equity funds (the "Edgewater Acquisition"). Following the Edgewater Acquisition, Edgewater's leadership team retained a substantial economic interest in such entities.

The aggregate fair value of the consideration recognized by the Company at the acquisition date was $61,624. Such consideration consisted of (i) a one-time cash payment, (ii) 1,142,857 shares of Class A common stock (the "Initial Shares") and (iii) up to 1,142,857 additional shares of Class A common stock (the "Earnout Shares") that are subject to earnout criteria and payable over time. The Initial Shares are subject to forfeiture provisions that lapse only upon the achievement of certain performance thresholds and transfer restrictions during the four year period ending December 2014. The Earnout Shares will be issued only if certain performance thresholds are met. As of March 31, 2013 and December 31, 2012, 1,323,439 and 1,209,154 shares, respectively, have been earned because applicable performance thresholds have been satisfied. Such shares are no longer subject to any contingencies. As of December 31, 2012, 686,004 of such shares have been settled, and no additional shares have been settled as of March 31, 2013.

Consideration Relating To Other Business Acquisitions—For a business acquired in 2013, the Company is obligated to issue a maximum of 107,617 shares of Class A common stock if certain performance thresholds are achieved.

For a business acquired in 2012, at December 31, 2012 170,988 shares of Class A common stock (including dividend equivalent shares) were issuable on a non-contingent basis. Such shares were delivered in the first quarter of 2013. The Company is obligated to issue a maximum of 202,650 additional shares of Class A common stock if certain performance thresholds are achieved.

For a business acquired in 2011, the Company is obligated to pay earnout consideration if certain performance thresholds are achieved. The maximum potential earnout consideration payable by the Company cannot exceed $7,000. Through March 31, 2013, no cash payments relating to the earnout consideration were required.

Other Commitments—In the normal course of business, LFB enters into commitments to extend credit, predominately at variable interest rates. Such commitments at March 31, 2013 aggregated approximately $22,000. These commitments have varying expiration dates and are fully collateralized and generally contain requirements for the counterparty to maintain a minimum collateral level. These commitments may not represent future cash requirements as they may expire without being drawn upon.

See Notes 5 and 13 of Notes to Condensed Consolidated Financial Statements for information regarding commitments relating to investment capital funding commitments and obligations to fund our pension plans, respectively.

The Company has various other contractual commitments arising in the ordinary course of business. In addition, from time to time, LFB enters into underwriting commitments in which it participates as a joint

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underwriter. The settlement of such transactions are not expected to have a material adverse effect on the Company's consolidated financial position or results of operations. At March 31, 2013, LFB had no such underwriting commitments.

In the opinion of management, the fulfillment of the commitments described herein will not have a material adverse effect on the Company's consolidated financial position or results of operations.

Legal—The Company is involved from time to time in judicial, regulatory and arbitration proceedings and inquiries concerning matters arising in connection with the conduct of our businesses, including proceedings initiated by former employees alleging wrongful termination. The Company reviews such matters on a case-by-case basis and establishes any required accrual if a loss is probable and the amount of such loss can be reasonably estimated. The Company does experience significant variation in its revenue and earnings on a quarterly basis. Accordingly, the results of any pending matter or matters could be significant when compared to the Company's earnings in any particular fiscal quarter. The Company believes, however, based on currently available information, that the results of any pending matters, in the aggregate, will not have a material effect on its business or financial condition.

11. MEMBERS' EQUITY

Lazard Group Distributions—As previously described, Lazard Group's common membership interests are held by subsidiaries of Lazard Ltd and by LAZ-MD Holdings. Pursuant to provisions of the Operating Agreement, Lazard Group distributions in respect of its common membership interests are allocated to the holders of such interests on a pro rata basis. Such distributions represent amounts necessary to fund (i) any dividends Lazard Ltd may declare on its Class A common stock and (ii) tax distributions in respect of income taxes that Lazard Ltd's subsidiaries and the members of LAZ-MD Holdings incur as a result of holding Lazard Group common membership interests.

During the three month periods ended March 31, 2013 and 2012, Lazard Group distributed the following amounts to LAZ-MD Holdings and the subsidiaries of Lazard Ltd (none of which related to tax distributions):

	Three Months Ended March 31,	
	2013	2012
LAZ-MD Holdings	$ –	$ 1,081
Subsidiaries of Lazard Ltd	–	19,164
	$ –	$20,245

Pursuant to Lazard Group's Operating Agreement, Lazard Group allocates and distributes to its members a substantial portion of its distributable profits in installments, as soon as practicable after the end of each fiscal year. Such installment distributions usually begin in February.

Exchange of Lazard Group Common Membership Interests—During the three month period ended March 31, 2012, Lazard Ltd issued 85,196 shares of Class A common stock in connection with the exchange of a like number of Lazard Group common membership interests (received from members of LAZ-MD Holdings in exchange for a like number of LAZ-MD Holdings exchangeable interests). No such exchange occurred during the three month period ended March 31, 2013.

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***Share Repurchase Program*—**In February 2011, October 2011, April 2012 and October 2012 the Board of Directors of Lazard Ltd authorized, on a cumulative basis, the repurchase of up to $250,000, $125,000, $125,000 and $200,000, respectively, in aggregate cost of Class A common stock and Lazard Group common membership interests through December 31, 2012, December 31, 2013, December 31, 2013 and December 31, 2014, respectively. The Company's prior share repurchase authorizations expired on December 31, 2009 and December 31, 2011. The Company expects that the share repurchase program, with respect to the Class A common stock, will continue to be used, among other ways, to offset a portion of the shares that have been or will be issued under the Lazard Ltd 2005 Equity Incentive Plan (the "2005 Plan") and the Lazard Ltd 2008 Incentive Compensation Plan (the "2008 Plan"). Pursuant to such authorizations, purchases have been made in the open market or through privately negotiated transactions. During the three month period ended March 31, 2013, Lazard Group made purchases of 831,157 Class A common shares, at an aggregate cost of $30,168 (no Lazard Group common membership interests were purchased during such three month period).

As of March 31, 2013, $123,898 of the current share repurchase amount authorized as of such date remained available under the share repurchase program, all of which expires December 31, 2014. In addition, under the terms of the 2005 Plan and the 2008 Plan, upon the vesting of restricted stock units ("RSUs"), performance-based restricted stock units ("PRSUs") and delivery of restricted Class A common stock, shares of Class A common stock may be withheld by the Company to cover its minimum statutory tax withholding requirements (see Note 12 of Notes to Condensed Consolidated Financial Statements).

Accumulated Other Comprehensive Income (Loss), Net of Tax ("AOCI")—The table below reflects the components of AOCI at March 31, 2013 and activity during the three month period ended March 31, 2013:

	Currency Translation Adjustments	Interest Rate Hedge	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard Ltd AOCI
Balance, January 1, 2013	$ 38,657	($2,502)	($128,536)	($ 92,381)	$ 12	($ 92,393)
Activity January 1, 2013 to March 31, 2013:						
Other comprehensive loss before reclassifications	(12,136)	–	(3,423)	(15,559)	11	(15,570)
Adjustments for items reclassified to earnings, net of tax	–	264	1,218	1,482	–	1,482
Net other comprehensive income (loss)	(12,136)	264	(2,205)	(14,077)	11	(14,088)
Balance, March 31, 2013	$ 26,521	($2,238)	($130,741)	($106,458)	$ 23	($106,481)

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The table below reflects adjustments for items reclassified out of AOCI, by component, for the three month period ended March 31, 2013:

Amortization of interest rate hedge	$ 264 (a)
Amortization expense relating to employee benefit plans	1,620 (b)
Less - tax expense	402
Net of tax	1,218
Total reclassifications, net of tax	$1,482

(a) Included in "interest expense" on the condensed consolidated statement of operations.
(b) Included in the computation of net periodic benefit cost (see Note 13 of Notes to Condensed Consolidated Financial Statements). Such amount is included in "compensation and benefits" expense on the condensed consolidated statement of operations.

Noncontrolling Interests—Noncontrolling interests principally represent interests held in Edgewater's management vehicles that the Company is deemed to control, but does not own.

The tables below summarize net income attributable to noncontrolling interests for the three month periods ended March 31, 2013 and 2012 and noncontrolling interests as of March 31, 2013 and December 31, 2012 in the Company's condensed consolidated financial statements:

	Net Income Attributable to Noncontrolling Interests	
	Three Months Ended March 31,	
	2013	2012
Edgewater	$ 2,366	$ 2,174
Other	(269)	5
Total	$ 2,097	$ 2,179

	Noncontrolling Interests As Of	
	March 31, 2013	December 31, 2012
Edgewater	$ 75,011	$ 75,262
Other	388	646
Total	$ 75,399	$ 75,908

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12. INCENTIVE PLANS

Share-Based Incentive Plan Awards

A description of Lazard Ltd's 2005 Plan and 2008 Plan and activity with respect thereto during the three month periods ended March 31, 2013 and 2012, is presented below.

Shares Available Under the 2005 Plan and 2008 Plan

The 2005 Plan authorizes the issuance of up to 25,000,000 shares of Class A common stock pursuant to the grant or exercise of stock options, stock appreciation rights, RSUs and other equity-based awards. Each stock unit or similar award granted under the 2005 Plan represents a contingent right to receive one share of Class A common stock, at no cost to the recipient. The fair value of such awards is generally determined based on the closing market price of Class A common stock at the date of grant.

In addition to the shares available under the 2005 Plan, additional shares of Class A common stock are available under the 2008 Plan. The maximum number of shares available under the 2008 Plan is based on a formula that limits the aggregate number of shares that may, at any time, be subject to awards that are considered "outstanding" under the 2008 Plan to 30% of the then-outstanding shares of Class A common stock (treating, for this purpose, the then-outstanding exchangeable interests of LAZ-MD Holdings on a "fully-exchanged" basis as described in the 2008 Plan).

The following reflects the amortization expense recorded with respect to share-based incentive plans within "compensation and benefits" expense (with respect to RSUs, PRSUs and restricted stock awards) and "professional services" expense (with respect to deferred stock units ("DSUs")) within the Company's accompanying condensed consolidated statements of operations:

	Three Months Ended March 31,	
	2013	2012
Share-based incentive awards:		
RSUs (a)	$64,942	$81,891
PRSUs	438	–
Restricted stock (b)	5,261	4,175
DSUs	36	35
Total	$70,677	$86,101

(a) Includes, during the three month period ended March 31, 2013, $4,455 relating to the Cost Saving Initiatives (see Note 14 of Notes to Condensed Consolidated Financial Statements).
(b) Includes, during the three month period ended March 31, 2013, $233 relating to the Cost Saving Initiatives.

The ultimate amount of compensation and benefits expense relating to share-based awards is dependent upon the actual number of shares of Class A common stock that vest. The Company periodically assesses the forfeiture rates used for such estimates. A change in estimated forfeiture rates results in a cumulative adjustment to previously recorded compensation and benefits expense and also would cause the aggregate amount of compensation expense recognized in future periods to differ from the estimated unrecognized compensation expense described below.

The Company's incentive plans are described below.

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(UNAUDITED)
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RSUs and DSUs

RSUs generally require future service as a condition for the delivery of the underlying shares of Class A common stock (unless the recipient is then eligible for retirement under the Company's retirement policy) and convert into Class A common stock on a one-for-one basis after the stipulated vesting periods. The grant date fair value of the RSUs, net of an estimated forfeiture rate, is amortized over the vesting periods or requisite service periods (generally one-third after two years, and the remaining two-thirds after the third year), and is adjusted for actual forfeitures over such periods.

RSUs issued after December 31, 2005 generally include a dividend participation right that provides that during vesting periods each RSU is attributed additional RSUs (or fractions thereof) equivalent to any ordinary quarterly dividends paid on Class A common stock during such period. During the three month period ended March 31, 2012 dividend participation rights required the issuance of 101,597 RSUs (there were no dividends on Class A common stock during the three month period ended March 31, 2013 due to the accelerated dividend paid by Lazard Ltd in December 2012).

Non-executive members of the Board of Directors of Lazard Group (who are the same non-executive directors of Lazard Ltd) receive approximately 55% of their annual compensation for service on the Board of Directors and its committees in the form of DSUs. There were no such DSUs granted during the three month periods ended March 31, 2013 and 2012. Their remaining compensation is payable in cash, which they may elect to receive in the form of additional DSUs under the Directors' Fee Deferral Unit Plan described below. DSUs are convertible into Class A common stock at the time of cessation of service to the Board. DSUs include a cash dividend participation right equivalent to any ordinary quarterly dividends paid on Class A common stock, and resulted in nominal cash payments for the three month period ended March 31, 2012.

On May 9, 2006, the Board of Directors adopted the Directors' Fee Deferral Unit Plan, which allows the Company's Non-Executive Directors to elect to receive additional DSUs pursuant to the 2005 Plan in lieu of some or all of their cash fees. The number of DSUs that shall be granted to a non-executive Director pursuant to this election will equal the value of cash fees that the applicable non-executive Director has elected to forego pursuant to such election, divided by the market value of a share of Class A common stock on the date on which the foregone cash fees would otherwise have been paid. During the three month periods ended March 31, 2013 and 2012, 1,886 and 2,522 DSUs, respectively, had been granted pursuant to such Plan.

DSU awards are expensed at their fair value on their date of grant, inclusive of amounts related to the Directors' Fee Deferral Unit Plan.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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The following is a summary of activity relating to RSUs and DSUs during the three month periods ended March 31, 2013 and 2012:

	RSUs		DSUs	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance, January 1, 2013	21,481,131	$ 33.92	204,496	$ 31.47
Granted	4,297,664	$ 37.33	1,886	$ 37.60
Forfeited	(45,907)	$ 36.12	–	–
Vested	(8,268,744)	$ 34.97	–	–
Balance, March 31, 2013	17,464,144	$ 34.26	206,382	$ 31.52
Balance, January 1, 2012	20,751,829	$ 36.84	140,660	$ 34.83
Granted (including 101,597 RSUs relating to dividend participation)	7,147,059	$ 27.73	2,522	$ 27.89
Forfeited	(76,264)	$ 33.14	–	–
Vested	(3,270,375)	$ 34.28	–	–
Balance, March 31, 2012	24,552,249	$ 34.54	143,182	$ 34.71

In connection with RSUs which vested during the three month periods ended March 31, 2013 and 2012, the Company satisfied its minimum statutory tax withholding requirements in lieu of issuing 3,231,285 and 802,810 shares of Class A common stock in the respective three month periods. Accordingly, 5,037,459 and 2,467,565 shares of Class A common stock held by the Company were delivered during the three month periods ended March 31, 2013 and 2012, respectively.

During the fourth quarter of 2012, 958,213 RSUs were modified through forward purchase agreements into liability awards. Such liability awards were settled on March 1, 2013 for $28,612. During the three month period ended March 31, 2013, compensation expense of $1,690 was recorded for such liability awards.

As of March 31, 2013, unrecognized RSU compensation expense, adjusted for estimated forfeitures, was approximately $280,000, with such unrecognized compensation expense expected to be recognized over a weighted average period of approximately 1.7 years subsequent to March 31, 2013.

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Restricted Stock

The following is a summary of activity related to shares of restricted Class A common stock associated with compensation arrangements during the three month periods ended March 31, 2013 and 2012:

	Restricted Shares	Weighted Average Grant Date Fair Value
Balance, January 1, 2013	1,972,609	$ 34.85
Granted	388,763	$ 36.73
Forfeited	(3,269)	$ 36.64
Vested	(1,715,275)	$ 36.04
Balance, March 31, 2013	642,828	$ 32.81
Balance, January 1, 2012	95,332	$ 37.63
Granted/Exchanged	577,323	$ 29.25
Vested/Converted	(119,552)	$ 28.54
Balance, March 31, 2012	553,103	$ 30.85

In connection with shares of restricted Class A common stock that vested during the three month periods ended March 31, 2013 and 2012, the Company satisfied its minimum statutory tax withholding requirements in lieu of delivering 12,308 and 25,661 shares of Class A common stock during the respective three month periods. Accordingly, 1,702,967 and 93,891 shares of Class A common stock held by the Company were delivered during the three month periods ended March 31, 2013 and 2012, respectively.

The awards include a cash dividend participation right equivalent to any ordinary quarterly dividends paid on Class A common stock during the period, which will vest concurrently with the underlying restricted stock award. At March 31, 2013, unrecognized restricted stock expense was approximately $15,000, with such expense to be recognized over a weighted average period of approximately 2.0 years subsequent to March 31, 2013.

PRSUs

In March 2013, the Company granted 448,128 PRSUs. The PRSUs are subject to both performance-based and service-based vesting conditions. The number of shares of Class A common stock that a recipient will receive upon vesting of a PRSU will be calculated by reference to certain performance metrics that relate to the Company's performance over the three-year period beginning on January 1, 2012 and ending on December 31, 2014. The target number of shares of Class A common stock subject to each PRSU is one; however, based on the achievement of the performance criteria, the number of shares of Class A common stock that may be received in connection with each PRSU can range from zero to three times the target number. The PRSUs granted in March 2013 will vest 33% in March 2015 and 67% in March 2016, provided the applicable service and performance conditions are satisfied. In addition, the performance metrics applicable to each PRSU will be evaluated on an annual basis at the end of each fiscal year during the performance period and, if the Company has achieved a threshold level of performance with respect to the fiscal year, 25% of the target number of shares of Class A common stock subject to each PRSU will no longer be at risk of forfeiture based on the achievement of performance criteria.

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Compensation expense recognized for PRSU awards is determined by multiplying the number of shares of Class A common stock underlying such awards that, based on the Company's estimate, are considered probable of vesting by the grant date fair value of $36.11 per share. As of March 31, 2013, the total estimated unrecognized compensation expense for PRSUs granted in March 2013 was approximately $16,000, and the Company expects to amortize such expense over a weighted-average period of approximately 2.1 years.

Lazard Fund Interests and Other Similar Deferred Compensation Arrangements

Commencing in February 2011, the Company granted to eligible employees Lazard Fund Interests. In connection with the Lazard Fund Interests and other similar deferred compensation arrangements, which generally require future service as a condition for vesting, the Company recorded a prepaid compensation asset and a corresponding compensation liability on the grant date based upon the fair value of the award. The prepaid asset is amortized on a straight-line basis over the applicable vesting periods or requisite service periods (which are generally similar to the comparable periods for RSUs), and is charged to "compensation and benefits" expense within the Company's consolidated statement of operations. Lazard Fund Interests and similar deferred compensation arrangements that do not require future service are expensed immediately. The related compensation liability is accounted for at fair value as a derivative liability, which contemplates the impact of estimated forfeitures, and is adjusted for changes in fair value primarily related to changes in value of the underlying investments.

The following is a summary of activity relating to Lazard Fund Interests and other similar deferred compensation arrangements during the three month periods ended March 31, 2012 and 2013:

	Prepaid Compensation Asset	Compensation Liability
Balance, January 1, 2013	$ 47,445	$ 97,593
Granted	72,182	72,182
Settled	–	(14,832)
Forfeited	(309)	(396)
Amortization	(12,488)	–
Change in fair value related to:		
Increase in fair value of underlying investments	–	3,725
Adjustment for estimated forfeitures	–	648
Other	(106)	(111)
Balance, March 31, 2013	$ 106,724	$ 158,809

	Prepaid Compensation Asset	Compensation Liability
Balance, January 1, 2012	$ 17,782	$ 29,900
Granted	64,598	64,598
Settled	–	(6,922)
Amortization	(6,185)	–
Increase in fair value of underlying investments	–	2,767
Other	162	(57)
Balance, March 31, 2012	$ 76,357	$ 90,286

The amortization of the prepaid compensation asset will generally be recognized over a weighted average period of approximately 2.1 years subsequent to March 31, 2013.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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The following is a summary of the impact of Lazard Fund Interests and other similar deferred compensation arrangements on "compensation and benefits" expense within the accompanying condensed consolidated statements of operations for the three months periods ended March 31, 2013 and 2012:

	Three Months Ended March 31,	
	2013	2012
Amortization, net of forfeitures (a)	$13,049	$ 6,185
Change in the fair value of underlying investments	3,725	2,767
Total	$16,774	$ 8,952

(a) Includes, during the three month period ended March 31, 2013, $917 relating to the Cost Saving Initiatives.

13. EMPLOYEE BENEFIT PLANS

The Company provides retirement and other post-retirement benefits to certain of its employees through defined benefit pension plans (the "pension plans") and, in the U.S., a partially funded contributory post-retirement plan covering qualifying U.S. employees (the "medical plan" and together with the pension plans, the "post-retirement plans"). The Company also offers defined contribution plans. The post-retirement plans generally provide benefits to participants based on average levels of compensation. Expenses related to the Company's employee benefit plans are included in "compensation and benefits" expense on the consolidated statements of operations.

Employer Contributions to Pension Plans—The Company's funding policy for its U.S. and non-U.S. pension plans is to fund when required or when applicable upon an agreement with the plans' Trustees. Management also evaluates from time to time whether to make voluntary contributions to the plans. The Company did not make a contribution to the U.S. pension plans during the three month period ended March 31, 2013.

On April 30, 2012, the Company and the Trustees of the U.K. pension plans concluded the December 31, 2010 triennial valuations of the plans. In connection with such valuations and a previously negotiated agreement with the Trustees, the Company and the Trustees agreed upon pension funding terms (the "agreement") (which superseded the terms of an agreement reached in June 2009 with respect to the previous triennial valuation as of December 31, 2007) whereby the Company: (i) made a contribution in December 2011 to the plans of 2.3 million British pounds ($3,687 at December 31, 2011 exchange rates) from a previously established escrow account, (ii) agreed to make contributions of 1 million British pounds during each year from 2012 through 2020 inclusive and (iii) amended the previous escrow arrangement into an account security arrangement covering 10.2 million British pounds, committing to make annual contributions of 1 million British pounds into such account security arrangement during each year from 2014 through 2020, inclusive. It was further agreed that, to the extent that the value of the plans' assets falls short of the funding target for June 1, 2020 that has been agreed upon with the Trustees, the assets from the account security arrangement would be released into the plans at that date. Additionally, the Company agreed to fund the expenses of administering the plans, including certain regulator levies and the cost of other professional advisors to the plans. The terms of the agreement are subject to adjustment based on the results of subsequent triennial valuations. The aggregate amounts in the account security arrangement at March 31, 2013 and December 31, 2012 of approximately $15,500 and $16,500, respectively, have been recorded in "cash deposited with clearing organizations and other segregated cash" on the accompanying condensed consolidated statements of financial condition. Income on the account security arrangement accretes to the Company and is recorded in interest income.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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During the three month period ended March 31, 2013, no contribution to these U.K. pension plans was required to be made, and no contributions were required to be made to other non-U.S. pension plans.

The following table summarizes the components of net periodic benefit cost (credit) related to the Company's post-retirement plans for the three month periods ended March 31, 2013 and 2012:

	Pension Plans		Medical Plan	
	Three Months Ended March 31,			
	2013	2012	2013	2012
Components of Net Benefit Cost (Credit):				
Service cost	$ 314	$ 172	$ 10	$ 11
Interest cost	6,753	6,902	47	53
Expected return on plan assets	(6,797)	(6,672)	–	–
Amortization of:				
Prior service cost	706	701	–	–
Net actuarial loss	914	411	–	–
Net benefit cost	$ 1,890	$ 1,514	$ 57	$ 64

14. COST SAVING INITIATIVES

In October 2012, the Company announced a number of cost saving initiatives (the "Cost Saving Initiatives") relating to the Company's operations. These initiatives include streamlining our corporate structure and consolidating support functions; realigning our investments into areas with potential for the greatest long-term return; and creating greater flexibility to retain and attract the best people and invest in new growth areas.

In connection with the Cost Saving Initiatives, the Company incurred pre-tax implementation expense, by segment, as reflected in the tables below:

	Financial Advisory	Asset Management	Corporate	Total
Three Month Period Ended March 31, 2013:				
Compensation and benefits	$20,394	$ 236	$ 4,041	$24,671
Other	1,621	(1)	31	1,651
Total	$22,015	$ 235	$ 4,072	$26,322

	Financial Advisory	Asset Management	Corporate	Total
Cumulative Through March 31, 2013:				
Compensation and benefits	$96,527	$ 12,292	$ 15,839	$124,658
Other	3,020	732	488	4,240
Total	$99,547	$ 13,024	$ 16,327	$128,898

We expect implementation of the Cost Saving Initiatives to be completed by June 30, 2013, which we expect will include additional cost savings that we have identified. We expect to incur additional implementation expenses in the second quarter of 2013 associated with such additional cost savings. We expect that such additional implementation expenses will not exceed the level of implementation expenses incurred in the first quarter of 2013.

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Activity related to the obligations pursuant to the Cost Saving Initiatives during the three month period ended March 31, 2013 was as follows:

	Accrued Compensation and Benefits	Other Liabilities	Total
Balance, January 1, 2013	$ 46,128	$ 1,714	$ 47,842
New charges	24,671	1,651	26,322
Less:			
Non-cash charges	(5,605)	–	(5,605)
Settlements	(19,618)	(584)	(20,202)
Balance, March 31, 2013	$ 45,576	$ 2,781	$ 48,357

15. INCOME TAXES

Although a portion of Lazard Group's income is subject to U.S. federal income taxes, Lazard Group primarily operates in the U.S. as a limited liability company that is treated as a partnership for U.S. federal income tax purposes. As result, Lazard Group's income from its U.S. operations is generally not subject to U.S. federal income taxes because such income is attributable to the partners. In addition, Lazard Group is subject to New York City Unincorporated Business Tax ("UBT"), which is attributable to Lazard Group's operations apportioned to New York City. UBT is incremental to the U.S. federal statutory tax rate. Outside the U.S., Lazard Group operates principally through subsidiary corporations that are subject to local income taxes.

The Company recorded income tax provisions of $3,022 and $4,834 for the three month periods ended March 31, 2013 and 2012, respectively, representing effective tax rates of 14.2% and 14.8%, respectively. The difference between the U.S. federal statutory rate of 35.0% and the effective tax rates reflected above principally relates to (i) Lazard Group primarily operating as a limited liability company in the U.S., (ii) taxes payable to foreign jurisdictions and (iii) U.S. state and local taxes (primarily UBT), which are incremental to the U.S. federal statutory tax rate.

Substantially all of Lazard's foreign operations are conducted in "pass-through" entities for U.S. income tax purposes and the Company provides for U.S. income taxes on a current basis for substantially all of those earnings. The repatriation of prior earnings attributable to "non-pass-through" entities would not result in the recognition of a material amount of additional U.S. income taxes.

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16. RELATED PARTIES

Amounts receivable from, and payable to, related parties are set forth below:

	March 31, 2013	December 31, 2012
Receivables		
LFCM Holdings LLC ("LFCM Holdings")	$ 15,169	$ 20,529
Lazard Ltd Subsidiaries	106,160	104,587
Other	3,289	3,272
Total	$ 124,618	$ 128,388
Payables		
LFCM Holdings	$ 3,626	$ 2,943
Lazard Ltd Subsidiaries	206,155	205,424
Other	1,636	705
Total	$ 211,417	$ 209,072

LFCM Holdings

LFCM Holdings owns and operates the capital markets business and fund management activities, as well as other specified non-operating assets and liabilities, that were transferred to it by Lazard Group (referred to as the "separated businesses") in May 2005 and is owned by various current and former working members, including certain of Lazard's current and former managing directors (which also include the Company's executive officers) who were or are also members of LAZ-MD Holdings. In addition to the master separation agreement, dated as of May 10, 2005, by and among Lazard Ltd, Lazard Group, LAZ-MD Holdings and LFCM Holdings (the "master separation agreement"), which effected the separation and recapitalization that occurred in May 2005, LFCM Holdings entered into certain agreements that addressed various business matters associated with the separation, including agreements related to administrative and support services (the "administrative services agreement"), employee benefits, insurance matters and licensing. In addition, LFCM Holdings and Lazard Group entered into a business alliance agreement (the "business alliance agreement"). Certain of these agreements are described in more detail in the Company's Form 10-K.

For the three month periods ended March 31, 2013 and 2012, amounts recorded by Lazard Group relating to the administrative services agreement amounted to $632 and $813, respectively, and net referral fees for underwriting, private placement, M&A and restructuring transactions under the business alliance agreement amounted to $500 and $814, respectively. Amounts relating to the administrative services agreement are reported as reductions to operating expenses. Net referral fees for underwriting transactions under the business alliance agreement are reported in "revenue-other". Net referral fees for private placement, M&A and restructuring transactions under the business alliance agreement are reported in advisory fee revenue.

Receivables from LFCM Holdings and its subsidiaries as of March 31, 2013 and December 31, 2012 include $10,007 and $14,299, respectively, related to administrative and support services and other receivables which include sublease income and reimbursement of expenses incurred on behalf of LFCM Holdings, and $5,162 and $6,230, respectively, related to referral fees for underwriting and private placement transactions. Payables to LFCM Holdings and its subsidiaries at March 31, 2013 and December 31, 2012 include $3,626 and $2,943, respectively, primarily relating to certain advances and referral fees for Financial Advisory transactions.

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Lazard Ltd Subsidiaries

Lazard Group's receivables from subsidiaries of Lazard Ltd at March 31, 2013 and December 31, 2012 included interest-bearing loans of $103,376 and $101,833, respectively, including accrued interest thereon. Interest income relating to interest-bearing loans with subsidiaries of Lazard Ltd amounted to $1,542 and $2,580 for the three month periods ended March 31, 2013 and 2012, respectively.

As of both March 31, 2013 and December 31, 2012, Lazard Group's payables to subsidiaries of Lazard Ltd included $3,410 in connection with Lazard Group's prior year business acquisitions. In addition, as of March 31, 2013 and December 31, 2012, Lazard Group's payables to subsidiaries of Lazard Ltd included interest-bearing loans, plus accrued interest thereon, of approximately $202,600 and $202,000, respectively. Such amounts at March 31, 2013 and December 31, 2012 included approximately $86,000 resulting from the sale in the first quarter of 2012 of an interest-bearing intercompany receivable due from a Lazard Group subsidiary to a Lazard Ltd subsidiary, which was sold at a discount to reflect arm's-length terms, resulting in a loss to Lazard Group of $5,638. Interest expense relating to interest-bearing loans with subsidiaries of Lazard Ltd amounted to $2,039 and $2,198 for the three month periods ended March 31, 2013 and 2012, respectively.

Other

Other receivables and payables at March 31, 2013 and December 31, 2012 primarily relate to referral fees for restructuring and M&A transactions with MBA Lazard Holdings S.A. and its affiliates, an Argentina-based group in which the Company has a 50% ownership interest, and a related party loan.

LAZ-MD Holdings

Lazard Group provides selected administrative and support services to LAZ-MD Holdings through the administrative services agreement as discussed above, with such services generally to be provided until December 31, 2014 unless terminated earlier because of a change in control of either party. Lazard Group charges LAZ-MD Holdings for these services based on Lazard Group's cost allocation methodology and, for the three month periods ended March 31, 2013 and 2012, such charges amounted to $250 and $188, respectively.

17. REGULATORY AUTHORITIES

LFNY is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Exchange Act. Under the basic method permitted by this rule, the minimum required net capital, as defined, is a specified fixed percentage (6 2/3%) of total aggregate indebtedness recorded in LFNY's Financial and Operational Combined Uniform Single ("FOCUS") report filed with the Financial Industry Regulatory Authority ("FINRA"), or $100, whichever is greater. At March 31, 2013, LFNY's regulatory net capital was $16,939, which exceeded the minimum requirement by $12,976.

Certain U.K. subsidiaries of the Company, including LCL, Lazard Fund Managers Limited and Lazard Asset Management Limited (the "U.K. Subsidiaries") are regulated by the Financial Conduct Authority, which replaced the Financial Services Authority as the U.K. Subsidiaries' regulator effective April 1, 2013. At March 31, 2013, the aggregate regulatory net capital of the U.K. Subsidiaries was $79,618, which exceeded the minimum requirement by $59,936.

CFLF, under which asset management and commercial banking activities are carried out in France, is subject to regulation by the Autorité de Contrôle Prudentiel for its banking activities conducted through its

subsidiary, LFB. In addition, the investment services activities of the Paris group, exercised through LFB and other subsidiaries of CFLF, primarily LFG (asset management), are subject to regulation and supervision by the Autorité des Marchés Financiers. At March 31, 2013, the consolidated regulatory net capital of CFLF was $172,243, which exceeded the minimum requirement set for regulatory capital levels by $139,002.

Certain other U.S. and non-U.S. subsidiaries are subject to various capital adequacy requirements promulgated by various regulatory and exchange authorities in the countries in which they operate. At March 31, 2013, for those subsidiaries with regulatory capital requirements, their aggregate net capital was $79,617, which exceeded the minimum required capital by $54,974.

At March 31, 2013, each of these subsidiaries individually was in compliance with its regulatory capital requirements.

Lazard Ltd had been subject to supervision by the SEC as a Supervised Investment Bank Holding Company ("SIBHC"). As a SIBHC, Lazard Ltd was subject to group-wide supervision, which required it to compute allowable capital and risk allowances on a consolidated basis. However, pursuant to Section 617 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the SEC's SIBHC program was eliminated on July 21, 2011. Pursuant to relevant rules in the European Union, which we continue to examine, LFB, as a European credit institution, is required to be supervised on a consolidated basis by another regulatory body, either in the U.S., by the Board of Governors of the Federal Reserve, or in the European Union. The Dodd-Frank Act and the rules and regulations that may be adopted thereunder (including regulations that have not yet been proposed) could affect us in other ways. We continue to monitor the process as such rules are proposed and adopted.

18. SEGMENT INFORMATION

The Company'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. The Company's principal operating activities are included in two business segments as described in Note 1 above - Financial Advisory and Asset Management. In addition, as described in Note 1 above, the Company records selected other activities in its Corporate segment.

The Company's segment information for the three month periods ended March 31, 2013 and 2012 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.

The Company allocates 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.

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Each segment's operating expenses include (i) compensation and benefits expenses incurred directly in support of the businesses and (ii) other operating expenses, which include directly incurred expenses for occupancy and equipment, marketing and business development, technology and information services, professional services, fund administration and outsourced services 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.

Management evaluates segment results based on net revenue and operating income (loss) and believes that the following information provides a reasonable representation of each segment's contribution with respect to net revenue, operating income (loss) and total assets:

		Three Months Ended March 31,	
		2013(a)	2012
Financial Advisory	Net Revenue	$ 168,462	$ 277,196
	Operating Expenses	216,908	249,897
	Operating Income (Loss)	$ (48,446)	$ 27,299
Asset Management	Net Revenue	$ 244,025	$ 214,527
	Operating Expenses	155,077	160,490
	Operating Income	$ 88,948	$ 54,037
Corporate	Net Revenue	$ (11,303)	$ (11,195)
	Operating Expenses	7,975	37,563
	Operating Loss	$ (19,278)	$ (48,758)
Total	Net Revenue	$ 401,184	$ 480,528
	Operating Expenses	379,960	447,950
	Operating Income	$ 21,224	$ 32,578

(a) See Note 14 of Notes to Condensed Consolidated Financial Statements for information regarding the Cost Saving Initiatives, and the impact on each of the Company's business segments during the three month period ended March 31, 2013.

	As Of	
	March 31, 2013	December 31, 2012
Total Assets		
Financial Advisory	$ 703,961	$ 793,007
Asset Management	492,618	566,677
Corporate	1,593,427	1,688,696
Total	$2,790,006	$3,048,380

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

The following discussion should be read in conjunction with Lazard Group's condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q (the "Form 10-Q"), as well as Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") included in our Annual Report on Form 10-K for the year ended December 31, 2012 (the "Form 10-K"). All references to "2013", "2012", "first quarter" or "the period" refer to, as the context requires, the three month periods ended March 31, 2013 and March 31, 2012.

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

Management has included in Parts I and II of this Form 10-Q, including in its MD&A, 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," "target", "goal" 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, business plans and initiatives 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 Form 10-K under the caption "Risk Factors," including the following:

- a decline in general economic conditions or the global financial markets,
- a decline in overall mergers and acquisitions ("M&A") activity, our share of the M&A market or our assets under management ("AUM"),
- 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, and
- competitive pressure on our businesses and on our ability to retain and attract employees at current compensation levels.

These risks and uncertainties are not exhaustive. Other sections of the Form 10-K describe additional factors that could adversely affect our business and financial performance. Moreover, we operate 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 management 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 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 the:

- business' financial goals, including the ratio of awarded compensation and benefits expense to operating revenue,
- business' ability to deploy surplus cash through dividends, share repurchases and debt repurchases,

- business' ability to offset stockholder dilution through share repurchases,
- 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,
- future acquisitions, including the consideration to be paid and the timing of consummation,
- potential growth opportunities available to our businesses,
- recruitment and retention of our managing directors and employees,
- potential levels of compensation expense,
- business' potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts,
- likelihood of success and impact of litigation,
- expected tax rates,
- changes in interest and tax rates,
- expectations with respect to the economy, the securities markets, the market for mergers, acquisitions and strategic advisory and restructuring activity, the market for asset management activity and other macroeconomic and industry trends,
- effects of competition on our business, and
- impact of future legislation and regulation on our business.

The Company is committed to providing timely and accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, the Company uses its websites to convey information about our businesses, including the anticipated release of quarterly financial results, quarterly financial, statistical and business-related information, and the posting of updates of AUM in various mutual funds, hedge funds and other investment products managed by Lazard Asset Management LLC and its subsidiaries (collectively referred to as "LAM"). Investors can link to Lazard Ltd, Lazard Group and their operating company websites through *http://www.lazard.com.* Our websites and the information contained therein or connected thereto shall not be deemed to be incorporated into this Form 10-Q.

Business Summary

Lazard is one of the world's preeminent financial advisory and asset management firms. We have long specialized in crafting solutions to the complex financial and strategic challenges of a diverse set of clients around the world, including corporations, governments, institutions, partnerships and individuals. Founded in 1848 in New Orleans, we currently operate from 40 cities in key business and financial centers across 26 countries throughout Europe, North America, Asia, Australia, the Middle East and Central and South America.

