

**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 **June 30, 2023**

OR

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

For the transition period from _____ to _____

001-32492
(Commission File Number)

LAZARD LTD

(Exact name of registrant as specified in its charter)

Bermuda
(State or Other Jurisdiction of Incorporation
or Organization)

98-0437848
(I.R.S. Employer Identification No.)

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock	LAZ	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If the Registrant is an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 July 21, 2023, there were 112,766,091 shares of the Registrant's common stock outstanding (including 25,893,877 shares held by subsidiaries).

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When we use the terms “Lazard”, “we”, “us”, “our” and “the Company”, we mean Lazard Ltd, a company incorporated under the laws of Bermuda, and its subsidiaries, including Lazard Group LLC, a Delaware limited liability company (“Lazard Group”), that is the current holding company for our businesses. Lazard Ltd’s primary operating asset is its indirect ownership as of June 30, 2023 of all of the common membership interests in Lazard Group and its controlling interest in Lazard Group. When we use the term “common stock”, we mean Class A common stock of Lazard Ltd, the only class of common stock of Lazard outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

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LAZARD LTD
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
JUNE 30, 2023 AND DECEMBER 31, 2022
(UNAUDITED)
(dollars in thousands, except for per share data)

	June 30, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 697,756	\$ 1,234,773
Deposits with banks and short-term investments	446,777	779,246
Restricted cash	35,368	625,381
Receivables (net of allowance for credit losses of \$27,095 and \$17,738 at June 30, 2023 and December 31, 2022, respectively):		
Fees	528,101	491,861
Customers and other	146,457	160,897
Investments	674,558	652,758
Property (net of accumulated amortization and depreciation of \$403,947 and \$395,109 at June 30, 2023 and December 31, 2022, respectively)	236,717	250,073
Operating lease right-of-use assets	426,427	431,608
Goodwill and other intangible assets (net of accumulated amortization of \$70,200 and \$70,118 at June 30, 2023 and December 31, 2022, respectively)	394,682	377,330
Deferred tax assets	524,053	407,657
Other assets	476,400	394,758
Total Assets	<u>\$ 4,602,937</u>	<u>\$ 5,852,561</u>

See notes to condensed consolidated financial statements.

LAZARD LTD
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
JUNE 30, 2023 AND DECEMBER 31, 2022
(UNAUDITED)
(dollars in thousands, except for per share data)

	June 30, 2023	December 31, 2022
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits and other customer payables	\$ 587,838	\$ 921,834
Accrued compensation and benefits	601,689	735,576
Operating lease liabilities	507,157	513,688
Tax receivable agreement obligation	118,546	191,189
Senior debt	1,688,957	1,687,714
Deferred tax liabilities	6,581	3,920
Other liabilities	592,701	539,770
Total Liabilities	4,103,469	4,593,691
Commitments and contingencies		
Redeemable noncontrolling interests	83,583	583,471
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$.01 per share; 15,000,000 shares authorized:		
Series A - no shares issued and outstanding	-	-
Series B - no shares issued and outstanding	-	-
Common stock:		
Class A, par value \$0.01 per share (500,000,000 shares authorized; 112,766,091 shares issued at June 30, 2023 and December 31, 2022, including shares held by subsidiaries as indicated below)	1,128	1,128
Additional paid-in-capital	167,622	167,890
Retained earnings	1,431,181	1,676,713
Accumulated other comprehensive loss, net of tax	(281,886)	(295,854)
	1,318,045	1,549,877
Class A common stock held by subsidiaries, at cost (25,896,701 and 26,814,213 shares at June 30, 2023 and December 31, 2022, respectively)	(958,067)	(993,414)
Total Lazard Ltd Stockholders' Equity	359,978	556,463
Noncontrolling interests	55,907	118,936
Total Stockholders' Equity	415,885	675,399
Total Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity	\$ 4,602,937	\$ 5,852,561

See notes to condensed consolidated financial statements.

LAZARD LTD
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023 AND 2022
(UNAUDITED)
(dollars in thousands, except for per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
REVENUE				
Investment banking and other advisory fees	\$ 350,104	\$ 405,091	\$ 627,512	\$ 794,830
Asset management fees	271,637	269,011	533,116	584,063
Interest income	10,946	4,062	23,553	5,823
Other	29,631	(17,506)	40,048	(7,914)
Total revenue	662,318	660,658	1,224,229	1,376,802
Interest expense	19,204	21,112	38,679	42,364
Net revenue	643,114	639,546	1,185,550	1,334,438
OPERATING EXPENSES				
Compensation and benefits	572,231	363,830	1,022,198	760,671
Occupancy and equipment	32,800	29,409	64,573	60,648
Marketing and business development	28,582	22,673	51,344	36,796
Technology and information services	51,370	42,067	95,410	79,998
Professional services	21,402	16,549	45,728	32,578
Fund administration and outsourced services	28,968	28,551	55,544	58,254
Amortization and other acquisition-related costs	95	15	143	30
Benefit pursuant to tax receivable agreement	-	-	(40,435)	-
Other	17,739	10,614	38,042	19,897
Total operating expenses	753,187	513,708	1,332,547	1,048,872
OPERATING INCOME (LOSS)	(110,073)	125,838	(146,997)	285,566
Provision (benefit) for income taxes	10,303	34,187	(11,422)	72,940
NET INCOME (LOSS)	(120,376)	91,651	(135,575)	212,626
LESS - NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3,637	(3,829)	10,610	3,270
NET INCOME (LOSS) ATTRIBUTABLE TO LAZARD LTD	\$ (124,013)	\$ 95,480	\$ (146,185)	\$ 209,356
ATTRIBUTABLE TO LAZARD LTD CLASS A COMMON STOCKHOLDERS:				
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:				
Basic	88,729,654	98,660,173	88,160,753	100,603,724
Diluted	88,729,654	102,753,336	88,160,753	105,469,988
NET INCOME (LOSS) PER SHARE OF COMMON STOCK:				
Basic	\$ (1.41)	\$ 0.96	\$ (1.68)	\$ 2.05
Diluted	\$ (1.41)	\$ 0.92	\$ (1.68)	\$ 1.97

See notes to condensed consolidated financial statements.

LAZARD LTD
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023 AND 2022
(UNAUDITED)
(dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
NET INCOME (LOSS)	\$ (120,376)	\$ 91,651	\$ (135,575)	\$ 212,626
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:				
Currency translation adjustments:				
Currency translation adjustments before reclassification	2,478	(61,700)	17,017	(79,690)
Adjustment for items reclassified to earnings	-	205	-	127
Employee benefit plans:				
Actuarial gain (loss) (net of tax expense (benefit) of \$(479) and \$1,816 for the three months ended June 30, 2023 and 2022, respectively, and \$(1,074) and \$2,604 for the six months ended June 30, 2023 and 2022, respectively)	(2,585)	8,287	(5,386)	11,726
Adjustment for items reclassified to earnings (net of tax expense of \$385 and \$248 for the three months ended June 30, 2023 and 2022, respectively, and \$761 and \$515 for the six months ended June 30, 2023 and 2022, respectively)	1,176	805	2,336	1,654
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	1,069	(52,403)	13,967	(66,183)
COMPREHENSIVE INCOME (LOSS)	(119,307)	39,248	(121,608)	146,443
LESS - COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3,635	(3,829)	10,609	3,269
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO LAZARD LTD	\$ (122,942)	\$ 43,077	\$ (132,217)	\$ 143,174

See notes to condensed consolidated financial statements.

LAZARD LTD
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2023 AND 2022
(UNAUDITED)
(dollars in thousands)

	Six Months Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (135,575)	\$ 212,626
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization of property	21,660	21,045
Noncash lease expense	32,509	32,487
Currency translation adjustment reclassification	-	127
Amortization of deferred expenses and share-based incentive compensation	250,030	212,538
Amortization and other acquisition-related costs	143	30
Deferred tax provision (benefit)	(114,314)	43,398
Benefit pursuant to tax receivable agreement	(40,435)	-
Impairment of equity method investments and other receivables	22,981	-
Impairment of assets associated with cost-saving initiatives	7,490	-
Loss on LGAC liquidation	17,929	-
(Increase) decrease in operating assets and increase (decrease) in operating liabilities:		
Receivables-net	(18,079)	46,339
Investments	(112,661)	112,536
Other assets	(5,052)	(62,425)
Accrued compensation and benefits and other liabilities	(137,048)	(533,600)
Net cash provided by (used in) operating activities	<u>(210,422)</u>	<u>85,101</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property	(11,990)	(19,697)
Disposals of property	100	213
Acquisition of business, net of cash acquired	(10,516)	-
Net cash used in investing activities	<u>(22,406)</u>	<u>(19,484)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from:		
Customer deposits, net	-	514,610
Contributions from noncontrolling interests	180	208
Payments for:		
Customer deposits, net	(349,479)	-
Distributions to noncontrolling interests	(4,061)	(9,462)
Tax receivable agreement	(32,208)	(20,961)
Distribution to redeemable noncontrolling interests in connection with LGAC redemption	(585,891)	-
Purchase of Class A common stock	(99,097)	(375,185)
Class A common stock dividends	(85,925)	(92,676)
Settlement of share-based incentive compensation in satisfaction of tax withholding requirements	(48,709)	(58,739)
LFI Consolidated Funds redemptions	(31,789)	(13,219)
Other financing activities	(7,209)	(6,750)
Net cash used in financing activities	<u>(1,244,188)</u>	<u>(62,174)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	<u>17,517</u>	<u>(207,967)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	<u>(1,459,499)</u>	<u>(204,524)</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH— January 1	<u>2,639,400</u>	<u>3,430,014</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—June 30	<u>\$ 1,179,901</u>	<u>\$ 3,225,490</u>

See notes to condensed consolidated financial statements.

RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH WITHIN THE CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION:

	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 697,756	\$ 1,234,773
Deposits with banks and short-term investments	446,777	779,246
Restricted cash	35,368	625,381
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	\$ 1,179,901	\$ 2,639,400

See notes to condensed consolidated financial statements.

LAZARD LTD
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2023
(UNAUDITED)
(dollars in thousands)

	Common Stock		Additional Paid-In- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Class A Common Stock Held By Subsidiaries		Total Lazard Ltd Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	\$				Shares	\$				
Balance - April 1, 2023	112,766,091	\$ 1,128	\$ 94,312	\$ 1,604,650	\$ (282,957)	26,100,898	\$ (965,707)	\$ 451,426	\$ 56,983	\$ 508,409	\$ 89,472
Comprehensive income (loss):											
Net income (loss)				(124,013)				(124,013)	1,034	(122,979)	2,603
Other comprehensive income (loss) - net of tax					1,071			1,071	(2)	1,069	
Amortization of share-based incentive compensation			79,072					79,072	1,662	80,734	
Dividend equivalents			5,842	(6,055)				(213)	(1,881)	(2,094)	
Class A common stock dividends (\$0.50 per share)				(43,401)				(43,401)		(43,401)	
Purchase of Class A common stock						5,466	(172)	(172)		(172)	
Delivery of Class A common stock in connection with share-based incentive compensation and related tax benefit of \$482			(11,023)			(214,903)	7,961	(3,062)	-	(3,062)	
Distributions to noncontrolling interests, net								-	(1,889)	(1,889)	
LFI Consolidated Funds								-	-	-	(8,492)
Other			(581)			5,240	(149)	(730)	-	(730)	
Balance - June 30, 2023	112,766,091	\$ 1,128	\$ 167,622	\$ 1,431,181	\$ (281,886)	25,896,701	\$ (958,067)	\$ 359,978	\$ 55,907	\$ 415,885	\$ 83,583

See notes to condensed consolidated financial statements.

LAZARD LTD
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023
(UNAUDITED)
(dollars in thousands)

	Common Stock		Additional Paid-In- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Class A Common Stock Held By Subsidiaries		Total Lazard Ltd Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	\$				Shares	\$				
Balance - January 1, 2023	112,766,091	\$ 1,128	\$ 167,890	\$ 1,676,713	\$ (295,854)	26,814,213	\$ (993,414)	\$ 556,463	\$ 118,936	\$ 675,399	\$ 583,471
Comprehensive income (loss):											
Net income (loss)				(146,185)				(146,185)	1,810	(144,375)	8,800
Other comprehensive income (loss) - net of tax					13,968			13,968	(1)	13,967	
Amortization of share-based incentive compensation			147,583					147,583	3,685	151,268	
Dividend equivalents			12,961	(13,422)				(461)	(6,720)	(7,181)	
Class A common stock dividends (\$1.00 per share)				(85,925)				(85,925)		(85,925)	
Purchase of Class A common stock						2,697,627	(99,097)	(99,097)		(99,097)	
Delivery of Class A common stock in connection with share-based incentive compensation and related tax benefit of \$90			(187,343)			(3,578,995)	133,060	(54,283)	5,664	(48,619)	
Business acquisitions and related equity transactions:											
Class A common stock issuable			1,775					1,775		1,775	
Delivery of Class A common stock			(1,533)			(41,384)	1,533	-		-	
Distributions to noncontrolling interests, net								-	(3,881)	(3,881)	
LFI Consolidated Funds								-	(74,164)	(74,164)	76,614
Change in redemption value of redeemable noncontrolling interests			(412)					(412)	(177)	(589)	589
LGAC liquidation:											
Distribution to redeemable noncontrolling interests											(585,891)
Reversal to net loss of amounts previously charged to additional paid-in-capital and noncontrolling interests			13,195					13,195	4,734	17,929	
Reversal of deferred offering costs liability			14,087					14,087	6,038	20,125	
Other			(581)			5,240	(149)	(730)	(17)	(747)	
Balance - June 30, 2023	112,766,091	\$ 1,128	\$ 167,622	\$ 1,431,181	\$ (281,886)	25,896,701	\$ (958,067)	\$ 359,978	\$ 55,907	\$ 415,885	\$ 83,583

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2022

(UNAUDITED)
(dollars in thousands)