Our primary business purpose is to serve our clients. Our deep roots in business centers around the world form a global network of relationships with key decision-makers in corporations, governments and investing institutions. This network is both a competitive strength and a powerful resource for Lazard and our clients. As a firm that competes on the quality of our advice, we have two fundamental assets: our people and our reputation.

We operate in cyclical businesses across multiple geographies, industries and asset classes. In recent years, we have expanded our geographic reach, bolstered our industry expertise and continued to build in growth areas. Companies, government bodies and investors seek independent advice with a geographic perspective, deep

understanding of capital structure, informed research and knowledge of global economic conditions. We believe that our business model as an independent advisor will continue to create opportunities for us to attract new clients and key personnel.

Our principal sources of revenue are derived from activities in the following business segments:

- Financial Advisory, which offers corporate, partnership, institutional, government, sovereign and individual clients across the globe a wide array of financial advisory services regarding M&A and other strategic matters, restructurings, capital structure, capital raising and various other financial matters, and
- Asset Management, which offers a broad range of global investment solutions and investment management services in equity and fixed income strategies, alternative investments and private equity funds to corporations, public funds, sovereign entities, endowments and foundations, labor funds, financial intermediaries and private clients.

In addition, we record selected other activities in our Corporate segment, including management of cash, investments and outstanding indebtedness, as well as certain commercial banking activities of Lazard Group's Paris-based Lazard Frères Banque SA ("LFB").

LFB is a registered bank regulated by the Autorité de Contrôle Prudentiel. It is engaged primarily in commercial and private banking services for clients and funds managed by Lazard Frères Gestion SAS ("LFG") and other clients, investment banking activities, including participation in underwritten offerings of securities in France, and asset-liability management.

Our consolidated net revenue was derived from the following segments:

	Three Months Ended March 31,	
	2013	2012
Financial Advisory	42%	58%
Asset Management	61	44
Corporate	(3)	(2)
Total	100%	100%

We also invest our own capital from time to time, generally alongside capital of qualified institutional and individual investors in alternative investments or private equity investments, and, since 2005, we have engaged in a number of alternative investments and private equity activities, including investments through (i) the Edgewater Funds ("Edgewater"), our Chicago-based private equity firm (see Note 10 of Notes to Condensed Consolidated Financial Statements), (ii) Lazard Australia Corporate Opportunities Fund 2 ("COF2"), a Lazard-managed Australian private equity fund targeting Australasian mid-market investments, (iii) a mezzanine fund, which invests in mezzanine debt of a diversified selection of small-to mid cap European companies and (iv) a private equity fund targeting significant non-controlling investments in established public and private companies. We may explore and discuss opportunities to expand the scope of our alternative investment and private equity activities in Europe, the U.S. and elsewhere. These opportunities could include internal growth of new funds and direct investments by us, partnerships or strategic relationships, investments with third parties or acquisitions of existing funds or management companies. Also, consistent with our obligations to LFCM Holdings LLC ("LFCM Holdings"), we may explore discrete capital markets opportunities.

Business Environment and Outlook

Economic and global financial market conditions can materially affect our financial performance. As described above, our principal sources of revenue are derived from activities in our Financial Advisory and Asset Management

business segments. As our Financial Advisory revenues are for the most part dependent on the successful completion of merger, acquisition, restructuring, capital raising or similar transactions, and our Asset Management revenues are primarily driven by the levels of AUM, weak economic and global financial market conditions can result in a challenging business environment for M&A and capital-raising activity as well as our Asset Management business, but may provide opportunities for our restructuring business.

Overall, equity market indices at March 31, 2013 generally increased in both the U.S., and outside the U.S., when compared to such indices at December 31, 2012. On an industry-wide basis, during the first quarter of 2013 the value of completed M&A transactions increased due to a few high value transactions, while the number of completed transactions decreased as compared to the same period last year. Restructuring volume and the number of corporate defaults also declined in the first quarter of 2013, as compared to the same period last year.

In early 2013, interest rates remain low and corporate cash balances remain high. Global macroeconomic conditions appear to be improving but remain uncertain, especially with respect to Europe. The breadth of our businesses has mitigated the impact of the European financial crisis. Although completed European M&A activity declined in the first quarter of 2013 and contributed to the revenue decrease in our Financial Advisory business, we believe other advisory opportunities, including opportunities for our Sovereign Advisory and Capital Raising businesses, may offset the slowdown. In our Asset Management business, most of LAM's European clients are invested with LAM primarily outside of Europe. Many of those who are invested in Europe are invested in European fixed income, which has not had a significant impact on our Asset Management business. Nonetheless, the business situation in Europe remains challenging.

We intend to leverage our existing infrastructure to capitalize on any global macroeconomic recovery, any upturn in the M&A cycle, and any momentum in the global equity markets. We expect to generate revenue growth by remaining adequately staffed to capitalize on any macroeconomic recovery and deploying our intellectual capital to generate new revenue streams. We also remain focused on expense management and, in October 2012, announced a number of cost saving initiatives (the "cost saving initiatives") relating to our operations. See "Cost Saving Initiatives" below and Note 14 of Notes to Condensed Consolidated Financial Statements.

Our outlook with respect to our Financial Advisory and Asset Management businesses is described below.

- ***Financial Advisory*** – In the near- to mid-term, we expect that the U.S. macroeconomic environment likely will be the strongest of the developed economies. Certain legal decisions in the U.S. reinforce the importance of independent advice, and the global scale and breadth of our Financial Advisory business allows us to advise on large, complex cross-border transactions across a variety of industries. We continue to develop our range of advisory capabilities, in particular in Europe, with our Sovereign Advisory, Restructuring and Capital Raising businesses. In addition, we believe our businesses throughout the emerging markets, Japan and Australia position us for growth in these markets, while strengthening and distinguishing our relationships with clients in developed economies. We recently integrated our Brazilian operations based in São Paulo. We also established the Lazard Africa initiative, to leverage our sovereign and corporate expertise in the rapidly growing region, for our clients in both developed and developing countries.
- ***Asset Management*** – Generally, we have recently seen increased investor demand across regions and investment platforms. In the short to intermediate term, we expect most of our growth will come from defined benefit and defined contribution plans in the developed economies because of their sheer scope and size. Over the longer term, we expect an increasing share of our AUM to come from the developing economies in Asia, Latin America and the Middle East, as their retirement systems evolve and individual wealth is increasingly deployed in the financial markets. Our global footprint is already well established in the developed economies and we expect our business in the developing economies will continue to expand. Given our globally diversified platform and our ability to provide investment solutions for a global mix of clients, we believe we are positioned to benefit from growth that may occur in the asset management industry. We recently extended the global footprint of our Asset

Management business by opening new offices in Zurich and Singapore. We are continually developing and seeding new investment strategies that extend our existing platforms. Recent examples of growth initiatives include the following investment strategies: Emerging Market Debt, Core Emerging Markets Equity, Real Estate, Managed Volatility Strategies, Asian Equities and Global Trend Equity.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge continuously, and it is not possible for our management to predict all risks and uncertainties, nor can we assess the impact of all potentially applicable 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. See the section entitled "Risk Factors" in our Form 10-K. Furthermore, net income and revenue 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.

Overall, we continue to focus on the development of our business, including the generation of stable revenue and earnings growth and stockholder returns, the prudent management of our costs and expenses, the efficient use of our assets and the return of equity to our members.

Certain data with respect to our Financial Advisory and Asset Management businesses are included below.

Financial Advisory

As reflected in the following table, which sets forth global industry statistics for the first quarter of 2013 and 2012, the value of completed and announced M&A transactions increased compared to the first quarter of 2012, primarily due to a few high value transactions, while the number of completed and announced transactions decreased.

	Three Months Ended March 31,		
	2013	2012	% Incr / (Decr)
	($ in billions)		
Global Completed M&A Transactions:			
Value	$ 499	$ 402	24%
Number	6,162	7,600	(19)%
Global Announced M&A Transactions:			
Value	$ 510	$ 478	7%
Number	8,403	9,545	(12)%

Source:Thomson Reuters as of April 9, 2013.

Global restructuring activity during the first quarter of 2013, as measured by the value of debt defaults, decreased from the corresponding period in 2012, with the number of issuers defaulting decreasing to 20 in the first quarter of 2013, according to Moody's Investors Service, Inc., as compared to 24 in the corresponding period of 2012.

Asset Management

As shown in the table below, major equity market indices at March 31, 2013 generally increased when compared to such indices at December 31 and March 31, 2012.

	Percentage Changes March 31, 2013 vs.	
	December 31, 2012	March 31, 2012
MSCI World Index	7%	10%
Euro Stoxx	–%	6%
MSCI Emerging Market	(2)%	–%
S&P 500	10%	11%

The fees that we receive for providing investment management and advisory services are primarily driven by the level of AUM and the nature of the AUM product mix. Accordingly, market movements, foreign currency volatility and changes in our AUM product mix will impact the level of revenues we receive from our Asset Management business when comparing periodic results. A substantial portion of our AUM is invested in equities, and market movements reflected in the changes in Lazard's AUM during the period generally correspond to the changes in global equity market indices. Our AUM at March 31, 2013 increased 3% versus AUM at December 31, 2012 primarily due to market appreciation, and our average AUM for the first quarter of 2013 increased 14% as compared to our average AUM for the corresponding period of 2012.

Cost Saving Initiatives

In October 2012, we announced cost saving initiatives that we expected to result in approximately $125 million in annual savings from the compensation and non-compensation cost base at that time. Implementation began in the fourth quarter of 2012, with the goal of completion by the end of the second quarter of 2013.

The cost saving initiatives are intended to improve our profitability with minimal impact on revenue growth. The initiatives include: streamlining our corporate structure and consolidating support functions; realigning our investments into areas with potential for the greatest long-term return; and creating greater flexibility to retain and attract the best people and invest in new growth areas.

Most of the cost saving initiatives have been completed. In the first quarter of 2013, associated implementation expenses were approximately $26 million, and in the fourth quarter of 2012, associated implementation expenses were approximately $103 million, for a total of approximately $129 million.

As planned, we expect implementation of the initiatives to be finished by the end of the second quarter of 2013, which we expect will include additional cost savings that we have identified. We anticipate that the ratio of these additional cost savings to expenses will approximate the ratio expected for the initiatives currently underway. We expect that the expenses in the second quarter that are associated with the additional savings will not exceed the level of first-quarter 2013 expenses. We believe the full impact of all the savings will be reflected in our 2014 results.

See Note 14 of Notes to Condensed Consolidated Financial Statements.

Financial Statement Overview

Net Revenue

The majority of Lazard's Financial Advisory net revenue historically has been earned from the successful completion of M&A transactions, strategic advisory matters, restructuring and capital structure advisory services, capital raising and similar transactions. The main drivers of Financial Advisory net revenue are overall M&A activity, the level of corporate debt defaults and the environment for capital raising activities, particularly in the industries and

geographic markets in which Lazard focuses. 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 clients, with such fees not being dependent on a specific transaction, and may also earn fees in connection with public and private securities offerings and for referring opportunities to LFCM Holdings for underwriting, distribution and placement of securities. The referral fees received from LFCM Holdings are generally one-half of the revenue recorded by LFCM Holdings in respect of such activities. Significant fluctuations in Financial Advisory net revenue can occur over the course of any given year, because a significant portion of such net revenue is earned upon the successful completion of a transaction, restructuring or capital raising activity, the timing of which is uncertain and is not subject to Lazard's control.

Lazard's Asset Management segment principally includes LAM, LFG and Edgewater. Asset Management net revenue is derived from fees for investment management and advisory services provided to clients. As noted above, the main driver of Asset Management net revenue is the level and product mix of AUM, which is generally influenced by the performance of the global equity markets and, to a lesser extent, fixed income markets, as well as Lazard's investment performance, which impacts its ability to successfully attract and retain assets. As a result, fluctuations (including timing thereof) in financial markets and client asset inflows and outflows have a direct effect on Asset Management net revenue and operating income. Asset Management fees are generally based on the level of AUM measured daily, monthly or quarterly, and an increase or reduction in AUM, due to market price fluctuations, currency fluctuations, changes in product mix, or net client asset flows will result in a corresponding increase or decrease in management fees. The majority of our investment advisory contracts are generally terminable at any time or on notice of 30 days or less. Institutional and individual clients, and firms with which we have strategic alliances, can terminate their relationship with us, reduce the aggregate amount of AUM or shift their funds to other types of accounts with different rate structures for a number of reasons, including investment performance, changes in prevailing interest rates and financial market performance. In addition, as Lazard's AUM includes significant amounts of assets that are denominated in currencies other than U.S. Dollars, changes in the value of the U.S. Dollar relative to foreign currencies will impact the value of Lazard's AUM. Fees vary with the type of assets managed and the vehicle in which they are managed, with higher fees earned on equity assets, alternative investment funds, such as hedge funds and private equity funds, and lower fees earned on fixed income and cash management products.

The Company earns performance-based incentive fees on various investment products, including traditional products and alternative investment funds, such as hedge funds and private equity funds.

For hedge funds, incentive fees are calculated based on a specified percentage of a fund's net appreciation, in some cases in excess of established benchmarks or thresholds. The Company records incentive fees on traditional products and hedge funds at the end of the relevant performance measurement period, when potential uncertainties regarding the ultimate realizable amounts have been determined. The incentive fee measurement period is generally an annual period (unless an account terminates during the year). The incentive fees received at the end of the measurement period are not subject to reversal or payback. Incentive fees on hedge funds generally are often subject to loss carryforward provisions in which losses incurred by the hedge funds in any year are applied against certain gains realized by the hedge funds in future periods before any incentive fees can be earned.

For private equity funds, incentive fees may be earned in the form of a "carried interest" if profits arising from realized investments exceed a specified threshold. Typically, such carried interest is ultimately calculated on a whole-fund basis and, therefore, clawback of carried interests during the life of the fund can occur. As a result, incentive fees earned on our private equity funds are not recognized until potential uncertainties regarding the ultimate realizable amounts have been determined, including any potential for clawback.

Corporate segment net revenue consists primarily of investment gains and losses on the Company's "seed investments" in LAM equity and fixed income funds, principal investments in equities and alternative investment funds and "equity method" investments, net hedging activities, as well as gains and losses on investments held in

connection with Lazard Fund Interests and on the extinguishment of debt (to the extent applicable), interest income and interest expense. Corporate net revenue also can fluctuate due to changes in the fair value of investments classified as "trading", as well as due to changes in interest and currency exchange rates and in the levels of cash, investments and indebtedness. The Company holds no "available-for-sale" or "held-to-maturity" investments.

Although Corporate segment net revenue during the first quarter of 2013 represented (3)% of Lazard's net revenue, total assets in the Corporate segment represented 57% of Lazard's consolidated total assets as of March 31, 2013, which is attributable to investments in government bonds and money market funds, fixed income funds, alternative investment funds and other securities, private equity investments, cash and assets associated with LFB.

Operating Expenses

The majority of Lazard's operating expenses relate to compensation and benefits for managing directors and employees. Our compensation and benefits expense includes (i) salaries and benefits, (ii) amortization of the relevant portion of previously granted deferred incentive compensation awards, including (a) share-based incentive compensation under the Lazard Ltd 2005 Equity Incentive Plan (the "2005 Plan") and the Lazard Ltd 2008 Incentive Compensation Plan (the "2008 Plan") and (b) Lazard Fund Interests awards and other similar deferred compensation arrangements (see Note 12 of Notes to Condensed Consolidated Financial Statements), (iii) a provision for discretionary or guaranteed cash bonuses and profit pools and (iv) when applicable, severance payments. Compensation expense in any given period is dependent on many factors, including general economic and market conditions, our operating and financial performance, staffing levels, competitive pay conditions and the nature of revenues earned, as well as the mix between current and deferred compensation.

For interim periods, we use "adjusted compensation and benefits expense" and the ratio of "adjusted compensation and benefits expense" to "operating revenue," both non-U.S. GAAP measures, for comparison of compensation and benefits expense between periods. For the reconciliations and calculations with respect to "adjusted compensation and benefits expense" and related ratios to "operating revenue," see the table under "Consolidated Results of Operations" below.

We believe that "awarded compensation and benefits expense" and the ratio of "awarded compensation and benefits expense" to "operating revenue," both non-U.S. GAAP measures, are the most appropriate measures to assess the actual annual cost of compensation and provide the most meaningful basis for comparison of compensation and benefits expense between present, historical and future years. "Awarded compensation and benefits expense" for a given year is calculated using "adjusted compensation and benefits expense," as modified by the following items:

- We deduct amortization expense recorded for U.S. GAAP purposes in each fiscal year associated with the vesting of deferred incentive compensation awards,
- We add (i) the grant date fair value of the deferred incentive compensation awards granted applicable to the relevant year-end compensation process (*e.g.* grant date fair value of deferred incentive awards granted in 2013, 2012 and 2011 related to the 2012, 2011 and 2010 year-end compensation processes, respectively) and (ii) investments in people (*e.g.* "sign-on" bonuses) and other special deferred incentive awards granted throughout the applicable year, with such amounts in (i) and (ii) reduced by an estimate of future forfeitures of such awards, and
- We adjust for year-end foreign exchange fluctuations.

Compensation and benefits expense is the largest component of our operating expenses. Our goal is for awarded compensation and benefits expense to rise at a slower rate than operating revenue growth, and if operating revenue declines, awarded compensation and benefits expense should also decline. In addition, we seek to maintain discipline with respect to the rate at which we award deferred compensation. Based on a similar level and mix of revenues from our business as in 2012 and a gradual improvement in the macroeconomic environment, we believe that over the cycle we can attain a ratio of awarded compensation and benefits expense

to operating revenue in the mid-to-high-50s percentage range, which compares to 59.3% for the year ended December 31, 2012. While we have begun to implement initiatives, including the cost saving initiatives announced in October 2012 (see "Cost Saving Initiatives" above) that we believe will assist us in attaining a ratio within this range, there can be no guarantee that such a ratio will be attained or that our policies or initiatives will not change in the future. We may benefit from pressure on compensation costs within the financial services industry in future periods; however, increased competition for senior professionals, changes in the macroeconomic environment or the financial markets generally, lower operating revenue, changes in the mix of revenues from our businesses or various other factors could prevent us from attaining this goal.

Lazard's operating expenses also include "non-compensation expense" (which includes costs for occupancy and equipment, marketing and business development, technology and information services, professional services, fund administration and outsourced services and other expenses), amortization of intangible assets related to acquisitions and (i) in the 2012 period, the relevant portion of the expense relating to the first quarter 2012 staff reductions and (ii) in the 2013 period, the relevant portion of the expense relating to the implementation of the cost saving initiatives. Amortization of intangible assets relates primarily to the acquisition of Edgewater.

Provision for Income Taxes

Lazard Group primarily operates in the U.S. as a limited liability company that is treated as a partnership for U.S. federal income tax purposes. As a result, Lazard Group's income pertaining to the limited liability company is not subject to U.S. federal income taxes because taxes associated with such income represent obligations of the individual partners. Outside the U.S., Lazard Group operates principally through corporations and is subject to local income taxes. Income taxes shown on Lazard's consolidated statements of operations are principally related to non-U.S. entities and to New York City Unincorporated Business Tax ("UBT") attributable to Lazard's operations apportioned to New York City.

Noncontrolling Interests

Noncontrolling interests primarily relate to the amount attributable to Edgewater's management vehicles that the Company is deemed to control but not own. See Note 11 of Notes to Condensed Consolidated Financial Statements for information regarding the Company's noncontrolling interests.

Consolidated Results of Operations

Lazard's consolidated financial statements are presented in U.S. Dollars. Many of our 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 using exchange rates as of the respective balance sheet date, while revenue and expenses are translated at average exchange rates during the respective periods based on the daily closing exchange rates. 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 operations.

The condensed consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Selected financial data from the Company's reported condensed consolidated results of operations is set forth below, followed by a more detailed discussion of both the consolidated and business segment results.

	Three Months Ended March 31,	
	2013	2012
	($ in thousands)	
Net Revenue	$401,184	$480,528
Operating Expenses:		
Compensation and benefits	277,726	338,303
Non-compensation	101,357	108,529
Amortization of intangible assets related to acquisitions	877	1,118
Total operating expenses	379,960	447,950
Operating Income	21,224	32,578
Provision for income taxes	3,022	4,834
Net Income	18,202	27,744
Less – Net Income Attributable to Noncontrolling Interests	2,097	2,179
Net Income Attributable to Lazard Group	$ 16,105	$ 25,565
Operating Income, As A % Of Net Revenue	5.3%	6.8%

The tables below describe the components of operating revenue, adjusted compensation and benefits expense, adjusted non-compensation expense, earnings from operations and related key ratios, which are non-U.S. GAAP measures used by the Company to manage its business. We believe such non-U.S. GAAP measures provide the most meaningful basis for comparison between present, historical and future periods, as described above.

	Three Months Ended March 31,	
	2013	2012
	($ in thousands)	
Operating Revenue		
Net revenue	$401,184	$480,528
Add (deduct):		
Other interest expense (a)	21,887	22,114
Revenue related to noncontrolling interests (b)	(4,322)	(4,439)
Gains on investments pertaining to Lazard Fund Interests (c)	(3,725)	(2,767)
Operating revenue	$415,024	$495,436

(a) Interest expense (excluding interest expense incurred by LFB) is added back in determining operating revenue because such expense is not considered to be a cost directly related to the revenue of our business.

(b) Revenue related to the consolidation of noncontrolling interests is excluded from operating revenue because the Company has no economic interest in such amount.

(c) Changes in the fair value of investments held in connection with Lazard Fund Interests and other similar deferred compensation arrangements that correspond to changes in the value of the related compensation liability, which is recorded within compensation and benefit expense, are excluded.

	Three Months Ended March 31,	
	2013	2012
	($ in thousands)	
Adjusted Compensation and Benefits Expense		
Total compensation and benefits expense	$277,726	$338,303
Deduct:		
Noncontrolling interests (a)	(1,121)	(1,080)
Charges pertaining to Lazard Fund Interests (b)	(3,725)	(2,767)
Costs related to staff reductions (c)	–	(21,754)
Cost saving initiatives (c)	(24,671)	–
Adjusted compensation and benefits expense	$248,209	$312,702
Adjusted compensation and benefits expense, as a % of Operating Revenue	59.8%	63.1%

(a) Expenses related to the consolidation of noncontrolling interests are excluded because, as is the case with operating revenue, Lazard has no economic interest in such amounts.

(b) Changes in fair value of the derivative compensation liability recorded in connection with Lazard Fund Interests and other similar deferred compensation arrangements are excluded because such amounts correspond to the changes in the fair value of the underlying investments which are excluded from operating revenue.

(c) Represents expenses related to the first quarter 2012 staff reductions and the cost saving initiatives announced by the Company in the fourth quarter of 2012 for (i) severance costs and benefit payments and (ii) the acceleration of unrecognized amortization expense of deferred incentive compensation previously granted to individuals whose employment was being terminated.

	Three Months Ended March 31,	
	2013	2012
	($ in thousands)	
Adjusted Non-Compensation Expense		
Total non-compensation expense	$101,357	$108,529
Deduct:		
Noncontrolling interests (a)	(458)	(641)
Costs related to staff reductions (b)	–	(2,905)
Cost saving initiatives (b)	(1,651)	–
Adjusted non-compensation expense	$ 99,248	$104,983
Adjusted non-compensation expense, as a % of Operating Revenue	23.9%	21.2%

(a) Expenses related to the consolidation of noncontrolling interests are excluded because, as is the case with operating revenue, the Company has no economic interest in such amounts.

(b) Non-compensation costs associated with the first quarter 2012 staff reductions and the cost saving initiatives are excluded to enhance comparability of adjusted non-compensation expense between present, historical and future periods.

	Three Months Ended March 31,	
	2013	2012
	($ in thousands)	
Earnings From Operations		
Operating revenue	$ 415,024	$ 495,436
Deduct:		
Adjusted compensation and benefits expense	(248,209)	(312,702)
Adjusted non-compensation expense	(99,248)	(104,983)
Earnings from operations	$ 67,567	$ 77,751
Earnings from operations, as a % of Operating Revenue	16.3%	15.7%

Certain additional key ratios and headcount information are set forth below:

	Three Months Ended March 31,	
	2013	2012
As a % of Net Revenue, by Revenue Category:		
Investment banking and other advisory fees	42%	57%
Money management fees	58	43
Interest income	1	1
Other	5	4
Interest expense	(6)	(5)
Net Revenue	100%	100%

	As Of		
	March 31, 2013(a)	December 31, 2012(a)	March 31, 2012
Headcount:			
Managing Directors:			
Financial Advisory	146	151	149
Asset Management	76	75	79
Corporate	15	14	13
Other Employees:			
Business segment professionals	1,097	1,108	1,085
All other professionals and support staff	1,132	1,165	1,204
Total	2,466	2,513	2,530

(a) The full impact of recent headcount reductions relating to the cost saving initiatives will not be reflected until later in 2013, which impact could be offset in part by investments.

Operating Results

The Company's quarterly revenue and profits can fluctuate materially depending on the number, size and timing of completed transactions on which it advised, as well as seasonality, the performance of equity markets and other factors. Accordingly, the revenue and profits in any particular quarter may not be indicative of future results. Lazard management believes that annual results are the most meaningful basis for comparison among present, historical and future periods.

Three Months Ended March 31, 2013 versus March 31, 2012

The Company reported net income attributable to Lazard Group in the 2013 period of $16 million, as compared to net income of $26 million in the 2012 period. The changes in the Company's operating results during these periods are described below.

Net revenue in the 2013 period decreased $79 million, or 17%, with operating revenue decreasing $80 million, or 16%, as compared to the 2012 period. Fee revenue from investment banking and other advisory activities decreased $105 million, or 39%, primarily due to decreases in M&A and Other Advisory fees and Restructuring fees. The decrease in M&A and Other Advisory fee revenue was primarily due to market conditions, significant fees earned in the 2012 period related to our sovereign advisory and middle market businesses and the timing of transaction closings. The decline in Restructuring revenue reflected high first-quarter 2012 revenue, which was driven by the closings of several large assignments in that period, as well as the industry-wide low level of corporate restructuring activity. Money management fees, including incentive fees, increased $27 million, or 13%, principally reflecting a $20 billion, or 14%, increase in average AUM as compared to the 2012 period. In the aggregate, interest income, other revenue and interest expense was substantially unchanged as compared to the 2012 period, as lower investment gains in the 2013 period were offset by a loss in the 2012 period on the sale of an intercompany receivable to a subsidiary of Lazard Ltd.

Compensation and benefits expense in the 2013 period decreased $61 million, or 18%, compared to the 2012 period. Factors contributing to the decrease included lower compensation costs driven by the decline in operating revenue, lower headcount in the 2013 period and reduced amortization expense associated with deferred incentive compensation awards related to 2008 deferred compensation (the "2008 grant"). The 2008 grant had a comparatively longer, four year vesting period and was fully vested as of March 1, 2013. Compensation and benefits expense in the 2013 period also included a $24 million charge related to cost saving initiatives, as compared to a $22 million charge in the 2012 period related to the staff reductions.

Adjusted compensation and benefits expense (which excludes certain items and which we believe allows for improved comparability between interim periods as described above), was $248 million in the 2013 period, a decrease of $65 million, or 21%, when compared to $313 million in the 2012 period. The ratio of adjusted compensation and benefits expense to operating revenue was reduced to 59.8% for the 2013 period, as compared to 63.1% for the 2012 period. The first quarter 2013 ratio of adjusted compensation and benefits expense to operating revenue assumed, based on current market conditions, a ratio of awarded compensation and benefits expense to operating revenue of approximately 58.5% for the full year of 2013, as compared to 59.3% for the full year of 2012. As described above, when analyzing compensation and benefits expense on a full year basis, we believe that awarded compensation and benefits expense provides the most meaningful basis for comparison of compensation and benefits expense between present, historical and future years.

We currently expect that amortization of deferred incentive compensation awards will approximate $307 million for the full year of 2013, a decrease of $28 million as compared to $335 million for the year ended December 31, 2012. The expected reduction is primarily related to the full vesting of the 2008 grant in early 2013.

Non-compensation expense in the 2013 period decreased $7 million, or 7%, as compared to the 2012 period. Non-compensation expense in the 2013 period included a first quarter charge of $2 million related to the cost saving initiatives and, in the first quarter 2012, a charge of $3 million associated with the staff reductions. When excluding such charges, as well as non-compensation costs relating to noncontrolling interests, adjusted non-compensation expense in the 2013 period decreased $6 million, or 5%, primarily attributable to decreases in (i) marketing and business development expense associated with lower expenses for travel and (ii) deal-related costs, which were higher in the first quarter of 2012 as a result of transactions that closed in that period. Such decreases were partially offset by increased investments in technology and higher occupancy costs related to the amended lease and build-out of our Rockefeller Center facility. The ratio of adjusted non-compensation expense to operating revenue was 23.9% in the 2013 period versus 21.2% in the 2012 period, with the higher ratio in the 2013 period primarily attributable to lower operating revenue in the 2013 period compared to the 2012 period.

Amortization of intangible assets was substantially unchanged, as compared to the 2012 period.

Operating income in the 2013 period (including the $26 million charge described above relating to the cost saving initiatives) decreased $11 million, or 35%, as compared to operating income in the 2012 period (including the $25 million charge described above relating to the staff reductions). Operating income, as a percentage of net revenue, was 5.3%, as compared to 6.8% in the 2012 period.

Earnings from operations decreased $10 million, or 13%, when compared to the 2012 period, and, as a percentage of operating revenue, was 16.3% in the 2013 period, as compared to 15.7% in the 2012 period.

The provision for income taxes decreased $2 million, or 37%, when compared to the 2012 period, and reflected an effective tax rate of 14.2%, as compared to 14.8% for the 2012 period. The decrease in the effective tax rate is primarily reflective of the change in the geographic mix of earnings.

Net income attributable to noncontrolling interests remained substantially unchanged when compared to the 2012 period.

Business Segments

The following is a discussion of net revenue and operating income for the Company's segments - Financial Advisory, Asset Management and Corporate. Each segment's operating expenses include (i) compensation and benefits expenses that are incurred directly in support of the segment and (ii) other operating expenses, which include directly incurred expenses for occupancy and equipment, marketing and business development, technology and information services, professional services, fund administration and outsourcing, and indirect support costs (including compensation and benefits expense 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 revenue, headcount, square footage and other factors.

Financial Advisory

The following tables summarize the reported operating results attributable to the Financial Advisory segment:

	Three Months Ended March 31,	
	2013	2012
	($ in thousands)	
M&A and Other Advisory	$120,756	$192,611
Capital Raising	14,686	14,370
Total Strategic Advisory	135,442	206,981
Restructuring	33,020	70,215
Net Revenue	168,462	277,196
Operating Expenses(a)	216,908	249,897
Operating Income (Loss)	$ (48,446)	$ 27,299
Operating Income (Loss), As A Percentage Of Net Revenue	(28.8)%	9.8%

(a) In 2013, includes $22,015 associated with the implementation of the cost saving initiatives. Both periods include indirect support costs (including compensation and benefits expense and other operating expenses related thereto).

Net revenue trends in Financial Advisory for M&A and Other Advisory and Restructuring are generally correlated to the volume of completed industry-wide M&A transactions and restructuring transactions 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, our results can diverge from industry-wide activity where there are material variances from the level of industry-wide M&A activity in a particular market where Lazard has significant market share, or regarding the relative number of our advisory engagements with respect to larger-sized transactions, and where we are involved in non-public or sovereign advisory assignments. For example, the industry statistics for global M&A transactions described above reflect a 24% increase in the value of closings in the 2013 period as compared to the 2012 period, which was driven by a few high value transactions in the 2013 period, while the number of closings in the 2013 period decreased 19% as compared to the 2012 period. Our M&A and Other Advisory revenue (which includes Sovereign and Government Advisory revenue) decreased 37% in the 2013 period as compared to the 2012 period.

Certain Lazard fee and transaction statistics are set forth below:

	Three Months Ended March 31,	
	2013	2012
Lazard Statistics:		
Number of Clients With Fees Greater Than $1 Million:		
Total Financial Advisory	44	64
M&A and Other Advisory	36	50
Percentage of total Financial Advisory net revenue from top 10 clients	34%	41%
Number of M&A transactions completed with values greater than $1 billion (a)	8	12

(a) Source: Thomson Reuters as of April 9, 2013.

The geographical distribution of Financial Advisory net revenue is set forth below in percentage terms and is based on the Lazard offices that generate Financial Advisory net revenue, which are located in the U.S., Europe (primarily in the U.K., France, Italy, Spain and Germany) and the rest of the world (primarily in Australia) and therefore may not be reflective of the geography in which the clients are located.

	Three Months Ended March 31,	
	2013	2012
United States	60%	55%
Europe	33	41
Rest of World	7	4
Total	100%	100%

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

Financial Advisory Results of Operations

Financial Advisory's quarterly revenue and profits can fluctuate materially depending on the number, size and timing of completed transactions on which it advised, as well as seasonality and other factors. Accordingly, the revenue and profits in any particular quarter or period may not be indicative of future results. Lazard management believes that annual results are the most meaningful basis for comparison among present, historical and future periods.

Three Months Ended March 31, 2013 versus March 31, 2012

Total Strategic Advisory net revenue, representing fees from M&A and Other Advisory and Capital Raising businesses, decreased $71 million, or 35%, and Restructuring revenue decreased $37 million, or 53%, as compared to the 2012 period.

M&A and Other Advisory revenue decreased $72 million, or 37%, with Capital Raising revenue substantially unchanged as compared to the 2012 period. The decrease in M&A and Other Advisory revenue was primarily due to market conditions, significant fees earned in the 2012 period related to our sovereign advisory and middle markets businesses and the timing of transaction closings. Our major clients, which in the aggregate represented a significant portion of our M&A and Other Advisory revenue for the first quarter of 2013, included Axtel S.A.B. de C.V, Cerberus Capital Management, EADS, Paradigm Precision, PPG Industries, Principal Financial Group, Sportingbet, Unilever and United Technologies.

Restructuring revenue is derived from various activities including bankruptcy assignments, global debt and financing restructurings, distressed asset sales and advice on complex on- and off-balance sheet assignments. The decline in Restructuring revenue reflected high first-quarter 2012 revenue, which was driven by the closings of several large assignments. The decrease in Restructuring revenue in the 2013 period was generally in line with the continued industry-wide low level of corporate restructuring activity. Notable assignments completed in the 2013 period included assignments for A123 Systems, Eastman Kodak, Mediannuaire Holding, Indianapolis Downs and Italtel.

Operating expenses decreased $33 million, or 13%, as compared to the 2012 period. The primary contributors to the decrease were a reduction in amortization expense associated with the 2008 grant and lower levels of compensation and benefits expense as a result of the decrease in revenue, as well as headcount reductions related to the cost saving initiatives, lower deal-related costs, which were higher in the first quarter of 2012 as a result of transactions that closed in that period, and lower expenses for travel and market data. Such decreases were partially offset by a $22 million charge in the 2013 period related to the cost saving initiatives and higher occupancy costs related to the amended lease and build-out of our Rockefeller Center facility.

Financial Advisory operating loss in the 2013 period was $48 million (including the impact of the $22 million charge related to the cost saving initiatives), a decrease of $75 million as compared to operating income of $27 million in the 2012 period and, as a percentage of net revenue, was (28.8)% as compared to 9.8% in the 2012 period. Excluding the impact of such charge in the 2013 period, operating loss in the 2013 period was $26 million, a decrease of $54 million, as compared to operating income in the 2012 period.

Asset Management

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

	As of	
	March 31, 2013	December 31, 2012
	($ in millions)	
AUM:		
International Equities	$ 39,871	$ 35,919
Global Equities	82,856	82,094
U.S. Equities	20,075	20,158
Total Equities	142,802	138,171
European and International Fixed Income	16,587	16,140
Global Fixed Income	2,938	3,011
U.S. Fixed Income	3,605	3,567
Total Fixed Income	23,130	22,718
Alternative Investments	4,591	4,600
Private Equity	1,301	1,398
Cash Management	141	173
Total AUM	$171,965	$ 167,060

Average AUM for the 2013 and 2012 periods is set forth below. Average AUM is generally based on an average of quarterly ending balances for the respective periods.

	Three Months Ended March 31,	
	2013	2012
	($ in millions)	
Average AUM	$ 170,665	$ 150,315

Total AUM at March 31, 2013 increased $5 billion, or 3%, as compared to total AUM of $167 billion at December 31, 2012, primarily due to market appreciation. Average AUM for the three month period ended March 31, 2013 was 14% higher than that for the three month period ended March 31, 2012. International, Global and U.S. equities represented 23%, 48% and 12% of total AUM at March 31, 2013, substantially unchanged from the respective percentages at December 31, 2012.

As of March 31, 2013, approximately 90% of our AUM was managed on behalf of institutional clients, including corporations, labor unions, public pension funds, insurance companies and banks, and through sub-advisory relationships, mutual fund sponsors, broker-dealers and registered advisors, and approximately 10% of our AUM was managed on behalf of individual client relationships, which are principally with family offices and individuals, and was substantially unchanged from the corresponding percentages at December 31, 2012.

As of March 31, 2013, AUM denominated in foreign currencies represented approximately 63% of our total AUM, substantially unchanged from the corresponding percentage at December 31, 2012. Foreign denominated AUM generally declines in value with the strengthening of the U.S. Dollar and increases in value as the U.S. Dollar weakens.

The following is a summary of changes in AUM for the 2013 and 2012 periods:

	Three Months Ended March 31,	
	2013	2012
	($ in millions)	
AUM—Beginning of Period	$167,060	$141,039
Net Flows (a)	(995)	(162)
Market and Foreign Exchange Appreciation	5,900	15,831
AUM—End of Period	$171,965	$156,708

(a) Includes inflows of $9,092 and $5,308 and outflows of $10,087 and $5,470 for the 2013 and 2012 periods, respectively.

During the 2013 period, most of the inflows were attributable to Global, International and Emerging Market Equities and Emerging Markets Debt products, primarily due to increased investments in existing accounts. Most of the outflows in the 2013 period were attributable to Global Thematic, Emerging Markets and U.S. Equity products, due to withdrawals from existing accounts and accounts lost.

As of April 23, 2013, AUM was $171 billion, a $1 billion decrease since March 31, 2013. The decrease in AUM was due net outflows of $2 billion, partially offset by market and foreign exchange appreciation of $1 billion.

The following table summarizes the reported operating results attributable to the Asset Management segment:

	Three Months Ended March 31,	
	2013	2012
	($ in thousands)	
Revenue:		
Management Fees	$219,992	$199,860
Incentive Fees	8,794	2,596
Other Income	15,239	12,071
Net Revenue	244,025	214,527
Operating Expenses(a)	155,077	160,490
Operating Income	$ 88,948	$ 54,037
Operating Income, As A Percentage of Net Revenue	36.5%	25.2%

(a) In 2013, includes $235 associated with the implementation of the cost saving initiatives. Both periods include indirect support costs (including compensation and benefits expense and other operating expenses related thereto).

The geographical distribution of Asset Management net revenue is set forth below in percentage terms, and is based on the Lazard offices that manage and distribute the respective AUM amounts. Such geographical distribution may not be reflective of the geography of the investment products or clients.

	Three Months Ended March 31,	
	2013	2012
United States	52%	62%
Europe	35	26
Rest of World	13	12
Total	100%	100%

Asset Management Results of Operations

Asset Management's quarterly revenue and profits in any particular quarter or period may not be indicative of future results and may fluctuate based on the performance of the equity and other capital markets. Lazard management believes that annual results are the most meaningful basis for comparison among present, historical and future periods.

Three Months Ended March 31, 2013 versus March 31, 2012

Asset Management net revenue increased $29 million, or 14%, as compared to the 2012 period. Management fees increased $20 million, or 10%, as compared to the 2012 period, reflecting a $20 billion, or 14%, increase in average AUM. Incentive fees increased $6 million, as compared to the 2012 period, primarily due to fees related to traditional investment products. Other revenue increased $3 million, or 26%, as compared to the 2012 period, primarily due to higher commissions as a result of increased market activity.

Operating expenses decreased $5 million, or 3%, as compared to the 2012 period, primarily due to a decrease in compensation and benefits expense.

Asset Management operating income in the 2013 period was $89 million, an increase of $35 million, or 65%, compared to operating income of $54 million in the 2012 period and, as a percentage of net revenue, was 36.5%, compared to 25.2% in the 2012 period.

Corporate

The following table summarizes the reported operating results attributable to the Corporate segment:

	Three Months Ended March 31,	
	2013	2012
	($ in thousands)	
Interest Income	$ 2,259	$ 3,210
Interest Expense	(22,190)	(22,620)
Net Interest (Expense)	(19,931)	(19,410)
Other Revenue	8,628	8,215
Net Revenue (Expense)	(11,303)	(11,195)
Operating Expenses (a)	7,975	37,563
Operating Loss	$(19,278)	$(48,758)

(a) Includes (i) in 2013, $4,072 associated with the implementation of the cost saving initiatives and (ii) in 2012, $24,659 relating to the staff reductions.

Corporate Results of Operations

Corporate operating results in any particular quarter or period may not be indicative of future results and may fluctuate based on a variety of factors. Lazard management believes that annual results are the most meaningful basis for comparison among present, historical and future periods.

Three Months Ended March 31, 2013 versus March 31, 2012

Net interest expense was substantially unchanged as compared to the 2012 period.

Other revenue was substantially unchanged as compared to the 2012 period, as lower investment gains in the 2013 period were offset by a loss in the 2012 period on the sale of an intercompany receivable to a subsidiary of Lazard Ltd.

Operating expenses in the 2013 period decreased $30 million, or 79%, compared to the 2012 period. The 2013 period included a charge of $4 million associated with the cost saving initiatives, while the 2012 period included a charge of $25 million related to staff reductions. Excluding the impact of such charges, operating expenses in the 2013 period decreased $9 million, or 70%, as compared to the 2012 period, primarily due to lower compensation and benefits expense as a result of the decrease in revenue, as well as headcount reductions relating to the cost saving initiatives, partially offset by increased investments in technology.

Cash Flows

The Company's cash flows are influenced primarily by the timing of the receipt of Financial Advisory and Asset Management fees, the timing of distributions to members, payments of incentive compensation to managing directors and employees and purchases of Class A common stock. M&A, Other Advisory, and Asset Management fees are generally collected within 60 days of billing, while Restructuring fee collections may extend beyond 60 days, particularly those that involve bankruptcies with court-ordered holdbacks. Fees from our Private Fund Advisory activities are generally collected over a four-year period from billing and typically include an interest component.

The Company makes cash payments for, or in respect of, a significant portion of its incentive compensation during the first three months of each calendar year with respect to the prior year's results. In addition, during the first quarter of 2013, the Company made cash payments, including severance payments, associated with the cost saving initiatives (see "Cost Saving Initiatives" above and Note 14 of Notes to Condensed Consolidated Financial Statements), and possible additional cash payments are expected in the second quarter of 2013.

Summary of Cash Flows:

	Three Months Ended March 31,	
	2013	2012
	($ in millions)	
Cash Provided By (Used In):		
Operating activities:		
Net income	$ 18.2	$ 27.7
Noncash charges (a)	97.0	107.6
Other operating activities (b)	(189.6)	(234.3)
Net cash used in operating activities	(74.4)	(99.0)
Investing activities	(26.6)	(25.2)
Financing activities (c)	(148.5)	(28.3)
Effect of exchange rate changes	(15.9)	8.0
Net Decrease in Cash and Cash Equivalents	(265.4)	(144.5)
Cash and Cash Equivalents:		
Beginning of Period	845.5	821.0
End of Period	$ 580.1	$ 676.5

(a) Consists of the following:

Depreciation and amortization of property	$ 8.1	$ 7.0
Amortization of deferred expenses, stock units and interest rate hedge	88.0	93.9
Amortization of intangible assets related to acquisitions	0.9	1.1
Loss on sale of intercompany receivable	–	5.6
Total	$ 97.0	$ 107.6

(b) Includes net changes in operating assets and liabilities.

(c) Consists primarily of purchases of shares of Class A common stock, settlements of vested restricted stock units (“RSUs”), distributions to members and noncontrolling interest holders and, in the 2012 period, proceeds from the sale of an intercompany receivable to a subsidiary of Lazard Ltd.

Liquidity and Capital Resources

The Company’s liquidity and capital resources are derived from operating activities, financing activities and equity offerings.

Operating Activities

Net revenue, operating income and cash receipts fluctuate significantly between quarters. In the case of Financial Advisory, fee receipts are generally dependent upon the successful completion of client transactions, the occurrence and timing of which is irregular and not subject to Lazard’s control.

Liquidity is significantly impacted by cash payments for, or in respect of, incentive compensation, a significant portion of which are made during the first three months of the year. As a consequence, cash on hand generally declines in the beginning of the year and gradually builds over the remainder of the year. We also pay certain tax advances during the year on behalf of our managing directors, which serve to reduce their respective incentive compensation payments. We expect this seasonal pattern of cash flow to continue. We expect liquidity also to be impacted by cash payments, including severance payments, associated with the cost saving initiatives (see “Cost Saving Initiatives” above and Note 14 of Notes to Condensed Consolidated Financial Statements), including possible additional cash payments during the second quarter of 2013.

Lazard's consolidated financial statements are presented in U.S. Dollars. Many of Lazard'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 such subsidiaries are domiciled. Such subsidiaries' assets and liabilities are translated into U.S. Dollars at the respective balance sheet date exchange rates, while revenue and expenses are translated at average exchange rates during the year based on the daily closing exchange rates. 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 on the consolidated statements of operations.

We regularly monitor our liquidity position, including cash levels, credit lines, principal investment commitments, interest and principal payments on debt, capital expenditures, purchases of shares of Class A common stock and Lazard Group common membership interests and matters relating to liquidity and to compliance with regulatory net capital requirements. At March 31, 2013, Lazard had approximately $580 million of cash, with such amount including approximately $300 million held at Lazard's operations outside the U.S.. Since Lazard provides for U.S. income taxes on substantially all of its unrepatriated foreign earnings, no material amount of additional U.S. income taxes would be recognized upon receipt of dividends or distributions of such earnings from its foreign operations.

We maintain lines of credit in excess of anticipated liquidity requirements. As of March 31, 2013, Lazard had approximately $274 million in unused lines of credit available to it, including a $150 million, three-year, senior revolving credit facility with a group of lenders that expires in September 2015 (the "Credit Facility") (see "—Financing Activities" below) and unused lines of credit available to LFB of approximately $64 million (at March 31, 2013 exchange rates) and Edgewater of $55 million. In addition, LFB has access to the Eurosystem Covered Bond Purchase Program of the Banque de France.

The Credit Facility contains customary terms and conditions, including limitations on consolidations, mergers, indebtedness and certain payments, as well as financial condition covenants relating to leverage and interest coverage ratios. Lazard Group's obligations under the Credit Facility may be accelerated upon customary events of default, including non-payment of principal or interest, breaches of covenants, cross-defaults to other material debt, a change in control and specified bankruptcy events.

Financing Activities

The table below sets forth our corporate indebtedness as of March 31, 2013 and December 31, 2012. The agreements with respect to this indebtedness are discussed in more detail in our condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q and in our Form 10-K.

	Maturity Date	As of March 31, 2013	As of December 31, 2012	Increase (Decrease)
			($ in millions)	
Senior Debt:				
7.125%	2015	$ 528.5	$ 528.5	$ –
6.85%	2017	548.4	548.4	–
Total Senior Debt		$1,076.9	$ 1,076.9	$ –

Lazard's annual cash flow generated from operations historically has been sufficient to enable it to meet its annual obligations. Lazard has not drawn on its Credit Facility and prior revolving credit facility since June 30, 2006. We believe that our cash flows from operating activities, along with the use of our credit lines as needed, should be sufficient for us to fund our current obligations for the next 12 months and beyond.

As long as the lenders' commitments remain in effect, any loan pursuant to the Credit Facility remains outstanding and unpaid or any other amount is owing to the lending bank group, the Credit Facility includes financial covenants that require that Lazard Group not permit (i) its Consolidated Leverage Ratio (as defined in the Credit Facility) for the 12-month period ending on the last day of any fiscal quarter to be greater than 4.00 to 1.00 or (ii) its Consolidated Interest Coverage Ratio (as defined in the Credit Facility) for the 12-month period ending on the last day of any fiscal quarter to be less than 3.00 to 1.00. For the 12-month period ended March 31, 2013, Lazard Group was in compliance with such ratios, with its Consolidated Leverage Ratio being 1.89 to 1.00 and its Consolidated Interest Coverage Ratio being 8.11 to 1.00. In any event, no amounts were outstanding under the Credit Facility as of March 31, 2013.

In addition, the Credit Facility, indenture and supplemental indentures relating to Lazard Group's senior notes contain certain other covenants (none of which relate to financial condition), events of default and other customary provisions. At March 31, 2013, the Company was in compliance with all of these provisions. We may, to the extent required and subject to restrictions contained in our financing arrangements, use other financing sources, which may cause us to be subject to additional restrictions or covenants.

See Note 9 of Notes to Condensed Consolidated Financial Statements for additional information regarding senior debt.

Members' Equity

At March 31, 2013, total members' equity was $455 million, as compared to $529 million at December 31, 2012, including $380 million and $453 million attributable to Lazard Group on the respective dates. The net activity in members' equity during the three month period ended March 31, 2013 is reflected in the table below (in millions of dollars):

Members' Equity—January 1, 2013	$ 529
Increase (decrease) due to:	
Net income	18
Amortization of share-based incentive compensation	71
Purchase of Class A common stock	(30)
Delivery of Class A common stock in connection with share-based incentive compensation and related tax benefit of $0.9	(116)
Distributions to noncontrolling interests, net	(3)
AOCI (including noncontrolling interests' portion thereof)(a)	(14)
Members' Equity—March 31, 2013	$ 455

(a) Includes:

Net foreign currency translation adjustments	$ (12)
Employee benefit plans and other adjustments	(2)
Total	$ (14)

In February 2011, October 2011, April 2012 and October 2012 the Board of Directors of Lazard Ltd authorized the repurchase of up to $250 million, $125 million, $125 million and $200 million, respectively, in aggregate cost of Class A common stock and Lazard Group common membership interests through December 31, 2012, December 31, 2013, December 31, 2013 and December 31, 2014, respectively. The Company's prior share repurchase authorizations expired on December 31, 2009 and December 31, 2011, respectively. During the three month period ended March 31, 2013 Lazard Group repurchased 831,157 shares of Class A common stock, at an aggregate cost of $30 million (no Lazard Group common membership interests were purchased during such three month period). Furthermore, in order to help offset the dilutive effect of our share-based incentive compensation plans, during a given year Lazard intends to repurchase at least as many shares as it expects to

ultimately issue pursuant to such plans in respect of year-end incentive compensation attributable to the prior year.

As of March 31, 2013, $124 million of the current share repurchase amount authorized as of such date remained available under the share repurchase program, all of which expires on December 31, 2014.

Under the terms of the 2005 Plan and the 2008 Plan, upon the vesting of RSUs, performance-based restricted stock units ("PRSUs") and delivery of restricted Class A common stock, shares of Class A common stock may be withheld by the Company to meet the minimum statutory tax withholding requirements. In that regard, during the three month period ended March 31, 2013, the Company withheld $117 million to satisfy its withholding tax obligations for certain employees on vested RSUs and delivery of restricted Class A common stock in lieu of issuing 3,243,593 shares of Class A common stock.

The Company plans to continue to deploy excess cash and may do so in a variety of ways, including by repurchasing outstanding shares of Class A common stock, paying dividends to stockholders and repurchasing its outstanding debt.

See Note 11 and 12 of Notes to Condensed Consolidated Financial Statements for additional information regarding Lazard's members' equity and incentive plans, respectively.

Regulatory Capital

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 and from affiliates. See Note 17 of Notes to Condensed Consolidated Financial Statements for further information. These regulations differ in the U.S., the U.K., France and other countries in which we operate. 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 "Item 1. Business—Regulation" included in the Form 10-K.

Contractual Obligations

The following table sets forth information relating to Lazard's contractual obligations as of March 31, 2013:

	Contractual Obligations Payment Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			($ in thousands)		
Senior Debt (including interest) (a)	$ 1,340,018	$ 75,218	$ 660,107	$ 604,693	–
Operating Leases (excluding $156,194 of sublease income)	1,037,748	78,842	147,672	133,178	678,056
Capital Leases (including interest)	19,286	3,086	5,615	10,585	–
Investment Capital Funding Commitments (b)	31,501	31,501	–	–	–
Total (c)	$ 2,428,553	$ 188,647	$ 813,394	$ 748,456	$ 678,056

(a) See Note 9 of Notes to Condensed Consolidated Financial Statements.

(b) See Note 5 of Notes to Condensed Consolidated Financial Statements. These amounts are generally due on demand and therefore are presented in the "less than 1 year" category.

(c) The table above excludes contingent obligations, as well as any possible payments for uncertain tax positions, given the inability to estimate the possible amounts and timing of any such payments. See

Notes 10, 12, 13 and 15 of Notes to Condensed Consolidated Financial Statements regarding information in connection with commitments, incentive plans, employee benefit plans and income taxes, respectively.

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'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, including judgments regarding 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 generates substantially all of its net revenue from providing Financial Advisory and Asset Management 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.

The Company earns performance-based incentive fees on various investment products, including traditional products and alternative investment funds such as hedge funds and private equity funds (see "Financial Statement Overview" for a description of our revenue recognition policies on such fees).

If, in Lazard's judgment, collection of a fee is not probable, Lazard will not recognize revenue until the uncertainty is removed. We maintain an allowance for doubtful accounts to provide coverage for estimated losses from our receivables. We determine the adequacy of the allowance by estimating the probability of loss based on our analysis of the client's creditworthiness and specifically reserve against exposures where we determine the receivables are impaired, which may include situations where a fee is in dispute or litigation has commenced.

With respect to fees receivable from Financial Advisory activities, such receivables are generally deemed past due when they are outstanding 60 days from the date of invoice. However, some Financial Advisory transactions include specific contractual payment terms that may vary from one month to four years (as is the case for our Private Fund Advisory fees) following the invoice date or may be subject to court approval (as is the case with restructuring assignments that include bankruptcy proceedings). In such cases, receivables are deemed past due when payment is not received by the agreed-upon contractual date or the court approval date, respectively. Financial Advisory fee receivables past due in excess of 180 days are fully provided for unless there is evidence that the balance is collectible. Asset Management fees are deemed past due and fully provided for when such receivables are outstanding 12 months after the invoice date. Notwithstanding our policy for receivables past due, we specifically reserve against exposures relating to Financial Advisory and Asset Management fees where we determine receivables are impaired.

Income Taxes

As part of the process of preparing its consolidated financial statements, Lazard is required to estimate its income taxes in each of the jurisdictions in which it operates. This process requires Lazard 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 or losses on investments and depreciation. These temporary differences result in deferred tax assets and liabilities, which are included within Lazard's consolidated statements of financial condition. Significant management judgment is required in determining Lazard's provision for income taxes, its deferred tax assets and liabilities and any valuation allowance recorded against its net deferred tax assets. At December 31, 2012, the Company recorded gross deferred tax assets of approximately $208 million, with such amount partially offset by a valuation allowance of approximately $103 million due to the uncertainty of realizing the benefits of the book versus tax basis differences and certain net operating loss carry-forwards. In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will be realized and, when necessary, valuation allowances are established. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible. We consider the level of historical taxable income, scheduled reversals of deferred taxes, projected future taxable income and tax planning strategies that can be implemented by the Company in making this assessment. If actual results differ from these estimates or Lazard adjusts these estimates in future periods, Lazard may need to adjust its valuation allowance if such circumstances indicate that the valuation allowance should be reduced or is no longer necessary. The portion reduced would result in a reduction in the provision for income taxes. A change in the valuation allowance could materially impact Lazard's consolidated financial position and results of operations.

The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. Such liabilities are evaluated periodically as new information becomes available and any changes in the amounts of such liabilities are recorded as adjustments to "income tax expense." Liabilities of unrecognized tax benefits involve significant judgment and the ultimate resolution of such matters may be materially different from our estimates.

In addition to the discussion above regarding deferred tax assets and associated valuation allowances, as well as unrecognized tax benefit liability estimates, other factors affect our provision for income taxes, including changes in the geographic mix of our business, the level of our annual pre-tax income, transfer pricing and intercompany transactions.

See "Risk Factors" and Note 17 of Notes to Consolidated Financial Statements in our Form 10-K for additional information regarding income tax matters.

Investments

Investments consist primarily of debt and equity securities, and interests in alternative investment, debt, equity and private equity funds.

These investments are carried at either (a) fair value on the consolidated statements of financial condition, with any increases or decreases in fair value reflected (i) in earnings, to the extent held by our broker-dealer subsidiaries or when designated as "trading" securities within our non-broker-dealer subsidiaries, and (ii) in "accumulated other comprehensive income (loss), net of tax" ("AOCI"), to the extent designated as "available-for-sale" securities until such time they are realized and reclassified to earnings, or (b) if designated as "held-to-maturity" securities, amortized cost on the consolidated statements of financial condition. Any declines in the fair value of "available-for-sale" and "held-to-maturity" securities that are determined to be other than temporary are charged to earnings. The Company holds no "available-for-sale" or "held-to-maturity" securities.

Gains and losses on investment positions held, which arise from sales or changes in the fair value of the investments, are not predictable and can cause periodic fluctuations in net income or, if applicable, AOCI, and therefore subject Lazard to market and credit risk.

Data relating to net investments is set forth below (in millions of dollars):

	March 31, 2013(a)		December 31, 2012(a)	
	$	%	$	%
Debt securities (b)	$ 7	2%	$ 6	1%
Equity securities (net of $3 of securities sold, not yet purchased, at March 31, 2013 and December 31, 2012) (c)	46	12	42	10
Alternative investment funds (d)	57	14	58	15
Debt funds (e)	18	5	20	5
Equity funds (f)	145	37	154	39
Private equity funds owned (g)	98	25	101	25
Other (h)	20	5	19	5
Net investments	$ 391	100%	$ 400	100%
Total assets	$ 2,790		$3,048	
Net investments, as a percentage of total assets	14%		13%	

(a) Includes investments held in connection with Lazard Fund Interests and other similar deferred compensation arrangements granted, with an aggregate fair value of $97 million and $101 million at March 31, 2013 and December 31, 2012, respectively. The majority of the market risk associated with such investments is equally offset by the market risk associated with the derivative liability with respect to such awards. The Company is subject to market risk associated with any portion of such investments that employees may forfeit. See "—Risk Management—*Risks Related to Derivatives*" for risk management information relating to derivatives.

(b) Debt securities primarily consist of seed investments invested in debt securities held within separately managed accounts related to our Asset Management business and non-U.S. government debt securities.

(c) Equity securities primarily consist of seed investments invested in marketable equity securities of large-, mid- and small-cap domestic, international and global companies held within separately managed accounts related to our Asset Management business.

At March 31, 2013 and December 31, 2012, investments in marketable equity securities were invested as follows:

	March 31, 2013	December 31, 2012
Percentage invested in:		
Consumer	31%	31%
Financials	37	34
Energy	7	9
Industrial	12	12
Basic materials	6	7
Other	7	7
Total	100%	100%

(d) The fair value of such interests reflects the pro-rata value of the ownership of the underlying securities in the funds. Such funds are diversified and may incorporate particular strategies; however, there are no investments in funds with a single sector strategy.

(e) Debt funds primarily consist of seed investments in funds related to our Asset Management business, which invest in debt securities, and amounts related to Lazard Fund Interests discussed above.

(f) Equity funds primarily consist of seed investments in funds related to our Asset Management business, which are invested in equity securities, and amounts relating to Lazard Fund Interests discussed above.

(g) Comprised primarily of investments in private equity funds that are generally not subject to short-term market fluctuation, but may subject Lazard to market or credit risk. Private equity investments primarily include (i) a mezzanine fund, which invests in mezzanine debt of a diversified selection of small- to mid-cap European companies; (ii) a private equity fund targeting significant noncontrolling investments in established public and private companies; (iii) Edgewater Growth Capital Partners III, L.P. a private equity fund primarily making growth equity and buyout investments in high-quality, lower middle market companies and (iv) COF 2, a Lazard-managed Australian private equity fund targeting Australasian mid-market investments.

(h) Represents investments (i) accounted for under the equity method of accounting and (ii) private equity and other interests that are consolidated but owned by noncontrolling interests, and therefore do not subject the Company to market or credit risk. The applicable noncontrolling interests are presented within "members' equity" on the consolidated statements of financial condition.

At March 31, 2013 and December 31, 2012, $112 million and $116 million, respectively, of our total investments at a fair value of $391 million and $400 million, respectively, or 29% and 29%, respectively, were classified as Level 3 assets. Substantially all of our Level 3 investments at both dates are priced based on NAV or its equivalent. During the three month periods ended March 31, 2013 and 2012, gains of approximately $1 million and $8 million, respectively, were recognized in "revenue-other" on the consolidated statement of operations pertaining to Level 3 investments.

For additional information regarding risks associated with our investments, see "Risk Factors—Other Business Risks—Our results of operations may be affected by fluctuations in the fair value of positions held in our investment portfolios" in our Form 10-K.

See Notes 4 and 5 of Notes to Condensed Consolidated Financial Statements for additional information regarding investments and certain other assets and liabilities measured at fair value, including the levels of fair value within which such measurements of fair value fall.

Assets Under Management

AUM managed by LAM and LFG, which represents substantially all of the Company's total AUM, primarily consists of debt and equity instruments whose value is readily available based on quoted prices on a recognized exchange or prices provided by external pricing services. Accordingly, significant estimates and judgments are generally not involved in the calculation of the value of our AUM.

Goodwill

In accordance with current accounting guidance, goodwill has an indefinite life and is tested for impairment annually or more frequently if circumstances indicate impairment may have occurred. For years prior to 2011, Lazard made estimates and assumptions in order to determine the fair value of its assets and liabilities and to project future earnings using various valuation techniques. Commencing in 2011, as permitted under an amendment issued by the Financial Accounting Standards Board, the Company elected to perform a qualitative evaluation about whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount in lieu of actually calculating the fair value of the reporting unit. See Note 8 of Notes to Condensed Consolidated Financial Statements for additional information regarding goodwill.

Consolidation of Variable Interest Entities

The consolidated financial statements include the accounts of Lazard Group and entities in which it has a controlling interest. Lazard determines whether it has a controlling 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. Lazard is required to consolidate a voting interest entity that it maintains an ownership interest in if it holds a majority of the voting interest in such entity.
- Variable Interest Entities. VIEs are entities that lack one or more of the characteristics of a voting interest entity. If Lazard has a variable interest, or a combination of variable interests in a VIE, it is required to analyze whether it needs to consolidate such VIE.

Lazard is involved with various entities in the normal course of business that are VIEs and holds 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 is determined to be the primary beneficiary are consolidated in accordance with the applicable accounting guidance.

Risk Management

We encounter risk in the normal course of business, and therefore, in order to help manage and monitor such risks, we have designed risk management processes which consider both the nature of our business and our operating model. We are subject to varying degrees of credit and market risk, including risks related to the level of soundness of our clients, financial, governmental and other institutions and third parties, as well as operational and liquidity risks (see "—Liquidity and Capital Resources") and, where appropriate, we monitor these risks at both an entity level and on a consolidated basis. Management within each of Lazard's operating locations is principally responsible for managing the risks within its respective businesses on a day-to-day basis.

Market and credit risks related to our investing activities are discussed under "Critical Accounting Policies and Estimates—Investments" above. Risks related to Lazard's other activities are presented below. Lazard has established procedures to assess credit and market risks, as well as specific interest rate and currency risk, and has established limits related to various positions.

Risks Related to Receivables

We maintain an allowance for doubtful accounts to provide coverage for probable losses from our receivables. We determine the adequacy of the allowance by estimating the probability of loss based on our analysis of the client's creditworthiness and specifically provide for exposures where we determine the receivables are impaired. At March 31, 2013, total receivables amounted to $566 million, net of an allowance for doubtful accounts of $23 million. As of that date, Financial Advisory and Asset Management fees, and customer and related party receivables comprised 65%, 13% and 22% of total receivables, respectively. At December 31, 2012, total receivables amounted to $583 million, net of an allowance for doubtful accounts of $23 million. As of that date, Financial Advisory and Asset Management fees, and customer and related party receivables comprised 69%, 9% and 22% of total receivables, respectively. At March 31, 2013 and December 31, 2012, the Company had receivables past due of approximately $25 million and $26 million, respectively. See also "Critical Accounting Policies and Estimates—Revenue Recognition" above and Note 3 of Notes to Condensed Consolidated Financial Statements for additional information regarding receivables.

LFB engages in lending activities, including commitments to extend credit. At March 31, 2013 and December 31, 2012, customer receivables included $13 million and $14 million of LFB loans, respectively. Such loans are closely monitored for counterparty creditworthiness to help minimize exposure. In addition, as of

March 31 2013, LFB had commitments to lend totaling $22 million, which are fully collateralized and generally contain requirements for the counterparty to maintain a minimum collateral level.

Credit Concentrations

To reduce the exposure to concentrations of credit, the Company monitors large exposures to individual counterparties and, in addition, LFB has in place concentration risk limits. At March 31, 2013, excluding inter-bank counterparties, LFB had no exposure to an individual counterparty that exceeded $22 million, with such amount being fully collateralized. With respect to activities outside LFB, as of March 31, 2013 the Company's largest individual counterparty exposure was a Financial Advisory fee receivable of $12 million.

Risks Related to Derivatives

Lazard enters into interest rate swaps and foreign currency exchange contracts to hedge exposures to interest rates and currency exchange rates and uses equity and fixed income swap contracts to hedge a portion of its market exposure with respect to certain seed investments related to our Asset Management business. Derivative contracts are recorded at fair value. Derivative assets amounted to $4 million and $1 million at March 31, 2013 and December 31, 2012, respectively, and derivative liabilities, excluding the derivative liability arising from the Company's obligation pertaining to Lazard Fund Interests and other similar deferred compensation arrangements, amounted to $.5 million and $5 million at such respective dates.

The Company also records derivative liabilities relating to its obligations pertaining to Lazard Fund Interests awards and other similar deferred compensation arrangements, the fair value of which is based on the value of the underlying investments, adjusted for estimated forfeitures. Changes in the fair value of the derivative liabilities are equally offset by the changes in the fair value of investments which are currently expected to be delivered upon settlement of Lazard Fund Interests awards. Derivative liabilities relating to Lazard Fund Interests amounted to $159 million and $98 million at March 31, 2013 and December 31, 2012, respectively.

In addition, LFB enters into interest rate swaps, forward foreign exchange contracts and other derivative contracts to hedge exposures to interest rate and currency fluctuations on open positions that arise primarily from client activity. Such foreign currency and interest rate positions are subject to strict internal limits and, based on account balances as of March 31, 2013, the impact of potential significant movements in either the currency or interest rate markets on LFB's positions would not materially affect the Company's annual operating income.

Risks Related to Short-Term Investments and Corporate Indebtedness

A significant portion of the Company's indebtedness has fixed interest rates, while its cash and short-term investments generally have floating interest rates. Based on account balances as of March 31, 2013, Lazard estimates that its annual operating income relating to cash and short-term investments and corporate indebtedness would increase by approximately $6 million in the event interest rates were to increase by 1% and decrease by approximately $2 million if rates were to decrease by 1%.

As of March 31, 2013, the Company's cash and cash equivalents totaled approximately $580 million. Substantially all of the Company's cash and cash equivalents were invested in highly liquid institutional money market funds (a significant majority of which were invested solely in U.S. Government or agency money market funds) or in short-term interest earning accounts at a number of leading banks throughout the world, or in short-term certificates of deposit from such banks. Cash and cash equivalents are constantly monitored. On a regular basis, management reviews its investment profile as well as the credit profile of its list of depositor banks in order to adjust any deposit or investment thresholds as necessary.

Operational Risks

Operational risk is inherent in all our business and may, for example, manifest itself in the form of errors, breaches in the system of internal controls, business interruptions, fraud or legal actions due to operating

deficiencies or noncompliance. The Company maintains a framework including policies and a system of internal controls designed to monitor and manage operational risk and provide management with timely and accurate information. Management within each of the operating companies is primarily responsible for its operational risk programs. The Company has in place business continuity and disaster recovery programs that manage its capabilities to provide services in the case of a disruption. We purchase insurance programs designed to protect the Company against accidental loss and losses, which may significantly affect our financial objectives, personnel, property or our ability to continue to meet our responsibilities to our various stakeholder groups.

Recent Accounting Developments

For a discussion of recently issued accounting developments and their impact or potential impact on Lazard's consolidated financial statements, see Note 2 of Notes to Condensed Consolidated Financial Statements.

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."

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 Securities Exchange Act of 1934 (the "Exchange Act) as of the end of the period covered by this quarterly 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 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

The Company is involved from time to time in a number of judicial, regulatory and arbitration proceedings and inquiries concerning matters arising in connection with the conduct of our businesses, including proceedings initiated by former employees alleging wrongful termination. The Company reviews such matters on a case-by-case basis and establishes any required accrual if a loss is probable and the amount of such loss can be reasonably estimated. The Company does experience significant variation in its revenue and earnings on a quarterly basis. Accordingly, the results of any pending matter or matters could be significant when compared to the Company's earnings in any particular fiscal quarter. The Company believes, however, based on currently available information, that the results of any pending matters, in the aggregate, will not have a material effect on its business or financial condition.

Item 1A. Risk Factors

There were no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

3.1	Certificate of Formation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement (File No. 333-126751) on Form S-4 filed on July 21, 2005).
3.2	Certificate of Amendment of Certificate of Formation of the Registrant, changing name to Lazard Group LLC (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement (File No. 333-126751) on Form S-4 filed on July 21, 2005).
3.3	Operating Agreement of Lazard Group LLC, dated as of May 10, 2005 (incorporated by reference to Exhibit 10.2 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
3.4	Amendment No. 1 to the Operating Agreement of Lazard Group LLC, dated as of December 19, 2005 (incorporated by reference to Exhibit 3.01 to the Registrant's Current Report on Form 8-K (File No. 333-126751) filed on December 19, 2005).
3.5	Amendment No. 2, dated as of May 7, 2008, to the Operating Agreement of Lazard Group LLC, dated as of May 10, 2005 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 333-126751) filed on May 8, 2008).
3.6	Amendment No. 3, dated as of April 27, 2010, to the Operating Agreement of Lazard Group LLC, dated as of May 10, 2005 (incorporated by reference to Exhibit 3.6 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on April 30, 2010).
4.1	Indenture, dated as of May 10, 2005, by and between the Registrant and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement (File No. 333-126751) on Form S-4 filed on July 21, 2005).
4.2	Amended and Restated Third Supplemental Indenture, dated as of May 15, 2008, by and among the Registrant and The Bank of New York, as trustee (and incorporated by reference to Exhibit 4.1 to the Registrants' Current Report on Form 8-K (Commission File No. 333-126751) filed on May 16, 2008).
4.3	Fourth Supplemental Indenture, dated as of June 21, 2007, between the Registrant and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 333-126751) filed on June 22, 2007).
4.4	Form of Senior Note (included in Exhibit 4.2).
4.5	$546 million, 7.125% Senior Notes Due 2015, issued by the Registrant (incorporated by reference to Exhibit 4.5 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on November 14, 2005).
10.1	Master Separation Agreement, dated as of May 10, 2005, by and among the Registrant, Lazard Ltd, LAZ-MD Holdings LLC and LFCM Holdings LLC (incorporated by reference to Exhibit 2.1 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.2	Amendment No. 1, dated as of November 6, 2006, to the Master Separation Agreement, dated as of May 10, 2005, by and among to Registrant, Lazard Ltd and LAZ-MD Holdings LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on November 7, 2006).
10.3	Second Amendment, dated as of May 7, 2008, to the Master Separation Agreement, dated as of May 10, 2005, as amended, by and among the Registrant, Lazard Ltd and LAZ-MD Holdings LLC (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 333-126751) filed on May 9, 2008).

10.4	Class B-1 and Class C Members Transaction Agreement (incorporated by reference to Exhibit 2.2 to Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1 filed on December 17, 2004).
10.5	Amended and Restated Stockholders' Agreement, dated as of November 6, 2006, by and among LAZ-MD Holdings LLC, Lazard Ltd and certain members of LAZ-MD Holdings LLC (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on November 7, 2006).
10.6	First Amendment, dated as of May 7, 2008, to the Amended and Restated Stockholders' Agreement dated as of November 6, 2006, between LAZ-MD Holdings LLC and Lazard Ltd (incorporated by reference to Exhibit 10.6 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on May 9, 2008).
10.7	Employee Benefits Agreement, dated as of May 10, 2005, by and among the Registrant, Lazard Ltd, LAZ-MD Holdings LLC and LFCM Holdings LLC (incorporated by reference to Exhibit 10.4 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.8	Insurance Matters Agreement, dated as of May 10, 2005, by and between Lazard Group LLC and LFCM Holdings LLC (incorporated by reference to Exhibit 10.5 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.9	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 (incorporated by reference to Exhibit 10.6 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.10	Administrative Services Agreement, dated as of May 10, 2005, by and among LAZ-MD Holdings LLC, LFCM Holdings LLC and the Registrant (incorporated by reference to Exhibit 10.7 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.11	Business Alliance Agreement, dated as of May 10, 2005, by and between the Registrant and LFCM Holdings LLC (incorporated by reference to Exhibit 10.8 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.12	Amendment and Consent, dated February 9, 2009, to the Business Alliance Agreement, dated as of May 10, 2005, by and between the Registrant and LFCM Holdings LLC (incorporated by reference to Exhibit 10.12 to Lazard Ltd's Annual Report (File No. 001-32492) on Form 10-K filed on March 2, 2009).
10.13	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 Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.14	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 Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.15	Amendment dated as of February 16, 2001, by and among RCPI Landmark Properties, L.L.C. (as the successor in interest to Rockefeller Center Properties), RCPI 30 Rock 22234849, L.L.C. and Lazard Group LLC (as the successor in interest to Lazard Frères & Co. LLC), to the Lease dated as of January 27, 1994, by and among Rockefeller Center Properties and Lazard Frères & Co. LLC (incorporated by reference to Exhibit 10.15 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on April 29, 2011).

10.16	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 Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.17	Occupational Lease, dated as of August 9, 2002, by and among 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 Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.18*	Lazard Ltd's 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.21 to Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1/A filed on May 2, 2005).
10.19*	Lazard Ltd's 2008 Incentive Compensation Plan (incorporated by reference to Annex B to Lazard Ltd's Definitive Proxy Statement on Schedule 14A (File No. 001-32492) filed on March 24, 2008).
10.20*	Lazard Ltd's 2005 Bonus Plan (incorporated by reference to Exhibit 10.23 to Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).
10.21*	Form of Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005, applicable to, and related Schedule I for, Scott D. Hoffman (incorporated by reference to Exhibit 10.26 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.22*	Form of First Amendment, dated as of May 7, 2008, to Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005, for Scott D. Hoffman (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 333-126751) filed on May 9, 2008).
10.23*	Amendment, dated as of February 23, 2011, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005 and amended as of May 7, 2008, for Scott D. Hoffman (incorporated by reference to Exhibit 10.24 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on April 29, 2011).
10.24*	Form of Agreement Relating to Retention and Noncompetition and Other Covenants (incorporated by reference to Exhibit 10.27 to Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1/A filed on April 11, 2005).
10.25*	Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of October 4, 2004, by and between the Registrant and Alexander F. Stern (incorporated by reference to Exhibit 10.28 to Registrant's Annual Report (File No. 333-126751) on Form 10-K filed on March 2, 2009).
10.26*	First Amendment, dated as of March 23, 2010, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of October 4, 2004, with Alexander F. Stern (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 333-126751) filed on March 23, 2010).
10.27*	Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of March 18, 2005, by and between the Registrant and Kenneth M. Jacobs (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K (File No. 333-126751) filed on March 1, 2010).
10.28*	First Amendment, dated as of March 23, 2010, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of March 18, 2005, with Kenneth M. Jacobs (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 333-126751) filed on March 23, 2010).