	Common Stock		Additional Paid-In- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Class A Common Stock Held By Subsidiaries		Total Lazard Ltd Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	\$				Shares	\$				
Balance - April 1, 2022	112,766,091	\$ 1,128	\$ -	\$ 1,583,005	\$ (237,626)	12,371,148	\$ (496,681)	\$ 849,826	\$ 119,802	\$ 969,628	\$ 575,000
Comprehensive income (loss):											
Net income (loss)				95,480				95,480	(6,675)	88,805	2,846
Other comprehensive loss - net of tax					(52,403)			(52,403)	-	(52,403)	
Amortization of share-based incentive compensation			67,482					67,482	5,267	72,749	
Dividend equivalents			4,086	(4,292)				(206)	(1,624)	(1,830)	
Class A common stock dividends (\$0.47 per share)				(46,012)				(46,012)		(46,012)	
Purchase of Class A common stock						5,881,061	(199,388)	(199,388)		(199,388)	
Delivery of Class A common stock in connection with share-based incentive compensation and related tax benefit of \$121			(1,145)	1		(12,150)	532	(612)	(1)	(613)	
Distributions to noncontrolling interests, net								-	(4,971)	(4,971)	
LFI Consolidated Funds								-	(1,144)	(1,144)	
Change in redemption value of redeemable noncontrolling interests			1,495					1,495	641	2,136	(2,136)
Balance - June 30, 2022	112,766,091	\$ 1,128	\$ 71,918	\$ 1,628,182	\$ (290,029)	18,240,059	\$ (695,537)	\$ 715,662	\$ 111,295	\$ 826,957	\$ 575,710

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022

(UNAUDITED)

(dollars in thousands)

	Common Stock		Additional Paid-In- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Tax	Class A Common Stock Held By Subsidiaries		Total Lazard Ltd Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
	Shares	\$				Shares	\$				
Balance - January 1, 2022	112,766,091	\$ 1,128	\$ 144,729	\$ 1,560,636	\$ (223,847)	12,046,140	\$ (507,426)	\$ 975,220	\$ 102,744	\$ 1,077,964	\$ 575,000
Comprehensive income (loss):											
Net income (loss)				209,356				209,356	(2,236)	207,120	5,506
Other comprehensive loss - net of tax					(66,182)			(66,182)	(1)	(66,183)	
Amortization of share-based incentive compensation			118,248					118,248	7,938	126,186	
Dividend equivalents			8,089	(8,576)				(487)	(6,251)	(6,738)	
Class A common stock dividends (\$0.94 per share)				(92,676)				(92,676)		(92,676)	
Purchase of Class A common stock						10,598,882	(375,185)	(375,185)		(375,185)	
Delivery of Class A common stock in connection with share-based incentive compensation and related tax benefit of \$6,258			(202,505)	(40,558)		(4,404,963)	187,074	(55,989)	3,508	(52,481)	
Distributions to noncontrolling interests, net								-	(9,254)	(9,254)	
LFI Consolidated Funds								-	13,408	13,408	
Change in redemption value of redeemable noncontrolling interests			3,357					3,357	1,439	4,796	(4,796)
Balance - June 30, 2022	112,766,091	\$ 1,128	\$ 71,918	\$ 1,628,182	\$ (290,029)	18,240,059	\$ (695,537)	\$ 715,662	\$ 111,295	\$ 826,957	\$ 575,710

See notes to condensed consolidated financial statements.

LAZARD LTD
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(dollars in thousands, except for per share data, unless otherwise noted)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Lazard Ltd, a Bermuda holding company, and its subsidiaries (collectively referred to as “Lazard Ltd”, “Lazard”, “we” or the “Company”), including Lazard Ltd’s indirect investment in Lazard Group LLC, a Delaware limited liability company (collectively referred to, together with its subsidiaries, as “Lazard Group”), is one of the world’s preeminent financial advisory and asset management firms that specializes 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 100% of all outstanding Lazard Group common membership interests as of June 30, 2023 and December 31, 2022. Lazard Ltd, through its control of the managing members of Lazard Group, controls Lazard Group, which as of December 31, 2022 was governed by an Amended and Restated Operating Agreement dated as of February 4, 2019. Such operating agreement was subsequently amended and restated effective as of January 1, 2023 (as so amended and restated, the “Operating Agreement”).

Lazard Ltd’s primary operating asset is its indirect ownership of the common membership interests of, and managing member interests in, Lazard Group, whose 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 strategic and mergers and acquisitions (“M&A”) advisory, capital markets advisory, shareholder advisory, restructuring and capital solutions, sovereign advisory, geopolitical advisory, and other strategic advisory matters and capital raising and placement, and
- Asset Management, which offers a broad range of global investment solutions and investment and wealth management services in equity and fixed income strategies, asset allocation 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, deferred tax assets, outstanding indebtedness, certain contingent obligations, and certain assets and liabilities associated with (i) Lazard Group’s Paris-based subsidiary, Lazard Frères Banque SA (“LFB”), and (ii) in 2022, a special purpose acquisition company that was sponsored by an affiliate of the Company, Lazard Growth Acquisition Corp. I (“LGAC”).

Basis of Presentation

The accompanying condensed consolidated financial statements of Lazard Ltd 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 Ltd’s Annual Report on Form 10-K for the year ended December 31, 2022. The accompanying December 31, 2022 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 that 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 condensed consolidated financial statements and the accompanying disclosures. For example, discretionary compensation and benefits expense for interim periods is accrued based on the year-to-date amount of revenue earned, and an estimated annual ratio of compensation and benefits expense to revenue, with the applicable

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amounts adjusted for certain items. 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 and six month periods ended June 30, 2023 are not indicative of the results to be expected for any future interim or annual period.

The condensed consolidated financial statements include Lazard Ltd and its subsidiaries including 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 Lazard Frères Gestion SAS ("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 entities in which it has a controlling financial interest. The Company consolidates:

- Voting interest entities ("VOEs") where the Company holds a majority of the voting interest in such VOEs and
- Variable interest entities ("VIEs") where the Company is the primary beneficiary having the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of, or receive benefits from, the VIE that could be potentially significant to the VIE (see Note 20).

When the Company does not have a controlling interest in an entity, but exerts significant influence over such entity's operating and financial decisions, the Company either (i) applies the equity method of accounting in which it records a proportionate share of the entity's net earnings or losses or (ii) elects the option to measure its investment at fair value.

Intercompany transactions and balances have been eliminated.

Lazard Growth Acquisition Corp. I

In February 2021, LGAC consummated its \$575,000 initial public offering (the "LGAC IPO"). LGAC is a dormant special purpose acquisition company, that was incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (a "Business Combination"). LGACo 1 LLC, a Delaware series limited liability company and the Company's subsidiary, was the sponsor of LGAC. LGAC is considered to be a VIE. The Company holds a controlling financial interest in LGAC through the sponsor's ownership of Class B founder shares of LGAC. As a result, both LGAC and the sponsor are consolidated in the Company's financial statements.

The proceeds from the LGAC IPO of \$575,000 were held in a trust account, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds in the trust account to the LGAC shareholders in connection with the redemption of LGAC's Class A ordinary shares, subject to certain conditions. The cash held in the trust account was recorded in "restricted cash" on the condensed consolidated statements of financial condition as of December 31, 2022.

Transaction costs, which consisted of a net underwriting fee of \$8,500, \$20,125 of non-cash deferred underwriting fees (included in "other liabilities" on the condensed consolidated statements of financial condition as of December 31, 2022) and \$852 of other offering costs, were charged against the gross proceeds of the LGAC IPO.

"Redeemable noncontrolling interests" of \$583,471 associated with the publicly held LGAC Class A ordinary shares were recorded on the Company's condensed consolidated statements of financial condition as of December 31, 2022 at redemption value and classified as temporary equity. Changes in redemption value are recognized immediately as they occur and will adjust the carrying value of redeemable noncontrolling interests to equal the redemption value at the end of

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each reporting period. Increases or decreases in the carrying amount of redeemable noncontrolling interests shall be affected by credits or charges to additional paid-in-capital and noncontrolling interests attributable to certain members of LGACo 1 LLC based on pro rata ownership.

The warrants exercisable for LGAC Class A ordinary shares that were issued in connection with the LGAC IPO (the "LGAC Warrants") meet the definition of a liability under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 815 and were classified as derivative liabilities which were remeasured at fair value at each balance sheet date until exercised or cancelled, with changes in fair value reported to earnings. See Note 6.

On February 23, 2023, LGAC redeemed all of its outstanding publicly held Class A ordinary shares as a result of LGAC not consummating a Business Combination within the time period required by its amended and restated memorandum and articles of association resulting in the distribution of \$585,891 of the cash held in the trust account to the LGAC shareholders. The Company recognized \$17,929 of losses on the liquidation of LGAC in "revenue-other" on the condensed consolidated statement of operations for the six month period ended June 30, 2023. In addition, the \$20,125 of non-cash deferred underwriting fees noted above was no longer probable of being incurred and therefore was reversed from other liabilities to additional paid-in-capital. There were no redemption rights or liquidating distributions with respect to the LGAC warrants.

2. REVENUE RECOGNITION

The Company disaggregates revenue based on its business segment results and believes that the following information provides a reasonable representation of how performance obligations relate to the nature, amount, timing and uncertainty of revenue and cash flows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net Revenue:				
Financial Advisory (a)	\$ 352,477	\$ 407,885	\$ 630,051	\$ 798,100
Asset Management:				
Management fees and other (b)	\$ 282,335	\$ 281,813	\$ 560,933	\$ 595,149
Incentive fees (c)	5,978	7,338	11,424	32,503
Total Asset Management	\$ 288,313	\$ 289,151	\$ 572,357	\$ 627,652

- (a) Financial Advisory is comprised of a wide array of financial advisory services regarding M&A advisory, capital markets advisory, shareholder advisory, restructuring and capital solutions, sovereign advisory, geopolitical advisory, and other strategic advisory and capital raising and placement work for clients. The benefits of these advisory services are generally transferred to the Company's clients over time, and consideration for these advisory services typically includes transaction completion, transaction announcement and retainer fees. Retainer fees are generally fixed and recognized over the period in which the advisory services are performed. However, transaction announcement and transaction completion fees are variable and subject to constraints, and they are typically not recognized until there is an announcement date or a completion date, respectively, due to the uncertainty associated with those events. Therefore, in any given period, advisory fees recognized for certain transactions may relate to services performed in prior periods. The advisory fees that may be unrecognized as of the end of a reporting period, primarily comprised of fees associated with transaction announcements and transaction completions, generally remain unrecognized due to the uncertainty associated with those events.
- (b) Management fees and other is primarily comprised of management services. The benefits of these management services are transferred to the Company's clients over time. Consideration for these management services generally includes management fees, which are based on assets under management and recognized over the period in which the management services are performed. The selling or distribution of fund interests is a separate performance obligation

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within management fees and other, and the benefits of such services are transferred to the Company's clients at the point in time that such fund interests are sold or distributed.

(c) Incentive fees is primarily comprised of management services. The benefits of these management services are transferred to the Company's clients over time. Consideration for these management services is generally variable and includes performance or incentive fees. The fees allocated to these management services that are unrecognized as of the end of the reporting period are generally amounts that are subject to constraints due to the uncertainty associated with performance targets and clawbacks.

In addition to the above, contracts with clients include trade-based commission income, which is recognized at the point in time of execution and presented within other revenue. Such income may be earned by providing trade facilitation, execution, clearance and settlement, custody, and trade administration services to clients.

With regard to the disclosure requirement for remaining performance obligations, the Company elected the practical expedients permitted in the guidance to (i) exclude contracts with a duration of one year or less; and (ii) exclude variable consideration, such as transaction completion and transaction announcement fees, that is allocated entirely to unsatisfied performance obligations. Excluded variable consideration typically relates to contracts with a duration of one year or less, and is generally constrained due to uncertainties. Therefore, when applying the practical expedients, amounts related to remaining performance obligations are not material to the Company's financial statements.

3. RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES

The Company's receivables represent fee receivables, amounts due from customers and other receivables. Where applicable, receivables are stated net of an estimated allowance for credit losses determined in accordance with the current expected credit losses ("CECL") model, for general credit risk of the overall portfolio and for specific accounts deemed uncollectible, which may include situations where a fee is in dispute.

Of the Company's fee receivables at June 30, 2023 and December 31, 2022, \$103,434 and \$97,964, respectively, represented financing receivables for our Private Capital Advisory fees.

At June 30, 2023 and December 31, 2022, customers and other receivables included \$111,592 and \$128,890, respectively, of customer loans, which are fully collateralized and monitored for counterparty creditworthiness, with such collateral having a fair value in excess of the carrying amount of the loans as of both June 30, 2023 and December 31, 2022.

The aggregate carrying amount of other fees and customers and other receivables was \$459,532 and \$425,904 at June 30, 2023 and December 31, 2022, respectively.

Activity in the allowance for credit losses for the three month and six month periods ended June 30, 2023 and 2022 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Beginning Balance	\$ 24,929	\$ 33,813	\$ 17,738	\$ 33,957
Bad debt expense (credit), net of reversals	3,194	(1,061)	11,019	(542)
Charge-offs, foreign currency translation and other adjustments	(1,028)	(2,481)	(1,662)	(3,144)
Ending Balance	<u>\$ 27,095</u>	<u>\$ 30,271</u>	<u>\$ 27,095</u>	<u>\$ 30,271</u>

Bad debt expense, net of reversals represents the current period provision of expected credit losses and is included in "operating expenses-other" on the condensed consolidated statements of operations.

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The allowance for credit losses is substantially all related to M&A and Restructuring fee receivables and other receivables.

4. INVESTMENTS

The Company's investments and securities sold, not yet purchased, consist of the following at June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Debt	\$ 5,022	\$ -
Equities	44,603	43,889
Funds:		
Alternative investments (a)	59,817	56,947
Debt (a)	183,352	178,556
Equity (a)	354,223	350,282
Private equity	43,182	53,822
	640,574	639,607
Investments, at fair value	690,199	683,496
Equity method investments	-	15,481
Total investments	\$ 690,199	\$ 698,977
Securities sold, not yet purchased, at fair value (included in "other liabilities")	\$ 1,550	\$ 4,651

- (a) Interests in alternative investment funds, debt funds and equity funds include investments, including those held by LFI Consolidated Funds (see Note 20), with fair values of \$27,181, \$167,889 and \$288,098, respectively, at June 30, 2023 and \$24,137, \$142,632 and \$266,528, respectively, at December 31, 2022, held in order to satisfy the Company's obligation upon vesting of previously granted Lazard Fund Interests ("LFI") and other similar deferred compensation arrangements. LFI represent grants by the Company to eligible employees of interests in a number of Lazard-managed funds, subject to service-based vesting conditions (see Notes 6 and 12).

Debt primarily consists of U.S. Treasury securities with original maturities at time of purchase of greater than three months and less than one year.

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.

Alternative investment funds primarily consist of interests in various Lazard-managed hedge funds, funds of funds and mutual funds. Such amounts primarily consist of seed investments in funds related to our Asset Management business and amounts related to LFI discussed above.

Debt funds primarily consist of seed investments in funds related to our Asset Management business that invest in debt securities, amounts related to LFI discussed above and an investment in a Lazard-managed debt fund.

Equity funds primarily consist of seed investments in funds related to our Asset Management business that invest in equity securities, and amounts related to LFI discussed above.

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) Edgewater Growth Capital Partners III, L.P. ("EGCP III"), a fund primarily making equity and buyout investments in middle market companies, (ii) a fund targeting significant noncontrolling-stake

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investments in established private companies and (iii) a seed investment in a fund related to our Asset Management business that invests in sustainable private infrastructure opportunities.

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”).

Equity method investments represent certain partnership interests accounted for under the equity method of accounting.

During the three month and six month periods ended June 30, 2023 and 2022, the Company reported in “revenue-other” on its condensed consolidated statements of operations net unrealized investment gains and losses pertaining to equity securities and trading debt securities still held as of the reporting date as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net unrealized investment gains (losses)	\$ 13,643	\$ (62,131)	\$ 38,430	\$ (102,998)

5. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy of Investments and Certain Other Assets and Liabilities—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, or (ii) 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 trading 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.

The fair value of debt is classified as Level 1 when the fair values are based on unadjusted quoted prices in active markets.

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 interests in private companies are generally classified as Level 3.

The fair value of investments in alternative investment funds, debt funds and equity funds is classified as Level 1 when the fair values are based on the publicly reported closing price for the fund.

The fair value of investments in certain private equity funds is classified as Level 3 for (i) certain investments that are valued based on the potential transaction value and (ii) when the acquisition price is considered the best measure of fair value.

The fair value of securities sold, not yet purchased, is classified as Level 1 when the fair values are based on unadjusted quoted prices in active markets.

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The fair value of the contingent consideration liability is classified as Level 3 and the fair value of the liability is remeasured at each reporting period. The inputs used to derive the fair value of the contingent consideration include the application of probabilities when assessing certain performance thresholds for the relevant periods. Any change in the fair value is recognized in “amortization and other acquisition-related costs” in the condensed consolidated statement of operations. Our business acquisitions may involve the potential payment of contingent consideration upon the achievement of certain performance thresholds. The contingent consideration liability is initially recorded at fair value of the contingent payments on the acquisition date and is included in “other liabilities” on the condensed consolidated statements of financial condition.

The fair value of derivatives entered into by the Company and classified as Level 1 is based on the listed market price of such instruments. The fair value of derivatives entered into by the Company and classified as Level 2 is 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 two currencies from the trade date to settlement date; the fair value of total return swaps is based on the change in fair value of the related underlying equity security, financial instrument or index and a specified notional holding; the fair value of interest rate swaps is based on the interest rate yield curve; and the fair value of derivative liabilities related to LFI and other similar deferred compensation arrangements is based on the value of the underlying investments, adjusted for forfeitures. See Note 6.

Investments Measured at Net Asset Value (“NAV”)—As a practical expedient, the Company uses NAV or its equivalent to measure the fair value of certain investments. NAV is primarily determined based on information provided by external fund administrators. The Company’s investments valued at NAV as a practical expedient in (i) alternative investment funds, debt funds and equity funds are redeemable in the near term, and (ii) private equity funds are not redeemable in the near term as a result of redemption restrictions.

The following tables present, as of June 30, 2023 and December 31, 2022, the classification of (i) investments and certain other assets and liabilities measured at fair value on a recurring basis within the fair value hierarchy and (ii) investments measured at NAV or its equivalent as a practical expedient:

	June 30, 2023				
	Level 1	Level 2	Level 3	NAV	Total
Assets:					
Investments:					
Debt	\$ 5,022	\$ -	\$ -	\$ -	\$ 5,022
Equities	43,961	-	642	-	44,603
Funds:					
Alternative investments	15,767	-	-	44,050	59,817
Debt	183,348	-	-	4	183,352
Equity	354,180	-	-	43	354,223
Private equity	-	-	268	42,914	43,182
Derivatives					
Total	<u>\$ 602,278</u>	<u>\$ 715</u>	<u>\$ 910</u>	<u>\$ 87,011</u>	<u>\$ 690,914</u>
Liabilities:					
Securities sold, not yet purchased	\$ 1,550	\$ -	\$ -	\$ -	\$ 1,550
Contingent consideration liability	-	-	6,422	-	6,422
Derivatives					
Total	<u>\$ 1,550</u>	<u>\$ 378,300</u>	<u>\$ 6,422</u>	<u>\$ -</u>	<u>\$ 386,272</u>

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	December 31, 2022				
	Level 1	Level 2	Level 3	NAV	Total
Assets:					
Investments:					
Equities	\$ 43,243	\$ -	\$ 646	\$ -	\$ 43,889
Funds:					
Alternative investments	27,073	-	-	29,874	56,947
Debt	178,552	-	-	4	178,556
Equity	350,242	-	-	40	350,282
Private equity	-	-	18,772	35,050	53,822
Derivatives	-	14,554	-	-	14,554
Total	<u>\$ 599,110</u>	<u>\$ 14,554</u>	<u>\$ 19,418</u>	<u>\$ 64,968</u>	<u>\$ 698,050</u>
Liabilities:					
Securities sold, not yet purchased	\$ 4,651	\$ -	\$ -	\$ -	\$ 4,651
Derivatives	115	327,045	-	-	327,160
Total	<u>\$ 4,766</u>	<u>\$ 327,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,811</u>

The following tables provide a summary of changes in fair value of the Company's Level 3 assets and liabilities for the three month and six month periods ended June 30, 2023 and 2022:

	Three Months Ended June 30, 2023					
	Beginning Balance	Net Unrealized/Realized Gains/Losses Included In Earnings (a)	Purchases/Issuances	Sales/Settlements/Transfers (b)	Foreign Currency Translation Adjustments	Ending Balance
Assets:						
Investments:						
Equities	\$ 634	\$ 13	\$ -	\$ -	\$ (5)	\$ 642
Private equity funds	19,139	-	-	(18,508)	(363)	268
Total Level 3 assets	<u>\$ 19,773</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ (18,508)</u>	<u>\$ (368)</u>	<u>\$ 910</u>
Liabilities:						
Contingent consideration liability	\$ 6,342	\$ 80	\$ -	\$ -	\$ -	\$ 6,422
Total Level 3 liabilities	<u>\$ 6,342</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,422</u>

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Six Months Ended June 30, 2023						
	Beginning Balance	Net Unrealized/ Realized Gains/Losses Included In Earnings (a)	Purchases/Acquisitions/ Issuances	Sales/ Settlements/ Transfers (b)	Foreign Currency Translation Adjustments	Ending Balance
Assets:						
Investments:						
Equities	\$ 646	\$ 14	\$ -	\$ -	\$ (18)	\$ 642
Private equity funds	18,772	-	-	(18,508)	4	268
Total Level 3 assets	\$ 19,418	\$ 14	\$ -	\$ (18,508)	\$ (14)	\$ 910
Liabilities:						
Contingent consideration liability (c)	\$ -	\$ 113	\$ 7,754	\$ (1,445)	\$ -	\$ 6,422
Total Level 3 liabilities	\$ -	\$ 113	\$ 7,754	\$ (1,445)	\$ -	\$ 6,422

Three Months Ended June 30, 2022						
	Beginning Balance	Net Unrealized/ Realized Gains/Losses Included In Earnings (a)	Purchases/ Issuances	Sales/ Settlements	Foreign Currency Translation Adjustments	Ending Balance
Assets:						
Investments:						
Equities	\$ 575	\$ -	\$ -	\$ -	\$ (33)	\$ 542
Private equity funds	274	-	-	-	(18)	256
Total Level 3 assets	\$ 849	\$ -	\$ -	\$ -	\$ (51)	\$ 798

Six Months Ended June 30, 2022						
	Beginning Balance	Net Unrealized/ Realized Gains/Losses Included In Earnings (a)	Purchases/ Issuances	Sales/ Settlements	Foreign Currency Translation Adjustments	Ending Balance
Assets:						
Investments:						
Equities	\$ 578	\$ 7	\$ -	\$ -	\$ (43)	\$ 542
Private equity funds	293	-	-	(13)	(24)	256
Total Level 3 assets	\$ 871	\$ 7	\$ -	\$ (13)	\$ (67)	\$ 798

(a) Earnings recorded in "other revenue" for investments in Level 3 assets for the three month and six month periods ended June 30, 2023 and 2022 include net unrealized gains of \$13, \$14, \$0 and \$7, respectively.

Unrealized losses of \$80 and \$113 were recorded in "amortization and other acquisition-related costs" for the contingent consideration liability for the three month and six month periods ended June 30, 2023.

(b) Transfers out of Level 3 private equity funds in the three month period ended June 30, 2023 reflect investments valued at NAV as of June 30, 2023.

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(c) For the six month period ended June 30, 2023, acquisitions represent the initial recognition of the contingent consideration liability (noncash transaction), and settlements represent aggregate cash and noncash settlement of contingent consideration after the acquisition date.

There were no other transfers into or out of Level 3 within the fair value hierarchy during the three month and six month periods ended June 30, 2023 and 2022.

The following tables present, at June 30, 2023 and December 31, 2022, certain investments that are valued using NAV or its equivalent as a practical expedient in determining fair value:

	June 30, 2023				
	NAV	Unfunded Commitments	% of NAV Not Redeemable	Investments Redeemable	
				Redemption Frequency	Redemption Notice Period
Alternative investment funds:					
Hedge funds	\$ 43,391	\$ -	NA	(a)	30-60 days
Other	659	-	NA	(b)	<30-30 days
Debt funds	4	-	NA	(c)	<30 days
Equity funds	43	-	NA	(d)	<30-60 days
Private equity funds:					
Equity growth	42,914	5,579 (e)	100% (f)	NA	NA
Total	\$ 87,011	\$ 5,579			

(a) monthly (73%) and quarterly (27%)

(b) daily (5%) and monthly (95%)

(c) daily (100%)

(d) monthly (34%) and annually (66%)

(e) Unfunded commitments to private equity investments consolidated but not owned by Lazard of \$10,652 are excluded. Such commitments are required to be funded by capital contributions from noncontrolling interest holders.

(f) Distributions from each fund will be received as the underlying investments of the funds are liquidated.

	December 31, 2022				
	NAV	Unfunded Commitments	% of NAV Not Redeemable	Investments Redeemable	
				Redemption Frequency	Redemption Notice Period
Alternative investment funds:					
Hedge funds	\$ 29,259	\$ -	NA	(a)	30-60 days
Other	615	-	NA	(b)	<30-30 days
Debt funds	4	-	NA	(c)	<30 days
Equity funds	40	-	NA	(d)	<30-60 days
Private equity funds:					
Equity growth	35,050	5,455 (e)	100% (f)	NA	NA
Total	\$ 64,968	\$ 5,455			

(a) monthly (68%) and quarterly (32%)

(b) daily (5%) and monthly (95%)

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- (c) daily (100%)
- (d) monthly (35%) and annually (65%)
- (e) Unfunded commitments to private equity investments consolidated but not owned by Lazard of \$8,003 are excluded. Such commitments are required to be funded by capital contributions from noncontrolling interest holders.
- (f) Distributions from each fund will be received as the underlying investments of the funds are liquidated.

Investment Capital Funding Commitments—At June 30, 2023, the Company’s maximum unfunded commitments for capital contributions to investment funds primarily arose from commitments to EGCP III, which amounted to \$5,028. The investment period for EGCP III ended on October 12, 2016, after which point the Company’s obligation to fund capital contributions for new investments in EGCP III expired. The Company remains obligated until October 12, 2023 (or any earlier liquidation of EGCP III) to make capital contributions necessary to fund follow-on investments and to pay for fund expenses.

6. DERIVATIVES

The tables below present the fair value 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 LFI and other similar deferred compensation arrangements reported within “accrued compensation and benefits” (see Note 12) on the accompanying condensed consolidated statements of financial condition as of June 30, 2023 and December 31, 2022. Notional amounts provide an indication of the volume of the Company’s derivative activity.

Derivative assets and liabilities, as well as the related cash collateral from the same counterparty, have been netted on the condensed consolidated statements of financial condition where the Company has obtained an appropriate legal opinion with respect to the master netting agreement. Where such a legal opinion has not been either sought or obtained, amounts are not eligible for netting on the condensed consolidated statements of financial condition, and those derivative assets and liabilities are shown separately in the table below.

In addition to the cash collateral received and transferred that is presented on a net basis with derivative assets and liabilities, the Company receives and transfers additional securities and cash collateral. These amounts mitigate counterparty credit risk associated with the Company’s derivative instruments, but are not eligible for net presentation on the condensed consolidated statements of financial condition.