10.29*	Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of October 4, 2004, by and between the Registrant and Matthieu Bucaille (incorporated by reference to Exhibit 10.30 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on April 29, 2011).
10.30*	First Amendment, dated as of April 1, 2011, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of October 4, 2004, between the Registrant and Matthieu Bucaille (incorporated by reference to Exhibit 10.31 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on April 29, 2011).
10.31*	Amended and Restated Letter Agreement, effective as of January 1, 2004, between Vernon E. Jordan, Jr. and Lazard Fréres & Co. LLC (incorporated by reference to Exhibit 10.28 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.32*	Acknowledgement Letter, dated as of November 6, 2006 from the Registrant to certain managing directors of the Registrant modifying the terms of the retention agreements of persons party to the Amended and Restated Stockholders' Agreement, dated as of November 6, 2006 (incorporated by reference to Exhibit 10.23 to the Registrant's Quarterly Report (File No. 333-12675 1) on Form 10-Q filed on November 7, 2006).
10.33	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 Lazard Ltd's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).
10.34	Registration Rights Agreement, dated as of May 10, 2005, by and among Lazard Group Finance LLC, the Registrant, Lazard Ltd and IXIS Corporate and Investment Bank (incorporated by reference to Exhibit 10.30 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.35*	Description of Non-Executive Director Compensation (incorporated by reference to Exhibit 10.33 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q for the quarter ended June 30, 2005).
10.36*	Form of Award Letter for Annual Grant of Deferred Stock Units to Non-Executive Directors (incorporated by reference to Exhibit 99.1 to Lazard Ltd's Current Report on Form 8-K (File No. 001-32492) filed on September 8, 2005).
10.37*	Form of Agreement evidencing a grant of Restricted Stock Units to Executive Officers under the 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to Lazard Ltd's Current Report on Form 8-K (File No. 00 1-32492) filed on January 26, 2006).
10.38*	Form of Agreement evidencing a grant of Restricted Stock Units to Executive Officers under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.41 to Lazard Ltd's Annual Report (File No. 001-32492) on Form 10-K filed on March 2, 2009).
10.39*	Form of Agreement evidencing a grant of Deferred Cash Award to Executive Officers under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.42 to Lazard Ltd's Annual Report (File No. 00 1-32492) on Form 10-K filed on March 2, 2009).
10.40*	Directors' Fee Deferral Unit Plan (incorporated by reference to Exhibit 10.39 to Lazard Ltd's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 11, 2006).
10.41*	First Amended Form of Agreement evidencing a grant of Restricted Stock Units to Executive Officers under the 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.43 to Lazard Ltd's Annual Report (File No. 00 1-32492) on Form 10-K filed on March 1, 2007).

10.42	Agreement and Plan of Merger, dated as of August 14,2008, by and among Lazard Ltd, LAZ Sub I, Lazard Asset Management LLC and Lazard Asset Management Limited (incorporated by reference to Exhibit 2.1 to Lazard Ltd's Current Report on Form 8-K (File No. 001-32492) filed on August 15, 2008).
10.43	Senior Revolving Credit Agreement, dated as of September 25, 2012, among the Registrant, the Banks from time to time parties thereto, and Citibank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.46 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on November 1, 2012).
10.44*	Form of Agreement evidencing a grant of Restricted Stock under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.54 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on April 30, 2010).
10.45*	Form of Agreement evidencing a grant of Lazard Fund Interests under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.54 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on April 29, 2011).
10.46*	Form of Agreement evidencing a grant of Restricted Stock Units and Restricted Stock to Executive Officers who are or may become eligible for retirement under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.52 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on May 2, 2012).
10.47*	First Amendment, dated as of August 2, 2011, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of March 15, 2005, between the Registrant and Ashish Bhutani (incorporated by reference to Exhibit 10.55 to the Registrant's Quarterly Report (File No., 333-126751) on Form 10-Q filed on August 4, 2011).
10.48*	Second Amendment, dated as of October 24, 2012, to the Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 18, 2005, and amended on March 23, 2010, among the Registrant, Lazard Ltd and Kenneth M. Jacobs (incorporated by reference to Exhibit 10.51 to the Registrant's Quarterly Report (File No. 333-126751) on Form 10-Q filed on November 1, 2012).
10.49*	Second Amendment, dated as of March 14, 2013, to the Agreement Relating to Retention and Noncompetition and Other Covenants dated as of March 15, 2005 and amended on August 2, 2011, among the Registrant, Lazard Ltd and Ashish Bhutani.
10.50*	Second Amendment, dated as of March 14, 2013, to the Agreement Relating to Retention and Noncompetition and Other Covenants dated as of October 4, 2004 and amended on April 1, 2011, among the Registrant, Lazard Ltd and Matthieu Bucaille.
10.51*	Second Amendment, dated as of March 14, 2013, to the Agreement Relating to Retention and Noncompetition and Other Covenants dated as of May 4, 2005 and amended on May 7, 2008 and February 23, 2011, among the Registrant, Lazard Ltd and Scott D. Hoffman.
10.52*	Second Amendment, dated as of March 14, 2013, to the Agreement Relating to Retention and Noncompetition and Other Covenants dated as of October 4, 2004 and amended on March 23, 2010, among the Registrant, Lazard Ltd and Alexander F. Stern.
10.53*	Form of Agreement evidencing a grant of Performance-Based Stock Units under the 2008 Incentive Compensation Plan.
10.54*	Form of Agreement evidencing a grant of Lazard Fund Interests to Named Executive Officers under the 2008 Incentive Compensation Plan.
10.55*	Form of Agreement evidencing a grant of Restricted Stock Units to Named Executive Officers under the 2008 Incentive Compensation Plan.

12.1	Computation of Ratio of Earnings to Fixed Charges.
31.1	Rule 13a-14(a) Certification of Kenneth M. Jacobs.
31.2	Rule 13a-14(a) Certification of Matthieu Bucaille.
32.1	Section 1350 Certification for Kenneth M. Jacobs.
32.2	Section 1350 Certification for Matthieu Bucaille.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Management contract or compensatory plan or arrangement.

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: April 30, 2013

LAZARD GROUP LLC

By: /s/ Matthieu Bucaille
Name: Matthieu Bucaille
Title: Chief Financial Officer

By: /s/ Dominick Ragone
Name: Dominick Ragone
Title: Chief Accounting Officer

Exhibit 10.49

EXECUTION COPY

SECOND AMENDMENT TO AGREEMENT RELATING TO RETENTION AND NONCOMPETITION AND OTHER COVENANTS

Second Amendment (the "Second Amendment"), dated as of March 14, 2013 (the "Effective Date"), to Agreement Relating to Retention and Noncompetition and Other Covenants by and among Lazard Ltd, a company incorporated under the Laws of Bermuda ("PubliCo"), Lazard Group LLC, a Delaware limited liability company and successor to Lazard LLC ("Lazard"), on its behalf and on behalf of their subsidiaries and affiliates (collectively with PubliCo, Lazard and its and their predecessors and successors, the "Firm"), and Ashish Bhutani (the "Executive"), dated as of March 15, 2005, and amended as of August 2, 2011 (as amended, this "Agreement"); and

WHEREAS, the Firm and the Executive wish to amend this Agreement to modify Schedule I to such Agreement to extend the term of certain provisions of Schedule I of this Agreement beyond March 23, 2013 and revise certain other terms.

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, PubliCo and Lazard hereby agree as follows:

Effective as of the Effective Date, Schedule I of this Agreement shall hereby be amended and restated in its entirety in the form attached hereto.

IN WITNESS WHEREOF, the Executive and the Board of Directors of each of Lazard and PubliCo have caused this Second Amendment to be executed and delivered on the date first above written.

March 14, 2013

by /s/ Ashish Bhutani
Ashish Bhutani

March 14, 2013

LAZARD LTD,

by /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Managing Director and General Counsel

March 14, 2013

LAZARD GROUP LLC (on its behalf, and on behalf of its subsidiaries and affiliates),

by /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Managing Director and General Counsel

SCHEDULE I

Name (as per Preamble): Mr. Ashish Bhutani

Effective upon the effective date of the Second Amendment to this Agreement (the "Second Amendment Effective Date"), this Schedule I shall take effect and its provisions shall constitute binding and enforceable agreements of the Firm.

1. Schedule Term. For purposes of this Schedule I, the "Schedule Term" shall mean the period from the Second Amendment Effective Date through March 31, 2016, subject to earlier termination in accordance with this Agreement. Notwithstanding the foregoing, upon a Change in Control (as defined below), the Schedule Term shall automatically be renewed so that the Schedule Term is not less than two years from the effective date of such Change in Control.

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 with the Firm, during the Schedule Term, the Executive shall be entitled to receive (i) an annual base salary of not less than $750,000 ("Base Salary") and (ii) so long as the Executive remains employed by the Firm through the end of the applicable fiscal year of Lazard (except as otherwise provided below in this Schedule I), an annual bonus to be determined under the terms of the applicable annual bonus plan of Lazard on the same basis as annual bonuses are determined for other executive officers of PubliCo, with such annual bonus to be paid in the same ratio of cash to equity and deferred awards as is applicable to executives of the Firm receiving annual bonuses at a level comparable to the annual bonus of the Executive. For purposes hereof, the term Base Salary shall refer to Base Salary as in effect from time to time, including any increases thereto. Notwithstanding anything to the contrary contained in Section 3(c)(iv) of this Agreement, subject to the Executive's continued employment with the Firm, the Executive shall continue to 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 Schedule Term the Executive's employment with the Firm is terminated by the Firm without Cause or by the Executive for Good Reason (in each case, as defined below) (a "Qualifying Termination"), Lazard shall pay the Executive (subject to the Executive delivering a waiver and release in accordance with this paragraph 3 of this Schedule I in the event such Qualifying Termination occurs prior to a Change in Control), in a lump sum in cash on the 61st day after the Date of Termination (as defined below), the aggregate of the following amounts: (i) any unpaid Base Salary through the Date of Termination; (ii) any earned and unpaid bonus amounts for fiscal years of Lazard completed prior to the Date of Termination (determined in accordance with

paragraph 2 of this Schedule I and with any such bonus to be paid in full in cash); and (iii) the product of (1) the "Severance Multiple" (as defined below) and (2) the sum of (x) the Base Salary and (y) the average annual bonus (or, to the extent applicable, cash distributions, and including any bonuses paid in the form of equity-based or fund interest awards based on the grant date value of such awards in accordance with the normal valuation methodology used by Lazard) paid or payable (including any such amounts that may be deferred under any plan or arrangement of the Firm) to the Executive for the two completed fiscal years of Lazard immediately preceding the fiscal year during which occurs the Date of Termination (the "Average Bonus"). In addition, upon a Qualifying Termination, for a period of months equal to the product of (A) 12 and (B) the Severance Multiple (the "Benefit Continuation Period"), 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 best efforts to cause such continued coverage to be permitted under the applicable plan for the entire Benefit Continuation Period), which Benefit Continuation Period shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and 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 health care benefit plans of Lazard. For purposes of the provision of the health care benefits as provided above, the amount of such health care benefits provided in any given calendar year shall not affect the amount of such benefits provided in any other calendar year, and the Executive's right to the health care benefits may not be liquidated or exchanged for any other benefit.

In addition, in the case of (a) a Qualifying Termination during the Schedule Term or (b) the Executive's death or termination due to Disability during the Schedule Term, with respect to the fiscal year of Lazard during which the Date of Termination occurs, the Executive or his estate, as applicable, shall receive a pro-rata annual bonus payable in cash determined as follows:

(i) if, with respect to the fiscal year during which the Date of Termination occurs (other than (x) as a result of the Executive's death or Disability or (y) following a Change in Control), (A) the Executive was reasonably expected by Lazard to be a "covered employee" (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code")) prior to his Date of Termination, and (B) the annual bonus that the Executive was eligible to receive for such year was originally intended by Lazard to satisfy the performance-based exception under Section 162(m) of the Code (without regard to any entitlement to payment upon termination of employment), then the Executive's pro-rata annual bonus shall equal the product of (1) the amount determined by the Compensation Committee based on the Firm's actual performance for the fiscal year of the Firm in which the Date of Termination occurs on the same basis as annual bonuses are determined for other executive officers of the Firm (which, subject to the limits on any such bonus due to the level of satisfaction of the performance goals previously established for purposes of Section 162(m) of the Code, shall not represent (on an annualized basis) a percentage of the Executive's bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs that is lower than the average corresponding percentage applicable to

active executives of Lazard who received bonuses for such prior fiscal year in amounts within 5% of the Executive's bonus for such prior fiscal year), and (2) a fraction, the numerator of which is the number of days elapsed in the fiscal year of Lazard in which occurs the Date of Termination through the Date of Termination, and the denominator of which is 365 (the "Pro-Ration Fraction"); or

(ii) if, either (A) with respect to the fiscal year during which the Date of Termination occurs, (1) the Executive is not reasonably expected by Lazard to be a "covered employee" (within the meaning of Section 162(m) of the Code) prior to his Date of Termination or (2) such termination is a result of the Executive's death or Disability or occurs following a Change in Control or (B) the annual bonus that the Executive was eligible to receive for the year in which the Date of Termination occurs was not originally intended by Lazard to satisfy the performance-based exception under Section 162(m) of the Code, then the pro-rata annual bonus shall equal the product of (x) the Average Bonus and (y) the Pro-Ration Fraction.

The pro-rata annual bonus determined pursuant to clause (i) or (ii) above, as applicable, shall be paid at such time or times as Lazard otherwise makes incentive payments for such fiscal year (and in all events no earlier than January 1st, and no later than March 15th, of the year following the year in which the Date of Termination occurs). Notwithstanding the foregoing, the payments and benefits (other than any earned and unpaid compensation described in clauses (i) and (ii) of the first paragraph of this paragraph 3 of this Schedule I) payable to the Executive pursuant to this paragraph 3 of this Schedule I upon a Qualifying Termination prior to a Change in Control shall be subject to and conditioned upon the Executive having delivered to the Firm, no later than the 60th day after the Date of Termination, a waiver and general release of claims in favor of the Firm and its affiliates in the form attached hereto as Exhibit A that has become effective and irrevocable in accordance with its terms (such requirement to execute a release, the "Release Requirement"). Notwithstanding the foregoing, the Release Requirement shall lapse upon a Change in Control.

For all purposes of this Agreement, including without limitation, Sections 2(g)(ii) and 5(a), and for all purposes of the outstanding equity-based awards, fund interest awards and any similar awards held by the Executive as of the Date of Termination (as defined in this Schedule I) (collectively, the "Awards"), a resignation by the Executive for Good Reason during the Term shall be treated as a termination of the Executive by the Firm without Cause or as a Termination of Employment by the Firm other than for Cause (as such phrase or similar phrases are defined in the Plan (as defined in paragraph 4 of this Schedule I) or the award agreements governing the Awards), as applicable.

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 paragraph 3 of this Schedule I 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 and provide the benefits 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 Agreement and this Schedule I, as applicable, the following terms shall have the following meanings:

"Change in Control" shall have the meaning assigned to it in the Lazard 2008 Incentive Compensation Plan, as it may be amended from time to time, or any successor plan thereto (the "Plan").

Notwithstanding the definition of "Date of Termination" set forth in Section 5 of this Agreement, for all purposes of this Agreement, including Section 5, and this Schedule I, "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Firm for Cause, the date of receipt of the written notice of termination from the Firm or any later date specified therein within thirty(30) days after the Executive's receipt of such notice, as the case may be, (ii) if the Executive's employment is terminated by the Firm other than for Cause or Disability, the date on which the Firm notifies the Executive in writing of such termination, (iii) if the Executive's employment is voluntarily terminated by the Executive without Good Reason, 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 in writing of such termination, unless waived in writing by the Firm, (iv) if the Executive's employment is terminated by the Executive for Good Reason, the earlier of (A) the last day of the cure period (assuming no cure has occurred) and (B) the date Lazard formally notifies the Executive in writing that it does not intend to cure, unless Lazard and the Executive agree to a later date, which shall in no event be later than thirty (30) days following the first to occur of the dates set forth in clauses (A) and (B) of this clause (iv), and (v) 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 date on which the Executive's employment due to Disability is effective for purposes of the applicable long-term disability plan of the Firm, as the case may be. The Firm and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination of the Executive's employment described in this Agreement, including this Schedule I, constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein (or in this Agreement) to the contrary, (x) to the extent that any amounts owed to the Executive under this Agreement (including this Schedule I) are payable upon his termination of employment and are subject to Section 409A of the Code, then to the extent required in order to comply with Section 409A of the Code, such amounts shall not be payable to the Executive unless and until his termination of employment constitutes a "separation from service," within the meaning of Section 409A of the Code, including, without limitation, the default presumptions thereof and (y) the date on which such separation from service takes place shall be the "Date of Termination".

Notwithstanding the definition of "Cause" set forth in Section 2(g)(iv) of this Agreement, for all purposes of this Agreement, including Section 2(g)(iv) and this Schedule I, "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 (other than any such failure resulting from incapacity due to physical or mental illness or following the Firm's termination of the Executive other than for Cause or the

Executive's termination for Good Reason in accordance with this Schedule I) (i) to perform his employment duties in any material respect or (ii) to follow specific reasonable directions received from the Firm's Chief Executive Officer, 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 thirty (30) days after actual receipt by the Executive of such written notice); 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. 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 Firm. Notwithstanding the foregoing, with respect to the events described in clauses (B) , (C)(i) and (D) 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 Firm's Chief Executive Officer or upon the direct advice of counsel to the Firm. Except in the case of a termination of the Executive's employment under clause (A) of the definition of Cause, the cessation of employment of the Executive following a Change in Control shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds of the entire membership of the board of directors or similar governing body of the entity that is the ultimate parent of the Firm (such board, referred to as the "Applicable Board") finding that, in the good faith opinion of the Applicable Board, circumstances constituting Cause exist.

"Good Reason" shall mean (i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's positions (including status, offices, titles and reporting requirements), authority, duties or responsibilities from those contemplated by Section 3(b) of this Agreement (without regard to the expiration of the Schedule Term), or any other action by the Firm which results in a material diminution in such position (including status, offices, titles and reporting requirements), authority, duties or responsibilities from those contemplated by Section 3(b) of this Agreement (without regard to the expiration of the Schedule Term), (ii) any person, other than the Executive, is given the title of "Chairman of Lazard Asset Management LLC" or Chairman of Lazard's asset management group, unless (A) such person receives such title in connection with a merger or acquisition transaction involving the Firm, on the one hand, and an unrelated company that has an asset management business, on the other hand, and (B) such transaction is approved by the Board of Directors of PubliCo, (iii) a material breach by the Firm of the terms of this Agreement, including, without limitation, any material failure by the Firm to comply with paragraph 2 of this Schedule I or the nondisparagement covenant in Section 8 of this Agreement, or (iv) without the Executive's written consent, any requirement that the Executive's principal place of employment be relocated to a location that increases the Executive's commute from his primary residence by more than thirty (30) miles. In the event of a termination for Good Reason, the notice requirements of Section 1 of this Agreement shall not apply. Notwithstanding the foregoing, a termination for Good Reason shall not have occurred unless (i) the Executive gives written notice to Lazard of termination of employment within ninety (90) days after the Executive first becomes aware of the occurrence of the circumstances constituting Good Reason, specifying in reasonable detail the circumstances constituting Good Reason, and Lazard has failed within thirty (30) days after receipt of such notice to cure (if capable of cure) the circumstances constituting Good Reason, and (ii) the Executive's "separation from service" (within the meaning of Section 409A of the Code) occurs no later than two years following the initial existence of one or more of the circumstances giving rise to Good Reason.

"Severance Multiple" shall equal one (1); provided, however, that if the Date of Termination occurs on or following a Change in Control during the Schedule Term pursuant to which PubliCo is acquired by an entity that has an asset management business, the Severance Multiple shall equal two (2).

5. Certain Limitations on Payments. In the event that it is determined by the reasonable computation by a nationally recognized certified public accounting firm that shall be selected by the Firm prior to any transaction constituting a change of control (which accounting firm shall in no event be the accounting firm for the entity seeking to effectuate such change of control) and reasonably acceptable to the Executive (the "Accountant"), which determination shall be certified by the Accountant and set forth in a certificate delivered to the Executive setting forth in reasonable detail the basis of the Accountant's determinations, that the aggregate amount of the payments, distributions, benefits and entitlements in the nature of compensation (within the meaning of Section 280G(B)(2) of the Code) by the Firm or any affiliate to or for the Executive's benefit (including any payment, distribution, benefit or entitlement made by any person or entity effecting a change of control), in each case, that constitute "parachute payments" within the meaning of Section 280G of the Code (such payments, the "Parachute Payments") that, but for this paragraph 5 of this Schedule I, would be payable to the Executive, exceeds the greatest amount of Parachute Payments that could be paid to the Executive without giving rise to any liability for any excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law (such tax or taxes being hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of Parachute Payments payable to the Executive shall equal the amount that produces the greatest after-tax benefit to the Executive after taking into account first any positions to mitigate such Excise Tax (including, without limitation, mitigation under a "reasonable compensation" analysis) and second any Excise Tax payable by the Executive. For the avoidance of doubt, this provision shall reduce the amount of Parachute Payments otherwise payable to the Executive, only if doing so would place the Executive in a better net after-tax economic position as compared with not doing so (taking into account the Excise Tax payable in respect of such Parachute Payments). The Firm shall reduce or eliminate the Parachute Payments, as necessary, by first reducing or eliminating the portion of the Parachute Payments provided under this Agreement (the "Agreement Payments") that are payable in cash and then by reducing or eliminating the non-cash portion of the Agreement Payments, in each case, in reverse order beginning with payments or benefits that are to be paid the furthest in time from the Date of Termination. For purposes of reducing the Parachute Payments to the Executive, only the Agreement Payments (and no other Parachute Payments) shall be reduced.

In connection with making determinations under this paragraph 5 of this Schedule I and determining the Excise Tax (if any), the Accountant shall take into account the value of any reasonable compensation for services to be rendered by the Executive before or after the change of control, including, without limitation, the restrictive covenants applicable to the Executive under this Agreement and any other non-competition provisions that may apply to the Executive, and the Firm shall cooperate in the valuation of any such services, including any restrictive covenants. The Firm and the Executive agree that the severance payments payable to the

Executive in connection with a Change in Control pursuant to paragraph 3 of this Schedule I are in consideration for, among other things, the restrictions and obligations set forth in Sections 4, 5, 6, 7, 8 and 9 of this Agreement, and that, for purposes of any such restrictions, the notice period (if any) prior to the Date of Termination is intended to and functions as an extension of the period of restriction on the Executive. All fees and expenses of the Accountant in implementing the provisions of this paragraph 5 of this Schedule I shall be borne by the Firm, and the Firm shall reimburse the Executive for all reasonable legal fees incurred with respect to the calculations under this paragraph 5 of this Schedule I and any reasonable legal and accounting fees incurred with respect to disputes related thereto.

6. Section 409A. It is the intention of the parties that the payments and benefits to which the Executive could become entitled pursuant to this Agreement (including this Schedule I), as well as the termination of the Executive's employment under this Agreement, comply with or are exempt from Section 409A of the Code. Any payments that qualify for the "short-term deferral" exception, the "separation pay" exception or another exception under Section 409A of the Code shall be paid pursuant to the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of Section 409A of the Code. In this regard, notwithstanding anything in this Agreement to the contrary, all cash amounts (and cash equivalents) that become payable under paragraph 3 of this Schedule I on account of the Executive's termination of employment which is an "involuntary separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(n)) shall be paid as provided under paragraph 3 of this Schedule I and in no event later than March 15 of the year following the year in which the Date of Termination occurs. In the event the parties determine that the terms of this Agreement, including this Schedule I, do not comply with Section 409A of the Code, they will negotiate reasonably and in good faith to amend the terms of this Agreement and/or Schedule I such that they comply with, or are exempt from, Section 409A of the Code (in a manner that attempts to minimize the economic impact of such amendment on the Executive and the Firm) within the time period permitted by the applicable Treasury Regulations and in accordance with IRS Notice 2010-6 and other applicable guidance. All expenses or other reimbursements owed to the Executive under this Agreement (including this Schedule I) shall be for expenses incurred during the Executive's lifetime or within ten years after his death, shall be payable in accordance with the Firm's policies in effect from time to time, but in any event, to the extent required in order to comply with Section 409A of the Code, and shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive. In addition, to the extent required in order to comply with Section 409A of the Code, no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year and the Executive's right to reimbursement or in-kind benefits shall not be subject to liquidation or exchanged for another benefit. Notwithstanding any other provision of this Schedule I or this Agreement, if (i) the Executive is to receive payments or benefits by reason of his separation from service (as such term is defined in Section 409A of the Code) other than as a result of his death, (ii) the Executive is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the methodology established by the Firm as in effect on the date of the Executive's separation from service) for the period in which the payment or benefit would otherwise commence, and (iii) such payment or benefit would otherwise subject the Executive to any tax, interest or penalty

imposed under Section 409A of the Code (or any regulation promulgated thereunder) if the payment or benefit would commence within six months of a termination of the Executive's employment, then such payment or benefit will instead be paid, with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest") determined as of the Date of Termination, as provided below in this paragraph 6 of this Schedule I. Such payments or benefits that would have otherwise been required to be made during such six-month period will be paid to the Executive (or his estate, as the case may be) in one lump sum payment or otherwise provided to the Executive (or his estate, as the case may be) on the earlier of (A) the first business day that is six months and one day after the Executive's separation from service or (B) the fifth business day following the Executive's death. Thereafter, the payments and benefits will continue, if applicable, for the relevant period set forth in this Agreement or this Schedule I, as the case may be.

7. Miscellaneous.

Section 3(b). Section 3(b) of this Agreement is hereby amended to replace the first sentence thereof with the following: During the Schedule Term (as defined in Schedule I attached hereto), the Executive shall continue to (i) serve as a Vice Chairman and Managing Director of Lazard and Chief Executive Officer of Lazard Asset Management LLC, with such authority, duties and responsibilities as are consistent with the authority, duties and responsibilities exercised by the Executive on the Second Amendment Effective Date (as defined in Schedule I attached hereto), (ii) report directly to the Firm's Chief Executive Officer and (iii) other than in respect of charitable, educational and similar activities that 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 Firm's Chief Executive Officer), devote his entire working time, labor, skill and energies to the business and affairs of the Firm.

Section 5(a). Noncompetition. Section 5(a) of this Agreement is hereby amended and restated in its entirety to read as follows: The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Executive further acknowledges and agrees that in the course of the Executive's 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. Accordingly, the Executive hereby reaffirms and agrees that while employed by the Firm (including during any applicable notice period) and thereafter until (i) three months after the 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 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. 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).

Section 6. Nonsolicitation of Clients. Section 6 of this Agreement is hereby amended to replace the definition of "Client" with the following definition: "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.

Section 8. Nondisparagement. Section 8 of this Agreement is hereby amended to add the following sentences immediately following the first sentence of such section: The Firm (including, without limitation, any designated spokespersons) and the directors and executive officers of the Firm shall not make any comments or statements to the press, other employees of the Firm, any individual or entity with whom the Firm has a business relationship or any other person that is disparaging to the Executive or his reputation, except for truthful statements as may be required by law. The Firm acknowledges that the nondisparagement provision in favor of the Executive under this Section 8 is reasonable in light of all of the circumstances and imposes no undue hardship on the Firm. Accordingly, the Executive shall have the same enforcement rights and remedies with respect to such nondisparagement provision as the Firm has with respect to the Covenants (including, for the avoidance of doubt, the rights and remedies set forth in Sections 11 and 13). Further, such nondisparagement provision shall be subject to reformation on the same basis as the Covenants pursuant to Section 10(a).

Section 12. Arbitration. Section 12 of this Agreement is hereby amended (i) to replace all references to "the New York Stock Exchange, Inc." and the "NYSE" with references to the "Financial Industry Regulatory Authority" and "FINRA", as applicable, and (ii) to add the following sentences at the end of such section: Prior to a Change in Control (as defined in Schedule I attached hereto), each party shall bear its own costs and expenses of any such arbitration. Following a Change in Control, Lazard shall pay to the Executive, as incurred, all legal fees and expenses reasonably incurred by the Executive or with respect to the Executive during his lifetime or within ten years after his death in connection with any contest by Lazard, 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 any action to compel arbitration or enforce any arbitration award or as a result of any contest by the Executive about

the amount of any payment pursuant to this Agreement, and whether or not any such contest is under Section 12 or 13 of this Agreement or otherwise), plus Interest (as defined in Schedule I attached hereto) determined as of the date such legal fees and expenses were incurred; provided that, the Executive shall promptly repay to Lazard all such amounts if the Executive fails to prevail on at least one material issue in dispute in any such contest.

Section 16(b). Paragraphs 2, 3, 4, 5 and 6 of this Schedule I and Sections 16(i) and (j) of this Agreement are hereby added to the list of sections in Section 16(b) of this Agreement.

Section 16(f). Section 16(f) of this Agreement is hereby amended to add the following words at the end thereof: "except to the extent such withholding or offset is not permitted under Section 409A of the Code without the imposition of additional taxes or penalties on the Executive."

Section 16(i) and (j). Section 16 of this Agreement is hereby amended to add the following new subsections:

(i) Notwithstanding any provision of this Agreement to the contrary, to the minimum extent necessary to ensure the provision of non-taxable benefits under Section 105(h) of the Code or any similar law, the Firm shall be entitled to alter the manner in which medical benefits are provided to the Executive following termination of his employment; provided that in no event shall the after-tax cost to the Executive of such benefits be greater than the cost applicable to similarly situated executives of the Firm who have not terminated employment or, following a Change in Control (as defined in Schedule I attached hereto), the cost applicable to the Executive immediately prior to the Change in Control, if more favorable to the Executive.

(j) The Executive acknowledges and agrees that the Executive is subject to the Firm's Compensation Recovery Policy Applicable to Named Executive Officers, as in effect as of the date hereof (a copy of which has been provided to the Executive).

8. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Second Amendment by facsimile transmission or electronic means (including by "pdf") shall be effective as delivery of a manually executed counterpart of this Second Amendment.

/s/ AB Initialed by the Executive

/s/ SDH Initialed by Lazard

/s/ SDH Initialed by PubliCo

Exhibit 10.50

EXECUTION COPY

SECOND AMENDMENT TO AGREEMENT RELATING TO RETENTION AND NONCOMPETITION AND OTHER COVENANTS

Second Amendment (the "Second Amendment"), dated as of March 14, 2013 (the "Effective Date"), to Agreement Relating to Retention and Noncompetition and Other Covenants by and among Lazard Ltd, a company incorporated under the Laws of Bermuda ("PubliCo"), Lazard Group LLC, a Delaware limited liability company and successor to Lazard LLC ("Lazard"), on its behalf and on behalf of their subsidiaries and affiliates (collectively with PubliCo, Lazard and its and their predecessors and successors, the "Firm"), and Matthieu Bucaille (the "Executive"), dated as of October 4, 2004, and amended on April 1, 2011, (as amended, this "Agreement"); and

WHEREAS, the Firm and the Executive wish to amend this Agreement to modify Schedule I to such Agreement to extend the term of certain provisions of Schedule I of this Agreement beyond March 23, 2013, eliminate the golden parachute excise tax gross-up provision and revise certain other terms.

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, PubliCo and Lazard hereby agree as follows:

Effective as of the Effective Date, Schedule I of this Agreement shall hereby be amended and restated in its entirety in the form attached hereto.

IN WITNESS WHEREOF, the Executive and the Board of Directors of each of Lazard and PubliCo have caused this Second Amendment to be executed and delivered on the date first above written.

March 14, 2013

/s/ Matthieu Bucaille
Matthieu Bucaille

March 14, 2013

LAZARD LTD,

by /s/ Scott D. Hoffman
Scott D. Hoffman
Managing Director and General Counsel

March 14, 2013

LAZARD GROUP LLC
(on its behalf, and on behalf of its subsidiaries and affiliates),

by /s/ Scott D. Hoffman
Scott D. Hoffman
Managing Director and General Counsel

SCHEDULE I

Name (as per Preamble): Mr. Matthieu Bucaille

Effective upon the effective date of the Second Amendment to this Agreement (the "Second Amendment Effective Date"), this Schedule I shall take effect and its provisions shall constitute binding and enforceable agreements of the Firm.

1. Schedule Term. For purposes of this Schedule I, the "Schedule Term" shall mean the period from the Second Amendment Effective Date through March 31, 2016, subject to earlier termination in accordance with this Agreement. Notwithstanding the foregoing, upon a Change in Control (as defined below), the Schedule Term shall automatically be renewed so that the Schedule Term is not less than two years from the effective date of such Change in Control.

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 with the Firm, during the Schedule Term, the Executive shall be entitled to receive (i) an annual base salary of not less than $750,000 ("Base Salary") and (ii) so long as the Executive remains employed by the Firm through the end of the applicable fiscal year of Lazard (except as otherwise provided below in this Schedule I), an annual bonus to be determined under the terms of the applicable annual bonus plan of Lazard on the same basis as annual bonuses are determined for other executive officers of PubliCo, with such annual bonus to be paid in the same ratio of cash to equity awards as is applicable to executives of the Firm receiving annual bonuses at a level comparable to the annual bonus of the Executive. For purposes hereof, the term Base Salary shall refer to Base Salary as in effect from time to time, including any increases thereto. Notwithstanding anything to the contrary contained in Section 3(c)(iv) of this Agreement, subject to the Executive's continued employment with the Firm, the Executive shall continue to 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. Furthermore, subject to the Executive's continued employment in New York, the Executive shall be entitled to reimbursement (A) in an amount not to exceed $10,000 per month, for the rent on the Executive's residence in the New York City metropolitan area (the "Housing Allowance") and (B) for private school tuition for each of the Executive's children who is under the age of 18 years old (the "Tuition Reimbursement"); provided that, in the event Lazard triggers the provisions of Section 3(b)(i)(B) of this Agreement, the Executive shall be entitled to (i) the Tuition Reimbursement for tuition attributable to periods through the end of the academic year in which such change in position occurs and (ii) the Housing Allowance through the later of the end of such academic year and 60 days after such change in position. Within 30 days following the end of each calendar quarter during which the Executive is entitled to the Housing Allowance and Tuition Reimbursement, the Executive will provide the Firm with an invoice that sets forth the amount, if any, incurred with respect to the Housing Allowance and the Tuition Reimbursement during the preceding calendar quarter.

Within 30 days following the Firm's receipt of each such invoice, the Firm shall pay the Executive an amount in cash in U.S. dollars equal to the amount set forth on the invoice; provided that, with respect to the Housing Allowance, the amount of such payment and any previously reimbursed payments shall not exceed the maximum amount set forth in this paragraph 2. Any amount reimbursed to the Executive with respect to each of the Housing Allowance, the Tuition Reimbursement and the Relocation Reimbursement (as defined below) in any given calendar year shall not affect the amount reimbursed in any other calendar year, and the Executive's right to reimbursement with respect to each of the Housing Allowance, the Tuition Reimbursement and the Relocation Reimbursement may not be liquidated or exchanged for any other benefit. Subject to the Executive's continued employment, with respect to the period during the Schedule Term in which the Executive is entitled to the Housing Allowance and Tuition Reimbursement, and if the Executive becomes entitled to the Relocation Reimbursement, the Executive shall be entitled to an additional payment (an "Additional Payment") with respect to the Housing Allowance, the Tuition Reimbursement and the Relocation Reimbursement, as applicable, 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) upon the Additional Payment, but excluding any income taxes and penalties imposed pursuant to Section 409A of the Code, the Executive retains an amount of the Additional Payment equal to all taxes upon the Housing Allowance, the Tuition Reimbursement and the Relocation Reimbursement, as applicable (such taxes, the "Additional Taxes"). The Additional Payment shall in all events be paid no later than the end of the Executive's taxable year next following the Executive's taxable year in which the relevant Additional Taxes (and any income or other related taxes or interest or penalties thereon) on the Housing Allowance, the Tuition Reimbursement or the Relocation Reimbursement, as applicable, are remitted to the Internal Revenue Service or any other applicable taxing authority or, in the case of amounts relating to a claim from the Internal Revenue Service or another tax authority that does not result in the remittance of any federal, state, local and foreign income, excise, social security and other taxes, the calendar year in which the claim is finally settled or otherwise resolved. Notwithstanding any other provision of this paragraph 2, the Firm may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of the Executive, all or any portion of any Additional Payment, and the Executive hereby consents to such withholding.

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 Schedule Term the Executive's employment with the Firm is terminated by the Firm without Cause or by the Executive for Good Reason (in each case, as defined below) (a "Qualifying Termination"), Lazard or its Affiliate shall pay the Executive (subject to the Executive delivering a waiver and release in accordance with this paragraph 3 of this Schedule I in the event such Qualifying Termination occurs prior to a Change in Control), in a lump sum in cash on the 61st day after the Date of Termination (as defined below), the aggregate of the following amounts: (i) any unpaid Base Salary through the Date of Termination; (ii) any earned and unpaid bonus amounts for fiscal years of Lazard completed prior to the Date of Termination (determined in accordance with paragraph 2 of this Schedule I and with any such bonus to be paid in full in cash); and (iii) the product of (1) the "Severance Multiple" (as defined below) and (2) the sum of (x) the Base Salary and (y) the average annual bonus (or, to the extent applicable, cash distributions, and including any bonuses paid in the form of equity-based or fund interest

awards based on the grant date value of such awards in accordance with the normal valuation methodology used by Lazard) paid or payable (including any such amounts that may be deferred under any plan or arrangement of the Firm) to the Executive for the two completed fiscal years of Lazard immediately preceding the fiscal year during which occurs the Date of Termination (the "Average Bonus"). In addition, upon a Qualifying Termination, for a period of months equal to the product of (A) 12 and (B) the Severance Multiple (the "Benefit Continuation Period"), the Executive and his eligible dependents shall continue to be eligible to participate in the medical and dental benefit plans of the Firm 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 the Firm will use its reasonable best efforts to cause such continued coverage to be permitted under the applicable plan for the entire Benefit Continuation Period), which Benefit Continuation Period shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and 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 health care benefit plans of the Firm. For purposes of the provision of the health care benefits as provided above, the amount of such health care benefits provided in any given calendar year shall not affect the amount of such benefits provided in any other calendar year, and the Executive's right to the health care benefits may not be liquidated or exchanged for any other benefit.