	June 30, 2023			
	Derivative Assets		Derivative Liabilities	
	Fair Value	Notional	Fair Value	Notional
Forward foreign currency exchange rate contracts	\$ 834	\$ 132,513	\$ 4,866	\$ 277,982
Total return swaps and other	1,645	48,814	5,183	96,745
LFI and other similar deferred compensation arrangements	-	-	372,910	379,511
Total gross derivatives	2,479	\$ 181,327	382,959	\$ 754,238
Counterparty and cash collateral netting:				
Forward foreign currency exchange rate contracts	(114)		(115)	
Total return swaps and other	(1,650)		(4,544)	
Net derivatives in "other assets" and "other liabilities"	715		378,300	
Amounts not netted (a):				
Cash collateral	(72)		-	
Securities collateral	-		(583)	
	<u>\$ 643</u>		<u>\$ 377,717</u>	

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	December 31, 2022			
	Derivative Assets		Derivative Liabilities	
	Fair Value	Notional	Fair Value	Notional
Forward foreign currency exchange rate contracts	\$ 1,356	\$ 170,103	\$ 921	\$ 128,098
Total return swaps and other	13,427	155,026	72	1,398
LGAC Warrants	-	-	115	11,500
LFI and other similar deferred compensation arrangements	-	-	326,282	338,126
Total gross derivatives	14,783	\$ 325,129	327,390	\$ 479,122
Counterparty and cash collateral netting:				
Forward foreign currency exchange rate contracts	(157)		(158)	
Total return swaps and other	(72)		(72)	
Net derivatives in "other assets" and "other liabilities"	14,554		327,160	
Amounts not netted (a):				
Cash collateral	-		-	
Securities collateral	-		-	
	\$ 14,554		\$ 327,160	

(a) Amounts are subject to master netting arrangements but do not meet the criteria for netting on the condensed consolidated statements of financial condition under U.S. GAAP. For some counterparties, the collateral amounts of securities and cash collateral pledged may exceed the derivative assets and derivative liabilities balances. Where this is the case, the total amount reported is limited to the net derivative assets and net derivative liabilities balances with that counterparty.

Net gains (losses) with respect to derivative instruments (included in "revenue-other") and the Company's derivative liabilities relating to its obligations pertaining to LFI 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 and six month periods ended June 30, 2023 and 2022, were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Forward foreign currency exchange rate contracts	\$ (794)	\$ 3,704	\$ (700)	\$ 5,610
LFI and other similar deferred compensation arrangements	(9,675)	35,098	(26,128)	49,421
LGAC Warrants	-	3,220	115	7,130
Total return swaps and other	(5,020)	19,311	(11,430)	25,499
Total	\$ (15,489)	\$ 61,333	\$ (38,143)	\$ 87,660

See Note 1 for additional information on LGAC Warrants.

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7. PROPERTY, NET

At June 30, 2023 and December 31, 2022, property consisted of the following:

	Estimated Depreciable Life in Years	June 30, 2023	December 31, 2022
Buildings	33	\$ 168,108	\$ 135,103
Leasehold improvements	3-20	227,751	208,323
Furniture and equipment	3-10	235,151	236,194
Construction in progress		9,654	65,562
Total		640,664	645,182
Less - Accumulated depreciation and amortization		403,947	395,109
Property, net		\$ 236,717	\$ 250,073

8. GOODWILL AND OTHER INTANGIBLE ASSETS

The components of goodwill and other intangible assets at June 30, 2023 and December 31, 2022 are presented below:

	June 30, 2023	December 31, 2022
Goodwill	\$ 394,622	\$ 377,240
Other intangible assets (net of accumulated amortization)	60	90
	\$ 394,682	\$ 377,330

At June 30, 2023 and December 31, 2022, goodwill of \$313,375 and \$312,699, respectively, was attributable to the Company's Financial Advisory segment and, goodwill of \$81,247 and \$64,541, respectively, was attributable to the Company's Asset Management segment.

Changes in the carrying amount of goodwill for the six month periods ended June 30, 2023 and 2022 are as follows:

	Six Months Ended June 30,	
	2023	2022
Balance, January 1	\$ 377,240	\$ 379,421
Acquisition of business	16,706	-
Foreign currency translation adjustments	676	(1,537)
Balance, June 30	\$ 394,622	\$ 377,884

The acquisition in the six month period ended June 30, 2023 was attributable to the Company's Asset Management segment. All other changes in the carrying amount of goodwill for the six month periods ended June 30, 2023 and 2022 are attributable to the Company's Financial Advisory segment.

Amortization expense of intangible assets, included in "amortization and other acquisition-related costs" in the condensed consolidated statements of operations, for the three month and six month periods ended June 30, 2023 was \$15 and \$30, respectively, and for the three month and six month periods ended June 30, 2022 was \$15 and \$30, respectively.

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9. SENIOR DEBT

Senior debt is comprised of the following as of June 30, 2023 and December 31, 2022:

	Initial Principal Amount	Maturity Date	Annual Interest Rate(a)	Outstanding as of					
				June 30, 2023			December 31, 2022		
				Principal	Unamortized Debt Costs	Carrying Value	Principal	Unamortized Debt Costs	Carrying Value
Lazard Group 2025 Senior Notes	\$ 400,000	2/13/25	3.75 %	\$ 400,000	\$ 767	\$ 399,233	\$ 400,000	\$ 1,003	\$ 398,997
Lazard Group 2027 Senior Notes	300,000	3/1/27	3.625 %	300,000	1,430	298,570	300,000	1,625	298,375
Lazard Group 2028 Senior Notes	500,000	9/19/28	4.50 %	500,000	4,438	495,562	500,000	4,864	495,136
Lazard Group 2029 Senior Notes	500,000	3/11/29	4.375 %	500,000	4,408	495,592	500,000	4,794	495,206
Total				\$ 1,700,000	\$ 11,043	\$ 1,688,957	\$ 1,700,000	\$ 12,286	\$ 1,687,714

(a) The effective interest rates of Lazard Group's 3.75% senior notes due February 13, 2025 (the "2025 Notes"), Lazard Group's 3.625% senior notes due March 1, 2027 (the "2027 Notes"), Lazard Group's 4.50% senior notes due September 19, 2028 (the "2028 Notes") and Lazard Group's 4.375% senior notes due March 11, 2029 (the "2029 Notes") are 3.87%, 3.76%, 4.67% and 4.53%, respectively.

The Company's senior debt at June 30, 2023 and December 31, 2022 is carried at their principal balances outstanding, net of unamortized debt costs. At those dates, the fair value of such senior debt was approximately \$1,610,000 and \$1,602,000, respectively. The fair value of the Company's senior debt is 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.

On June 6, 2023, Lazard Group entered into a Second Amended and Restated Credit Agreement with a group of lenders for a five-year, \$200,000 senior revolving credit facility expiring in June 2028 (the "Second Amended and Restated Credit Agreement"). The Second Amended and Restated Credit Agreement amended and restated the three-year, \$200,000 senior revolving credit facility that was due to expire in July 2023 (the "Previous Credit Agreement") in its entirety. Borrowings under the Second Amended and Restated Credit Agreement generally will bear interest at adjusted term SOFR plus an applicable margin for specific interest periods determined based on Lazard Group's highest credit rating from an internationally recognized credit agency. The Second Amended and Restated Credit Agreement contains certain covenants, events of default and other customary provisions, including customary benchmark-replacement mechanics.

At June 30, 2023 and December 31, 2022, no amounts were outstanding under the Second Amended and Restated Credit Agreement and the Previous Credit Agreement, respectively.

As of June 30, 2023, the Company had approximately \$209,200 in unused lines of credit available to it, including the credit facility provided under the Second Amended and Restated Credit Agreement.

The Second Amended and Restated Credit Agreement and 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 June 30, 2023, the Company was in compliance with such provisions. All of the Company's senior debt obligations are unsecured.

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10. COMMITMENTS AND CONTINGENCIES

Guarantees—A subsidiary of LAM guaranteed a revolving credit facility of an unconsolidated subsidiary expiring on October 1, 2023. At June 30, 2023, the maximum amount of future payments under such guarantee is \$10,000.

Other Commitments—From time to time, LFB and LFNy may enter into underwriting commitments in which they will participate as an underwriter. At June 30, 2023, LFB and LFNy had no such underwriting commitments.

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

The fulfillment of the commitments described herein should not have a material adverse effect on the Company’s condensed consolidated financial position or results of operations.

Legal—The Company is involved from time to time in judicial, governmental, 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 may 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 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. STOCKHOLDERS' EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS

Share Repurchase Program—Since 2021 and through the six month period ended June 30, 2023, the Board of Directors of Lazard authorized the repurchase of Lazard Ltd Class A common stock (“common stock”), the only class of common stock of Lazard outstanding as set forth in the table below:

<u>Date</u>	<u>Repurchase Authorization</u>	<u>Expiration</u>
April 2021	\$ 300,000	December 31, 2022
February 2022	\$ 300,000	December 31, 2024
July 2022	\$ 500,000	December 31, 2024

The Company expects that the share repurchase program will continue to be used to offset a portion of the shares that have been or will be issued under the Lazard Ltd 2018 Incentive Compensation Plan, as amended (the “2018 Plan”). Pursuant to the share repurchase program, purchases have been made in the open market or through privately negotiated transactions. The rate at which the Company purchases shares in connection with the share repurchase program may vary from period to period due to a variety of factors. Purchases with respect to such program are set forth in the table below:

<u>Six Months Ended June 30:</u>	<u>Number of Shares Purchased</u>	<u>Average Price Per Share</u>
2022	10,598,882	\$ 35.40
2023	2,697,627	\$ 36.73

During the six month periods ended June 30, 2023 and 2022, certain of our executive officers received common stock in connection with the vesting or settlement of previously-granted deferred equity incentive awards. The vesting or settlement of such equity awards gave rise to a tax payable by the executive officers, and, consistent with our past practice, the Company purchased shares of common stock from certain of our executive officers equal in value to all or a portion of the estimated amount of such tax. In addition, during the six month periods ended June 30, 2023 and 2022, the Company purchased shares of common stock from certain of our executive officers. The aggregate value of all such purchases during

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the six month periods ended June 30, 2023 and 2022 was approximately \$11,100 and \$13,400, respectively. Such shares of common stock are reported at cost.

As of June 30, 2023, a total of \$203,049 of share repurchase authorization remained available under Lazard Ltd's share repurchase program, which authorization will expire on December 31, 2024.

During the six month period ended June 30, 2023, Lazard Ltd had in place trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to which it effected stock repurchases in the open market.

Preferred Stock—Lazard Ltd has 15,000,000 authorized shares of preferred stock, par value \$0.01 per share, inclusive of its Series A and Series B preferred stock. Series A and Series B preferred shares were issued in connection with certain prior year business acquisitions and were each non-participating securities convertible into common stock, and had no voting or dividend rights. As of both June 30, 2023 and December 31, 2022, no shares of Series A or Series B preferred stock were outstanding.

Accumulated Other Comprehensive Income (Loss) ("AOCI"), Net of Tax—The tables below reflect the balances of each component of AOCI at June 30, 2023 and 2022 and activity during the three month and six month periods then ended:

	Three Months Ended June 30, 2023				
	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard Ltd AOCI
Balance, April 1, 2023	\$ (142,385)	\$ (140,571)	\$ (282,956)	\$ 1	\$ (282,957)
Activity:					
Other comprehensive income (loss) before reclassifications	2,478	(2,585)	(107)	(2)	(105)
Adjustments for items reclassified to earnings, net of tax	-	1,176	1,176	-	1,176
Net other comprehensive income (loss)	2,478	(1,409)	1,069	(2)	1,071
Balance, June 30, 2023	\$ (139,907)	\$ (141,980)	\$ (281,887)	\$ (1)	\$ (281,886)

	Six Months Ended June 30, 2023				
	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard Ltd AOCI
Balance, January 1, 2023	\$ (156,924)	\$ (138,930)	\$ (295,854)	\$ -	\$ (295,854)
Activity:					
Other comprehensive income (loss) before reclassifications	17,017	(5,386)	11,631	(1)	11,632
Adjustments for items reclassified to earnings, net of tax	-	2,336	2,336	-	2,336
Net other comprehensive income (loss)	17,017	(3,050)	13,967	(1)	13,968
Balance, June 30, 2023	\$ (139,907)	\$ (141,980)	\$ (281,887)	\$ (1)	\$ (281,886)

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Three Months Ended June 30, 2022					
	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard Ltd AOCI
Balance, April 1, 2022	\$ (110,246)	\$ (127,381)	\$ (237,627)	\$ (1)	\$ (237,626)
Activity:					
Other comprehensive income (loss) before reclassifications	(61,700)	8,287	(53,413)	-	(53,413)
Adjustments for items reclassified to earnings, net of tax	205	805	1,010	-	1,010
Net other comprehensive income (loss)	(61,495)	9,092	(52,403)	-	(52,403)
Balance, June 30, 2022	<u>\$ (171,741)</u>	<u>\$ (118,289)</u>	<u>\$ (290,030)</u>	<u>\$ (1)</u>	<u>\$ (290,029)</u>
Six Months Ended June 30, 2022					
	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard Ltd AOCI
Balance, January 1, 2022	\$ (92,178)	\$ (131,669)	\$ (223,847)	-	\$ (223,847)
Activity:					
Other comprehensive income (loss) before reclassifications	(79,690)	11,726	(67,964)	(1)	(67,963)
Adjustments for items reclassified to earnings, net of tax	127	1,654	1,781	-	1,781
Net other comprehensive income (loss)	(79,563)	13,380	(66,183)	(1)	(66,182)
Balance, June 30, 2022	<u>\$ (171,741)</u>	<u>\$ (118,289)</u>	<u>\$ (290,030)</u>	<u>\$ (1)</u>	<u>\$ (290,029)</u>

The table below reflects adjustments for items reclassified out of AOCI, by component, for the three month and six month periods ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Currency translation losses (a)	\$ -	\$ 205	\$ -	\$ 127
Employee benefit plans:				
Amortization relating to employee benefit plans (b)	1,561	1,053	3,097	2,169
Less - related income taxes	385	248	761	515
	<u>1,176</u>	<u>805</u>	<u>2,336</u>	<u>1,654</u>
Total reclassifications, net of tax	<u>\$ 1,176</u>	<u>\$ 1,010</u>	<u>\$ 2,336</u>	<u>\$ 1,781</u>

(a) Represents currency translation losses reclassified from AOCI associated with restructuring and closing of certain of our offices. Such amounts are included in “revenue—other” on the condensed consolidated statements of operations.

(b) Included in the computation of net periodic benefit cost (see Note 13). Such amounts are included in “operating expenses—other” on the condensed consolidated statements of operations.

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Noncontrolling Interests—Noncontrolling interests principally represent (i) interests held in Edgewater’s management vehicles that the Company is deemed to control, but does not own, (ii) profits interest participation rights (see Note 12), (iii) LGAC interests (see Note 1) and (iv) consolidated VIE interests held by employees (see Note 20).

The tables below summarize net income (loss) attributable to noncontrolling interests for the three month and six month periods ended June 30, 2023 and 2022 and noncontrolling interests as of June 30, 2023 and December 31, 2022 in the Company’s condensed consolidated financial statements:

	Net Income (Loss) Attributable to Noncontrolling Interests			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Edgewater	\$ 1,033	\$ 3,518	\$ 1,672	\$ 10,506
LFI Consolidated Funds	2,604	(10,405)	6,969	(13,156)
LGAC	-	3,058	1,968	5,918
Other	-	-	1	2
Total	\$ 3,637	\$ (3,829)	\$ 10,610	\$ 3,270

	Noncontrolling Interests as of	
	June 30, 2023	December 31, 2022
Edgewater	\$ 42,424	\$ 44,681
Profits interest participation rights	13,472	10,792
LFI Consolidated Funds	-	74,164
LGAC	-	(10,714)
Other	11	13
Total	\$ 55,907	\$ 118,936

Redeemable Noncontrolling Interests—Redeemable noncontrolling interests principally represent LGAC interests as of December 31, 2022 (see Note 1) and consolidated VIE interests held by employees as of June 30, 2023 (see Note 20). Consolidated VIE interests held by employees (vested LFI awards), which may be redeemed at any time at the option of the holder for cash, are recorded on the Company’s condensed consolidated statements of financial position at redemption value and classified as temporary equity. Changes in redemption value are recognized immediately as they occur and will adjust the carrying value of redeemable noncontrolling interests to equal the redemption value at the end of each reporting period.

Dividends Declared, July 26, 2023—On July 26, 2023, the Board of Directors of Lazard declared a quarterly dividend of \$0.50 per share on our common stock. The dividend is payable on August 18, 2023, to stockholders of record on August 7, 2023.

12. INCENTIVE PLANS

Share-Based Incentive Plan Awards

A description of Lazard Ltd’s 2018 Plan, 2008 Incentive Compensation Plan (the “2008 Plan”) and 2005 Equity Incentive Plan (the “2005 Plan”) and activity with respect thereto during the three month and six month periods ended June 30, 2023 and 2022 is presented below.

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Shares Available Under the 2018 Plan, 2008 Plan and 2005 Plan

The 2018 Plan became effective on April 24, 2018 and was amended on April 29, 2021 to increase the aggregate number of shares authorized for issuance under the 2018 Plan by 20,000,000 shares. The 2018 Plan replaced the 2008 Plan, which was terminated on April 24, 2018. The 2018 Plan originally authorized issuance of up to 30,000,000 shares of common stock, plus any shares of common stock that were subject to outstanding awards under the 2008 Plan as of March 14, 2018 that are forfeited, canceled or settled in cash following April 24, 2018, which was the date that the 2018 Plan was approved by our shareholders. Such shares may be issued pursuant to the grant or exercise of stock options, stock appreciation rights, restricted stock units (“RSUs”), performance-based restricted stock units (“PRSUs”), restricted stock awards (“RSAs”), profits interest participation rights, including performance-based restricted participation units (“PRPUs”), and other share-based awards.

The 2008 Plan authorized the issuance of shares of common stock pursuant to the grant or exercise of stock options, stock appreciation rights, RSUs, PRSUs and other share-based awards. Under the 2008 Plan, the maximum number of shares available was based on a formula that limited the aggregate number of shares that could, at any time, be subject to awards that were considered “outstanding” under the 2008 Plan to 30% of the then-outstanding shares of common stock. The 2008 Plan was terminated on April 24, 2018 although outstanding deferred stock unit (“DSU”) awards granted under the 2008 Plan before its termination continue to be subject to its terms.

The 2005 Plan authorized the issuance of up to 25,000,000 shares of common stock pursuant to the grant or exercise of stock options, stock appreciation rights, RSUs and other share-based awards. The 2005 Plan expired in the second quarter of 2015, although outstanding DSU awards granted under the 2005 Plan before its expiration continue to be subject to its terms.

The following reflects the amortization expense recorded with respect to share-based incentive plans within “compensation and benefits” expense (with respect to RSUs, PRSUs, RSAs and profits interest participation rights, including PRPUs) and “professional services” expense (with respect to DSUs) within the Company’s accompanying condensed consolidated statements of operations for the three month and six month periods ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Share-based incentive awards:				
RSUs	\$ 52,111	\$ 34,292	\$ 95,687	\$ 60,951
PRSUs	562	644	1,351	889
RSAs	8,449	7,841	15,375	12,777
Profits interest participation rights	18,200	28,244	37,262	49,692
DSUs	1,412	1,728	1,593	1,877
Total	\$ 80,734	\$ 72,749	\$ 151,268	\$ 126,186

The ultimate amount of compensation and benefits expense relating to share-based awards is dependent upon the actual number of shares of common stock that vest. The Company periodically assesses the forfeiture rates used for such estimates, including as a result of any applicable performance conditions. A change in estimated forfeiture rates or performance results in a cumulative adjustment to 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 share-based incentive plans and awards are described below.

RSUs and DSUs

RSUs generally require future service as a condition for the delivery of the underlying shares of common stock (unless the recipient is then eligible for retirement under the Company’s retirement policy) and convert into shares of

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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 period.

RSUs generally include a dividend participation right that provides that, during the applicable vesting period, each RSU is attributed additional RSUs equivalent to any dividends paid on common stock during such period. During the six month period ended June 30, 2023, dividend participation rights required the issuance of 352,254 RSUs and the associated charge to "retained earnings", net of estimated forfeitures (with corresponding credits to "additional paid-in-capital") was \$11,311.

Non-executive members of the Board of Directors ("Non-Executive Directors") receive approximately 55% of their annual compensation for service on the Board of Directors and its committees in the form of DSUs, which resulted in 43,999 DSUs being granted during the six month period ended June 30, 2023. 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 shares of common stock at the time of cessation of service to the Board of Directors. DSUs include a cash dividend participation right equivalent to dividends paid on common stock.

Lazard Ltd's Directors' Fee Deferral Unit Plan permits the Non-Executive Directors to elect to receive additional DSUs in lieu of some or all of their cash fees. The number of DSUs 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 common stock on the date immediately preceding the date of the grant. During the six month period ended June 30, 2023, 9,998 DSUs 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.

The following is a summary of activity relating to RSUs and DSUs during the six month period ended June 30, 2023:

	RSUs		DSUs	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance, January 1, 2023	9,022,917	\$ 37.97	400,820	\$ 37.66
Granted (including 352,254 RSUs relating to dividend participation)	4,996,312	\$ 36.75	53,997	\$ 29.50
Forfeited	(35,473)	\$ 37.06	-	-
Settled	(2,833,196)	\$ 42.48	(74,363)	\$ 35.85
Balance, June 30, 2023	11,150,560	\$ 36.28	380,454	\$ 36.85

The weighted-average grant date fair value of RSUs granted in the six month periods ended June 30, 2023 and 2022 was \$36.75 and \$33.49, respectively. The weighted-average grant date fair value of DSUs granted in the six month periods ended June 30, 2023 and 2022 was \$29.50 and \$35.19, respectively.

In connection with RSUs that settled during the six month period ended June 30, 2023, the Company satisfied its minimum statutory tax withholding requirements in lieu of delivering 1,121,423 shares of common stock during such six month period. Accordingly, 1,711,773 shares of common stock held by the Company were delivered during the six month period ended June 30, 2023.

As of June 30, 2023, estimated unrecognized RSU compensation expense was \$189,180, with such expense expected to be recognized over a weighted average period of approximately 1.0 years subsequent to June 30, 2023.

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RSAs

The following is a summary of activity related to RSAs associated with compensation arrangements during the six month period ended June 30, 2023:

	RSAs	Weighted Average Grant Date Fair Value
Balance, January 1, 2023	1,266,424	\$ 36.99
Granted (including 50,754 relating to dividend participation)	625,833	\$ 37.69
Forfeited	(10,173)	\$ 38.68
Settled	(473,359)	\$ 39.87
Balance, June 30, 2023	<u>1,408,725</u>	<u>\$ 36.32</u>

The weighted-average grant date fair value of RSAs granted in the six month periods ended June 30, 2023 and 2022 was \$37.69 and \$33.21, respectively.

In connection with RSAs that settled during the six month period ended June 30, 2023, the Company satisfied its minimum statutory tax withholding requirements in lieu of delivering 202,120 shares of common stock during such six month period. Accordingly, 271,239 shares of common stock held by the Company were delivered during the six month period ended June 30, 2023.

RSAs granted in 2023 generally include a dividend participation right that provides that during the applicable vesting period each RSA is attributed additional RSAs equivalent to any dividends paid on common stock during such period. During the six month period ended June 30, 2023, dividend participation rights required the issuance of 50,754 RSAs and the associated charge to "retained earnings", net of estimated forfeitures (with corresponding credits to "additional paid-in-capital") was \$1,650.

At June 30, 2023, estimated unrecognized RSAs expense was \$25,871, with such expense to be recognized over a weighted average period of approximately 0.9 years subsequent to June 30, 2023.

PRSUs

PRSUs are RSUs that are subject to performance-based and service-based vesting conditions, and beginning with awards granted in February 2021, a market-based condition. The number of shares of common stock that a recipient will receive upon vesting of a PRSU will be calculated by reference to certain performance-based and market-based metrics that relate to Lazard Ltd's performance over a three-year period. The target number of shares of common stock subject to each PRSU is one; however, based on the achievement of both the performance-based and market-based criteria, the number of shares of common stock that may be received will range from zero to 2.4 times the target number. PRSUs will vest on a single date approximately three years following the date of the grant, provided the applicable service and performance conditions are satisfied. PRSUs include dividend participation rights that are subject to the same vesting restrictions (including performance criteria) as the underlying PRSUs to which they relate and are settled in cash at the same rate that dividends are paid on common stock.

The following is a summary of activity relating to PRSUs during the six month period ended June 30, 2023:

	PRSUs	Weighted Average Grant Date Fair Value
Balance, January 1, 2023	94,690	\$ 39.27
Balance, June 30, 2023	<u>94,690</u>	<u>\$ 39.27</u>

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The weighted-average grant date fair value of PRSUs granted in the six month period ended June 30, 2022 was \$35.44.

Compensation expense recognized for PRSU awards is determined by multiplying the number of shares of common stock underlying such awards that, based on the Company's estimate, are considered probable of vesting, by the grant date fair value. As of June 30, 2023, the total estimated unrecognized compensation expense was \$2,322, and the Company expects to amortize such expense over a weighted-average period of approximately 0.6 years subsequent to June 30, 2023.

Profits Interest Participation Rights

Profits interest participation rights are equity incentive awards that, subject to certain conditions, may be exchanged for shares of common stock pursuant to the 2018 Plan. Prior to 2023, the Company granted profits interest participation rights subject to service-based and performance-based vesting criteria and other conditions, and beginning in February 2021, incremental market-based vesting criteria, which we refer to as performance-based restricted participation units ("PRPUs"), to certain of our executive officers. The Company has also granted profits interest participation rights subject to service-based vesting criteria and other conditions, but not the performance-based and incremental market-based vesting criteria associated with PRPUs, to a limited number of other senior employees, including in March 2023 to certain of our executive officers. Profits interest participation rights generally provide for vesting approximately three years following the grant date, so long as applicable conditions have been satisfied.

Profits interest participation rights are a class of membership interests in Lazard Group that are intended to qualify as "profits interests" for U.S. federal income tax purposes, and are recorded as noncontrolling interests within stockholders' equity in the Company's condensed consolidated statements of financial condition until they are exchanged into common stock, at which time there is a reclassification to additional paid-in-capital. The profits interest participation rights generally allow the recipient to realize value only to the extent that both (i) the service-based vesting conditions and, if applicable, the performance-based and incremental market-based conditions, are satisfied, and (ii) an amount of economic appreciation in the assets of Lazard Group occurs as necessary to satisfy certain partnership tax rules (referred to as the "Minimum Value Condition") before the fifth anniversary of the grant date, otherwise the profits interest participation rights will be forfeited. Upon satisfaction of such conditions, profits interest participation rights that are in parity with the value of common stock will be exchanged on a one-for-one basis for shares of common stock. If forfeited based solely on failing to meet the Minimum Value Condition, the associated compensation expense would not be reversed. With regard to the profits interest participation rights granted in February 2020, the Minimum Value Condition was met during the year ended December 31, 2021. On March 8, 2023, the profits interest participation rights granted in February 2020, for which the Minimum Value Condition and other vesting conditions were satisfied, were exchanged on a one-for-one basis for shares of common stock.

Like outstanding RSUs and similar awards, profits interest participation rights are subject to continued employment and other conditions and restrictions and are forfeited if those conditions and restrictions are not fulfilled. More specifically, vesting of profits interest participation rights are subject to compliance with restrictive covenants including non-compete, non-solicitation of clients, no hire of employees and confidentiality, which are similar to those applicable to PRSUs and RSUs. In addition, profits interest participation rights must satisfy the Minimum Value Condition.

The number of shares of common stock that a recipient will receive upon the exchange of a PRPU award is calculated by reference to applicable performance-based conditions and, beginning with PRPUs granted in 2021, incremental market-based conditions and only result in value to the recipient to the extent the conditions are satisfied. The target number of shares of common stock subject to each PRPU is one. Based on the achievement of performance criteria, as determined by the Compensation Committee, the number of shares of common stock that may be received in connection with the PRPU awards granted prior to February 2021 will range from zero to two times the target number. For the PRPU awards granted beginning in February 2021, subject to both performance-based and incremental market-based criteria, the number of shares that may be received will range from zero to 2.4 times the target number. Unless applicable conditions are satisfied during the three year performance period, and the Minimum Value Condition is satisfied within five years following the grant date, all PRPUs will be forfeited, and the recipients will not be entitled to any such awards.

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The performance metrics applicable to the PRPU awards granted prior to February 2021 were also evaluated on an annual basis at the end of each fiscal year during the performance period, and, if Lazard Ltd achieved a threshold level of performance with respect to the fiscal year, 25% of the target number of PRPUs were no longer at risk of forfeiture based on the achievement of performance criteria. Profits interest participation rights are allocated income, subject to vesting and settled in cash, in respect of dividends paid on common stock.