In addition, in the case of (a) a Qualifying Termination during the Schedule Term or (b) the Executive's death or termination due to Disability during the Schedule Term, with respect to the fiscal year of Lazard during which the Date of Termination occurs, the Executive or his estate, as applicable, shall receive a pro-rata annual bonus payable in cash determined as follows:

(i) if, with respect to the fiscal year during which the Date of Termination occurs (other than (x) as a result of the Executive's death or Disability or (y) following a Change in Control), (A) the Executive was reasonably expected by Lazard to be a "covered employee" (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code")) prior to his Date of Termination, and (B) the annual bonus that the Executive was eligible to receive for such year was originally intended by Lazard to satisfy the performance-based exception under Section 162(m) of the Code (without regard to any entitlement to payment upon termination of employment), then the Executive's pro-rata annual bonus shall equal the product of (1) the amount determined by the Compensation Committee based on the Firm's actual performance for the fiscal year of the Firm in which the Date of Termination occurs on the same basis as annual bonuses are determined for other executive officers of the Firm (which, subject to the limits on any such bonus due to the level of satisfaction of the performance goals previously established for purposes of Section 162(m) of the Code, shall not represent (on an annualized basis) a percentage of the Executive's bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs that is lower than the average corresponding percentage applicable to active executives of Lazard who received bonuses for such prior fiscal year in amounts within 5% of the Executive's bonus for such prior fiscal year), and (2) a fraction, the numerator of which is the number of days elapsed in the fiscal year of Lazard in which occurs the Date of Termination through the Date of Termination, and the denominator of which is 365 (the "Pro-Ration Fraction"); or

(ii) if, either (A) with respect to the fiscal year during which the Date of Termination occurs, (1) the Executive is not reasonably expected by Lazard to be a "covered employee" (within the meaning of Section 162(m) of the Code) prior to his Date of Termination or (2) such termination is a result of the Executive's death or Disability or occurs following a Change in Control or (B) the annual bonus that the Executive was eligible to receive for the year in which the Date of Termination occurs was not originally intended by Lazard to satisfy the performance-based exception under Section 162(m) of the Code, then the pro-rata annual bonus shall equal the product of (x) the Average Bonus and (y) the Pro-Ration Fraction.

The pro-rata annual bonus determined pursuant to clause (i) or (ii) above, as applicable, shall be paid at such time or times as Lazard otherwise makes incentive payments for such fiscal year (and in all events no earlier than January 1st, and no later than March 15th, of the year following the year in which the Date of Termination occurs).

Notwithstanding the foregoing, the payments and benefits (other than any earned and unpaid compensation described in clauses (i) and (ii) of the first paragraph of this paragraph 3 of this Schedule I) payable to the Executive pursuant to this paragraph 3 of this Schedule I upon a Qualifying Termination prior to a Change in Control shall be subject to and conditioned upon the Executive having delivered to the Firm, no later than the 60th day after the Date of Termination, a waiver and general release of claims in favor of the Firm and its affiliates in the form attached hereto as Exhibit A that has become effective and irrevocable in accordance with its terms (such requirement to execute a release, the "Release Requirement"). Notwithstanding the foregoing, the Release Requirement shall lapse upon a Change in Control.

For all purposes of this Agreement, including without limitation, Sections 2(g)(ii) and 5(a), and for all purposes of the outstanding equity-based awards, fund interest awards and any similar awards held by the Executive as of the Date of Termination (as defined in this Schedule I) (collectively, the "Awards"), a resignation by the Executive for Good Reason during the Term shall be treated as a termination of the Executive by the Firm without Cause or as a Termination of Employment by the Firm other than for Cause (as such phrase or similar phrases are defined in the Plan (as defined in paragraph 4 of this Schedule I) or the award agreements governing the Awards), as applicable.

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 paragraph 3 of this Schedule I 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 and provide the benefits 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 Agreement and this Schedule I, as applicable, the following terms shall have the following meanings:

"Change in Control" shall have the meaning assigned to it in the Lazard 2008 Incentive Compensation Plan, as it may be amended from time to time, or any successor plan thereto (the "Plan").

Notwithstanding the definition of "Date of Termination" set forth in Section 5 of this Agreement, for all purposes of this Agreement, including Section 5, and this Schedule I, "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Firm for Cause, the date of receipt of the written notice of termination from the Firm or any later date specified therein within thirty (30) days after the Executive's receipt of such notice, as the case may be, (ii) if the Executive's employment is terminated by the Firm other than for Cause or Disability, the date on which the Firm notifies the Executive in writing of such termination, (iii) if the Executive's employment is voluntarily terminated by the Executive without Good Reason, 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 in writing of such termination, unless waived in writing by the Firm, (iv) if the Executive's employment is terminated by the Executive for Good Reason, the earlier of (A) the last day of the cure period (assuming no cure has occurred) and (B) the date the Firm formally notifies the Executive in writing that it does not intend to cure, unless the Firm and the Executive agree to a later date, which shall in no event be later than thirty (30) days following the first to occur of the dates set forth in clauses (A) and (B) of this clause (iv), and (v) 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 date on which the Executive's employment due to Disability is effective for purposes of the applicable long-term disability plan of the Firm, as the case may be. The Firm and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination of the Executive's employment described in this Agreement, including this Schedule I, constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein (or in this Agreement) to the contrary, (x) to the extent that any amounts owed to the Executive under this Agreement (including this Schedule I) are payable upon his termination of employment and are subject to Section 409A of the Code, then to the extent required in order to comply with Section 409A of the Code, such amounts shall not be payable to the Executive unless and until his termination of employment constitutes a "separation from service," within the meaning of Section 409A of the Code, including, without limitation, the default presumptions thereof and (y) the date on which such separation from service takes place shall be the "Date of Termination".

Notwithstanding the definition of "Cause" set forth in Section 2(g)(iv) of this Agreement, for all purposes of this Agreement, including Section 2(g)(iv) and this Schedule I, "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 (other than any such failure resulting from incapacity due to physical or mental illness or following the Firm's termination of the Executive other than for Cause or the Executive's termination for Good Reason in accordance with this Schedule I) (i) to perform his employment duties in any material respect or (ii) to follow specific reasonable directions received from (x) the Firm's Chief Executive Officer or the Audit Committee of the Board of Directors of PubliCo, if the Executive is then serving as Chief

Financial Officer of PubliCo and Lazard or (y) the Chief Executive Officer of Lazard Frères SAS, if the Executive is then serving as *Associe-Gerant* and Vice Chairman of European Investment Banking of Lazard Frères SAS, 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 thirty (30) days after actual receipt by the Executive of such written notice); 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. 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 Firm. Notwithstanding the foregoing, with respect to the events described in clauses (B), (C)(i) and (D) hereof, the Executive's acts or failure to act shall not constitute Cause to the extent taken (or not taken) based upon the direct advice of counsel to the Firm or the direct instructions of the Firm's Chief Executive Officer, the Audit Committee of the Board of Directors of PubliCo or, solely if the Executive is then serving as *Associe-Gerant* and Vice Chairman of European Investment Banking of Lazard Frères SAS, the Chief Executive Officer of Lazard Frères SAS. Except in the case of a termination of the Executive's employment under clause (A) of the definition of Cause, the cessation of employment of the Executive following a Change in Control shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds of the entire membership of the board of directors or similar governing body of the entity that is the ultimate parent of the Firm (such board, referred to as the "Applicable Board") finding that, in the good faith opinion of the Applicable Board, circumstances constituting Cause exist.

"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 from those contemplated by Section 3(b)(i)(A) or (B), as applicable, of this Agreement (without regard to the expiration of the Schedule Term and which, in the event of a Change in Control, shall be deemed to be those described in Section 3(b)(i) that applied to the Executive as of the date of such Change in Control), or any other action by the Firm which results in a material diminution in such position (including status, offices, titles and reporting requirements), authority, duties or responsibilities from those contemplated by Section 3(b)(i)(A) or (B), as applicable, of this Agreement (without regard to the expiration of the Schedule Term and which, in the event of a Change in Control, shall be deemed to be those described in Section 3(b)(i) that applied to the Executive as of immediately prior to the date of such Change in Control), (ii) a material breach by the Firm of the terms of this Agreement, including, without limitation, any material failure by the Firm to comply with paragraph 2 of this Schedule I or the nondisparagement covenant in Section 8 of this Agreement, or (iii) without the Executive's written consent, any requirement that the Executive's principal place of employment be relocated to a location that increases the Executive's commute from his primary residence in New York City or Paris, France, as applicable, by more than thirty (30) miles, and which, in the event of a Change in Control, shall be deemed to be the principal place of employment applicable to the Executive as of immediately prior to the date of such Change in Control. In the event of a termination for Good Reason, the notice requirements of Section 1 of this Agreement shall not apply. Notwithstanding the foregoing, a termination for Good Reason shall not have occurred unless (i) the Executive gives written notice to Lazard of termination of employment within ninety (90) days after the Executive first becomes aware of the occurrence of the circumstances constituting Good Reason,

specifying in reasonable detail the circumstances constituting Good Reason, and Lazard has failed within thirty (30) days after receipt of such notice to cure (if capable of cure) the circumstances constituting Good Reason, and (ii) the Executive's "separation from service" (within the meaning of Section 409A of the Code) occurs no later than two years following the initial existence of one or more of the circumstances giving rise to Good Reason.

"Severance Multiple" shall equal two (2).

5. Certain Limitations on Payments. In the event that it is determined by the reasonable computation by a nationally recognized certified public accounting firm that shall be selected by the Firm prior to any transaction constituting a change of control (which accounting firm shall in no event be the accounting firm for the entity seeking to effectuate such change of control) and reasonably acceptable to the Executive (the "Accountant"), which determination shall be certified by the Accountant and set forth in a certificate delivered to the Executive setting forth in reasonable detail the basis of the Accountant's determinations, that the aggregate amount of the payments, distributions, benefits and entitlements in the nature of compensation (within the meaning of Section 280G(B)(2) of the Code) by the Firm or any affiliate to or for the Executive's benefit (including any payment, distribution, benefit or entitlement made by any person or entity effecting a change of control), in each case, that constitute "parachute payments" within the meaning of Section 280G of the Code (such payments, the "Parachute Payments") that, but for this paragraph 5 of this Schedule I, would be payable to the Executive, exceeds the greatest amount of Parachute Payments that could be paid to the Executive without giving rise to any liability for any excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law (such tax or taxes being hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of Parachute Payments payable to the Executive shall equal the amount that produces the greatest after-tax benefit to the Executive after taking into account first any positions to mitigate such Excise Tax (including, without limitation, mitigation under a "reasonable compensation" analysis) and second any Excise Tax payable by the Executive. For the avoidance of doubt, this provision shall reduce the amount of Parachute Payments otherwise payable to the Executive, only if doing so would place the Executive in a better net after-tax economic position as compared with not doing so (taking into account the Excise Tax payable in respect of such Parachute Payments). The Firm shall reduce or eliminate the Parachute Payments, as necessary, by first reducing or eliminating the portion of the Parachute Payments provided under this Agreement (the "Agreement Payments") that are payable in cash and then by reducing or eliminating the non-cash portion of the Agreement Payments, in each case, in reverse order beginning with payments or benefits that are to be paid the furthest in time from the Date of Termination. For purposes of reducing the Parachute Payments to the Executive, only the Agreement Payments (and no other Parachute Payments) shall be reduced.

In connection with making determinations under this paragraph 5 of this Schedule I and determining the Excise Tax (if any), the Accountant shall take into account the value of any reasonable compensation for services to be rendered by the Executive before or after the change of control, including, without limitation, the restrictive covenants applicable to the Executive under this Agreement and any other non-competition provisions that may apply to the Executive, and the Firm shall cooperate in the valuation of any such services, including any restrictive covenants. The Firm and the Executive agree that the severance payments payable to the Executive in connection with a Change in Control pursuant to paragraph 3 of this Schedule I are

in consideration for, among other things, the restrictions and obligations set forth in Sections 4, 5, 6, 7, 8 and 9 of this Agreement, and that, for purposes of any such restrictions, the notice period (if any) prior to the Date of Termination is intended to and functions as an extension of the period of restriction on the Executive. All fees and expenses of the Accountant in implementing the provisions of this paragraph 5 of this Schedule I shall be borne by the Firm, and the Firm shall reimburse the Executive for all reasonable legal fees incurred with respect to the calculations under this paragraph 5 of this Schedule I and any reasonable legal and accounting fees incurred with respect to disputes related thereto.

6. Section 409A. It is the intention of the parties that the payments and benefits to which the Executive could become entitled pursuant to this Agreement (including this Schedule I), as well as the termination of the Executive's employment under this Agreement, comply with or are exempt from Section 409A of the Code. Any payments that qualify for the "short-term deferral" exception, the "separation pay" exception or another exception under Section 409A of the Code shall be paid pursuant to the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of Section 409A of the Code. In this regard, notwithstanding anything in this Agreement to the contrary, all cash amounts (and cash equivalents) that become payable under paragraph 3 of this Schedule I on account of the Executive's termination of employment which is an "involuntary separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(n)) shall be paid as provided under paragraph 3 of this Schedule I and in no event later than March 15 of the year following the year in which the Date of Termination occurs. In the event the parties determine that the terms of this Agreement, including this Schedule I, do not comply with Section 409A of the Code, they will negotiate reasonably and in good faith to amend the terms of this Agreement and/or Schedule I such that they comply with, or are exempt from, Section 409A of the Code (in a manner that attempts to minimize the economic impact of such amendment on the Executive and the Firm) within the time period permitted by the applicable Treasury Regulations and in accordance with IRS Notice 2010-6 and other applicable guidance. All expenses or other reimbursements owed to the Executive under this Agreement (including this Schedule I) shall be for expenses incurred during the Executive's lifetime or within ten years after his death, shall be payable in accordance with the Firm's policies in effect from time to time, but in any event, to the extent required in order to comply with Section 409A of the Code, and shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive. In addition, to the extent required in order to comply with Section 409A of the Code, no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year and the Executive's right to reimbursement or in-kind benefits shall not be subject to liquidation or exchanged for another benefit. Notwithstanding any other provision of this Schedule I or this Agreement, if (i) the Executive is to receive payments or benefits by reason of his separation from service (as such term is defined in Section 409A of the Code) other than as a result of his death, (ii) the Executive is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the methodology established by the Firm as in effect on the date of the Executive's separation from service) for the period in which the payment or benefit would otherwise commence, and (iii) such payment or benefit would otherwise subject the Executive to any tax, interest or penalty imposed under Section 409A of the Code (or any regulation promulgated thereunder) if the payment or benefit would commence within six months of a

termination of the Executive's employment, then such payment or benefit will instead be paid, with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest") determined as of the Date of Termination, as provided below in this paragraph 6 of this Schedule I. Such payments or benefits that would have otherwise been required to be made during such six-month period will be paid to the Executive (or his estate, as the case may be) in one lump sum payment or otherwise provided to the Executive (or his estate, as the case may be) on the earlier of (A) the first business day that is six months and one day after the Executive's separation from service or (B) the fifth business day following the Executive's death. Thereafter, the payments and benefits will continue, if applicable, for the relevant period set forth in this Agreement or this Schedule I, as the case may be.

7. Miscellaneous.

Section 3(b). Section 3(b) of this Agreement is hereby amended to replace the first sentence thereof with the following: During the Schedule Term (as defined in Schedule I attached hereto), the Executive shall continue to (i) serve as either, in Lazard's sole discretion, (A) the Chief Financial Officer of PubliCo and Lazard, with such authority, duties and responsibilities as are consistent with the authority, duties and responsibilities exercised by the Executive on the Second Amendment Effective Date (as defined in Schedule I attached hereto) or (B) *Associe-Gerant* and Vice Chairman of European Investment Banking of Lazard Frères SAS, a subsidiary of Lazard, in Paris France with such authority, duties and responsibilities as are consistent with such positions (provided that, without his consent, the Executive's principal place of employment may not be transferred to Paris, France prior to 60 days after such change in position), (ii) report directly to (A) the Firm's Chief Executive Officer and the Audit Committee of the Board of Directors of PubliCo, if the Executive is then serving as Chief Financial Officer of PubliCo and Lazard or (B) the Chief Executive Officer of Lazard Frères SAS, if the Executive is then serving as *Associe-Gerant* and Vice Chairman of European Investment Banking of Lazard Frères SAS and (iii) other than in respect of charitable, educational and similar activities that 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 Firm's Chief Executive Officer), devote his entire working time, labor, skill and energies to the business and affairs of the Firm. Lazard agrees that (x) at any time during the Schedule Term, the Executive shall be entitled to resign from his position as Chief Financial Officer of PubliCo and Lazard and commence employment as *Associe-Gerant* and Vice Chairman of European Investment Banking of Lazard Frères SAS in Paris, France, in which case this Agreement shall remain in effect for the remainder of the Schedule Term and such change in position shall not constitute a termination of employment or resignation for purposes of this Agreement and (y) in the event Lazard elects to require the Executive to serve in the position described in Section 3(b)(i)(B), Lazard shall reimburse the Executive for his reasonable and customary expenses associated with the relocation of his family, family belongings and household possessions from New York City to Paris, France on the same basis as applied to the Executive in respect of his prior relocation to New York City and, in the event Lazard elects to require the Executive to serve in the position described in Section 3(b)(i)(B) prior to the end of an academic year, Lazard shall reimburse the Executive for his return trips (on a roundtrip basis) from Paris, France to New York City on a reasonable frequency (the "Relocation Reimbursement"). Notwithstanding anything contained herein to the contrary, upon a Change in Control, if the Executive is not then serving in the position described in Section 3(b)(i)(B), Lazard shall cease to have the right to require the Executive to serve in such position and relocate to Paris, France.

Section 5(a). Noncompetition. Section 5(a) of this Agreement is hereby amended and restated in its entirety to read as follows: The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Executive further acknowledges and agrees that in the course of the Executive's 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. Accordingly, the Executive hereby reaffirms and agrees that while employed by the Firm (including during any applicable notice period) and thereafter until (i) three months after the 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 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. 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).

Section 6. Nonsolicitation of Clients. Section 6 of this Agreement is hereby amended to replace the definition of "Client" with the following definition: "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.

Section 8. Nondisparagement. Section 8 of this Agreement is hereby amended to add the following sentences immediately following the first sentence of such section: The Firm

(including, without limitation, any designated spokespersons) and the directors and executive officers of the Firm shall not make any comments or statements to the press, other employees of the Firm, any individual or entity with whom the Firm has a business relationship or any other person that is disparaging to the Executive or his reputation, except for truthful statements as may be required by law. The Firm acknowledges that the nondisparagement provision in favor of the Executive under this Section 8 is reasonable in light of all of the circumstances and imposes no undue hardship on the Firm. Accordingly, the Executive shall have the same enforcement rights and remedies with respect to such nondisparagement provision as the Firm has with respect to the Covenants (including, for the avoidance of doubt, the rights and remedies set forth in Sections 11 and 13). Further, such nondisparagement provision shall be subject to reformation on the same basis as the Covenants pursuant to Section 10(a).

Section 12. Arbitration. Section 12 of this Agreement is hereby amended (i) to replace all references to "the New York Stock Exchange, Inc." and the "NYSE" with references to the "Financial Industry Regulatory Authority" and "FINRA", as applicable, and (ii) to add the following sentences at the end of such section: Prior to a Change in Control (as defined in Schedule I attached hereto), each party shall bear its own costs and expenses of any such arbitration. Following a Change in Control, Lazard shall pay to the Executive, as incurred, all legal fees and expenses reasonably incurred by the Executive or with respect to the Executive during his lifetime or within ten years after his death in connection with any contest by Lazard, 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 any action to compel arbitration or enforce any arbitration award or as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement, and whether or not any such contest is under Section 12 or 13 of this Agreement or otherwise), plus Interest (as defined in Schedule I attached hereto) determined as of the date such legal fees and expenses were incurred; provided that, the Executive shall promptly repay to Lazard all such amounts if the Executive fails to prevail on at least one material issue in dispute in any such contest.

Section 16(b). Paragraphs 2, 3, 4, 5 and 6 of this Schedule I and Sections 3(b) (relating to the Relocation Reimbursement), 16(i) and (j) of this Agreement are hereby added to the list of sections in Section 16(b) of this Agreement.

Section 16(f). Section 16(f) of this Agreement is hereby amended to add the following words at the end thereof: "except to the extent such withholding or offset is not permitted under Section 409A of the Code without the imposition of additional taxes or penalties on the Executive."

Section 16(i) and (j). Section 16 of this Agreement is hereby amended to add the following new subsections:

(i) Notwithstanding any provision of this Agreement to the contrary, to the minimum extent necessary to ensure the provision of non-taxable benefits under Section 105(h) of the Code or any similar law, the Firm shall be entitled to alter the manner in which medical benefits are provided to the Executive following termination of his employment; provided that in no event shall the after-tax cost to the Executive of such benefits be greater than the cost applicable to similarly situated executives of the Firm who have not terminated employment or, following a Change in Control (as defined in Schedule I attached hereto), the cost applicable to the Executive immediately prior to the Change in Control, if more favorable to the Executive.

(j) The Executive acknowledges and agrees that the Executive is subject to the Firm's Compensation Recovery Policy Applicable to Named Executive Officers, as in effect as of the date hereof (a copy of which has been provided to the Executive).

8. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Second Amendment by facsimile transmission or electronic means (including by "pdf") shall be effective as delivery of a manually executed counterpart of this Second Amendment.

/s/ MB Initialed by the Executive

/s/ SDH Initialed by Lazard

/s/ SDH Initialed by PubliCo

Exhibit 10.51

EXECUTION COPY

SECOND AMENDMENT TO AGREEMENT RELATING TO RETENTION AND NONCOMPETITION AND OTHER COVENANTS

Second Amendment (the "Second Amendment"), dated as of March 14, 2013 (the "Effective Date"), to Agreement Relating to Retention and Noncompetition and Other Covenants by and among Lazard Ltd, a company incorporated under the Laws of Bermuda ("PubliCo"), Lazard Group LLC, a Delaware limited liability company and successor to Lazard LLC ("Lazard"), on its behalf and on behalf of their subsidiaries and affiliates (collectively with PubliCo, Lazard and its and their predecessors and successors, the "Firm"), and Scott D. Hoffman (the "Executive"), dated as of May 4, 2005, and amended as of May 7, 2008 and February 23, 2011 (as amended, this "Agreement"); and

WHEREAS, the Firm and the Executive wish to amend this Agreement to modify Schedule I to such Agreement to extend the term of certain provisions of Schedule I of this Agreement beyond March 23, 2013, eliminate the golden parachute excise tax gross-up provision and revise certain other terms.

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, PubliCo and Lazard hereby agree as follows:

Effective as of the Effective Date, Schedule I of this Agreement shall hereby be amended and restated in its entirety in the form attached hereto.

IN WITNESS WHEREOF, the Executive and the Board of Directors of each of Lazard and PubliCo have caused this Second Amendment to be executed and delivered on the date first above written.

March 14, 2013

/s/ Scott D. Hoffman
Scott D. Hoffman

March 14, 2013

LAZARD LTD,

by /s/ Kenneth M. Jacobs
Kenneth M. Jacobs
Chief Executive Officer

March 14, 2013

LAZARD GROUP LLC (on its behalf, and on behalf of its subsidiaries and affiliates),

by /s/ Kenneth M. Jacobs
Kenneth M. Jacobs
Chief Executive Officer

SCHEDULE I

Name (as per Preamble): Mr. Scott D. Hoffman

Effective upon the effective date of the Second Amendment to this Agreement (the "Second Amendment Effective Date"), this Schedule I shall take effect and its provisions shall constitute binding and enforceable agreements of the Firm.

1. Schedule Term. For purposes of this Schedule I, the "Schedule Term" shall mean the period from the Second Amendment Effective Date through March 31, 2016, subject to earlier termination in accordance with this Agreement. Notwithstanding the foregoing, upon a Change in Control (as defined below), the Schedule Term shall automatically be renewed so that the Schedule Term is not less than two years from the effective date of such Change in Control.

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 with the Firm, during the Schedule Term, the Executive shall be entitled to receive (i) an annual base salary of not less than $750,000 ("Base Salary") and (ii) so long as the Executive remains employed by the Firm through the end of the applicable fiscal year of Lazard (except as otherwise provided below in this Schedule I), an annual bonus to be determined under the terms of the applicable annual bonus plan of Lazard on the same basis as annual bonuses are determined for other executive officers of PubliCo, with such annual bonus to be paid in the same ratio of cash to equity awards as is applicable to executives of the Firm receiving annual bonuses at a level comparable to the annual bonus of the Executive. For purposes hereof, the term Base Salary shall refer to Base Salary as in effect from time to time, including any increases thereto. Notwithstanding anything to the contrary contained in Section 3(c)(iv) of this Agreement, subject to the Executive's continued employment with the Firm, the Executive shall continue to 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 Schedule Term the Executive's employment with the Firm is terminated by the Firm without Cause or by the Executive for Good Reason (in each case, as defined below) (a "Qualifying Termination"), Lazard shall pay the Executive (subject to the Executive delivering a waiver and release in accordance with this paragraph 3 of this Schedule I in the event such Qualifying Termination occurs prior to a Change in Control), in a lump sum in cash on the 61st day after the Date of Termination (as defined below), the aggregate of the following amounts: (i) any unpaid Base Salary through the Date of Termination; (ii) any earned and unpaid bonus amounts for fiscal years of Lazard completed prior to the Date of Termination (determined in accordance with paragraph 2 of this Schedule I and with any such bonus to be paid in full in cash); and (iii) the product of (1) the "Severance Multiple" (as defined below) and (2) the sum of (x) the Base Salary and (y) the average annual bonus (or, to the extent applicable, cash distributions, and

including any bonuses paid in the form of equity-based or fund interest awards based on the grant date value of such awards in accordance with the normal valuation methodology used by Lazard) paid or payable (including any such amounts that may be deferred under any plan or arrangement of the Firm) to the Executive for the two completed fiscal years of Lazard immediately preceding the fiscal year during which occurs the Date of Termination (the "Average Bonus"). In addition, upon a Qualifying Termination, for a period of months equal to the product of (A) 12 and (B) the Severance Multiple (the "Benefit Continuation Period"), 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 best efforts to cause such continued coverage to be permitted under the applicable plan for the entire Benefit Continuation Period), which Benefit Continuation Period shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and 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 health care benefit plans of Lazard. For purposes of the provision of the health care benefits as provided above, the amount of such health care benefits provided in any given calendar year shall not affect the amount of such benefits provided in any other calendar year, and the Executive's right to the health care benefits may not be liquidated or exchanged for any other benefit.

In addition, in the case of (a) a Qualifying Termination during the Schedule Term or (b) the Executive's death or termination due to Disability during the Schedule Term, with respect to the fiscal year of Lazard during which the Date of Termination occurs, the Executive or his estate, as applicable, shall receive a pro-rata annual bonus payable in cash determined as follows:

(i) if, with respect to the fiscal year during which the Date of Termination occurs (other than (x) as a result of the Executive's death or Disability or (y) following a Change in Control), (A) the Executive was reasonably expected by Lazard to be a "covered employee" (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code")) prior to his Date of Termination, and (B) the annual bonus that the Executive was eligible to receive for such year was originally intended by Lazard to satisfy the performance-based exception under Section 162(m) of the Code (without regard to any entitlement to payment upon termination of employment), then the Executive's pro-rata annual bonus shall equal the product of (1) the amount determined by the Compensation Committee based on the Firm's actual performance for the fiscal year of the Firm in which the Date of Termination occurs on the same basis as annual bonuses are determined for other executive officers of the Firm (which, subject to the limits on any such bonus due to the level of satisfaction of the performance goals

previously established for purposes of Section 162(m) of the Code, shall not represent (on an annualized basis) a percentage of the Executive's bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs that is lower than the average corresponding percentage applicable to active executives of Lazard who received bonuses for such prior fiscal year in amounts within 5% of the Executive's bonus for such prior fiscal year), and (2) a fraction, the numerator of which is the number of days elapsed in the fiscal year of Lazard in which occurs the Date of Termination through the Date of Termination, and the denominator of which is 365 (the "Pro-Ration Fraction"); or

(ii) if , either (A) with respect to the fiscal year during which the Date of Termination occurs, (1) the Executive is not reasonably expected by Lazard to be a "covered employee" (within the meaning of Section 162(m) of the Code) prior to his Date of Termination or (2) such termination is a result of the Executive's death or Disability or occurs following a Change in Control or (B) the annual bonus that the Executive was eligible to receive for the year in which the Date of Termination occurs was not originally intended by Lazard to satisfy the performance-based exception under Section 162(m) of the Code, then the pro-rata annual bonus shall equal the product of (x) the Average Bonus and (y) the Pro-Ration Fraction.

The pro-rata annual bonus determined pursuant to clause (i) or (ii) above, as applicable, shall be paid at such time or times as Lazard otherwise makes incentive payments for such fiscal year (and in all events no earlier than January 1st, and no later than March 15th, of the year following the year in which the Date of Termination occurs).

Notwithstanding the foregoing, the payments and benefits (other than any earned and unpaid compensation described in clauses (i) and (ii) of the first paragraph of this paragraph 3 of this Schedule I) payable to the Executive pursuant to this paragraph 3 of this Schedule I upon a Qualifying Termination prior to a Change in Control shall be subject to and conditioned upon the Executive having delivered to the Firm, no later than the 60th day after the Date of Termination, a waiver and general release of claims in favor of the Firm and its affiliates in the form attached hereto as Exhibit A that has become effective and irrevocable in accordance with its terms (such requirement to execute a release, the "Release Requirement"). Notwithstanding the foregoing, the Release Requirement shall lapse upon a Change in Control.

For all purposes of this Agreement, including without limitation, Sections 2(g)(ii) and 5(a), and for all purposes of the outstanding equity-based awards, fund interest awards and any similar awards held by the Executive as of the Date of Termination (as defined in this Schedule I) (collectively, the "Awards"), a resignation by the Executive for Good Reason during the Term shall be treated as a termination of the Executive by the Firm without Cause or as a Termination of Employment by the Firm other than for Cause (as such phrase or similar phrases are defined in the Plan (as defined in paragraph 4 of this Schedule I) or the award agreements governing the Awards), as applicable.

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 paragraph 3 of this Schedule I 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 and provide the benefits 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 Agreement and this Schedule I, as applicable, the following terms shall have the following meanings:

"Change in Control" shall have the meaning assigned to it in the Lazard 2008 Incentive Compensation Plan, as it may be amended from time to time, or any successor plan thereto (the "Plan").

Notwithstanding the definition of "Date of Termination" set forth in Section 5 of this Agreement, for all purposes of this Agreement, including Section 5, and this Schedule I, "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Firm for Cause, the date of receipt of the written notice of termination from the Firm or any later date specified therein within thirty (30) days after the Executive's receipt of such notice, as the case may be, (ii) if the Executive's employment is terminated by the Firm other than for Cause or Disability, the date on which the Firm notifies the Executive in writing of such termination, (iii) if the Executive's employment is voluntarily terminated by the Executive without Good Reason, 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 in writing of such termination, unless waived in writing by the Firm, (iv) if the Executive's employment is terminated by the Executive for Good Reason, the earlier of (A) the last day of the cure period (assuming no cure has occurred) and (B) the date Lazard formally notifies the Executive in writing that it does not intend to cure, unless Lazard and the Executive agree to a later date, which shall in no event be later than thirty (30) days following the first to occur of the dates set forth in clauses (A) and (B) of this clause (iv), and (v) 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 date on which the Executive's employment due to Disability is effective for purposes of the applicable long-term disability plan of the Firm, as the case may be. The Firm and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination of the Executive's employment described in this Agreement, including this Schedule I, constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein (or in this Agreement) to the contrary, (x) to the extent that any amounts owed to the Executive under this Agreement (including this Schedule I) are payable upon his termination of employment and are subject to Section 409A of the Code, then to the extent required in order to comply with Section 409A of the Code, such amounts shall not be payable to the Executive unless and until his termination of employment constitutes a "separation from service," within the meaning of Section 409A of the Code, including, without limitation, the default presumptions thereof and (y) the date on which such separation from service takes place shall be the "Date of Termination".

Notwithstanding the definition of "Cause" set forth in Section 2(g)(iv) of this Agreement, for all purposes of this Agreement, including Section 2(g)(iv) and this Schedule I, "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 (other than any such failure resulting from incapacity due to physical or mental illness or following the Firm's termination of the Executive other than for Cause or the Executive's termination for Good Reason in accordance with this Schedule I) (i) to perform his employment duties in any material respect or (ii) to follow specific reasonable directions received from the Firm's Chief Executive Officer or the Board of Directors of PubliCo, 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 thirty (30) days after actual receipt by the Executive of such written notice); 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. 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 Firm. Notwithstanding the foregoing, with respect to the events described in clauses (B), (C)(i) and (D) 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 Firm's Chief Executive Officer or the Board of Directors of PubliCo or upon the direct advice of counsel to the Firm. Except in the case of a termination of the Executive's employment under clause (A) of the definition of Cause, the cessation of employment of the Executive following a Change in Control shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds of the entire membership of the board of directors or similar governing body of the entity that is the ultimate parent of the Firm (such board, referred to as the "Applicable Board") finding that, in the good faith opinion of the Applicable Board, circumstances constituting Cause exist.

"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 from those contemplated by Section 3(b) of this Agreement (without regard to the expiration of the Schedule Term), or any other action by the Firm which results in a material diminution in such position (including status, offices, titles and reporting requirements), authority, duties or responsibilities from those contemplated by Section 3(b) of this Agreement (without regard to the expiration of the Schedule Term), (ii) a material breach by the Firm of the terms of this Agreement, including, without limitation, any material failure by the Firm to comply with paragraph 2 of this Schedule I or the nondisparagement covenant in Section 8 of this Agreement, or (iii) without the Executive's written consent, any requirement that the Executive's principal place of employment be relocated to a location that increases the Executive's commute from his primary residence by more than thirty (30) miles. In the event of a termination for Good Reason, the notice requirements of Section 1 of this Agreement shall not apply. Notwithstanding the foregoing, a termination for Good Reason shall not have occurred unless (i) the Executive gives written notice to Lazard of termination of employment within ninety (90) days after the Executive first becomes aware of the occurrence of the circumstances constituting Good Reason, specifying in reasonable detail the circumstances constituting Good Reason, and Lazard has failed within thirty (30) days after receipt of such notice to cure (if capable of cure) the circumstances constituting Good Reason, and (ii) the Executive's "separation from service" (within the meaning of Section 409A of the Code) occurs no later than two years following the initial existence of one or more of the circumstances giving rise to Good Reason.

"Severance Multiple" shall equal two (2).

5. Certain Limitations on Payments. In the event that it is determined by the reasonable computation by a nationally recognized certified public accounting firm that shall be selected by the Firm prior to any transaction constituting a change of control (which accounting firm shall in no event be the accounting firm for the entity seeking to effectuate such change of control) and reasonably acceptable to the Executive (the "Accountant"), which determination

shall be certified by the Accountant and set forth in a certificate delivered to the Executive setting forth in reasonable detail the basis of the Accountant's determinations, that the aggregate amount of the payments, distributions, benefits and entitlements in the nature of compensation (within the meaning of Section 280G(B)(2) of the Code) by the Firm or any affiliate to or for the Executive's benefit (including any payment, distribution, benefit or entitlement made by any person or entity effecting a change of control), in each case, that constitute "parachute payments" within the meaning of Section 280G of the Code (such payments, the "Parachute Payments") that, but for this paragraph 5 of this Schedule I, would be payable to the Executive, exceeds the greatest amount of Parachute Payments that could be paid to the Executive without giving rise to any liability for any excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law (such tax or taxes being hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of Parachute Payments payable to the Executive shall equal the amount that produces the greatest after-tax benefit to the Executive after taking into account first any positions to mitigate such Excise Tax (including, without limitation, mitigation under a "reasonable compensation" analysis) and second any Excise Tax payable by the Executive. For the avoidance of doubt, this provision shall reduce the amount of Parachute Payments otherwise payable to the Executive, only if doing so would place the Executive in a better net after-tax economic position as compared with not doing so (taking into account the Excise Tax payable in respect of such Parachute Payments). The Firm shall reduce or eliminate the Parachute Payments, as necessary, by first reducing or eliminating the portion of the Parachute Payments provided under this Agreement (the "Agreement Payments") that are payable in cash and then by reducing or eliminating the non-cash portion of the Agreement Payments, in each case, in reverse order beginning with payments or benefits that are to be paid the furthest in time from the Date of Termination. For purposes of reducing the Parachute Payments to the Executive, only the Agreement Payments (and no other Parachute Payments) shall be reduced.

In connection with making determinations under this paragraph 5 of this Schedule I and determining the Excise Tax (if any), the Accountant shall take into account the value of any reasonable compensation for services to be rendered by the Executive before or after the change of control, including, without limitation, the restrictive covenants applicable to the Executive under this Agreement and any other non-competition provisions that may apply to the Executive, and the Firm shall cooperate in the valuation of any such services, including any restrictive covenants. The Firm and the Executive agree that the severance payments payable to the Executive in connection with a Change in Control pursuant to paragraph 3 of this Schedule I are in consideration for, among other things, the restrictions and obligations set forth in Sections 4, 5, 6, 7, 8 and 9 of this Agreement, and that, for purposes of any such restrictions, the notice period (if any) prior to the Date of Termination is intended to and functions as an extension of the period of restriction on the Executive. All fees and expenses of the Accountant in implementing the provisions of this paragraph 5 of this Schedule I shall be borne by the Firm, and the Firm shall reimburse the Executive for all reasonable legal fees incurred with respect to the calculations under this paragraph 5 of this Schedule I and any reasonable legal and accounting fees incurred with respect to disputes related thereto.

6. Section 409A. It is the intention of the parties that the payments and benefits to which the Executive could become entitled pursuant to this Agreement (including this Schedule I), as well as the termination of the Executive's employment under this Agreement, comply with or are exempt from Section 409A of the Code. Any payments that qualify for the "short-term

deferral" exception, the "separation pay" exception or another exception under Section 409A of the Code shall be paid pursuant to the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of Section 409A of the Code. In this regard, notwithstanding anything in this Agreement to the contrary, all cash amounts (and cash equivalents) that become payable under paragraph 3 of this Schedule I on account of the Executive's termination of employment which is an "involuntary separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(n)) shall be paid as provided under paragraph 3 of this Schedule I and in no event later than March 15 of the year following the year in which the Date of Termination occurs. In the event the parties determine that the terms of this Agreement, including this Schedule I, do not comply with Section 409A of the Code, they will negotiate reasonably and in good faith to amend the terms of this Agreement and/or Schedule I such that they comply with, or are exempt from, Section 409A of the Code (in a manner that attempts to minimize the economic impact of such amendment on the Executive and the Firm) within the time period permitted by the applicable Treasury Regulations and in accordance with IRS Notice 2010-6 and other applicable guidance. All expenses or other reimbursements owed to the Executive under this Agreement (including this Schedule I) shall be for expenses incurred during the Executive's lifetime or within ten years after his death, shall be payable in accordance with the Firm's policies in effect from time to time, but in any event, to the extent required in order to comply with Section 409A of the Code, and shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive. In addition, to the extent required in order to comply with Section 409A of the Code, no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year and the Executive's right to reimbursement or in-kind benefits shall not be subject to liquidation or exchanged for another benefit. Notwithstanding any other provision of this Schedule I or this Agreement, if (i) the Executive is to receive payments or benefits by reason of his separation from service (as such term is defined in Section 409A of the Code) other than as a result of his death, (ii) the Executive is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the methodology established by the Firm as in effect on the date of the Executive's separation from service) for the period in which the payment or benefit would otherwise commence, and (iii) such payment or benefit would otherwise subject the Executive to any tax, interest or penalty imposed under Section 409A of the Code (or any regulation promulgated thereunder) if the payment or benefit would commence within six months of a termination of the Executive's employment, then such payment or benefit will instead be paid, with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest") determined as of the Date of Termination, as provided below in this paragraph 6 of this Schedule I. Such payments or benefits that would have otherwise been required to be made during such six-month period will be paid to the Executive (or his estate, as the case may be) in one lump sum payment or otherwise provided to the Executive (or his estate, as the case may be) on the earlier of (A) the first business day that is six months and one day after the Executive's separation from service or (B) the fifth business day following the Executive's death. Thereafter, the payments and benefits will continue, if applicable, for the relevant period set forth in this Agreement or this Schedule I, as the case may be.

7. Miscellaneous.

Section 3(b). Section 3(b) of this Agreement is hereby amended to replace the first sentence thereof with the following: During the Schedule Term (as defined in Schedule I attached hereto), the Executive shall continue to (i) serve as the General Counsel of PubliCo and Lazard, with such authority, duties and responsibilities as are consistent with the authority, duties and responsibilities exercised by the Executive on the Second Amendment Effective Date (as defined in Schedule I attached hereto), (ii) report directly to the Firm's Chief Executive Officer and the Board of Directors of PubliCo and (iii) other than in respect of charitable, educational and similar activities that 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 Firm's Chief Executive Officer), devote his entire working time, labor, skill and energies to the business and affairs of the Firm.

Section 5(a). Noncompetition. Section 5(a) of this Agreement is hereby amended and restated in its entirety to read as follows: The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Executive further acknowledges and agrees that in the course of the Executive's 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. Accordingly, the Executive hereby reaffirms and agrees that while employed by the Firm (including during any applicable notice period) and thereafter until (i) three months after the 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 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. 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).

Section 6. Nonsolicitation of Clients. Section 6 of this Agreement is hereby amended to replace the definition of "Client" with the following definition: "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.

Section 8. Nondisparagement. Section 8 of this Agreement is hereby amended to add the following sentences immediately following the first sentence of such section: The Firm (including, without limitation, any designated spokespersons) and the directors and executive officers of the Firm shall not make any comments or statements to the press, other employees of the Firm, any individual or entity with whom the Firm has a business relationship or any other person that is disparaging to the Executive or his reputation, except for truthful statements as may be required by law. The Firm acknowledges that the nondisparagement provision in favor of the Executive under this Section 8 is reasonable in light of all of the circumstances and imposes no undue hardship on the Firm. Accordingly, the Executive shall have the same enforcement rights and remedies with respect to such nondisparagement provision as the Firm has with respect to the Covenants (including, for the avoidance of doubt, the rights and remedies set forth in Sections 11 and 13). Further, such nondisparagement provision shall be subject to reformation on the same basis as the Covenants pursuant to Section 10(a).

Section 12. Arbitration. Section 12 of this Agreement is hereby amended (i) to replace all references to "the New York Stock Exchange, Inc." and the "NYSE" with references to the "Financial Industry Regulatory Authority" and "FINRA", as applicable, and (ii) to add the following sentences at the end of such section: Prior to a Change in Control (as defined in Schedule I attached hereto), each party shall bear its own costs and expenses of any such arbitration. Following a Change in Control, Lazard shall pay to the Executive, as incurred, all legal fees and expenses reasonably incurred by the Executive or with respect to the Executive during his lifetime or within ten years after his death in connection with any contest by Lazard, 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 any action to compel arbitration or enforce any arbitration award or as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement, and whether or not any such contest is under Section 12 or 13 of this Agreement or otherwise), plus Interest (as defined in Schedule I attached hereto) determined as of the date such legal fees and expenses were incurred; provided that, the Executive shall promptly repay to Lazard all such amounts if the Executive fails to prevail on at least one material issue in dispute in any such contest.

Section 16(b). Paragraphs 2, 3, 4, 5 and 6 of this Schedule I and Sections 16(i) and (j) of this Agreement are hereby added to the list of sections in Section 16(b) of this Agreement.

Section 16(f). Section 16(f) of this Agreement is hereby amended to add the following words at the end thereof: "except to the extent such withholding or offset is not permitted under Section 409A of the Code without the imposition of additional taxes or penalties on the Executive."

Section 16(i) and (j). Section 16 of this Agreement is hereby amended to add the following new subsections:

(i) Notwithstanding any provision of this Agreement to the contrary, to the minimum extent necessary to ensure the provision of non-taxable benefits under Section 105(h) of the Code or any similar law, the Firm shall be entitled to alter the manner in which medical benefits are provided to the Executive following termination of his employment; provided that in no event shall the after-tax cost to the Executive of such benefits be greater than the cost applicable to similarly situated executives of the Firm who have not terminated employment or, following a Change in Control (as defined in Schedule I attached hereto), the cost applicable to the Executive immediately prior to the Change in Control, if more favorable to the Executive.

(j) The Executive acknowledges and agrees that the Executive is subject to the Firm's Compensation Recovery Policy Applicable to Named Executive Officers, as in effect as of the date hereof (a copy of which has been provided to the Executive).

8. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Second Amendment by facsimile transmission or electronic means (including by "pdf") shall be effective as delivery of a manually executed counterpart of this Second Amendment.

/s/ SDH Initialed by the Executive

/s/ KMJ Initialed by Lazard

/s/ KMJ Initialed by PubliCo

Exhibit 10.52

EXECUTION COPY

SECOND AMENDMENT TO AGREEMENT RELATING TO RETENTION AND NONCOMPETITION AND OTHER COVENANTS

Second Amendment (the "Second Amendment"), dated as of March 14, 2013 (the "Effective Date"), to Agreement Relating to Retention and Noncompetition and Other Covenants by and among Lazard Ltd, a company incorporated under the Laws of Bermuda ("PubliCo"), Lazard Group LLC, a Delaware limited liability company and successor to Lazard LLC ("Lazard"), on its behalf and on behalf of their subsidiaries and affiliates (collectively with PubliCo, Lazard and its and their predecessors and successors, the "Firm"), and Alexander F. Stern (the "Executive"), dated as of October 4, 2004, and amended on March 23, 2010 (as amended, this "Agreement"); and

WHEREAS, the Firm and the Executive wish to amend this Agreement to modify Schedule I to such Agreement to extend the term of certain provisions of Schedule I of this Agreement beyond March 23, 2013, eliminate the golden parachute excise tax gross-up provision and revise certain other terms.

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, PubliCo and Lazard hereby agree as follows:

Effective as of the Effective Date, Schedule I of this Agreement shall hereby be amended and restated in its entirety in the form attached hereto.

IN WITNESS WHEREOF, the Executive and the Board of Directors of each of Lazard and PubliCo have caused this Second Amendment to be executed and delivered on the date first above written.

March 14, 2013

/s/ Alexander F. Stern
Alexander F. Stern

March 14, 2013

LAZARD LTD,

by /s/ Scott D. Hoffman
Scott D. Hoffman
Managing Director and General Counsel

March 14, 2013

LAZARD GROUP LLC (on its behalf, and on behalf of its subsidiaries and affiliates),

by /s/ Scott D. Hoffman
Scott D. Hoffman
Managing Director and General Counsel

SCHEDULE I

Name (as per Preamble): Mr. Alexander F. Stern

Effective upon the effective date of the Second Amendment to this Agreement (the "Second Amendment Effective Date"), this Schedule I shall take effect and its provisions shall constitute binding and enforceable agreements of the Firm.

1. Schedule Term. For purposes of this Schedule I, the "Schedule Term" shall mean the period from the Second Amendment Effective Date through March 31, 2016, subject to earlier termination in accordance with this Agreement. Notwithstanding the foregoing, upon a Change in Control (as defined below), the Schedule Term shall automatically be renewed so that the Schedule Term is not less than two years from the effective date of such Change in Control.

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 with the Firm, during the Schedule Term, the Executive shall be entitled to receive (i) an annual base salary of not less than $750,000 ("Base Salary") and (ii) so long as the Executive remains employed by the Firm through the end of the applicable fiscal year of Lazard (except as otherwise provided below in this Schedule I), an annual bonus to be determined under the terms of the applicable annual bonus plan of Lazard on the same basis as annual bonuses are determined for other executive officers of PubliCo, with such annual bonus to be paid in the same ratio of cash to equity awards as is applicable to executives of the Firm receiving annual bonuses at a level comparable to the annual bonus of the Executive. For purposes hereof, the term Base Salary shall refer to Base Salary as in effect from time to time, including any increases thereto. Notwithstanding anything to the contrary contained in Section 3(c)(iv) of this Agreement, subject to the Executive's continued employment with the Firm, the Executive shall continue to 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 Schedule Term the Executive's employment with the Firm is terminated by the Firm without Cause or by the Executive for Good Reason (in each case, as defined below) (a "Qualifying Termination"), Lazard shall pay the Executive (subject to the Executive delivering a waiver and release in accordance with this paragraph 3 of this Schedule I in the event such Qualifying Termination occurs prior to a Change in Control), in a lump sum in cash on the 61st day after the Date of Termination (as defined below), the aggregate of the following amounts: (i) any unpaid Base Salary through the Date of Termination; (ii) any earned and unpaid bonus amounts for fiscal years of Lazard completed prior to the Date of Termination (determined in accordance with paragraph 2 of this Schedule I and with any such bonus to be paid in full in cash); and (iii) the product of (1) the "Severance Multiple" (as defined below) and (2) the sum of (x) the Base Salary and (y) the average annual bonus (or, to the extent applicable, cash distributions, and

including any bonuses paid in the form of equity-based or fund interest awards based on the grant date value of such awards in accordance with the normal valuation methodology used by Lazard) paid or payable (including any such amounts that may be deferred under any plan or arrangement of the Firm) to the Executive for the two completed fiscal years of Lazard immediately preceding the fiscal year during which occurs the Date of Termination (the "Average Bonus"). In addition, upon a Qualifying Termination, for a period of months equal to the product of (A) 12 and (B) the Severance Multiple (the "Benefit Continuation Period"), 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 best efforts to cause such continued coverage to be permitted under the applicable plan for the entire Benefit Continuation Period), which Benefit Continuation Period shall not run concurrently with or reduce the Executive's right to continued coverage under COBRA and 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 health care benefit plans of Lazard. For purposes of the provision of the health care benefits as provided above, the amount of such health care benefits provided in any given calendar year shall not affect the amount of such benefits provided in any other calendar year, and the Executive's right to the health care benefits may not be liquidated or exchanged for any other benefit.

In addition, in the case of (a) a Qualifying Termination during the Schedule Term or (b) the Executive's death or termination due to Disability during the Schedule Term, with respect to the fiscal year of Lazard during which the Date of Termination occurs, the Executive or his estate, as applicable, shall receive a pro-rata annual bonus payable in cash determined as follows:

(i) if, with respect to the fiscal year during which the Date of Termination occurs (other than (x) as a result of the Executive's death or Disability or (y) following a Change in Control), (A) the Executive was reasonably expected by Lazard to be a "covered employee" (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code")) prior to his Date of Termination, and (B) the annual bonus that the Executive was eligible to receive for such year was originally intended by Lazard to satisfy the performance-based exception under Section 162(m) of the Code (without regard to any entitlement to payment upon termination of employment), then the Executive's pro-rata annual bonus shall equal the product of (1) the amount determined by the Compensation Committee based on the Firm's actual performance for the fiscal year of the Firm in which the Date of Termination occurs on the same basis as annual bonuses are determined for other executive officers of the Firm (which, subject to the limits on any such bonus due to the level of satisfaction of the performance goals previously established for purposes of Section 162(m) of the Code, shall not represent (on an annualized basis) a percentage of the Executive's bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs that is lower than the average corresponding percentage applicable to active executives of Lazard who received bonuses for such prior fiscal year in amounts within 5% of the Executive's bonus for such prior fiscal year), and (2) a fraction, the numerator of which is the number of days elapsed in the fiscal year of Lazard in which occurs the Date of Termination through the Date of Termination, and the denominator of which is 365 (the "Pro-Ration Fraction"); or

(ii) if , either (A) with respect to the fiscal year during which the Date of Termination occurs, (1) the Executive is not reasonably expected by Lazard to be a "covered employee" (within the meaning of Section 162(m) of the Code) prior to his Date of Termination or (2) such termination is a result of the Executive's death or Disability or occurs following a Change in Control or (B) the annual bonus that the Executive was eligible to receive for the year in which the Date of Termination occurs was not originally intended by Lazard to satisfy the performance-based exception under Section 162(m) of the Code, then the pro-rata annual bonus shall equal the product of (x) the Average Bonus and (y) the Pro-Ration Fraction.

The pro-rata annual bonus determined pursuant to clause (i) or (ii) above, as applicable, shall be paid at such time or times as Lazard otherwise makes incentive payments for such fiscal year (and in all events no earlier than January 1st, and no later than March 15th, of the year following the year in which the Date of Termination occurs).

Notwithstanding the foregoing, the payments and benefits (other than any earned and unpaid compensation described in clauses (i) and (ii) of the first paragraph of this paragraph 3 of this Schedule I) payable to the Executive pursuant to this paragraph 3 of this Schedule I upon a Qualifying Termination prior to a Change in Control shall be subject to and conditioned upon the Executive having delivered to the Firm, no later than the 60th day after the Date of Termination, a waiver and general release of claims in favor of the Firm and its affiliates in the form attached hereto as Exhibit A that has become effective and irrevocable in accordance with its terms (such requirement to execute a release, the "Release Requirement"). Notwithstanding the foregoing, the Release Requirement shall lapse upon a Change in Control.

For all purposes of this Agreement, including without limitation, Sections 2(g)(ii) and 5(a), and for all purposes of the outstanding equity-based awards, fund interest awards and any similar awards held by the Executive as of the Date of Termination (as defined in this Schedule I) (collectively, the "Awards"), a resignation by the Executive for Good Reason during the Term shall be treated as a termination of the Executive by the Firm without Cause or as a Termination of Employment by the Firm other than for Cause (as such phrase or similar phrases are defined in the Plan (as defined in paragraph 4 of this Schedule I) or the award agreements governing the Awards), as applicable.

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 paragraph 3 of this Schedule I 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 and provide the benefits 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 Agreement and this Schedule I, as applicable, the following terms shall have the following meanings:

"Change in Control" shall have the meaning assigned to it in the Lazard 2008 Incentive Compensation Plan, as it may be amended from time to time, or any successor plan thereto (the "Plan").

Notwithstanding the definition of "Date of Termination" set forth in Section 5 of this Agreement, for all purposes of this Agreement, including Section 5, and this Schedule I, "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Firm for Cause, the date of receipt of the written notice of termination from the Firm or any later date specified therein within thirty (30) days after the Executive's receipt of such notice, as the case may be, (ii) if the Executive's employment is terminated by the Firm other than for Cause or Disability, the date on which the Firm notifies the Executive in writing of such termination, (iii) if the Executive's employment is voluntarily terminated by the Executive without Good Reason, 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 in writing of such termination, unless waived in writing by the Firm, (iv) if the Executive's employment is terminated by the Executive for Good Reason, the earlier of (A) the last day of the cure period (assuming no cure has occurred) and (B) the date Lazard formally notifies the Executive in writing that it does not intend to cure, unless Lazard and the Executive agree to a later date, which shall in no event be later than thirty (30) days following the first to occur of the dates set forth in clauses (A) and (B) of this clause (iv), and (v) 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 date on which the Executive's employment due to Disability is effective for purposes of the applicable long-term disability plan of the Firm, as the case may be. The Firm and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination of the Executive's employment described in this Agreement, including this Schedule I, constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein (or in this Agreement) to the contrary, (x) to the extent that any amounts owed to the Executive under this Agreement (including this Schedule I) are payable upon his termination of employment and are subject to Section 409A of the Code, then to the extent required in order to comply with Section 409A of the Code, such amounts shall not be payable to the Executive unless and until his termination of employment constitutes a "separation from service," within the meaning of Section 409A of the Code, including, without limitation, the default presumptions thereof and (y) the date on which such separation from service takes place shall be the "Date of Termination".

Notwithstanding the definition of "Cause" set forth in Section 2(g)(iv) of this Agreement, for all purposes of this Agreement, including Section 2(g)(iv) and this Schedule I, "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 (other than any such failure resulting from incapacity due to physical or mental illness or following the Firm's termination of the Executive other than for Cause or the Executive's termination for Good Reason in accordance with this Schedule I) (i) to perform his employment duties in any material respect or (ii) to follow specific reasonable directions received from the Firm's Chief Executive Officer, 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 thirty (30) days after actual receipt by the Executive of such written notice); 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. 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 Firm. Notwithstanding the foregoing, with respect to the events described in clauses (B), (C)(i) and (D) 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 Firm's Chief Executive Officer or upon the direct advice of counsel to the Firm. Except in the case of a termination of the Executive's employment under clause (A) of the definition of Cause, the cessation of employment of the Executive following a Change in Control shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds of the entire membership of the board of directors or similar governing body of the entity that is the ultimate parent of the Firm (such board, referred to as the "Applicable Board") finding that, in the good faith opinion of the Applicable Board, circumstances constituting Cause exist.

"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 from those contemplated by Section 3(b) of this Agreement (without regard to the expiration of the Schedule Term), or any other action by the Firm which results in a material diminution in such position (including status, offices, titles and reporting requirements), authority, duties or responsibilities from those contemplated by Section 3(b) of this Agreement (without regard to the expiration of the Schedule Term), (ii) a material breach by the Firm of the terms of this Agreement, including, without limitation, any material failure by the Firm to comply with paragraph 2 of this Schedule I or the nondisparagement covenant in Section 8 of this Agreement, or (iii) without the Executive's written consent, any requirement that the Executive's principal place of employment be relocated to a location that increases the Executive's commute from his primary residence by more than thirty (30) miles. In the event of a termination for Good Reason, the notice requirements of Section 1 of this Agreement shall not apply. Notwithstanding the foregoing, a termination for Good Reason shall not have occurred unless (i) the Executive gives written notice to Lazard of termination of employment within ninety (90) days after the Executive first becomes aware of the occurrence of the circumstances constituting Good Reason, specifying in reasonable detail the circumstances constituting Good Reason, and Lazard has failed within thirty (30) days after receipt of such notice to cure (if capable of cure) the circumstances constituting Good Reason, and (ii) the Executive's "separation from service" (within the meaning of Section 409A of the Code) occurs no later than two years following the initial existence of one or more of the circumstances giving rise to Good Reason.

"Severance Multiple" shall equal two (2).

5. Certain Limitations on Payments. In the event that it is determined by the reasonable computation by a nationally recognized certified public accounting firm that shall be selected by the Firm prior to any transaction constituting a change of control (which accounting firm shall in no event be the accounting firm for the entity seeking to effectuate such change of control) and reasonably acceptable to the Executive (the "Accountant"), which determination

shall be certified by the Accountant and set forth in a certificate delivered to the Executive setting forth in reasonable detail the basis of the Accountant's determinations, that the aggregate amount of the payments, distributions, benefits and entitlements in the nature of compensation (within the meaning of Section 280G(B)(2) of the Code) by the Firm or any affiliate to or for the Executive's benefit (including any payment, distribution, benefit or entitlement made by any person or entity effecting a change of control), in each case, that constitute "parachute payments" within the meaning of Section 280G of the Code (such payments, the "Parachute Payments") that, but for this paragraph 5 of this Schedule I, would be payable to the Executive, exceeds the greatest amount of Parachute Payments that could be paid to the Executive without giving rise to any liability for any excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law (such tax or taxes being hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of Parachute Payments payable to the Executive shall equal the amount that produces the greatest after-tax benefit to the Executive after taking into account first any positions to mitigate such Excise Tax (including, without limitation, mitigation under a "reasonable compensation" analysis) and second any Excise Tax payable by the Executive. For the avoidance of doubt, this provision shall reduce the amount of Parachute Payments otherwise payable to the Executive, only if doing so would place the Executive in a better net after-tax economic position as compared with not doing so (taking into account the Excise Tax payable in respect of such Parachute Payments). The Firm shall reduce or eliminate the Parachute Payments, as necessary, by first reducing or eliminating the portion of the Parachute Payments provided under this Agreement (the "Agreement Payments") that are payable in cash and then by reducing or eliminating the non-cash portion of the Agreement Payments, in each case, in reverse order beginning with payments or benefits that are to be paid the furthest in time from the Date of Termination. For purposes of reducing the Parachute Payments to the Executive, only the Agreement Payments (and no other Parachute Payments) shall be reduced.

In connection with making determinations under this paragraph 5 of this Schedule I and determining the Excise Tax (if any), the Accountant shall take into account the value of any reasonable compensation for services to be rendered by the Executive before or after the change of control, including, without limitation, the restrictive covenants applicable to the Executive under this Agreement and any other non-competition provisions that may apply to the Executive, and the Firm shall cooperate in the valuation of any such services, including any restrictive covenants. The Firm and the Executive agree that the severance payments payable to the Executive in connection with a Change in Control pursuant to paragraph 3 of this Schedule I are in consideration for, among other things, the restrictions and obligations set forth in Sections 4, 5, 6, 7, 8 and 9 of this Agreement, and that, for purposes of any such restrictions, the notice period (if any) prior to the Date of Termination is intended to and functions as an extension of the period of restriction on the Executive. All fees and expenses of the Accountant in implementing the provisions of this paragraph 5 of this Schedule I shall be borne by the Firm, and the Firm shall reimburse the Executive for all reasonable legal fees incurred with respect to the calculations under this paragraph 5 of this Schedule I and any reasonable legal and accounting fees incurred with respect to disputes related thereto.

6. Section 409A. It is the intention of the parties that the payments and benefits to which the Executive could become entitled pursuant to this Agreement (including this Schedule I), as well as the termination of the Executive's employment under this Agreement, comply with or are exempt from Section 409A of the Code. Any payments that qualify for the "short-term

deferral" exception, the "separation pay" exception or another exception under Section 409A of the Code shall be paid pursuant to the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of Section 409A of the Code. In this regard, notwithstanding anything in this Agreement to the contrary, all cash amounts (and cash equivalents) that become payable under paragraph 3 of this Schedule I on account of the Executive's termination of employment which is an "involuntary separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(n)) shall be paid as provided under paragraph 3 of this Schedule I and in no event later than March 15 of the year following the year in which the Date of Termination occurs. In the event the parties determine that the terms of this Agreement, including this Schedule I, do not comply with Section 409A of the Code, they will negotiate reasonably and in good faith to amend the terms of this Agreement and/or Schedule I such that they comply with, or are exempt from, Section 409A of the Code (in a manner that attempts to minimize the economic impact of such amendment on the Executive and the Firm) within the time period permitted by the applicable Treasury Regulations and in accordance with IRS Notice 2010-6 and other applicable guidance. All expenses or other reimbursements owed to the Executive under this Agreement (including this Schedule I) shall be for expenses incurred during the Executive's lifetime or within ten years after his death, shall be payable in accordance with the Firm's policies in effect from time to time, but in any event, to the extent required in order to comply with Section 409A of the Code, and shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive. In addition, to the extent required in order to comply with Section 409A of the Code, no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year and the Executive's right to reimbursement or in-kind benefits shall not be subject to liquidation or exchanged for another benefit. Notwithstanding any other provision of this Schedule I or this Agreement, if (i) the Executive is to receive payments or benefits by reason of his separation from service (as such term is defined in Section 409A of the Code) other than as a result of his death, (ii) the Executive is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the methodology established by the Firm as in effect on the date of the Executive's separation from service) for the period in which the payment or benefit would otherwise commence, and (iii) such payment or benefit would otherwise subject the Executive to any tax, interest or penalty imposed under Section 409A of the Code (or any regulation promulgated thereunder) if the payment or benefit would commence within six months of a termination of the Executive's employment, then such payment or benefit will instead be paid, with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest") determined as of the Date of Termination, as provided below in this paragraph 6 of this Schedule I. Such payments or benefits that would have otherwise been required to be made during such six-month period will be paid to the Executive (or his estate, as the case may be) in one lump sum payment or otherwise provided to the Executive (or his estate, as the case may be) on the earlier of (A) the first business day that is six months and one day after the Executive's separation from service or (B) the fifth business day following the Executive's death. Thereafter, the payments and benefits will continue, if applicable, for the relevant period set forth in this Agreement or this Schedule I, as the case may be.

7. Miscellaneous.

Section 3(b). Section 3(b) of this Agreement is hereby amended to replace the first sentence thereof with the following: During the Schedule Term (as defined in Schedule I attached hereto), the Executive shall continue to (i) serve as the Chief Operating Officer of PubliCo and Lazard, with such authority, duties and responsibilities as are consistent with the authority, duties and responsibilities exercised by the Executive on the Second Amendment Effective Date (as defined in Schedule I attached hereto), (ii) report directly to the Firm's Chief Executive Officer and (iii) other than in respect of charitable, educational and similar activities that 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 Firm's Chief Executive Officer), devote his entire working time, labor, skill and energies to the business and affairs of the Firm.

Section 5(a). Noncompetition. Section 5(a) of this Agreement is hereby amended and restated in its entirety to read as follows: The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Executive further acknowledges and agrees that in the course of the Executive's 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. Accordingly, the Executive hereby reaffirms and agrees that while employed by the Firm (including during any applicable notice period) and thereafter until (i) three months after the 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 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. 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).

Section 6. Nonsolicitation of Clients. Section 6 of this Agreement is hereby amended to replace the definition of "Client" with the following definition: "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.

Section 8. Nondisparagement. Section 8 of this Agreement is hereby amended to add the following sentences immediately following the first sentence of such section: The Firm (including, without limitation, any designated spokespersons) and the directors and executive officers of the Firm shall not make any comments or statements to the press, other employees of the Firm, any individual or entity with whom the Firm has a business relationship or any other person that is disparaging to the Executive or his reputation, except for truthful statements as may be required by law. The Firm acknowledges that the nondisparagement provision in favor of the Executive under this Section 8 is reasonable in light of all of the circumstances and imposes no undue hardship on the Firm. Accordingly, the Executive shall have the same enforcement rights and remedies with respect to such nondisparagement provision as the Firm has with respect to the Covenants (including, for the avoidance of doubt, the rights and remedies set forth in Sections 11 and 13). Further, such nondisparagement provision shall be subject to reformation on the same basis as the Covenants pursuant to Section 10(a).

Section 12. Arbitration. Section 12 of this Agreement is hereby amended (i) to replace all references to "the New York Stock Exchange, Inc." and the "NYSE" with references to the "Financial Industry Regulatory Authority" and "FINRA", as applicable, and (ii) to add the following sentences at the end of such section: Prior to a Change in Control (as defined in Schedule I attached hereto), each party shall bear its own costs and expenses of any such arbitration. Following a Change in Control, Lazard shall pay to the Executive, as incurred, all legal fees and expenses reasonably incurred by the Executive or with respect to the Executive during his lifetime or within ten years after his death in connection with any contest by Lazard, 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 any action to compel arbitration or enforce any arbitration award or as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement, and whether or not any such contest is under Section 12 or 13 of this Agreement or otherwise), plus Interest (as defined in Schedule I attached hereto) determined as of the date such legal fees and expenses were incurred; provided that, the Executive shall promptly repay to Lazard all such amounts if the Executive fails to prevail on at least one material issue in dispute in any such contest.

Section 16(b). Paragraphs 2, 3, 4, 5 and 6 of this Schedule I and Sections 16(i) and (j) of this Agreement are hereby added to the list of sections in Section 16(b) of this Agreement.

Section 16(f). Section 16(f) of this Agreement is hereby amended to add the following words at the end thereof: "except to the extent such withholding or offset is not permitted under Section 409A of the Code without the imposition of additional taxes or penalties on the Executive."

Section 16(i) and (j). Section 16 of this Agreement is hereby amended to add the following new subsections:

(i) Notwithstanding any provision of this Agreement to the contrary, to the minimum extent necessary to ensure the provision of non-taxable benefits under Section 105(h) of the Code or any similar law, the Firm shall be entitled to alter the manner in which medical benefits are provided to the Executive following termination of his employment; provided that in no event shall the after-tax cost to the Executive of such benefits be greater than the cost applicable to similarly situated executives of the Firm who have not terminated employment or, following a Change in Control (as defined in Schedule I attached hereto), the cost applicable to the Executive immediately prior to the Change in Control, if more favorable to the Executive.

(j) The Executive acknowledges and agrees that the Executive is subject to the Firm's Compensation Recovery Policy Applicable to Named Executive Officers, as in effect as of the date hereof (a copy of which has been provided to the Executive).

8. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Second Amendment by facsimile transmission or electronic means (including by "pdf") shall be effective as delivery of a manually executed counterpart of this Second Amendment.

/s/ AFS Initialed by the Executive

/s/ SDH Initialed by Lazard

/s/ SDH Initialed by PubliCo

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

PERFORMANCE-BASED STOCK UNIT AGREEMENT

THIS AGREEMENT, dated as of [DATE], between Lazard Ltd, a Bermuda exempted company (the "Company"), on behalf of its applicable Affiliate (as defined under the definitional rules of Section 1(a) below), and [NAME] (the "Employee").

W I T N E S S E T H

In consideration of the mutual promises and covenants made herein and the mutual benefits to be derived herefrom, the parties hereto agree as follows:

1. Grant and Vesting of Performance-Based Stock Units.

(a) Subject to the provisions of this Agreement and to the provisions of the Company's 2008 Incentive Compensation Plan (the "Plan") (all capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Plan), the Company, on behalf of its applicable Affiliate, hereby grants to the Employee, as of the date set forth above (the "Grant Date"), a target number of [TARGET NUMBER OF UNITS] performance-based Stock Units (the "Stock Units"), each with respect to one Share. Subject to the terms and conditions set forth in this Agreement, the Employee will actually earn (or be deemed to earn) a number of Stock Units that is between 0% and 300% of the target number of Stock Units subject to this Agreement, such number of earned Stock Units to be determined based on achievement of the performance goals set forth on Appendix A (the "Performance Conditions").

(b) Subject to the terms and conditions of this Agreement and to the provisions of the Plan, the Stock Units shall vest and no longer be subject to any restriction if each of the following two conditions has been satisfied:

(i) The Employee has remained continuously employed by the Company or any of its Affiliates until, with respect to 1/3rd of the Stock Units, [DATE] and, with respect to 2/3rds of the Stock Units, [DATE] (such date, as applicable, the "Final Service Date", and such condition, the "Service Condition"); and

(ii) The Committee concludes that during the period beginning on [DATE] and ending on [DATE] (the "Performance Period"), the Company has achieved the Performance Conditions and specifies the level at which the Stock Units shall vest, based on the scoring and weighting provisions set forth in Appendix A; provided, however, that the Committee, in its sole discretion, may interpret the goals and scoring set forth in Appendix A as it deems necessary or appropriate (including, without limitation, to the extent necessary to address extraordinary events or circumstances). The score achieved based on Appendix A (which may range from 0.0 to 3.0) will be multiplied by the total target number of Stock Units in order to determine the number of Stock Units that may vest upon satisfaction of the

Service Condition. Furthermore, the Committee shall determine, following the end of each fiscal year during the Performance Period, the extent to which the Company has achieved the Performance Conditions with respect to such fiscal year and, in the event that the Performance Conditions in that year have been achieved at the target level (i.e., the 1.0x level) or above, then the Performance Condition will be deemed satisfied with respect to twenty-five percent (25%) of the total target number of Stock Units (any such Stock Units that are earned in accordance with this sentence, the "Fiscal Year Stock Units"). Any Fiscal Year Stock Units will vest upon satisfaction (or deemed satisfaction) of the applicable Service Condition in accordance with Section 1(b)(i) above or Section 1(d) or 1(f) below, and any such Fiscal Year Stock Units will be allocated on a pro rata basis to each Final Service Date in the same proportions as set forth in Section 1(b)(i). In the event that the Committee makes any conclusion regarding achievement of the Performance Conditions for the full Performance Period (or, in the case of Section 1(d)(i) or 1(f)(i), for a portion thereof), any Fiscal Year Stock Units will be applied to reduce the number of Stock Units that would otherwise be earned in accordance with this Agreement.

(c) Except as set forth in Section 1(f) below, in the event that the Employee incurs a Termination of Employment prior to the applicable Final Service Date for any reason not set forth in Section 1(d), all unvested Stock Units shall be forfeited by the Employee effective immediately upon such Termination of Employment. For purposes of this Section 1(c), the Employee will be deemed to have incurred a Termination of Employment on the date that the Employee provides notice of termination to the Company, and accordingly, all unvested Stock Units shall be forfeited by the Employee immediately upon delivery of any such notice. In addition, all unvested Stock Units shall be forfeited by the Employee to the extent that, following the last day of the Performance Period (or such earlier date as specified in Section 1(d) or 1(f)), the Performance Conditions with respect to such Stock Units have not been satisfied.

(d)(i) Except as set forth in Section 1(f) below, in the event that the Employee incurs a Termination of Employment prior to the applicable Final Service Date due to (A) the Employee's Disability, (B) the Employee's death or (C) a Termination of Employment by the Company other than for Cause, all Stock Units held by the Employee on the Date of Termination shall no longer be subject to the Performance Conditions and the Service Condition and shall be settled as set forth in Section 1(d)(iii) or Section 2 below but shall remain subject to forfeiture pursuant to Section 1(e) through the applicable Final Service Date; provided that, in the case of a Termination of Employment due to an Employee's death as described in clause (B) of this Section 1(d)(i) or in the case of the Employee's death subsequent to a Termination of Employment described in this Section 1(d), the Stock Units will immediately vest upon the date of death (or, in the event the Employee's death occurs during the final quarter of the Performance Period, as soon as practicable following the date that the Committee determines the extent to which the Performance Conditions have been satisfied). The Stock Units shall vest based on (1) the actual performance level achieved during the period beginning on the first day of the Performance Period and ending on the last day of the most recent fiscal quarter preceding the Date of Termination (or, if the Date of Termination occurs more than halfway through a

fiscal quarter, the last day of such current fiscal quarter), as determined by the Committee, and (2) the target level for the period beginning on the first day of the following fiscal quarter through the last day of the Performance Period.

(ii) Except as set forth in Section 1(f) below, in the event that the Employee incurs a Termination of Employment prior to the applicable Final Service Date due to the Employee's Retirement (as defined below), all Stock Units held by the Employee on the Date of Termination (and, in the event that any Stock Units have been settled prior to such date in accordance with Section 1(d)(iii) or Section 2 below, all Remaining Shares) shall no longer be subject to the Service Condition and, following satisfaction of the Performance Conditions, shall be settled as set forth in Section 1(d)(iii) below (unless already settled pursuant to such section prior to Termination of Employment) but shall remain subject to forfeiture pursuant to Section 1(e) through the applicable Final Service Date. Such Stock Units (or, if applicable, Remaining Shares) shall vest at the level determined by the Committee following the last day of the Performance Period, based on actual performance during the Performance Period. For purposes of this Agreement, "Retirement" shall mean that the Employee voluntarily incurs a Termination of Employment on or after the date on which the Employee meets all of the following retirement eligibility requirements (such date, the "Retirement Eligibility Date"): (A) minimum age fifty-six (56); (B) minimum of five (5) years service with the Company or its Affiliates; and (C) actual age plus years of service with the Company or any of its Affiliates at least seventy (70).

(iii) Subject to the final sentence of Section 2 below, all Shares underlying the Stock Units for which the Performance Conditions have been satisfied (or are deemed to be satisfied, in accordance with Section 1(d)(i) or Section 4) shall be delivered to the Employee within 30 days following the later of (A) the date that the Employee is no longer required to perform any additional services in order to retain such Stock Units (which shall occur upon the earlier of Retirement Eligibility Date and any Termination of Employment under the circumstances specified in Section 1(d)(i) above) and (B) the date that the Committee determines the extent to which the Performance Conditions have been satisfied (the date that Shares are delivered to the Employee is an "Initial Delivery Date"). For the avoidance of doubt, there may be multiple Initial Delivery Dates for purposes of this Agreement (including as a result of achievement of Performance Conditions applicable to the Fiscal Year Stock Units and as a result of the Dividend Equivalent Stock Units (as defined in Section 4)). Immediately following the Initial Delivery Date with respect to any Stock Units, the Employee will be permitted to dispose of the Applicable Percentage (as defined below) of the Shares (such Shares, the "Transferable Shares") delivered to the Employee pursuant to the first sentence of this Section 1(d)(iii) immediately following the date that such Shares are delivered to the Employee. For purposes of this Agreement,

the "Applicable Percentage" is the percentage of the Shares delivered to the Employee that the Company determines, in its sole discretion, is necessary to satisfy the Employee's tax liability incurred with respect to such Shares on the date that such Shares are delivered to the Employee. All Shares delivered to the Employee on the Initial Delivery Date that are not Transferable Shares (such Shares, the "Remaining Shares") will remain subject to the restrictions set forth in this Agreement until the applicable date that such Remaining Shares otherwise would have been delivered to the Employee in accordance with this Agreement (each such date, a "Final Delivery Date"). Accordingly, prior to the applicable Final Delivery Date, neither the Employee nor any of the Employee's creditors or beneficiaries will have the right to subject the Remaining Shares to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, hedge, exchange, attachment or garnishment or any similar transaction. Furthermore, for the avoidance of doubt, the Remaining Shares shall continue to be subject to the forfeiture provisions set forth in this Agreement relating to violation of the restrictive covenants set forth in Appendix B, which are incorporated herein by reference (the "Restrictive Covenants") until the applicable Final Delivery Date.