The following is a summary of activity relating to profits interest participation rights, including PRPUs, during the six month period ended June 30, 2023:

	Profits Interest Participation Rights	Weighted Average Grant Date Fair Value
Balance, January 1, 2023	4,131,628	\$ 40.15
Granted	1,238,074	\$ 35.94
Forfeited	(16,695)	\$ 43.23
Settled	(1,521,620)	\$ 42.17
Balance, June 30, 2023 (a)	<u>3,831,387</u>	<u>\$ 37.98</u>

(a) Table includes 1,474,002 PRPUs as of June 30, 2023. This includes 2,447,224 PRPUs as of January 1, 2023, net of 973,222 PRPUs settled during the six month period ended June 30, 2023. The balance as of June 30, 2023 reflects the target number of PRPUs granted in February 2021 and March 2022. There were no PRPUs granted during the six month period ended June 30, 2023. The weighted average grant date fair values for PRPUs and other profits interest participation rights outstanding as of January 1, 2023 were \$40.29 and \$39.96, respectively. The weighted average grant date fair values for other profits interest participation rights granted during the six month period ended June 30, 2023 was \$35.94. The weighted average grant date fair values for other profits interest participation rights forfeited during the six month period ended June 30, 2023 was \$43.23. The weighted average grant date fair values for PRPUs and other profits interest participation rights settled during the six month period ended June 30, 2023 were \$41.76 and \$42.89, respectively. The weighted average grant date fair values for PRPUs and other profits interest participation rights outstanding as of June 30, 2023 were \$39.31 and \$37.14, respectively.

The weighted average grant date fair value of profits interest participation rights granted in the six month periods ended June 30, 2023 and 2022 was \$35.94 and \$34.53, respectively. Compensation expense recognized for profits interest participation rights, including PRPUs, is determined by multiplying the number of shares of common stock underlying such awards that, based on the Company's estimate, are considered probable of vesting, by the grant date fair value. As of June 30, 2023, the total estimated unrecognized compensation expense was \$34,515 and the Company expects to amortize such expense over a weighted-average period of approximately 0.9 years subsequent to June 30, 2023.

LFI and Other Similar Deferred Compensation Arrangements

In connection with LFI and other similar deferred compensation arrangements, granted to eligible employees, 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 condensed consolidated statement of operations. LFI 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.

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The following is a summary of activity relating to LFI and other similar deferred compensation arrangements during the six month period ended June 30, 2023:

	Prepaid Compensation Asset	Compensation Liability
Balance, January 1, 2023	\$ 112,124	\$ 326,282
Granted	159,981	159,981
Settled	-	(144,964)
Forfeited	2,752	(2,622)
Amortization	(89,660)	-
Change in fair value related to:		
Change in fair value of underlying investments	-	26,128
Adjustment for estimated forfeitures	-	7,800
Other	137	305
Balance, June 30, 2023	<u>\$ 185,334</u>	<u>\$ 372,910</u>

The amortization of the prepaid compensation asset will generally be recognized over a weighted average period of approximately 1.0 years subsequent to June 30, 2023.

The following is a summary of the impact of LFI and other similar deferred compensation arrangements on “compensation and benefits” expense within the accompanying condensed consolidated statements of operations for the three month and six month periods ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Amortization, net of forfeitures	\$ 57,558	\$ 47,629	\$ 92,086	\$ 83,254
Change in the fair value of underlying investments	9,675	(35,098)	26,128	(49,421)
Total	<u>\$ 67,233</u>	<u>\$ 12,531</u>	<u>\$ 118,214</u>	<u>\$ 33,833</u>

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”). The Company also offers defined contribution plans to its employees. The pension 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 for the service cost component, and “operating expenses-other” for the other components of benefit costs on the condensed 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.

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The following table summarizes the components of net periodic benefit cost (credit) related to the Company's pension plans for the three month and six month periods ended June 30, 2023 and 2022:

	Pension Plans	
	Three Months Ended June 30,	
	2023	2022
Components of Net Periodic Benefit Cost (Credit):		
Service cost	\$ 84	\$ 59
Interest cost	5,272	2,817
Expected return on plan assets	(6,032)	(6,195)
Amortization of:		
Prior service cost	27	26
Net actuarial loss	1,534	1,027
Settlement loss	783	407
Net periodic benefit cost (credit)	\$ 1,668	\$ (1,859)

	Pension Plans	
	Six Months Ended June 30,	
	2023	2022
Components of Net Periodic Benefit Cost (Credit):		
Service cost	\$ 182	\$ 270
Interest cost	10,424	5,817
Expected return on plan assets	(11,848)	(12,819)
Amortization of:		
Prior service cost	53	55
Net actuarial loss (gain)	3,044	2,114
Settlement loss	1,542	843
Net periodic benefit cost (credit)	\$ 3,397	\$ (3,720)

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14. COST-SAVING INITIATIVES

The Company is conducting firm-wide cost-saving initiatives including closing certain offices over the course of 2023.

Expenses associated with the cost-saving initiatives for the three month and six month periods ended June 30, 2023 consisted of the following:

	Three Months Ended June 30, 2023			
	Financial Advisory	Asset Management	Corporate	Total
Severance and other employee termination costs (included in "compensation and benefits" expense)	\$ 81,266	\$ 29,533	\$ 25,809	\$ 136,608
Technology asset impairments (included in "technology and information services")	88	7,297	-	7,385
Other	522	280	1,910	2,712
Total	\$ 81,876	\$ 37,110	\$ 27,719	\$ 146,705

	Six Months Ended June 30, 2023			
	Financial Advisory	Asset Management	Corporate	Total
Severance and other employee termination costs (included in "compensation and benefits" expense)	\$ 90,043	\$ 40,768	\$ 26,537	\$ 157,348
Technology asset impairments (included in "technology and information services")	88	7,297	-	7,385
Other	522	280	1,910	2,712
Total	\$ 90,653	\$ 48,345	\$ 28,447	\$ 167,445

Activity related to the obligations pursuant to the cost-saving initiatives during the six month period ended June 30, 2023 was as follows:

	Accrued Compensation and Benefits	Other	Total
Balance, January 1, 2023	\$ -	\$ -	\$ -
Total expenses	157,348	10,097	167,445
Less:			
Noncash expenses (a)	28,481	7,490	35,971
Payments	46,052	1,535	47,587
Balance, June 30, 2023	\$ 82,815	\$ 1,072	\$ 83,887

(a) Noncash expenses reflected in "accrued compensation and benefits" activity principally represents accelerated amortization of deferred incentive compensation awards. Noncash expenses reflected in "other" activity principally relates to technology asset impairments.

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15. INCOME TAXES

Lazard Ltd, through its subsidiaries, is subject to U.S. federal income taxes on all of its U.S. operating income, as well as on the portion of non-U.S. income attributable to its U.S. subsidiaries. In addition, Lazard Ltd, through its subsidiaries, is subject to state and local taxes on its income apportioned to various state and local jurisdictions. Outside the U.S., Lazard Group operates principally through subsidiary corporations that are subject to local income taxes in foreign jurisdictions. Lazard Group is also subject to Unincorporated Business Tax ("UBT") attributable to its operations apportioned to New York City.

The Company recorded an income tax provision (benefit) of \$10,303 and \$(11,422) for the three month and six month periods ended June 30, 2023, respectively, and income tax provisions of \$34,187 and \$72,940 for the three month and six month periods ended June 30, 2022, respectively, representing effective tax rates of (9.4)%, 7.8%, 27.2% and 25.5%, respectively. The difference between the U.S. federal statutory rate of 21.0% and the effective tax rates reflected above principally relates to (i) the tax impact of differences in the value of share based incentive compensation and other discrete items, (ii) foreign source income (loss) not subject to U.S. income taxes (including interest on intercompany financings), (iii) taxes payable to foreign jurisdictions that are not offset against U.S. income taxes, (iv) change in the U.S. federal valuation allowance affecting the provision for income taxes and (v) U.S. state and local taxes, which are incremental to the U.S. federal statutory tax rate.

16. NET INCOME (LOSS) PER SHARE OF COMMON STOCK

The Company issued certain profits interest participation rights, including certain PRPUs, that the Company is required under U.S. GAAP to treat as participating securities and therefore the Company is required to utilize the "two-class" method of computing basic and diluted net income per share.

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The Company's basic and diluted net income (loss) per share calculations using the "two-class" method for the three month and six month periods ended June 30, 2023 and 2022 are presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income (loss) attributable to Lazard Ltd	\$ (124,013)	\$ 95,480	\$ (146,185)	\$ 209,356
Add - adjustment for earnings attributable to participating securities	(763)	(1,090)	(1,888)	(2,823)
Net income (loss) attributable to Lazard Ltd - basic	(124,776)	94,390	(148,073)	206,533
Add - adjustment for earnings attributable to participating securities	-	554	-	1,683
Net income (loss) attributable to Lazard Ltd - diluted	\$ (124,776)	\$ 94,944	\$ (148,073)	\$ 208,216
Weighted average number of shares of common stock outstanding	86,787,954	97,380,282	86,261,198	99,007,501
Add - adjustment for shares of common stock issuable on a non-contingent basis	1,941,700	1,279,891	1,899,555	1,596,223
Weighted average number of shares of common stock outstanding - basic	88,729,654	98,660,173	88,160,753	100,603,724
Add - dilutive effect, as applicable, of:				
Weighted average number of incremental shares of common stock issuable from share-based incentive compensation (a)	-	4,093,163	-	4,866,264
Weighted average number of shares of common stock outstanding - diluted	88,729,654	102,753,336	88,160,753	105,469,988
Net income (loss) attributable to Lazard Ltd per share of common stock:				
Basic	\$ (1.41)	\$ 0.96	\$ (1.68)	\$ 2.05
Diluted	\$ (1.41)	\$ 0.92	\$ (1.68)	\$ 1.97

- (a) The weighted average number of incremental shares of common stock issuable from share-based incentive compensation for the three month and six month periods ended June 30, 2023 of 3,427,886 and 4,737,193, respectively, that could be potentially dilutive, have been excluded from the computation of diluted net loss per share as the effect would be antidilutive.

17. RELATED PARTIES

Sponsored Funds

The Company serves as an investment advisor for certain affiliated investment companies and fund entities and receives management fees and, for the alternative investment funds, performance-based incentive fees for providing such services. Investment advisory fees relating to such services were \$135,847 and \$269,370 for the three month and six month periods ended June 30, 2023, respectively, and \$134,342 and \$298,713 for the three month and six month periods ended June 30, 2022, respectively, and are included in "asset management fees" on the condensed consolidated statements of operations. Of such amounts, \$51,721 and \$57,283 remained as receivables at June 30, 2023 and December 31, 2022, respectively, and are included in "fees receivable" on the condensed consolidated statements of financial condition.

Tax Receivable Agreement

The Second Amended and Restated Tax Receivable Agreement, dated as of October 26, 2015 (the "TRA"), between Lazard and LTBP Trust, a Delaware statutory trust (the "Trust"), provides for the payment by our subsidiaries to

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the Trust of (i) approximately 45% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of the increases in the tax basis of certain assets and of certain other tax benefits related to the TRA, and (ii) an amount that we currently expect will equal 85% of the cash tax savings that may arise from tax basis increases attributable to payments under the TRA. Our subsidiaries expect to benefit from the balance of cash savings, if any, in income tax that our subsidiaries realize from such tax basis increases. Any amount paid by our subsidiaries to the Trust will generally be distributed pro rata to the owners of the Trust, who include certain of our executive officers.

For purposes of the TRA, cash savings in income and franchise tax will be computed by comparing our subsidiaries' actual income and franchise tax liability to the amount of such taxes that our subsidiaries would have been required to pay had there been no increase in the tax basis of certain assets of Lazard Group and had our subsidiaries not entered into the TRA. The term of the TRA will continue until approximately 2033 or, if earlier, until all relevant tax benefits have been utilized or expired.

The amount of the TRA liability is an undiscounted amount based upon current tax laws and the structure of the Company and various assumptions regarding potential future operating profitability. The assumptions reflected in the estimate involve significant judgment and if our structure or income assumptions were to change, we could be required to accelerate payments under the TRA. As such, the actual amount and timing of payments under the TRA could differ materially from our estimates. Any changes in the amount of the estimated liability would be recorded as a non-compensation expense in the condensed consolidated statement of operations. Adjustments, if necessary, to the related deferred tax assets would be recorded through the "provision (benefit) for income taxes".

Pursuant to the periodic revaluation of the TRA liability and the assumptions reflected in the estimate, the revaluation had the effect of reducing the estimated liability under the TRA. As a result, the Company recorded a "benefit pursuant to tax receivable agreement" of \$40,435 on the condensed consolidated statement of operations for the six month period ended June 30, 2023. In addition, the Company made a payment under the TRA in the six months ended June 30, 2023 of \$32,208.

The cumulative liability relating to our obligations under the TRA as of June 30, 2023 and December 31, 2022 was \$118,546 and \$191,189, respectively, and is recorded in "tax receivable agreement obligation" on the condensed consolidated statements of financial condition.

Other

See Note 11 for information regarding related party transactions pertaining to shares repurchased from certain of our executive officers.

18. 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 \$5, whichever is greater. In addition, the ratio of aggregate indebtedness (as defined) to net capital may not exceed 15:1. At June 30, 2023, LFNY's regulatory net capital was \$39,311, which exceeded the minimum requirement by \$32,662. LFNY's aggregate indebtedness to net capital ratio was 2.54:1 as of June 30, 2023.

Certain U.K. subsidiaries of the Company, including LCL, Lazard Fund Managers Limited and Lazard Asset Management Limited (collectively, the "U.K. Subsidiaries") are regulated by the Financial Conduct Authority. At June 30, 2023, the aggregate regulatory net capital of the U.K. Subsidiaries was \$209,893, which exceeded the minimum requirement by \$144,357.