(e) In the event that the Employee violates any of the provisions of the Restrictive Covenants, all outstanding vested or unvested Stock Units and, if applicable, prior to the relevant Final Delivery Date, all Remaining Shares, shall be forfeited and canceled. Notwithstanding that certain Restricted Covenants in Appendix B apply for only a limited period following Termination of Employment, in the event that the Employee's employment with the Company or its Affiliate terminates by reason of Retirement, the Employee will forfeit any outstanding Stock Units (and, if applicable, any Remaining Shares) if the Employee does not comply with all of the Restrictive Covenants in Appendix B until the relevant Final Service Date or, as applicable, Final Delivery Date.

(f)(i) Notwithstanding any provision of this Agreement to the contrary, in the event of a Change in Control (as defined in the Plan) that occurs prior to the end of the Performance Period, the Performance Conditions shall no longer apply and, instead, shall be deemed to have been satisfied as of immediately prior to the Change in Control at the greater of (A) the target level and (B) the actual performance level achieved during the period beginning at the start of the Performance Period and ending on the date of such Change in Control, as confirmed by the Committee prior to the Change in Control with any necessary exercise of discretion determined by the Committee prior to the Change in Control.

(ii) Except as otherwise provided in this Section 1(f)(ii) and 1(f)(iii) below, following a Change in Control, the unvested Stock Units (and, if applicable, any Remaining Shares) shall remain outstanding through the applicable Final Service Date or Final Delivery Date; provided, however, that in the event that the Employee incurs a Termination of Employment upon or following a Change in Control but prior to the Final Service Date under any of the circumstances described in Section 1(d)(i) or 1(d)(ii) above, the date of such Termination of Employment shall be deemed to be

the Final Delivery Date, and all Shares issued in settlement of such Stock Units shall be Transferable Shares. Furthermore, in the event that the Employee incurs a Termination of Employment under any of the circumstances described in Section 1(d)(i) or 1(d)(ii) above prior to the Final Delivery Date and prior to a Change in Control, upon a Change in Control, the date of the Change in Control shall be deemed to be the Final Service Date for purposes of any Stock Units (and the Final Delivery Date for any Remaining Shares) then held by the Employee and any dividends held by an escrow agent with respect thereto, as set forth in Section 4 below.

(iii) Notwithstanding the foregoing, in the event of a Change in Control prior to the applicable Final Service Date, unless (A) either (1) the unvested Stock Units remain outstanding following a Change in Control or (2) provision is made in connection with the Change in Control for assumption of such Stock Units or substitution of such Stock Units for new awards covering equity interests in a successor entity, with appropriate adjustments to the number of Stock Units, as determined by the Committee prior to the Change in Control pursuant to Section 3(b)(ii) of the Plan, and (B) the material terms and conditions of such Stock Units as in effect immediately prior to the Change in Control are preserved following the Change in Control (including, without limitation, with respect to the vesting schedules, the intrinsic value of the Stock Units and transferability of the Shares or other securities underlying the Stock Units prior to and following the Change in Control), the date of the Change in Control shall be deemed to be the Final Service Date for purposes of such Stock Units (and the Final Delivery Date for purposes of any Remaining Shares then outstanding) and such Stock Units shall be settled within 30 days following such date.

2. Settlement of Units, Restrictions on Remaining Shares.

As soon as practicable (but in no event more than 30 days) after any Stock Unit has vested and is no longer subject to the applicable Service Condition and Performance Conditions, the Company shall, subject to Section 1(d) and Section 6, cause its applicable Affiliate to deliver to the Employee one or more unlegended, freely-transferable stock certificates in respect of such Shares issued upon settlement of the vested Stock Units. Notwithstanding the foregoing, (a) the Company shall be entitled to hold the Shares or cash issuable upon settlement of Stock Units that have vested until the Company shall have received from the Employee a duly executed Form W-9 or W-8, as applicable, and (b) any certificate or book entry credit issued or entered in respect of the Remaining Shares shall be registered in the Employee's name and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to the Remaining Shares, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby is subject to the terms and conditions (including forfeiture) of the Lazard Ltd 2008

Incentive Compensation Plan and an Award Agreement, as well as the terms and conditions of applicable law. Copies of such Plan and Agreement are on file at the offices of Lazard Ltd."

The Company may require that the certificates or book entry credits evidencing title of the Remaining Shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of receiving the Remaining Shares, the Employee shall have delivered to the Company a stock power, endorsed in blank, relating to such Remaining Shares. If and when the applicable Final Delivery Date occurs (or is deemed to occur) with respect to the Remaining Shares, the legend set forth shall be removed from the certificates or book entry credits evidencing such Shares. Notwithstanding any provision of this Agreement to the contrary, Shares will be delivered to the Employee in settlement of any Stock Units no later than seventy (70) days following the date that such Stock Units are no longer subject to a substantial risk of forfeiture within the meaning of Treasury Regulation Section 1.409A-1(d).

3. Nontransferability of the Stock Units.

Until such time as the Stock Units are ultimately settled as provided in Section 1(d) or Section 2 above, the Stock Units shall not be transferable by the Employee by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

4. Dividend Equivalents, Rights as a Shareholder.

If the Company declares and pays (or sets a record date with respect to) ordinary quarterly cash dividends on the Common Stock (a) during the Performance Period, the target number of Stock Units (such Stock Units, the "Target Stock Units") shall be credited with additional Stock Units (determined by dividing the aggregate dividend amount that would have been paid with respect to the Target Stock Units if they had been actual Shares by the Fair Market Value of a Share on the dividend payment date) (such additional Stock Units, the "Dividend Equivalent Stock Units"), which Dividend Equivalent Stock Units (and any additional Dividend Equivalent Stock Units that are granted while the Dividend Equivalent Stock Units are outstanding) shall be subject to the Service Condition and all other terms of this Agreement but shall not be subject to the Performance Condition (i.e., the Dividend Equivalent Stock Units shall be treated as Stock Units for which the Performance Condition has already been satisfied), or (b) after the Performance Period but while any Stock Units remain outstanding, any then outstanding Stock Units shall be credited with additional Stock Units (determined by dividing the aggregate dividend amount that would have been paid with respect to the Stock Units if they had been actual Shares by the Fair Market Value of a Share on the dividend payment date), which additional Stock Units shall vest and be settled concurrently with the underlying Stock Units and be treated as Stock Units for all purposes of this Agreement. For the avoidance of doubt, the provisions of the immediately preceding sentence shall not apply to any extraordinary dividends or distributions, which are addressed in Section 3(b)(i) of the Plan.

Notwithstanding the foregoing, subject to Section 1(d) and Section 2 and any other applicable law or agreement, from and after the Initial Delivery Date, the Employee will have all rights and privileges of a shareholder with respect to the Shares delivered on such Initial Delivery Date, including the right to vote the Shares and to receive dividends and other

distributions with respect thereto, provided that, any dividends that are paid on the Remaining Shares prior to the applicable Final Delivery Date (whether payable in cash or Shares) will be held until the applicable Final Delivery Date by Lazard Capital Markets LLC or any other escrow agent that is subsequently designated by the Company, and in the event that the Remaining Shares are forfeited in accordance with Section 1(e), such dividends will also be forfeited. For the avoidance of doubt, the determination of applicable dividends, and the calculation of amounts equivalent thereto, provided for in this Section 4 shall be made consistent with the Company's past practice with respect to similar Awards.

5. Payment of Transfer Taxes, Fees and Other Expenses.

The Company agrees, or will cause its applicable Affiliate, to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of Shares received by an Employee in connection with the Stock Units, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

6. Taxes and Withholding.

No later than the date as of which an amount first becomes includible in the gross income of the Employee for federal, state, local or foreign income tax purposes with respect to any Stock Units, the Employee shall pay to the Company or its applicable Affiliate, or make arrangements satisfactory to the Company or its applicable Affiliate regarding the payment of, any federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. Except as otherwise required by applicable law, the Company will report that the Employee will be taxed on the full value of the Shares underlying the Employee's Stock Units on the date that such Shares are issued to the Employee in accordance with this Agreement. The obligations of the Company under this Agreement shall be conditioned on compliance by the Employee with this Section 6, and the Company or its applicable Affiliate shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Employee, including deducting such amount from the delivery of Shares or cash issued upon settlement of the Stock Units that gives rise to the withholding requirement. Notwithstanding the foregoing, the Company or an Affiliate may, in the Company's sole discretion and subject to such other terms and conditions as the Company may determine, if the Employee is not subject to withholding as a matter of applicable law as of the date that the Shares are delivered to the Employee (including if the Employee is a member of the Company who reports income from the Company and its Affiliates on Schedule K-1 to the Company's Federal income tax return) and pursuant to the prior written approval of the Company, permit the Employee to surrender some or all of the Transferable Shares to the Company or an Affiliate and have the Company or such Affiliate remit the relevant taxes on the Employee's behalf to the appropriate taxing authorities. Prior to an Initial Delivery Date, the Company will notify the Employee of (i) how many Shares will be delivered to the Employee on such Initial Delivery Date and (ii) the portion, if any, of the Transferable Shares that the Company or an Affiliate will retain pursuant to the immediately preceding sentence.

7. Effect of Agreement.

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Nothing in this Agreement or the Plan shall confer upon the Employee any right to continue in the employ of the Company or any of its Affiliates or interfere in any way with the right of the Company or any such Affiliates to terminate the Employee's employment at any time. Until Shares are actually delivered to the Employee upon settlement of the Stock Units, the Employee shall not have any rights as a shareholder with respect to the Stock Units, except as specifically provided herein.

8. Laws Applicable to Construction; Consent to Jurisdiction.

(a) 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. In addition to the terms and conditions set forth in this Agreement and the Restrictive Covenants, the Stock Units are subject to the terms and conditions of the Plan, which is hereby incorporated by reference. By accepting the Stock Units, the Employee agrees to and is bound by the Plan and the Restrictive Covenants.

(b) Subject to the provisions of Section 8(c), any controversy or claim between the Employee and the Company or its Affiliates arising out of or relating to or concerning the provisions of this Agreement or the Plan shall be finally settled by arbitration in New York City before, and in accordance with the rules then obtaining of, the Financial Industry Regulatory Authority ("FINRA") or, if FINRA declines to arbitrate the matter, the American Arbitration Association (the "AAA") in accordance with the commercial arbitration rules of the AAA.

(c) Notwithstanding the provisions of Section 8(b), and in addition to its right to submit any dispute or controversy to arbitration, the Company or one of its Affiliates 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 Restrictive Covenants, or to enforce an arbitration award, and, for the purposes of this Section 8(c), the Employee (i) expressly consents to the application of Section 8(d) to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of the Restrictive Covenants or this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the General Counsel of the Company as the Employee's agent for service of process in connection with any such action or proceeding, who shall promptly advise the Employee of any such service of process by notifying the Employee at the last address on file in the Company's records.

(d) The Employee and the Company 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 relating to or concerning this Agreement or the Plan that is not otherwise required to be arbitrated or resolved in accordance with the provisions of Section 8(b).

This includes any suit, action or proceeding to compel arbitration or to enforce an arbitration award. The Employee and the Company acknowledge that the forum designated by this Section 8(d) has a reasonable relation to this Agreement, and to the Employee's relationship to the Company. Notwithstanding the foregoing, nothing herein shall preclude the Company or the Employee from bringing any action or proceeding in any other court for the purpose of enforcing the provisions of Sections 8(a), 8(b), or this Section 8(d). The agreement of the Employee and the Company as to forum is independent of the law that may be applied in the action, and the Employee and the Company agree to such forum even if the forum may under applicable law choose to apply non-forum law. The Employee and the Company hereby waive, to the fullest extent permitted by applicable law, any objection which the Employee or the Company 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 this Section 8(d). The Employee and the Company 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 8(d), or, to the extent applicable, Section 8(b). The Employee and the Company 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 Employee and the Company.

9. Conflicts and Interpretation.

In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

10. Amendment.

Any modification, amendment or waiver to this Agreement that shall materially impair the rights of the Employee with respect to the Stock Units shall require an instrument in writing to be signed (either in paper format or electronically) by both parties hereto, except such a modification, amendment or waiver made to cause the Plan or the Stock Units to comply with applicable law, tax rules, stock exchange rules or accounting rules and which is made to similarly situated employees. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

11. Section 409A of the Code.

It is intended that the Stock Units shall be exempt from Section 409A of the Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in the regulations or other guidance published by the Internal Revenue Service thereunder.

12. Electronic Delivery.

In lieu of receiving documents in paper format, the Employee hereby agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company or any

Affiliate may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or Award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with the Stock Units or any other prior or future Award (it being understood and agreed that the Company or its Affiliates may, in their sole discretion, elect to satisfy any delivery requirements electronically, in paper format, or a combination of both methods). Electronic delivery of a document to the Employee may be via a Company email system or by reference to a location on a Company intranet or secure internet site to which Employee has access.

13. Compensation Recovery Policy.

The Employee acknowledges and agrees that the Employee and the Stock Units are subject to the Company's Compensation Recovery Policy Applicable to Named Executive Officers, as in effect as of the date hereof (a copy of which has been provided to the Employee).

14. Headings.

The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

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IN WITNESS WHEREOF, as of the date first above written, the Company has caused this Agreement to be executed on behalf of its applicable Affiliate by a duly authorized officer and the Employee has hereunto set the Employee's hand.

LAZARD LTD,

by _____
Name:
Title:

_____
NAME

Appendix A

Performance Criteria and Calculation

Appendix B

Restrictive Covenants

The Employee acknowledges that the grant of the performance-based Stock Units pursuant to the Performance-Based Stock Unit Agreement (such Stock Units, the "Stock Units" and such Performance-Based Stock Unit Agreement, the "Agreement") confers a substantial benefit upon the Employee, and agrees to the following covenants (the "Restrictive Covenants"), which are designed, among other things, to protect the interests of the Lazard Group LLC, a Delaware limited liability company (the "Company"), and its Affiliates (collectively, the "Firm") in its confidential and proprietary information, trade secrets, customer and employee relationships, orderly transition of responsibilities, and other legitimate business interests. All capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Lazard Ltd 2008 Incentive Compensation Plan. The Employee acknowledges that the Stock Units will be forfeited upon a violation by the Employee of the Restrictive Covenants, and that, pursuant to the Agreement, the Firm may seek injunctive relief in order to enforce the Restrictive Covenants:

(a) Confidential Information. The Employee shall not at any time (whether prior to or following the Employee's Termination of Employment) disclose or use for the Employee's own benefit or purposes or the benefit or purposes of any other person, corporation or other business organization or entity, other than the Firm, any trade secrets, information, data, or other confidential or proprietary information relating to the customers, developments, programs, plans or business and affairs of the Firm; provided that the foregoing shall not apply to information that is not unique to the Firm or that is generally known to the industry or the public other than as a result of the Employee's breach of this Restrictive Covenant or as required pursuant to an order of a court, governmental agency or other authorized tribunal (provided that the Employee shall provide the Firm prior written notice of any such required disclosure). The Employee agrees that upon the Employee's Termination of Employment, the Employee or, in the event of the Employee's death, the Employee's heirs or estate at the request of the Firm, shall return to the Firm immediately all books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Firm. Without limiting the foregoing, the existence of, and any information concerning, any dispute between the Employee and the Firm shall be subject to the terms of this Paragraph (a), except that the Employee may disclose information concerning such dispute to the arbitrator or court that is considering such dispute, and to the Employee's legal counsel, spouse or domestic partner, and tax and financial advisors (provided that such persons agree not to disclose any such information).

(b) Non-Competition. The Employee acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Employee further acknowledges that the Employee 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 Employee 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. The Employee agrees that while employed by the Firm and thereafter until (i) (A) three months after the Employee's date of Termination of Employment for any

reason other than a termination by the Firm without Cause or (B) one month after the date of the Employee's Termination of Employment by the Firm without Cause (in either case, the date of such Termination of Employment, the "Date of Termination") or (ii) the end of any longer period during which any similar covenants would be applicable to the Employee pursuant to any other agreement (other than an award agreement evidencing previously granted equity-based, fund interest, deferred cash or similar awards (collectively, the "Prior Awards")) between the Employee and the Firm (such period, the "Non-compete Restriction Period"), the Employee shall not, directly or indirectly, on the Employee's behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee, director, advisor, partner, consultant or otherwise, provide services or perform activities for, or acquire or maintain any ownership interest in, a "Competitive Enterprise". For purposes of the Agreement, including this Appendix A, "Competitive Enterprise" shall mean a business (or business unit) that (x) engages in any activity or (y) owns or controls a significant interest in any entity that engages in any activity, that in either case, competes anywhere with any activity that is similar to an activity in which the Firm is engaged up to and including the Employee's Date of Termination. Notwithstanding anything in this Appendix A, the Employee shall not be considered to be in violation of the Restrictive Covenants 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 Employee'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). The Employee acknowledges that the Firm is engaged in business throughout the world. Accordingly, and in view of the nature of the Employee's position and responsibilities, the Employee agrees that the provisions of this Paragraph (b) shall be applicable to each jurisdiction, foreign country, state, possession or territory in which the Firm may be engaged in business while the Employee is providing services to the Firm.

(c) Nonsolicitation of Clients. The Employee hereby agrees that during the Non-compete Restriction Period, the Employee shall not, in any manner, directly or indirectly, (i) 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 Employee is soliciting a Client to provide them with services the performance of which would violate Paragraph (b) above if such services were provided by the Employee, or (ii) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and a Client. For purposes of the Agreement, including this Appendix A, 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 Employee provided services, or for whom the Employee transacted business, or whose identity became known to the Employee in connection with the Employee'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.

(d) No Hire of Employees. The Employee hereby agrees that while employed by the Firm and thereafter until (i) six months after the Date of Termination for any reason or (ii) the end of any longer period during which any similar covenants would be applicable to the Employee pursuant to any other agreement (other than an award agreement evidencing any Prior Awards) between the Employee and the Firm (such period, the "No Hire Restriction Period"), the Employee 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 (including, without limitation, managing directors), 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.

(e) Nondisparagement. The Employee shall not at any time (whether prior to or following the Employee's Termination of Employment), and shall instruct the Employee's spouse or domestic partner, parents, and any of their lineal descendants (it being agreed that in any dispute between the parties regarding whether the Employee breached such obligation to instruct, the Firm shall bear the burden of demonstrating that the Employee 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.

(f) Notice of Termination Required. The Employee agrees to provide a period of advance written notice to the Firm prior to the Employee's Termination of Employment equal to (i) three months or (ii) any longer notice period required pursuant to any other agreement (other than an award agreement evidencing any Prior Awards) between the Employee and the Firm. The Employee hereby agrees that, if, during the applicable period after the Employee has provided notice of termination to the Firm or prior thereto, the Employee enters (or has entered into) a written agreement to provide services or perform activities for a Competitive Enterprise that would violate Paragraph (b) if performed during the Non-compete Restriction Period, such action shall be deemed a violation of this Paragraph (f).

(g) Restrictive Covenants Generally. If any of the Restrictive Covenants is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such Restrictive Covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining such Restrictive Covenants shall not be affected thereby; provided, however, that if any of such Restrictive 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 Restrictive Covenant shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. The Employee hereby agrees that prior to accepting employment with any other person or entity during his period of service with the Firm or during the Non-compete Restriction Period or the No Hire Restriction Period, the Employee shall provide such prospective employer with written notice of the provisions of this Appendix A, with a copy of such notice delivered no later than the date of the Employee's commencement of

such employment with such prospective employer, to the General Counsel of the Company. The Employee acknowledges and agrees that the terms of the Restrictive 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 Employee and (iv) are not injurious to the public. The Employee acknowledges and agrees that the Employee's breach of the Restrictive Covenants will cause the Firm irreparable harm, which cannot be adequately compensated by money damages. The Employee also agrees that the Firm shall be entitled to injunctive relief for any actual or threatened violation of any of the Restrictive Covenants in addition to any other remedies it may have, including, without limitation, money damages and forfeiture of the Stock Units. The Employee further acknowledges that, except as provided in Paragraph (h), the Restrictive Covenants and notice period requirements set forth herein shall operate independently of, and not instead of, any other restrictive covenants or notice period requirements to which the Employee is subject pursuant to other plans and agreements involving the Firm.

(h) Other Restrictive Covenants. The Employee acknowledges that, in the event that the Employee is subject to an employment contract, the Restrictive Covenants set forth in this Appendix A constitute a supplement to such employment contract and will be entirely governed by the distinct and specific provisions of this Appendix A. The Employee acknowledges that the Restrictive Covenants set forth in this Appendix A shall supersede and are in full substitution for any and all prior restrictive covenants included in any award agreement evidencing any Prior Awards by which the Employee is bound, and this Paragraph (h) shall constitute a valid amendment to such award agreements.

RESTRICTED LAZARD FUND INTEREST AGREEMENT

THIS AGREEMENT, dated as of [DATE], between Lazard Group LLC, a Delaware limited liability company (the "Company"), on its behalf and on behalf of its applicable Affiliate (as defined under the definitional rules of Section 1(a) below), and [NAME] (the "Employee").

W I T N E S S E T H

In consideration of the mutual promises and covenants made herein and the mutual benefits to be derived herefrom, the parties hereto agree as follows:

1. Grant and Investment Elections.

(a) Subject to the provisions of this Agreement, the Company, on its behalf and on behalf of its applicable Affiliate, hereby grants to the Employee, as of the date set forth above (the "Grant Date"), $[AMOUNT] (the "Fund Interest Amount"), which shall be invested in one or more of the specified portfolios of The Lazard Funds Inc., as may be offered by the Company for this purpose from time to time (the "Company Funds"), in the manner specified by the Employee, subject to minimum allocations as established by the Administrator (as defined below) from time to time. The Employee's initial allocation shall be specified on a form or by other means (including electronically) as established by the Administrator (the "Investment Election Form"). All capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Lazard Ltd 2008 Incentive Compensation Plan (the "Plan").

(b) As of [DATE] or, if earlier and only if permitted by the Administrator, the business day following the date on which the Employee submits the Investment Election Form in accordance with Section 1(c) below (the "Effective Date"), the Company, or one of its Affiliates, shall purchase on the Employee's behalf interests from the applicable Company Funds (the "Lazard Fund Interests") using the Fund Interest Amount, in accordance with the allocations specified by the Employee in the Investment Election Form. The Lazard Fund Interests will be held in a restricted brokerage account established at Lazard Capital Markets LLC ("LCM") or such other location as may be determined by the Administrator, for which Lazard Asset Management LLC will be the owner of record, as custodian, for the benefit of the Employee (the "Fund Account"). The Lazard Fund Interests will be beneficially owned by the Employee, subject to forfeiture in accordance with Section 2. For the avoidance of doubt, the Lazard Fund Interests constitute property that will be transferred to the Employee on the Effective Date for purposes of Section 83 of the Internal Revenue Code of 1986, as amended (the "Code").

(c) The Employee shall submit, in accordance with procedures established from time to time by the Company (the "Administrator"), the Investment Election Form with respect to the Fund Interest Amount during the period established by the Administrator in its sole discretion, which period shall end no later than [DATE]; provided that, once the Employee has submitted the Investment Election Form, such election shall be irrevocable until a Reallocation Date, if any. Such Investment Election Form shall designate the percentage of the Fund Interest Amount that shall be invested in each Company Fund. Without limiting the generality of Sections 11 and 12 below, the Administrator, in its sole discretion, may (i) establish rules governing the Employee's ability to reallocate investments in the Fund Account among the various Company Funds, (ii) establish any minimum and maximum percentages of the Fund Interest Amount that may be invested in each Company Fund, (iii) determine the Company investment funds that may be offered as Company Funds from time to time, (iv) determine the consequences of eliminating a

Company investment fund from the list of Company Funds and (v) establish rules or procedures governing such other matters as it determines are necessary or advisable for the proper administration of this Agreement. If the Employee fails to properly complete and submit the Investment Election Form by [DATE], the Fund Interest Amount will be invested pro rata in each Company Fund as of such date. Unless otherwise directed by the Employee in accordance with Section 1(d) below, subject to the Administrator's authority pursuant to this Section 1(c), the allocation of the Fund Interest Amount among the Company Funds shall not be changed from the initial allocation.

(d) Unless the Administrator determines otherwise, the Employee will be permitted to reallocate the investments in the Company Funds at least once annually (each such date, a "Reallocation Date") by completing a new Investment Election Form, as may be updated by the Administrator from time to time, which shall be submitted in accordance with procedures established from time to time by the Administrator.

(e) The Employee shall receive statements from LCM (or such other broker-dealer, as applicable) with respect to the Lazard Fund Interests and Fund Account in such a manner and at such times as are consistent with LCM's (or such other broker-dealer's, as applicable) standard procedures.

2. Vesting of Lazard Fund Interests.

(a) Subject to the terms and conditions of this Agreement, the Lazard Fund Interests shall vest and no longer be subject to any restriction (such period during which restrictions apply to the Lazard Fund Interests is the "Restriction Period") in accordance with the following schedule: 1/3rd of the Lazard Fund Interests shall vest on [DATE] and 2/3rds of the Lazard Fund Interests shall vest on [DATE]. Each of [DATE] and [DATE] is referred to herein, as applicable, as the "Vesting Date". Unless the Administrator determines otherwise, on each Vesting Date, the percentage of Lazard Fund Interests that shall have vested shall be applied pro rata to all Lazard Fund Interests in the Employee's Fund Account regardless of the Company Fund in which such Lazard Fund Interests are invested on such Vesting Date.

(b) Except as set forth in Section 2(f) below, in the event that the Employee incurs a Termination of Employment during the applicable Restriction Period for any reason not set forth in Section 2(c) or 2(e), all unvested Lazard Fund Interests shall be forfeited by the Employee effective immediately upon such Termination of Employment. For purposes of this Section 2(b), the Employee will be deemed to have incurred a Termination of Employment on the date that the Employee provides notice of termination to the Company, and accordingly, all unvested Lazard Fund Interests shall be forfeited by the Employee immediately upon delivery of any such notice.

(c)(i) Except as set forth in Section 2(f) below, in the event that the Employee (A) incurs a Termination of Employment during the applicable Restriction Period due to the Employee's Disability or due to a Termination of Employment by the Company other than for Cause or (B) at any time during the applicable Restriction Period, meets the requirements of the retirement policy applicable to equity awards granted under the Plan, as in effect from time to time (such Employee, a "Retirement Eligible Employee"), then, in each case, subject to Sections 2(d) and 3, the Lazard Fund Interests shall vest immediately following the date that the Employee is no longer required to perform any additional services in order to retain such Lazard Fund Interests (the date that such Lazard Fund Interests vest is the "Initial Vesting Date"). Within 30 days following the Initial Vesting Date, the percentage of the Lazard Fund Interests that vested pursuant to the preceding sentence equal to the amount that the Administrator determines, in its sole discretion, is necessary to satisfy the Employee's tax liability incurred as a result of

such vesting will be transferred to an unrestricted brokerage account at LCM (or such other broker-dealer as is selected by the Administrator from time to time, as applicable) in the Employee's name (such Lazard Fund Interests, the "Transferable Interests"), and the Employee shall be permitted to dispose of such Transferable Interests. All vested Lazard Fund Interests following the Initial Vesting Date that are not Transferable Interests (such Lazard Fund Interests, the "Remaining Interests") will remain subject to the restrictions set forth in this Agreement until the applicable date that such Remaining Interests otherwise would have vested in accordance with this Agreement (each such date, a "Final Vesting Date"). Accordingly, prior to the applicable Final Vesting Date, neither the Employee nor any of the Employee's creditors or beneficiaries will have the right to subject the Remaining Interests to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, hedge, exchange, attachment or garnishment or any similar transaction. Furthermore, for the avoidance of doubt, the Remaining Interests shall continue to be subject to the forfeiture provisions set forth in this Agreement (including, without limitation, those relating to violation of the restrictive covenants set forth in Appendix A, which are incorporated herein by reference (the "Restrictive Covenants")) until the applicable Final Vesting Date.

(ii) In the event that the Employee incurs a Termination of Employment during the applicable Restriction Period due to the Employee's death or, subject to Section 2(d), dies during the applicable Restriction Period subsequent to a Termination of Employment as described in Section 2(c)(i) or 2(e), all Lazard Fund Interests, including any Remaining Interests, if applicable, shall automatically vest, and all forfeiture provisions shall lapse, as applicable, on the date of death.

(d) In the event that the Employee violates any of the provisions of the Restrictive Covenants, all outstanding vested or unvested Lazard Fund Interests and, if applicable, prior to the relevant Final Vesting Date, all Remaining Interests, shall be forfeited and canceled. Notwithstanding that certain Restrictive Covenants apply for only a limited period following Termination of Employment, in the event that the Employee's employment with the Company terminates by reason of retirement in accordance with Section 2(e) below, the Employee will forfeit any outstanding Remaining Interests if the Employee does not comply with all Restrictive Covenants until the applicable Final Vesting Date. Furthermore, in the event that the Employee incurs a Termination of Employment for Cause, the Employee will forfeit all outstanding Remaining Interests.

(e) On and after the date an Employee becomes a Retirement Eligible Employee, the Employee will be permitted to retire from the Company and its Subsidiaries and Affiliates and, subject to the restrictions set forth in this Agreement, the forfeiture provisions on the Remaining Interests will continue to lapse following retirement.

(f)(i) Except as otherwise provided in this Section 2(f)(i) and Section 2(f)(ii) below, following a Change in Control, the unvested but outstanding Lazard Fund Interests, including any Remaining Interests, shall remain outstanding through the applicable Vesting Date (or, as applicable, Final Vesting Date); provided, however, that in the event that the Employee incurs a Termination of Employment upon or following a Change in Control but prior to the applicable Vesting Date under any of the circumstances described in Section 2(c) or Section 2(e) above, the date of such Termination of Employment shall be deemed to be the Vesting Date, and all Lazard Fund Interests then outstanding shall be Transferable Interests. Furthermore, in the event that the Employee incurs a Termination of Employment under any of the circumstances described in Section 2(c) or Section 2(e) above prior to the applicable Vesting Date and prior to a Change in Control, upon a Change in Control, the date of the Change in Control shall be deemed to be the Vesting Date for purposes of the unvested Lazard Fund Interests (and the Final Vesting Date for any Remaining Interests) then held by the Employee.

(ii) Notwithstanding the foregoing, in the event of a Change in Control prior to the applicable Vesting Date, unless (A) the unvested but outstanding Lazard Fund Interests, including any Remaining Interests, remain outstanding following a Change in Control, (B) the material terms and conditions of such Lazard Fund Interests (and, if applicable, Remaining Interests) as in effect immediately prior to the Change in Control are preserved following the Change in Control (including, without limitation, with respect to the vesting schedules, the intrinsic value of the Lazard Fund Interests (and, if applicable, Remaining Interests), and the reallocation provisions) and (C) the investment funds that are offered following the Change in Control are the same as, or substantially similar to, the investment funds in which the Employee has invested as of the Change in Control, the date of the Change in Control shall be deemed to be the Vesting Date for purposes of such Lazard Fund Interests (and the Final Vesting Date for purposes of any Remaining Interests then outstanding) and such Lazard Fund Interests (and, if applicable, Remaining Interests) shall automatically vest and all forfeiture provisions shall lapse, as applicable, as of such date.

3. Transfer of Unrestricted Lazard Fund Interests.

As soon as practicable (but in no event more than 30 days) after any Lazard Fund Interest has vested and is no longer subject to the applicable Restriction Period or after any Remaining Interest is no longer subject to any restrictions, the Company shall, subject to Section 6, deliver to the Employee an unrestricted, freely-transferable Lazard Fund Interest, which shall be transferred to an unrestricted brokerage account at LCM (or such other broker-dealer, as applicable) in the Employee's name. Notwithstanding the foregoing, the Company shall be entitled to hold the unrestricted Lazard Fund Interests to be transferred upon vesting and lapse of all restrictions until the Company shall have received from the Employee a duly executed Form W-9 or W-8, as applicable.

4. Nontransferability of the Lazard Fund Interests.

During the applicable Restriction Period and until such time as the Lazard Fund Interests, including, if applicable, any Remaining Interests, have ultimately vested and the unrestricted Lazard Fund Interests have been transferred to the unrestricted brokerage account as provided in Section 3 above, unless the Administrator determines otherwise, the Lazard Fund Interests, including, if applicable, any Remaining Interests, but excluding the Transferable Interests (if any), shall not be transferable by the Employee by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

5. Distributions, Rights as a Holder of Interests in Company Funds.

If any Company Fund in which the Employee holds an interest distributes earnings with respect to an unvested Lazard Fund Interest, or with respect to any Remaining Interests, in each case, prior to the date on which the unrestricted Lazard Fund Interests are transferred to the unrestricted brokerage account as provided in Section 3 above, the Fund Account shall be credited as follows. In the event distributions are made in cash, such cash distributions shall be automatically reinvested in the applicable Company Fund, and the additional Lazard Fund Interests shall be held in the Fund Account. In the event any Company Fund in which the Employee holds an interest makes an in-kind distribution, extraordinary distribution (whether distributed in other securities or other property) or adjustment with respect to the Lazard Fund Interests or Remaining Interests, such distributions shall be held in the Fund Account and such adjustments shall be reflected in the Fund Account. In the event of distributions made in cash, in-kind or in other securities or other property, additional Lazard Fund Interests and any other securities or property held in the Fund Account shall vest concurrently with the underlying Lazard Fund Interests or

Remaining Interests, as applicable, and be treated as Lazard Fund Interests or Remaining Interests, as applicable, for all purposes of this Agreement. For the avoidance of doubt, in the event that any Lazard Fund Interests and Remaining Interests are forfeited in accordance with this Agreement, the distributions with respect to any such interests will also be forfeited. Notwithstanding the foregoing, subject to Sections 2(c)(i) and 3 and any other applicable law or agreement, from and after the Effective Date, the Employee will be entitled to exercise voting rights with respect to the Remaining Interests.

6. Payment of Transfer Taxes, Fees and Other Expenses.

The Company agrees to pay any and all original issue taxes and transfer taxes that may be imposed in connection with the purchase of any Lazard Fund Interest or the transfer of an unrestricted Lazard Fund Interest to an unrestricted brokerage account as provided in Section 3 above, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

7. Taxes and Withholding.

No later than the date as of which an amount first becomes includible in the gross income of the Employee for federal, state, local or foreign income tax purposes with respect to any Lazard Fund Interests, the Employee shall pay to the Company or its applicable Affiliate, or make arrangements satisfactory to the Company or its applicable Affiliate regarding the payment of, any federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. Except as otherwise required by applicable law, the Company will report that the Employee will be taxed on the full value of the Lazard Fund Interests on the date that the Employee is no longer required to perform any additional services in order to retain such Lazard Fund Interests. The obligations of the Company under this Agreement shall be conditioned on compliance by the Employee with this Section 7, and the Company or its applicable Affiliate shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Employee, including deducting such amount from the delivery of Lazard Fund Interests that gives rise to the withholding requirement. Notwithstanding the foregoing, the Company or an Affiliate may, in the Company's sole discretion and subject to such other terms and conditions as the Company may determine, (a) if the Employee is subject to withholding as a matter of applicable law as of the applicable vesting date, retain that portion of the Transferable Interests (which may be all of the Transferable Interests) that the Company determines has a value that the Company or an Affiliate is required by applicable law to remit to the appropriate taxing authorities on the Employee's behalf in connection with the vesting of the Lazard Fund Interests and (b) if the Employee is not subject to withholding as a matter of applicable law as of the applicable vesting date (including if the Employee is a member of the Company who reports income from the Company and its Affiliates on Schedule K-1 to the Company's Federal income tax return) and pursuant to the prior written approval of the Company, retain some or all of the Transferable Interests and have the Company or such Affiliate either (i) remit the relevant taxes on the Employee's behalf to the appropriate taxing authorities or (ii) deposit cash equal to the value of the Transferable Interests retained by the Company or an Affiliate (as reasonably determined by the Company) into the Employee's tax advance account (if any). Prior to an Initial Vesting Date, the Company will notify the Employee of (A) how many Lazard Fund Interests will vest on such Initial Vesting Date and (B) the portion, if any, of the Transferable Interests that the Company or an Affiliate will retain pursuant to clause (a) or (b), as applicable, of the immediately preceding sentence.

8. Disgorgement of Tax Benefits.

In the event that the Employee retires from the Company in accordance with Section 2(e) above and, after the Employee's retirement, the Employee forfeits the Remaining Interests and any distributions thereon, the Employee shall disgorge to the Company any current or future tax benefit the Employee may derive from the forfeiture of any Lazard Fund Interests and distributions thereon at the time the Employee derives such tax benefit. The Employee agrees to use reasonable best efforts to claim any tax benefit from such forfeiture that the Company reasonably determines is available to the Employee on all relevant tax returns. Notwithstanding the foregoing, this Section 8 shall not apply in the event of a Change in Control or a Termination of Employment other than for Cause or due to death or Disability.

9. Effect of Agreement.

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Nothing in this Agreement shall confer upon the Employee any right to continue in the employ of the Company or any of its Affiliates or interfere in any way with the right of the Company or any such Affiliates to terminate the Employee's employment at any time. Until the Lazard Fund Interests vest and all restrictions lapse, the Employee shall not have any rights as an interest holder with respect to the Lazard Fund Interests or any underlying Company Funds, except as specifically provided herein (including, for the avoidance of doubt, pursuant to Section 1(b) above).

10. Laws Applicable to Construction; Consent to Jurisdiction.

(a) 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. By accepting the Lazard Fund Interests, the Employee agrees to and is bound by the Restrictive Covenants.