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

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its subsidiary, LFB. LFB, as a registered bank, is engaged primarily in commercial and private banking services for clients and funds managed by LFG (asset management) and other clients, and asset-liability management. The investment services activities exercised through LFB and other subsidiaries of CFLF, primarily LFG, also are subject to regulation and supervision by the Autorité des Marchés Financiers. At March 31, 2023, the consolidated regulatory net capital of CFLF was \$154,250, which exceeded the minimum requirement set for regulatory capital levels by \$73,195. In addition, pursuant to the consolidated supervision rules in the European Union, LFB, in particular, as a French credit institution, is required to be supervised by a regulatory body, either in the U.S. or in the European Union. During the third quarter of 2013, the Company and the ACPR agreed on terms for the consolidated supervision of LFB and certain other non-Financial Advisory European subsidiaries of the Company (referred to herein, on a combined basis, as the “combined European regulated group”) under such rules. Under this supervision, the combined European regulated group is required to comply with minimum requirements for regulatory net capital to be reported on a quarterly basis and satisfy periodic financial and other reporting obligations. At March 31, 2023, the regulatory net capital of the combined European regulated group was \$179,474, which exceeded the minimum requirement set for regulatory capital levels by \$89,649. Additionally, the combined European regulated group, together with our European Financial Advisory entities, is required to perform an annual risk assessment and provide certain other information on a periodic basis, including financial reports and information relating to financial performance, balance sheet data and capital structure.

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 June 30, 2023, for those subsidiaries with regulatory capital requirements, their aggregate net capital was \$154,896, which exceeded the minimum required capital by \$120,690.

At June 30, 2023, each of these subsidiaries individually was in compliance with its regulatory capital requirements.

19. 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 its Financial Advisory and Asset Management business segments as described in Note 1. In addition, as described in Note 1, the Company records selected other activities in its Corporate segment.

The Company’s segment information for the three month and six month periods ended June 30, 2023 and 2022 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 records other revenue, interest income and interest expense among the various segments based on the segment in which the underlying asset or liability is reported.

Each segment’s operating expenses include (i) 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, human resources, legal, facilities management and senior management activities.

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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		Six Months Ended	
		June 30,		June 30,	
		2023	2022	2023	2022
Financial Advisory	Net Revenue	\$ 352,477	\$ 407,885	\$ 630,051	\$ 798,100
	Operating Expenses	439,445	316,574	768,180	614,832
	Operating Income (Loss)	\$ (86,968)	\$ 91,311	\$ (138,129)	\$ 183,268
Asset Management	Net Revenue	\$ 288,313	\$ 289,151	\$ 572,357	\$ 627,652
	Operating Expenses	269,219	232,546	517,270	474,062
	Operating Income	\$ 19,094	\$ 56,605	\$ 55,087	\$ 153,590
Corporate	Net Revenue (Loss)	\$ 2,324	\$ (57,490)	\$ (16,858)	\$ (91,314)
	Operating Expenses (Credit)	44,523	(35,412)	47,097	(40,022)
	Operating Loss	\$ (42,199)	\$ (22,078)	\$ (63,955)	\$ (51,292)
Total	Net Revenue	\$ 643,114	\$ 639,546	\$ 1,185,550	\$ 1,334,438
	Operating Expenses	753,187	513,708	1,332,547	1,048,872
	Operating Income (Loss)	\$ (110,073)	\$ 125,838	\$ (146,997)	\$ 285,566

	As Of	
	June 30, 2023	December 31, 2022
Total Assets		
Financial Advisory	\$ 1,122,573	\$ 1,099,921
Asset Management	844,830	978,083
Corporate	2,635,534	3,774,557
Total	\$ 4,602,937	\$ 5,852,561

LAZARD LTD
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(UNAUDITED)
(dollars in thousands, except for per share data, unless otherwise noted)

20. CONSOLIDATED VIEs

The Company's consolidated VIEs as of June 30, 2023 and December 31, 2022 include LGAC (see Note 1) and certain funds ("LFI Consolidated Funds") that were established for the benefit of employees participating in the Company's existing LFI deferred compensation arrangement. Lazard invests in these funds and is the investment manager and is therefore deemed to have both the power to direct the most significant activities of the funds and the right to receive benefits (or the obligation to absorb losses) that could potentially be significant to these funds. The assets of LFI Consolidated Funds, except as it relates to \$130,081 and \$115,666 of LFI held by Lazard Group as of June 30, 2023 and December 31, 2022, respectively, can only be used to settle the obligations of LFI Consolidated Funds. The Company's consolidated VIE assets and liabilities for LFI Consolidated Funds as reflected in the condensed consolidated statements of financial condition consist of the following at June 30, 2023 and December 31, 2022.

	June 30, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 5,538	\$ 3,644
Customers and other receivables	158	240
Investments	207,410	186,300
Other assets	1,026	622
Total assets	<u>\$ 214,132</u>	<u>\$ 190,806</u>
LIABILITIES		
Deposits and other customer payables	\$ 64	\$ 528
Other liabilities	404	448
Total liabilities	<u>\$ 468</u>	<u>\$ 976</u>

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

The following discussion should be read in conjunction with Lazard Ltd'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, 2022 (the "Form 10-K"). All references to "2023," "2022," "second quarter," "first half" or "the period" refer to, as the context requires, the three month and six month periods ended June 30, 2023 and 2022.

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," "could," "would," "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 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 or regional financial markets;
- a decline in our revenues, for example due to 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 and this Form 10-Q 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 statements 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:

- financial goals, including ratios of compensation and benefits expense to operating revenue;
- ability to deploy surplus cash through dividends, share repurchases and debt repurchases;
- ability to offset stockholder dilution through share repurchases;
- possible or assumed future results of operations and operating cash flows;
- strategies and investment policies;
- financing plans and the availability of short-term borrowing;

- competitive position;
- future acquisitions, including the consideration to be paid and the timing of consummation;
- potential growth opportunities available to our businesses;
- potential impact of investments in our technology infrastructure and data science capabilities;
- recruitment and retention of our managing directors and employees;
- potential levels of compensation expense, including awarded compensation and benefits expense and adjusted compensation and benefits expense, and non-compensation expense;
- potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts;
- statements regarding environmental, social and governance (“ESG”) goals and initiatives;
- likelihood of success and impact of litigation;
- expected tax rates, including effective tax rates;
- changes in interest and tax rates;
- availability of certain tax benefits, including certain potential deductions;
- potential impact of certain events or circumstances on our financial statements and operations;
- changes in foreign currency exchange rates;
- expectations with respect to the economy, the securities markets, the market for mergers, acquisitions, restructuring and other financial advisory activity, the market for asset management activity and other macroeconomic, regional and industry trends;
- effects of competition on our business; and
- impact of new or future legislation and regulation, including tax laws and regulations, 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 website, its twitter account (twitter.com/Lazard) and other social media sites 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 our Asset Management business. Investors can link to Lazard Ltd, Lazard Group and their operating company websites through <http://www.lazard.com>. Our websites and social media sites and the information contained therein or connected thereto shall not be deemed to be incorporated into this Form 10-Q.

Business Summary

Lazard, one of the world’s preeminent financial advisory and asset management firms, operates from 43 cities across 26 countries in North and South America, Europe, Asia and Australia. With origins dating to 1848, 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.

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, regional and local 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 strategic and mergers and acquisitions (“M&A”) advisory, capital markets advisory, shareholder advisory, restructuring and capital solutions, sovereign advisory, geopolitical advisory, and other strategic advisory matters and capital raising and placement, and
- Asset Management, which offers a broad range of global investment solutions and investment and wealth management services in equity and fixed income strategies, asset allocation 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, deferred tax assets, outstanding indebtedness, certain contingent obligations and certain assets and liabilities associated with (i) Lazard Group’s Paris-based subsidiary, Lazard Frères Banque SA (“LFB”), and (ii) in 2022, a special purpose acquisition company that was sponsored by an affiliate of the Company, Lazard Growth Acquisition Corp. I (“LGAC”).

Our consolidated net revenue was derived from the following segments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Financial Advisory	55 %	64 %	53 %	60 %
Asset Management	45	45	48	47
Corporate	-	(9)	(1)	(7)
Total	100 %	100 %	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 make investments to seed our Asset Management strategies.

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. Our Financial Advisory revenues are primarily 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 assets under management (“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.

While there remains a level of uncertainty in the markets, the global macroeconomic environment is improving as inflation continues to fall and expectations of further interest rate hikes are moderating. We believe that the M&A market is stabilizing, however that is yet to be reflected in M&A completions, which have remained low since transaction volume began to slow in the first quarter of 2022 and the pace of recovery will likely be slow. In the meantime, we are seeing increasing board and investor confidence, valuation gaps are narrowing and financing, while more expensive, is becoming more accessible.

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

- Financial Advisory—Despite the lower level of M&A announcements in 2023, we remain actively engaged with our clients. The global scale and breadth of our Financial Advisory business enables us to advise on a wide range of strategic and restructuring transactions across a variety of industries. In addition, we continue to invest in our Financial Advisory business by selectively hiring talented senior professionals in an effort to

enhance our capabilities and sector expertise in M&A, capital structure, restructuring and public and private capital markets.

- **Asset Management**—Given our diversified investment platform and our ability to provide investment solutions for a global mix of clients, we believe we are positioned to benefit from opportunities across the asset management industry. We are continually developing new investment strategies that extend our existing platforms and assessing potential product acquisitions or other inorganic growth opportunities.

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 Item 1A, “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 growth, earnings growth and shareholder returns, the evaluation of potential growth opportunities, the investment in new technology to support the development of existing and new business opportunities, the prudent management of our costs and expenses, the efficient use of our assets and the return of capital to our shareholders.

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

Financial Advisory

As reflected in the following table, which sets forth global M&A industry statistics, the value and number of all completed transactions, including the subset of completed transactions involving values greater than \$500 million, decreased in the first half of 2023 as compared to the first half of 2022. With respect to announced M&A transactions, the value and number of all transactions, including the subset of announced transactions involving values greater than \$500 million, decreased in the first half of 2023 as compared to the first half of 2022.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Incr / (Decr)	2023	2022	% Incr / (Decr)
(\$ in billions)						
Completed M&A Transactions:						
All deals:						
Value	\$ 504	\$ 1,083	(53)%	\$ 1,191	\$ 2,362	(50)%
Number	7,171	10,620	(32)%	16,764	22,493	(25)%
Deals Greater than \$500 million:						
Value	\$ 377	\$ 821	(54)%	\$ 890	\$ 1,792	(50)%
Number	158	331	(52)%	396	757	(48)%
Announced M&A Transactions:						
All deals:						
Value	\$ 761	\$ 1,139	(33)%	\$ 1,362	\$ 2,231	(39)%
Number	8,273	10,982	(25)%	18,258	23,050	(21)%
Deals Greater than \$500 million:						
Value	\$ 586	\$ 863	(32)%	\$ 1,007	\$ 1,649	(39)%
Number	255	337	(24)%	463	696	(33)%

Source: Dealogic as of July 4, 2023.

Global restructuring activity during the first half of 2023, as measured by the number of corporate defaults, decreased as compared to 2022. The number of defaulting issuers was 81 in the first half of 2023 according to Moody’s Investors Service, Inc., as compared to 98 in the first half of 2022.

Net revenue trends in Financial Advisory are generally correlated to the level 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.

Asset Management

The percentage change in major equity market indices at June 30, 2023, as compared to such indices at March 31, 2023, December 31, 2022 and at June 30, 2022, is shown in the table below:

	Percentage Changes June 30, 2023 vs.		
	March 31, 2023	December 31, 2022	June 30, 2022
MSCI World Index	7 %	15 %	19 %
Euro Stoxx	4 %	19 %	32 %
MSCI Emerging Market	1 %	5 %	2 %
S&P 500	9 %	17 %	20 %

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 exchange rate 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. Movements in AUM during the period generally reflect the changes in equity market indices.

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, capital markets advisory, shareholder advisory, restructuring and capital solutions, sovereign advisory, geopolitical advisory, and other strategic advisory matters and capital raising and placement. 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. 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 Lazard Asset Management LLC (together with its subsidiaries, ("LAM")), Lazard Frères Gestion SAS ("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 and the overall amount of management fees generated by the AUM. Fees vary with the type of assets managed and the vehicle in which they are managed, with higher fees earned on equity assets and 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 or redemption occurs 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 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 or investment by investment basis and, therefore, clawback of carried interest toward the end of the life of the fund can occur. As a result, the Company recognizes incentive fees earned on our private equity funds when it is probable that a clawback will not occur.

Corporate segment net revenue consists primarily of investment gains and losses on the Company's "seed investments" related to our Asset Management business and principal investments in private equity funds, net of hedging activities, as well as gains and losses on investments held in connection with Lazard Fund Interests ("LFI") and interest income and interest expense. Corporate net revenue also can fluctuate due to changes in the fair value of debt and equity securities, as well as due to changes in interest and currency exchange rates and in the levels of cash, investments and indebtedness.

Corporate segment total assets represented 57% of Lazard's consolidated total assets as of June 30, 2023, which are attributable to cash and cash equivalents, investments in debt and equity securities, interests in alternative investment, debt, equity and private equity funds, deferred tax assets and certain other 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 2018 Incentive Compensation Plan, as amended (the "2018 Plan") and (b) LFI 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 actual and forecasted operating and financial performance, staffing levels, estimated forfeiture rates, 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-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-GAAP measures, when presented in conjunction with accounting principles generally accepted in the United States of America ("U.S. GAAP") measures, are appropriate measures to assess the annual cost of compensation and provide a meaningful and useful 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,” also a non-GAAP measure, as modified by the following items:

- we deduct amortization expense recorded for U.S. GAAP purposes in the fiscal year associated with deferred incentive compensation awards;
- we add incentive compensation with respect to the fiscal year, which is comprised of:
 - (i) the deferred incentive compensation awards granted in the year-end compensation process with respect to the fiscal year (*e.g.*, deferred incentive compensation awards granted in 2023 related to the 2022 year-end compensation process), including performance-based restricted stock unit (“PRSU”) and performance-based restricted participation unit (“PRPU”) awards (based on the target payout level);
 - (ii) the portion of investments in people (*e.g.*, “sign-on” bonuses or retention awards) and other special deferred incentive compensation awards that is applicable to the fiscal year the award becomes effective; and
 - (iii) amounts in excess of the target payout level for PRSU and PRPU awards at the end of their respective performance periods; and
- we reduce the amounts in (i), (ii) and (iii) above by an estimate of future forfeitures with respect to such awards.