(b) Subject to the provisions of Section 10(c), any controversy or claim between the Employee and the Company or its Affiliates 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 Financial Industry Regulatory Authority ("FINRA") or, if FINRA declines to arbitrate the matter, the American Arbitration Association (the "AAA") in accordance with the commercial arbitration rules of the AAA.

(c) Notwithstanding the provisions of Section 10(b), and in addition to its right to submit any dispute or controversy to arbitration, the Company or one of its Affiliates 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 Restrictive Covenants, or to enforce an arbitration award, and, for the purposes of this Section 10(c), the Employee (i) expressly consents to the application of Section 10(d) to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of the Restrictive Covenants or this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the General Counsel of Lazard Ltd as the Employee's agent for service of process in connection with any such action or proceeding, who shall promptly advise the Employee of any such service of process by notifying the Employee at the last address on file in the Company's records.

(d) The Employee and the Company 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 relating to or concerning this Agreement that is not otherwise required to be arbitrated or resolved in accordance with the provisions of Section 10(b). This includes any suit, action or proceeding to compel arbitration or to enforce an arbitration award. The Employee and the Company acknowledge that the forum designated by this Section 10(d) has a reasonable relation to this Agreement, and to the Employee's relationship to the Company. Notwithstanding the foregoing, nothing herein shall preclude the Company or the Employee from bringing any action or proceeding in any other court for the purpose of enforcing the provisions of Sections 10(a), 10(b) or this Section 10(d). The agreement of the Employee and the Company as to forum is independent of the law that may be applied in the action, and the Employee and the Company agree to such forum even if the forum may under applicable law choose to apply non-forum law. The Employee and the Company hereby waive, to the fullest extent permitted by applicable law, any objection which the Employee or the Company 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 this Section 10(d). The Employee and the Company 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 10(d), or, to the extent applicable, Section 10(b). The Employee and the Company 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 Employee and the Company.

11. Authority of the Administrator.

The Administrator has the power, among others, to (a) interpret this Agreement, (b) prescribe, amend and rescind rules and regulations relating to this Agreement, and (c) make all other determinations deemed necessary or advisable for the administration of this Agreement.

12. Amendment.

Any modification, amendment or waiver to this Agreement that shall materially impair the rights of the Employee with respect to the Lazard Fund Interests shall require an instrument in writing to be signed (either in paper format or electronically) by both parties hereto, except such a modification, amendment or waiver made to cause the Lazard Fund Interests to comply with applicable law, tax rules, stock exchange rules or accounting rules and which is made to similarly situated employees. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement. For the avoidance of doubt, the Administrator shall have the authority to make immaterial modifications and amendments to this Agreement without obtaining the Employee's consent, provided that such modifications and amendments do not materially impair the rights of the Employee with respect to the Fund Interest Amount.

13. Assignment

This Agreement shall not be assignable by the Employee. The parties agree that any attempt by the Employee to delegate the Employee's rights and duties hereunder shall be null and void. The Company and its Affiliates shall be permitted to assign the Company's rights and obligations hereunder among one another. In such case, this Agreement shall be binding upon and shall inure to the benefit of any Affiliate or successor of the Company to which it is assigned. As used in this Agreement, the term "Company" shall mean the Company as hereinbefore defined in this Agreement and any permitted assignee to which this Agreement is assigned.

14. Electronic Delivery.

In lieu of receiving documents in paper format, the Employee hereby agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company or any Affiliate may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or Award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with the Lazard Fund Interests or any other prior or future Award (it being understood and agreed that the Company or its Affiliates may, in their sole discretion, elect to satisfy any delivery requirements electronically, in paper format, or a combination of both methods). Electronic delivery of a document to the Employee may be via a Company email system or by reference to a location on a Company intranet or secure internet site to which the Employee has access.

15. Compensation Recovery Policy.

The Employee acknowledges and agrees that the Employee and the Lazard Fund Interests are subject to the Company's Compensation Recovery Policy Applicable to Named Executive Officers, as in effect as of the date hereof (a copy of which has been provided to the Employee).

16. Headings.

The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

17. Counterparts.

This Agreement may be executed in counterparts, which together shall constitute one and the same original.

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IN WITNESS WHEREOF, as of the date first above written, the Company has caused this Agreement to be executed on behalf of itself or its applicable Affiliate by a duly authorized officer and the Employee has hereunto set the Employee's hand.

LAZARD GROUP LLC

By: _____
[Name]
[Title]

_____
NAME

Appendix A

Restrictive Covenants

The Employee acknowledges that the grant of the Fund Interest Amount (and Lazard Fund Interests related thereto) (as defined in the Agreement, and hereinafter in this Appendix A, collectively, the "Award") pursuant to the Restricted Lazard Fund Interest Agreement (such agreement, the "Agreement") confers a substantial benefit upon the Employee, and agrees to the following covenants (the "Restrictive Covenants"), which are designed, among other things, to protect the interests of the Lazard Group LLC, a Delaware limited liability company (the "Company"), and its Affiliates (collectively, the "Firm") in its confidential and proprietary information, trade secrets, customer and employee relationships, orderly transition of responsibilities, and other legitimate business interests. All capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Lazard Ltd 2008 Incentive Compensation Plan. The Employee acknowledges that the Award will be forfeited upon a violation by the Employee of the Restrictive Covenants, and that, pursuant to the Agreement, the Firm may seek injunctive relief in order to enforce the Restrictive Covenants:

(a) Confidential Information. The Employee shall not at any time (whether prior to or following the Employee's Termination of Employment) disclose or use for the Employee's own benefit or purposes or the benefit or purposes of any other person, corporation or other business organization or entity, other than the Firm, any trade secrets, information, data, or other confidential or proprietary information relating to the customers, developments, programs, plans or business and affairs of the Firm; provided that the foregoing shall not apply to information that is not unique to the Firm or that is generally known to the industry or the public other than as a result of the Employee's breach of this Restrictive Covenant or as required pursuant to an order of a court, governmental agency or other authorized tribunal (provided that the Employee shall provide the Firm prior written notice of any such required disclosure). The Employee agrees that upon the Employee's Termination of Employment, the Employee or, in the event of the Employee's death, the Employee's heirs or estate at the request of the Firm, shall return to the Firm immediately all books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Firm. Without limiting the foregoing, the existence of, and any information concerning, any dispute between the Employee and the Firm shall be subject to the terms of this Paragraph (a), except that the Employee may disclose information concerning such dispute to the arbitrator or court that is considering such dispute, and to the Employee's legal counsel, spouse or domestic partner, and tax and financial advisors (provided that such persons agree not to disclose any such information).

(b) Non-Competition. The Employee acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Employee further acknowledges that the Employee 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 Employee 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. The Employee agrees that while employed by the Firm and thereafter until (i) (A) three months after the Employee's date of Termination of Employment for any reason other than a termination by the Firm without Cause or (B) one month after

the date of the Employee's Termination of Employment by the Firm without Cause (in either case, the date of such Termination of Employment, the "Date of Termination") or (ii) the end of any longer period during which any similar covenants would be applicable to the Employee pursuant to any other agreement (other than an award agreement evidencing previously granted equity-based, fund interest, deferred cash or similar awards (collectively, the "Prior Awards")) between the Employee and the Firm (such period, the "Non-compete Restriction Period"), the Employee shall not, directly or indirectly, on the Employee's behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee, director, advisor, partner, consultant or otherwise, provide services or perform activities for, or acquire or maintain any ownership interest in, a "Competitive Enterprise". For purposes of the Agreement, including this Appendix A, "Competitive Enterprise" shall mean a business (or business unit) that (x) engages in any activity or (y) owns or controls a significant interest in any entity that engages in any activity, that in either case, competes anywhere with any activity that is similar to an activity in which the Firm is engaged up to and including the Employee's Date of Termination. Notwithstanding anything in this Appendix A, the Employee shall not be considered to be in violation of the Restrictive Covenants 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 Employee'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). The Employee acknowledges that the Firm is engaged in business throughout the world. Accordingly, and in view of the nature of the Employee's position and responsibilities, the Employee agrees that the provisions of this Paragraph (b) shall be applicable to each jurisdiction, foreign country, state, possession or territory in which the Firm may be engaged in business while the Employee is providing services to the Firm.

(c) Nonsolicitation of Clients. The Employee hereby agrees that during the Non-compete Restriction Period, the Employee shall not, in any manner, directly or indirectly, (i) 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 Employee is soliciting a Client to provide them with services the performance of which would violate Paragraph (b) above if such services were provided by the Employee, or (ii) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and a Client. For purposes of the Agreement, including this Appendix A, 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 Employee provided services, or for whom the Employee transacted business, or whose identity became known to the Employee in connection with the Employee'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.

(d) No Hire of Employees. The Employee hereby agrees that while employed by the Firm and thereafter until (i) six months after the Date of Termination for any reason or (ii) the end of any longer period during which any similar covenants would be applicable to the Employee pursuant to any other agreement (other than an award agreement evidencing any Prior Awards) between the Employee and the Firm (such period, the "No Hire Restriction Period"), the Employee 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 (including, without limitation, managing directors), 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.

(e) Nondisparagement. The Employee shall not at any time (whether prior to or following the Employee's Termination of Employment), and shall instruct the Employee's spouse or domestic partner, parents, and any of their lineal descendants (it being agreed that in any dispute between the parties regarding whether the Employee breached such obligation to instruct, the Firm shall bear the burden of demonstrating that the Employee 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.

(f) Notice of Termination Required. The Employee agrees to provide a period of advance written notice to the Firm prior to the Employee's Termination of Employment equal to (i) three months or (ii) any longer notice period required pursuant to any other agreement (other than an award agreement evidencing any Prior Awards) between the Employee and the Firm. The Employee hereby agrees that, if, during the applicable period after the Employee has provided notice of termination to the Firm or prior thereto, the Employee enters (or has entered into) a written agreement to provide services or perform activities for a Competitive Enterprise that would violate Paragraph (b) if performed during the Non-compete Restriction Period, such action shall be deemed a violation of this Paragraph (f).

(g) Restrictive Covenants Generally. If any of the Restrictive Covenants is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such Restrictive Covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining such Restrictive Covenants shall not be affected thereby; provided, however, that if any of such Restrictive 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 Restrictive Covenant shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. The Employee hereby agrees that prior to accepting employment with any other person or entity during his period of service with the Firm or during the Non-compete Restriction Period or the No Hire Restriction Period, the Employee shall provide such prospective employer with written notice of the provisions of this Appendix A, with a copy of such notice delivered no later than the date of the Employee's commencement of such employment with such prospective employer, to the General Counsel of the Company. The Employee acknowledges and agrees that the terms of the Restrictive 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 Employee and (iv) are not injurious to the public. The Employee acknowledges and agrees that the Employee's breach of the Restrictive Covenants will cause the Firm irreparable harm, which cannot be adequately compensated by money damages. The Employee also agrees that the Firm shall be entitled to injunctive relief for any actual or threatened violation of any of the Restrictive Covenants in addition to any other remedies it may have, including, without limitation, money damages and forfeiture of the Award. The Employee further acknowledges that, except as provided in Paragraph (h), the Restrictive Covenants and notice period requirements set forth herein shall operate independently of, and not instead of, any other restrictive covenants or notice period requirements to which the Employee is subject pursuant to other plans and agreements involving the Firm.

(h) Other Restrictive Covenants. The Employee acknowledges that, in the event that the Employee is subject to an employment contract, the Restrictive Covenants set forth in this Appendix A constitute a supplement to such employment contract and will be entirely governed by the distinct and specific provisions of this Appendix A. The Employee acknowledges that the Restrictive Covenants set forth in this Appendix A shall supersede and are in full substitution for any and all prior restrictive covenants included in any award agreement evidencing any Prior Awards by which the Employee is bound, and this Paragraph (h) shall constitute a valid amendment to such award agreements.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

STOCK UNIT AGREEMENT

THIS AGREEMENT, dated as of [DATE], between Lazard Ltd, a Bermuda exempted company (the "Company"), on behalf of its applicable Affiliate (as defined under the definitional rules of Section 1(a) below), and [NAME] (the "Employee").

W I T N E S S E T H

In consideration of the mutual promises and covenants made herein and the mutual benefits to be derived herefrom, the parties hereto agree as follows:

1. Grant and Vesting of Stock Units.

(a) Subject to the provisions of this Agreement and to the provisions of the Company's 2008 Incentive Compensation Plan (the "Plan") (all capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Plan), the Company, on behalf of its applicable Affiliate, hereby grants to the Employee, as of the date set forth above (the "Grant Date"), «UNITS» Stock Units (the "Stock Units"), each with respect to one Share.

(b) Subject to the terms and conditions of this Agreement and to the provisions of the Plan, the Stock Units shall vest and no longer be subject to any restriction (such period during which restrictions apply to the Stock Units is the "Restriction Period") in accordance with the following schedule: 1/3rd of the Stock Units shall vest on [DATE] and 2/3rds of the Stock Units shall vest on [DATE]. Each of [DATE] and [DATE] is referred to herein, as applicable, as the "Vesting Date".

(c) Except as set forth in Section 1(f) below, in the event that the Employee incurs a Termination of Employment during the applicable Restriction Period for any reason not set forth in Section 1(d), all unvested Stock Units shall be forfeited by the Employee effective immediately upon such Termination of Employment. For purposes of this Section 1(c), the Employee will be deemed to have incurred a Termination of Employment on the date that the Employee provides notice of termination to the Company, and accordingly, all unvested Stock Units shall be forfeited by the Employee immediately upon delivery of any such notice.

(d)(i) Except as set forth in Section 1(f) below, in the event that the Employee incurs a Termination of Employment during the applicable Restriction Period due to the Employee's Disability or due to a Termination of Employment by the Company other than for Cause, subject to Section 1(e) and Section 2, all Shares underlying the Employee's Stock Units shall be delivered to the Employee within 30 days following the date that the Employee is no longer required to perform any additional services in order to retain such Stock Units (the date that such Shares are delivered to the Employee is the "Initial Delivery Date"). The Employee will be permitted to dispose of the Applicable Percentage (as defined below) of the Shares (such Shares, the "Transferable Shares") delivered to the Employee pursuant to the preceding sentence immediately following the date that such Shares are delivered to the Employee. For purposes of this Agreement, the "Applicable Percentage" is the percentage of Shares delivered to the

Employee that the Company determines, in its sole discretion, is necessary to satisfy the Employee's tax liability incurred with respect to such Shares on the date that such Shares are delivered to the Employee. All Shares delivered to the Employee on the Initial Delivery Date that are not Transferable Shares (such Shares, the "Remaining Shares") will remain subject to the restrictions set forth in this Agreement until the applicable date that such Remaining Shares otherwise would have been delivered to the Employee in accordance with this Agreement (each such date, a "Final Delivery Date"). Accordingly, prior to the applicable Final Delivery Date, neither the Employee nor any of the Employee's creditors or beneficiaries will have the right to subject the Remaining Shares to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, hedge, exchange, attachment or garnishment or any similar transaction. Furthermore, for the avoidance of doubt, the Remaining Shares shall continue to be subject to the forfeiture provisions set forth in this Agreement relating to violation of the restrictive covenants set forth in Appendix A, which are incorporated herein by reference (the "Restrictive Covenants") until the applicable Final Delivery Date.

(ii) In the event that the Employee incurs a Termination of Employment during the applicable Restriction Period due to the Employee's death or, subject to Section 1(e), dies during the applicable Restriction Period subsequent to a Termination of Employment described in the preceding sentence, all Stock Units shall remain outstanding and vest and be settled within 30 days following the first to occur of (x) the applicable Vesting Date and (y) the date of death.

(e) In the event that the Employee violates any of the provisions of the Restrictive Covenants, all outstanding vested or unvested Stock Units and, if applicable, prior to the relevant Final Delivery Date, all Remaining Shares, shall be forfeited and canceled.

(f)(i) Except as otherwise provided in this Section 1(f)(i) and Section 1(f)(ii) below, following a Change in Control, the unvested Stock Units (and, if applicable, any Remaining Shares) shall remain outstanding through the applicable Vesting Date or Final Delivery Date; provided, however, that in the event that the Employee incurs a Termination of Employment upon or following a Change in Control but prior to the applicable Vesting Date under any of the circumstances described in Section 1(d) above, the date of such Termination of Employment shall be deemed to be the Vesting Date, and all Shares issued in settlement of such Stock Units shall be Transferable Shares. Furthermore, in the event that the Employee incurs a Termination of Employment under any of the circumstances described in Section 1(d) above prior to the applicable Vesting Date and prior to a Change in Control, upon a Change in Control, the date of the Change in Control shall be deemed to be the Vesting Date for purposes of the unvested Stock Units (and the Final Delivery Date for any Remaining Shares) then held by the Employee and any dividends held by an escrow agent with respect thereto, as set forth in Section 4 below.

(ii) Notwithstanding the foregoing, in the event of a Change in Control prior to the applicable Vesting Date, unless (A) either (1) the unvested Stock Units remain outstanding following a Change in Control or (2) provision is made in connection with the Change in Control for assumption of such Stock Units or substitution of such Stock Units for new awards covering equity interests in a successor entity, with appropriate adjustments to the number of Stock Units, as determined by the Committee prior to the Change in Control pursuant to Section 3(b)(ii) of the Plan, and (B) the material terms and conditions of such Stock Units as in effect immediately prior to the Change in Control are preserved following the Change in Control (including, without

limitation, with respect to the vesting schedules, the intrinsic value of the Stock Units and transferability of the Shares or other securities underlying the Stock Units prior to and following the Change in Control), the date of the Change in Control shall be deemed to be the Vesting Date for purposes of such Stock Units (and the Final Delivery Date for purposes of any Remaining Shares then outstanding) and such Stock Units shall be settled within 30 days following such date.

2. Settlement of Units, Restrictions on Remaining Shares.

As soon as practicable (but in no event more than 30 days) after any Stock Unit has vested and is no longer subject to the applicable Restriction Period, the Company shall, subject to Section 1(d) and Section 6, cause its applicable Affiliate to deliver to the Employee one or more unlegended, freely-transferable stock certificates in respect of such Shares issued upon settlement of the vested Stock Units. Notwithstanding the foregoing, (a) the Company shall be entitled to hold the Shares or cash issuable upon settlement of Stock Units that have vested until the Company shall have received from the Employee a duly executed Form W-9 or W-8, as applicable, and (b) any certificate or book entry credit issued or entered in respect of the Remaining Shares shall be registered in the Employee's name and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to the Remaining Shares, substantially in the following form:

> "The transferability of this certificate and the shares of stock represented hereby is subject to the terms and conditions (including forfeiture) of the Lazard Ltd 2008 Incentive Compensation Plan and an Award Agreement, as well as the terms and conditions of applicable law. Copies of such Plan and Agreement are on file at the offices of Lazard Ltd."

The Company may require that the certificates or book entry credits evidencing title of the Remaining Shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of receiving the Remaining Shares, the Employee shall have delivered to the Company a stock power, endorsed in blank, relating to such Remaining Shares. If and when the applicable Final Delivery Date occurs (or is deemed to occur) with respect to the Remaining Shares, the legend set forth shall be removed from the certificates or book entry credits evidencing such Shares.

3. Nontransferability of the Stock Units.

During the applicable Restriction Period and until such time as the Stock Units are ultimately settled as provided in Section 2 above, the Stock Units shall not be transferable by the Employee by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

4. Dividend Equivalents, Rights as a Shareholder.

If the Company declares and pays (or sets a record date with respect to) ordinary quarterly cash dividends on the Common Stock during the applicable Restriction Period, the Employee's outstanding Stock Units shall be credited with additional Stock Units (determined by dividing the aggregate dividend amount that would have been paid with respect to the Stock Units if they

had been actual Shares by the Fair Market Value of a Share on the dividend payment date), which additional Stock Units shall vest and be settled concurrently with the underlying Stock Units and be treated as Stock Units for all purposes of this Agreement (it being understood that the provisions of this sentence shall not apply to any extraordinary dividends or distributions). Notwithstanding the foregoing, subject to Section 1(d) and Section 2 and any other applicable law or agreement, from and after the Initial Delivery Date, the Employee will have all rights and privileges of a shareholder with respect to the Shares, including the right to vote the Shares and to receive dividends and other distributions with respect thereto, provided that, any dividends that are paid on the Remaining Shares prior to the applicable Final Delivery Date (whether payable in cash or Shares) will be held until the applicable Final Delivery Date by Lazard Capital Markets LLC or any other escrow agent that is subsequently designated by the Company, and in the event that the Remaining Shares are forfeited in accordance with Section 1(e), such dividends will also be forfeited. For the avoidance of doubt, the determination of applicable dividends, and the calculation of amounts equivalent thereto, provided for in this Section 4 shall be made consistent with the Company's past practice with respect to similar Awards.

5. Payment of Transfer Taxes, Fees and Other Expenses.

The Company agrees, or will cause its applicable Affiliate, to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of Shares received by an Employee in connection with the Stock Units, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

6. Taxes and Withholding.

No later than the date as of which an amount first becomes includible in the gross income of the Employee for federal, state, local or foreign income tax purposes with respect to any Stock Units, the Employee shall pay to the Company or its applicable Affiliate, or make arrangements satisfactory to the Company or its applicable Affiliate regarding the payment of, any federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. Except as otherwise required by applicable law, the Company will report that the Employee will be taxed on the full value of the Shares underlying the Employee's Stock Units on the date that the Employee is no longer required to perform any additional services in order to retain such Stock Units. The obligations of the Company under this Agreement shall be conditioned on compliance by the Employee with this Section 6, and the Company or its applicable Affiliate shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Employee, including deducting such amount from the delivery of Shares or cash issued upon settlement of the Stock Units that gives rise to the withholding requirement. Notwithstanding the foregoing, the Company or an Affiliate may, in the Company's sole discretion and subject to such other terms and conditions as the Company may determine, if the Employee is not subject to withholding as a matter of applicable law as of the date that the Shares are delivered to the Employee (including if the Employee is a member of the Company who reports income from the Company and its Affiliates on Schedule K-1 to the Company's Federal income tax return) and pursuant to the prior written approval of the Company, permit the Employee to surrender some or all of the Transferable Shares to the Company or an Affiliate and have the Company or such Affiliate remit the relevant taxes on the Employee's behalf to the appropriate taxing authorities. Prior to an Initial Delivery Date, the

Company will notify the Employee of (i) how many Shares will be delivered to the Employee on such Initial Delivery Date and (ii) the portion, if any, of the Transferable Shares that the Company or an Affiliate will retain pursuant to the immediately preceding sentence.

7. Effect of Agreement.

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Nothing in this Agreement or the Plan shall confer upon the Employee any right to continue in the employ of the Company or any of its Affiliates or interfere in any way with the right of the Company or any such Affiliates to terminate the Employee's employment at any time. Until Shares are actually delivered to the Employee upon settlement of the Stock Units, the Employee shall not have any rights as a shareholder with respect to the Stock Units, except as specifically provided herein.

8. Laws Applicable to Construction; Consent to Jurisdiction.

(a) 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. In addition to the terms and conditions set forth in this Agreement and the Restrictive Covenants, the Stock Units are subject to the terms and conditions of the Plan, which is hereby incorporated by reference. By accepting the Stock Units, the Employee agrees to and is bound by the Plan and the Restrictive Covenants.

(b) Subject to the provisions of Section 8(c), any controversy or claim between the Employee and the Company or its Affiliates arising out of or relating to or concerning the provisions of this Agreement or the Plan shall be finally settled by arbitration in New York City before, and in accordance with the rules then obtaining of, the Financial Industry Regulatory Authority ("FINRA") or, if FINRA declines to arbitrate the matter, the American Arbitration Association (the "AAA") in accordance with the commercial arbitration rules of the AAA.

(c) Notwithstanding the provisions of Section 8(b), and in addition to its right to submit any dispute or controversy to arbitration, the Company or one of its Affiliates 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 Restrictive Covenants, or to enforce an arbitration award, and, for the purposes of this Section 8(c), the Employee (i) expressly consents to the application of Section 8(d) to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of the Restrictive Covenants or this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the General Counsel of the Company as the Employee's agent for service of process in connection with any such action or proceeding, who shall promptly advise the Employee of any such service of process by notifying the Employee at the last address on file in the Company's records.

(d) The Employee and the Company 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 relating to or concerning this Agreement or the Plan that is not otherwise required to be arbitrated or resolved in accordance with the provisions of Section 8(b). This includes any suit, action or proceeding to compel arbitration or to enforce an arbitration award. The Employee and the Company acknowledge that the forum designated by this Section 8(d) has a reasonable relation to this Agreement, and to the Employee's relationship to the Company. Notwithstanding the foregoing, nothing herein shall preclude the Company or the Employee from bringing any action or proceeding in any other court for the purpose of enforcing the provisions of Sections 8(a), 8(b), or this Section 8(d). The agreement of the Employee and the Company as to forum is independent of the law that may be applied in the action, and the Employee and the Company agree to such forum even if the forum may under applicable law choose to apply non-forum law. The Employee and the Company hereby waive, to the fullest extent permitted by applicable law, any objection which the Employee or the Company 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 this Section 8(d). The Employee and the Company 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 8(d), or, to the extent applicable, Section 8(b). The Employee and the Company 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 Employee and the Company.

9. Conflicts and Interpretation.

In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

10. Amendment.

Any modification, amendment or waiver to this Agreement that shall materially impair the rights of the Employee with respect to the Stock Units shall require an instrument in writing to be signed (either in paper format or electronically) by both parties hereto, except such a modification, amendment or waiver made to cause the Plan or the Stock Units to comply with applicable law, tax rules, stock exchange rules or accounting rules and which is made to similarly situated employees. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

11. Section 409A of the Code.

It is intended that the Stock Units shall be exempt from Section 409A of the Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in the regulations or other guidance published by the Internal Revenue Service thereunder.

12. Electronic Delivery.

In lieu of receiving documents in paper format, the Employee hereby agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company or any Affiliate may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or Award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with the Stock Units or any other prior or future Award (it being understood and agreed that the Company or its Affiliates may, in their sole discretion, elect to satisfy any delivery requirements electronically, in paper format, or a combination of both methods). Electronic delivery of a document to the Employee may be via a Company email system or by reference to a location on a Company intranet or secure internet site to which Employee has access.

13. Compensation Recovery Policy.

The Employee acknowledges and agrees that the Employee and the Stock Units are subject to the Company's Compensation Recovery Policy Applicable to Named Executive Officers, as in effect as of the date hereof (a copy of which has been provided to the Employee).

14. Headings.

The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

15. Counterparts.

This Agreement may be executed in counterparts, which together shall constitute one and the same original.

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IN WITNESS WHEREOF, as of the date first above written, the Company has caused this Agreement to be executed on behalf of itself or its applicable Affiliate by a duly authorized officer and the Employee has hereunto set the Employee's hand.

LAZARD LTD

By: _____
[Name]
[Title]

_____
NAME

Appendix A

Restrictive Covenants

The Employee acknowledges that the grant of the Stock Units pursuant to the Stock Unit Agreement (such Stock Units, the "Stock Units" and such Stock Unit Agreement, the "Agreement") confers a substantial benefit upon the Employee, and agrees to the following covenants (the "Restrictive Covenants"), which are designed, among other things, to protect the interests of the Lazard Group LLC, a Delaware limited liability company (the "Company"), and its Affiliates (collectively, the "Firm") in its confidential and proprietary information, trade secrets, customer and employee relationships, orderly transition of responsibilities, and other legitimate business interests. All capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Lazard Ltd 2008 Incentive Compensation Plan. The Employee acknowledges that the Stock Units will be forfeited upon a violation by the Employee of the Restrictive Covenants, and that, pursuant to the Agreement, the Firm may seek injunctive relief in order to enforce the Restrictive Covenants:

(a) Confidential Information. The Employee shall not at any time (whether prior to or following the Employee's Termination of Employment) disclose or use for the Employee's own benefit or purposes or the benefit or purposes of any other person, corporation or other business organization or entity, other than the Firm, any trade secrets, information, data, or other confidential or proprietary information relating to the customers, developments, programs, plans or business and affairs of the Firm; provided that the foregoing shall not apply to information that is not unique to the Firm or that is generally known to the industry or the public other than as a result of the Employee's breach of this Restrictive Covenant or as required pursuant to an order of a court, governmental agency or other authorized tribunal (provided that the Employee shall provide the Firm prior written notice of any such required disclosure). The Employee agrees that upon the Employee's Termination of Employment, the Employee or, in the event of the Employee's death, the Employee's heirs or estate at the request of the Firm, shall return to the Firm immediately all books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Firm. Without limiting the foregoing, the existence of, and any information concerning, any dispute between the Employee and the Firm shall be subject to the terms of this Paragraph (a), except that the Employee may disclose information concerning such dispute to the arbitrator or court that is considering such dispute, and to the Employee's legal counsel, spouse or domestic partner, and tax and financial advisors (provided that such persons agree not to disclose any such information).

(b) Non-Competition. The Employee acknowledges and recognizes the highly competitive nature of the businesses of the Firm. The Employee further acknowledges that the Employee 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 Employee 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. The Employee agrees that while employed by the Firm and thereafter until (i) (A) three months after the Employee's date of Termination of Employment for any

reason other than a termination by the Firm without Cause or (B) one month after the date of the Employee's Termination of Employment by the Firm without Cause (in either case, the date of such Termination of Employment, the "Date of Termination") or (ii) the end of any longer period during which any similar covenants would be applicable to the Employee pursuant to any other agreement (other than an award agreement evidencing previously granted equity-based, fund interest, deferred cash or similar awards (collectively, the "Prior Awards")) between the Employee and the Firm (such period, the "Non-compete Restriction Period"), the Employee shall not, directly or indirectly, on the Employee's behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee, director, advisor, partner, consultant or otherwise, provide services or perform activities for, or acquire or maintain any ownership interest in, a "Competitive Enterprise". For purposes of the Agreement, including this Appendix A, "Competitive Enterprise" shall mean a business (or business unit) that (x) engages in any activity or (y) owns or controls a significant interest in any entity that engages in any activity, that in either case, competes anywhere with any activity that is similar to an activity in which the Firm is engaged up to and including the Employee's Date of Termination. Notwithstanding anything in this Appendix A, the Employee shall not be considered to be in violation of the Restrictive Covenants 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 Employee'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). The Employee acknowledges that the Firm is engaged in business throughout the world. Accordingly, and in view of the nature of the Employee's position and responsibilities, the Employee agrees that the provisions of this Paragraph (b) shall be applicable to each jurisdiction, foreign country, state, possession or territory in which the Firm may be engaged in business while the Employee is providing services to the Firm.

(c) Nonsolicitation of Clients. The Employee hereby agrees that during the Non-compete Restriction Period, the Employee shall not, in any manner, directly or indirectly, (i) 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 Employee is soliciting a Client to provide them with services the performance of which would violate Paragraph (b) above if such services were provided by the Employee, or (ii) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and a Client. For purposes of the Agreement, including this Appendix A, 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 Employee provided services, or for whom the Employee transacted business, or whose identity became known to the Employee in connection with the Employee'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.

(d) No Hire of Employees. The Employee hereby agrees that while employed by the Firm and thereafter until (i) six months after the Date of Termination for any reason or (ii) the end of any longer period during which any similar covenants would be applicable to the Employee pursuant to any other agreement (other than an award agreement evidencing any Prior Awards) between the Employee and the Firm (such period, the "No Hire Restriction Period"), the Employee 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 (including, without limitation, managing directors), 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.

(e) Nondisparagement. The Employee shall not at any time (whether prior to or following the Employee's Termination of Employment), and shall instruct the Employee's spouse or domestic partner, parents, and any of their lineal descendants (it being agreed that in any dispute between the parties regarding whether the Employee breached such obligation to instruct, the Firm shall bear the burden of demonstrating that the Employee 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.

(f) Notice of Termination Required. The Employee agrees to provide a period of advance written notice to the Firm prior to the Employee's Termination of Employment equal to (i) three months or (ii) any longer notice period required pursuant to any other agreement (other than an award agreement evidencing any Prior Awards) between the Employee and the Firm. The Employee hereby agrees that, if, during the applicable period after the Employee has provided notice of termination to the Firm or prior thereto, the Employee enters (or has entered into) a written agreement to provide services or perform activities for a Competitive Enterprise that would violate Paragraph (b) if performed during the Non-compete Restriction Period, such action shall be deemed a violation of this Paragraph (f).

(g) Restrictive Covenants Generally. If any of the Restrictive Covenants is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such Restrictive Covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining such Restrictive Covenants shall not be affected thereby; provided, however, that if any of such Restrictive 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 Restrictive Covenant shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. The Employee hereby agrees that prior to accepting employment with any other person or entity during his period of service with the Firm or during the Non-compete Restriction Period or the No Hire Restriction Period, the Employee shall provide such prospective employer with written notice of the provisions of this Appendix A, with a copy of such notice delivered no later than the date of the Employee's commencement of

such employment with such prospective employer, to the General Counsel of the Company. The Employee acknowledges and agrees that the terms of the Restrictive 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 Employee and (iv) are not injurious to the public. The Employee acknowledges and agrees that the Employee's breach of the Restrictive Covenants will cause the Firm irreparable harm, which cannot be adequately compensated by money damages. The Employee also agrees that the Firm shall be entitled to injunctive relief for any actual or threatened violation of any of the Restrictive Covenants in addition to any other remedies it may have, including, without limitation, money damages and forfeiture of the Stock Units. The Employee further acknowledges that, except as provided in Paragraph (h), the Restrictive Covenants and notice period requirements set forth herein shall operate independently of, and not instead of, any other restrictive covenants or notice period requirements to which the Employee is subject pursuant to other plans and agreements involving the Firm.

(h) Other Restrictive Covenants. The Employee acknowledges that, in the event that the Employee is subject to an employment contract, the Restrictive Covenants set forth in this Appendix A constitute a supplement to such employment contract and will be entirely governed by the distinct and specific provisions of this Appendix A. The Employee acknowledges that the Restrictive Covenants set forth in this Appendix A shall supersede and are in full substitution for any and all prior restrictive covenants included in any award agreement evidencing any Prior Awards by which the Employee is bound, and this Paragraph (h) shall constitute a valid amendment to such award agreements.

Exhibit 12.1

LAZARD GROUP LLC

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (a)

The following table sets forth the ratio of earnings to fixed charges for Lazard Group LLC and its subsidiaries on a consolidated basis.

	Three Months Ended March 31, 2013	Year Ended December 31,				
		2012	2011	2010	2009	2008
		(dollars in thousands)				
Operating income (loss)	$ 21,224	$121,593	$241,791	$246,809	$(181,988)	$ 42,029
Add—Fixed charges	28,633	116,255	114,998	121,656	132,785	161,665
Operating income (loss) before fixed charges	$ 49,857	$237,848	$356,789	$368,465	$ (49,203)	$203,694
Fixed Charges:						
Interest (b)	$ 22,194	$ 91,359	$ 94,211	$102,249	$ 113,280	$141,413
Other (c)	6,439	24,896	20,787	19,407	19,505	20,252
Total fixed charges	$ 28,633	$116,255	$114,998	$121,656	$ 132,785	$161,665
Ratio of earnings to fixed charges	1.74(d)	2.05(e)	3.10	3.03(f)	–(g)	1.26(h)
Deficiency in the coverage of operating income (loss) before fixed charges to total fixed charges					$ 181,988	

Notes (dollars in thousands):

(a) For purposes of computing the ratio of earnings to fixed charges:

- earnings for the periods presented represent income before income taxes and fixed charges, and
- fixed charges represent the interest expense and the portion of rental expense which represents an appropriate interest factor.

(b) The Company's policy is to include interest expense on unrecognized tax benefits in income tax expense. Accordingly, such interest expense is not included in the computations of the ratio of earnings to fixed charges.

(c) Other fixed charges consist of the interest factor in rentals.

(d) Operating income for the three month period ended March 31, 2013 is presented after giving effect to a charge of $26,322 associated with the cost saving initiatives announced by the Company in October, 2012. Excluding the impact of such charge, the ratio of earnings to fixed charges would have been 2.66.

(e) Operating income for the year ended December 31, 2012 is presented after giving effect to (i) a charge in the first quarter of $24,659 relating to severance costs and benefit payments associated with staff reductions, including the acceleration of unrecognized amortization expense of deferred incentive compensation previously granted to individuals being terminated, (ii) a charge in the fourth quarter of $102,576 associated with the cost saving initiatives announced by the Company in October, 2012. Excluding the impact of such items, the ratio of earnings to fixed charges would have been 3.14.

(f) Operating income for the year ended December 31, 2010 is presented after giving effect to (i) a restructuring charge of $87,108 and (ii) a charge of $24,860 relating to the amendment of Lazard's retirement policy with respect to RSU awards. Excluding the impact of such items, the ratio of earnings to fixed charges would have been 3.95.

(g) Operating loss for the year ended December 31, 2009 is presented after giving effect to (i) a restructuring charge of $62,550, (ii) the acceleration of amortization expense of $86,514 relating to the vesting of RSUs held by Lazard's former Chairman and Chief Executive Officer as the result of his death in October 2009 and (iii) the acceleration of amortization expense of $60,512 relating to the accelerated vesting of the unamortized portion of previously awarded deferred cash incentive awards. Excluding the impact of such items, the ratio of earnings to fixed charges would have been 1.21.

(h) Operating income for the year ended December 31, 2008 is presented after giving effect to a charge of $199,550 relating to the LAM Merger. Excluding the impact of such charge, the ratio of earnings to fixed charges would have been 2.49.

EXHIBIT 31.1

I, Kenneth M. Jacobs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 of Lazard Group LLC (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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(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: April 30, 2013

/s/ Kenneth M. Jacobs
Kenneth M. Jacobs
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Matthieu Bucaille, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 of Lazard Group LLC (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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(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: April 30, 2013

/s/ Matthieu Bucaille
Matthieu Bucaille
Chief Financial Officer

EXHIBIT 32.1

April 30, 2013
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lazard Group LLC (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (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/ Kenneth M. Jacobs
Kenneth M. Jacobs
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

April 30, 2013
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lazard Group LLC (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (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/ Matthieu Bucaille
Matthieu Bucaille
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.