Compensation and benefits expense is the largest component of our operating expenses. We seek to maintain discipline with respect to compensation, including the rate at which we award deferred compensation. Our goal is to maintain a ratio of awarded compensation and benefits expense to operating revenue and a ratio of adjusted compensation and benefits expense to operating revenue over the cycle in the mid-to high-50s percentage range, while targeting a consistent deferral policy. While we have implemented policies and initiatives that we believe will assist us in maintaining ratios within this range, there can be no guarantee that we will be able to maintain such ratios, or that our policies or initiatives will not change, in the future. Increased competition for professionals, changes in the macroeconomic environment or the financial markets generally, lower operating revenue resulting from, for example, a decrease in M&A activity, our share of the M&A market or our AUM levels, changes in the mix of revenues from our businesses, investments in our businesses or various other factors could prevent us from achieving this goal; however, in future periods we may benefit from pressure on compensation costs within the financial services industry.

Our 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. Our occupancy costs represent a significant portion of our aggregate operating expenses and are subject to change from time to time, particularly as leases for real property expire and are renewed or replaced with new, long-term leases for the same or other real property.

We believe that “adjusted non-compensation expense”, a non-GAAP measure, when presented in conjunction with U.S. GAAP measures provides a meaningful and useful basis for our investors to assess our operating results. For calculations with respect to “adjusted non-compensation expense”, see the table under “Consolidated Results of Operations” below.

Our operating expenses also include our “benefit pursuant to tax receivable agreement” and “amortization and other acquisition-related costs”.

To the extent inflation results in rising interest rates and has other effects upon the securities markets or general macroeconomic conditions, it may adversely affect our financial position and results of operations by impacting overall levels of M&A activity, reducing our AUM or net revenue, increasing non-compensation expense, or otherwise.

Cost-Saving Initiatives

The Company is conducting firm-wide cost-saving initiatives including closing certain offices over the course of 2023. See Note 14 of Notes to Condensed Consolidated Financial Statements.

Provision for Income Taxes

Lazard Ltd, through its subsidiaries, is subject to U.S. federal income taxes on all of its U.S. operating income, as well as on the portion of non-U.S. income attributable to its U.S. subsidiaries. In addition, Lazard Ltd, through its subsidiaries, is subject to state and local taxes on its income apportioned to various state and local jurisdictions. Outside the U.S., Lazard Group operates principally through subsidiary corporations that are subject to local income taxes in foreign jurisdictions. Lazard Group is also subject to Unincorporated Business Tax ("UBT") attributable to its operations apportioned to New York City.

See "Critical Accounting Policies and Estimates—Income Taxes" below and Notes 15 and 17 of Notes to Condensed Consolidated Financial Statements for additional information regarding income taxes, our deferred tax assets and the tax receivable agreement obligation.

Noncontrolling Interests

Noncontrolling interests primarily consist of (i) amounts related to Edgewater's management vehicles that the Company is deemed to control but not own, (ii) LGAC interests (see Note 1 of Notes to Condensed Consolidated Financial Statements), (iii) profits interest participation rights and (iv) consolidated VIE interests held by employees. See Notes 11 and 20 of Notes to Condensed Consolidated Financial Statements for information regarding the Company's noncontrolling interests and consolidated VIEs.

Consolidated Results of Operations

Lazard's condensed 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 stockholders' equity. Foreign currency remeasurement gains and losses on transactions in non-functional currencies are included in the condensed consolidated statements of operations.

The condensed consolidated financial statements are prepared in conformity with U.S. GAAP. Selected financial data derived 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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(\$ in thousands)			
Net Revenue	\$ 643,114	\$ 639,546	\$ 1,185,550	\$ 1,334,438
Operating Expenses:				
Compensation and benefits	572,231	363,830	1,022,198	760,671
Non-compensation	180,861	149,863	350,641	288,171
Amortization and other acquisition-related costs	95	15	143	30
Benefit pursuant to tax receivable agreement	-	-	(40,435)	-
Total operating expenses	753,187	513,708	1,332,547	1,048,872
Operating Income (Loss)	(110,073)	125,838	(146,997)	285,566
Provision (benefit) for income taxes	10,303	34,187	(11,422)	72,940
Net Income (Loss)	(120,376)	91,651	(135,575)	212,626
Less - Net Income (Loss) Attributable to Noncontrolling Interests	3,637	(3,829)	10,610	3,270
Net Income (Loss) Attributable to Lazard Ltd	\$ (124,013)	\$ 95,480	\$ (146,185)	\$ 209,356
Operating Income (Loss), as a % of net revenue	(17.1)%	19.7%	(12.4)%	21.4%

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-GAAP measures used by the Company to manage its business. We believe such non-GAAP measures in conjunction with U.S. GAAP measures provide a meaningful and useful basis for comparison between present, historical and future periods, as described above.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(\$ in thousands)			
Operating Revenue:				
Net revenue	\$ 643,114	\$ 639,546	\$ 1,185,550	\$ 1,334,438
Adjustments:				
Interest expense (a)	19,162	19,010	38,572	38,047
Distribution fees, reimbursable deal costs, bad debt expense and other (b)	(26,338)	(17,083)	(53,019)	(35,905)
Asset impairment charges	-	-	19,129	-
Revenue related to noncontrolling interests (c)	(6,237)	(660)	(17,060)	(11,455)
(Gains) losses on investments pertaining to LFI (d)	(9,675)	35,098	(26,128)	49,421
Operating revenue	\$ 620,026	\$ 675,911	\$ 1,147,044	\$ 1,374,546

- (a) Interest expense (excluding interest expense incurred by LFB) is added back in determining operating revenue because such expense relates to corporate financing activities and is not considered to be a cost directly related to the revenue of our business.
- (b) Represents certain distribution, introducer and management fees paid to third parties, reimbursable deal costs and bad debt expense relating to fees and other receivables that are deemed uncollectible for which an equal amount is excluded for purposes of determining adjusted non-compensation expense.
- (c) Revenue or loss related to the consolidation of noncontrolling interests is excluded from operating revenue because the Company has no economic interest in such amount.

- (d) Represents changes in the fair value of investments held in connection with LFI and other similar deferred compensation arrangements for which a corresponding equal amount is excluded from compensation and benefits expense.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(\$ in thousands)				
Adjusted Compensation and Benefits Expense:				
Total compensation and benefits expense	\$ 572,231	\$ 363,830	\$ 1,022,198	\$ 760,671
Adjustments:				
Noncontrolling interests (a)	(1,851)	(3,521)	(4,861)	(5,983)
(Charges) credits pertaining to LFI (b)	(9,675)	35,098	(26,128)	49,421
Expenses associated with senior management transition (c)	-	-	(10,674)	-
Expenses associated with cost-saving initiatives	(136,608)	-	(157,348)	-
Adjusted compensation and benefits expense	\$ 424,097	\$ 395,407	\$ 823,187	\$ 804,109
Adjusted compensation and benefits expense, as a % of operating revenue	68.4 %	58.5 %	71.8 %	58.5 %

- (a) Expenses related to the consolidation of noncontrolling interests are excluded because Lazard has no economic interest in such amounts.
(b) Represents changes in fair value of the compensation liability recorded in connection with LFI and other similar deferred incentive compensation awards for which a corresponding equal amount is excluded from operating revenue.
(c) Represents expenses associated with senior management transition reflecting the departure of certain executive officers.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(\$ in thousands)				
Adjusted Non-Compensation Expense:				
Total non-compensation expense	\$ 180,861	\$ 149,863	\$ 350,641	\$ 288,171
Adjustments:				
Expenses relating to office space reorganization (a)	-	(871)	-	(1,995)
Distribution fees, reimbursable deal costs, bad debt expense and other (b)	(26,338)	(17,083)	(53,019)	(35,905)
Noncontrolling interests (c)	(749)	(968)	(1,590)	(2,204)
Expenses associated with cost-saving initiatives	(10,097)	-	(10,097)	-
Adjusted non-compensation expense	\$ 143,677	\$ 130,941	\$ 285,935	\$ 248,067
Adjusted non-compensation expense, as a % of operating revenue	23.2 %	19.4 %	24.9 %	18.0 %

- (a) Represents building depreciation and other costs related to office space reorganization.
(b) Represents certain distribution, introducer and management fees paid to third parties, reimbursable deal costs and bad debt expense relating to fees and other receivables that are deemed uncollectible for which an equal amount is included for purposes of determining operating revenue.
(c) Expenses related to the consolidation of noncontrolling interests are excluded because the Company has no economic interest in such amounts

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(\$ in thousands)				
Earnings From Operations:				
Operating revenue	\$ 620,026	\$ 675,911	\$ 1,147,044	\$ 1,374,546
Deduct:				
Adjusted compensation and benefits expense	(424,097)	(395,407)	(823,187)	(804,109)
Adjusted non-compensation expense	(143,677)	(130,941)	(285,935)	(248,067)
Earnings from operations	\$ 52,252	\$ 149,563	\$ 37,922	\$ 322,370
Earnings from operations, as a % of operating revenue	8.4 %	22.1 %	3.3 %	23.5 %

Headcount information is set forth below:

	As of		
	June 30, 2023 (a)	December 31, 2022	June 30, 2022
Headcount:			
Managing Directors:			
Financial Advisory	227	212	212
Asset Management	123	120	119
Corporate	23	25	24
Total Managing Directors	373	357	355
Other Business Segment Professionals and Support Staff:			
Financial Advisory	1,393	1,463	1,357
Asset Management	1,093	1,105	1,109
Corporate	462	477	448
Total	3,321	3,402	3,269

(a) Includes reductions associated with the cost-saving initiatives as of June 30, 2023.

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 June 30, 2023 versus June 30, 2022

The Company reported net loss attributable to Lazard Ltd of \$124 million, as compared to net income attributable to Lazard Ltd of \$95 million in the 2022 period.

Net revenue increased \$4 million, or 1%, with operating revenue decreasing \$56 million, or 8%, as compared to the 2022 period. Fee revenue from investment banking and other advisory activities decreased \$55 million, or 14%, as compared to the 2022 period. Asset management fees, including incentive fees, increased \$3 million, or 1%, as compared to the 2022 period. In the aggregate, interest income, other revenue and interest expense increased \$56 million, as compared to the 2022 period.

Compensation and benefits expense, which included \$137 million associated with the cost-saving initiatives in 2023, increased \$208 million, or 57%, as compared to the 2022 period.

Adjusted compensation and benefits expense (which excludes certain items and which we believe allows for improved comparability between periods, as described above) was \$424 million, an increase of \$29 million, or 7%, as compared to \$395 million in the 2022 period. The ratio of adjusted compensation and benefits expense to operating revenue was 68.4% for the 2023 period, as compared to 58.5% for the 2022 period.

Non-compensation expense increased \$31 million, or 21%, as compared to the 2022 period primarily due to \$10 million associated with the cost-saving initiatives in 2023, higher travel and business development and professional services expenses. Adjusted non-compensation expense increased \$13 million, or 10%, as compared to the 2022 period. The ratio of adjusted non-compensation expense to operating revenue was 23.2% for the 2023 period, as compared to 19.4% for the 2022 period.

The Company reported an operating loss of \$110 million, as compared to operating income of \$126 million in the 2022 period.

Earnings from operations decreased \$97 million, or 65%, as compared to the 2022 period, and, as a percentage of operating revenue, was 8.4% for the 2023 period, as compared to 22.1% in the 2022 period.

The provision for income taxes reflects an effective tax rate of (9.4)%, as compared to 27.2% for the 2022 period. The change in the effective tax rate principally relates to changes in the geographic mix of earnings inclusive of losses without tax benefits.

Net income attributable to noncontrolling interests reflected income of \$4 million in the 2023 period as compared to a loss of \$4 million in the 2022 period.

Six Months Ended June 30, 2023 versus June 30, 2022

The Company reported net loss attributable to Lazard Ltd of \$146 million, as compared to net income attributable to Lazard Ltd of \$209 million in the 2022 period.

Net revenue decreased \$149 million, or 11%, with operating revenue decreasing \$228 million, or 17%, as compared to the 2022 period. Fee revenue from investment banking and other advisory activities decreased \$167 million, or 21%, as compared to the 2022 period. Asset management fees, including incentive fees, decreased \$51 million, or 9%, as compared to the 2022 period. In the aggregate, interest income, other revenue and interest expense increased \$69 million, as compared to the 2022 period.

Compensation and benefits expense, which included \$157 million associated with the cost-saving initiatives in 2023, increased \$262 million, or 34%, as compared to the 2022 period.

Adjusted compensation and benefits expense (which excludes certain items and which we believe allows for improved comparability between periods, as described above) was \$823 million, an increase of \$19 million, or 2%, as compared to \$804 million in the 2022 period. The ratio of adjusted compensation and benefits expense to operating revenue was 71.8% for the 2023 period, as compared to 58.5% for the 2022 period.

Non-compensation expense increased \$62 million, or 22%, as compared to the 2022 period, primarily due to \$10 million associated with the cost-saving initiatives in 2023, higher travel and business development expenses and professional services expenses, and continued investments in technology. Adjusted non-compensation expense increased \$38 million, or 15%, as compared to the 2022 period. The ratio of adjusted non-compensation expense to operating revenue was 24.9% for the 2023 period, as compared to 18.0% for the 2022 period.

The Company reported an operating loss of \$147 million, as compared to operating income of \$286 million in the 2022 period.

Earnings from operations decreased \$284 million, or 88%, as compared to the 2022 period, and, as a percentage of operating revenue, was 3.3% for the 2023 period, as compared to 23.5% in the 2022 period.

The provision for income taxes reflects an effective tax rate of 7.8%, as compared to 25.5% for the 2022 period. The change in the effective tax rate principally relates to changes in the geographic mix of earnings inclusive of losses without tax benefits and the impact of discrete items.

Net income attributable to noncontrolling interests increased \$7 million as compared to the 2022 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, human resources, legal, information technology, 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 table summarizes the reported operating results attributable to the Financial Advisory segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(\$ in thousands)			
Net Revenue	\$ 352,477	\$ 407,885	\$ 630,051	\$ 798,100
Operating Expenses (a)	439,445	316,574	768,180	614,832
Operating Income (Loss)	\$ (86,968)	\$ 91,311	\$ (138,129)	\$ 183,268
Operating Income (Loss), as a % of net revenue	(24.7)%	22.4 %	(21.9)%	23.0 %

(a) See Note 14 of Notes to Condensed Consolidated Financial Statements for information regarding cost-saving initiatives.

Certain Lazard fee and transaction statistics for the Financial Advisory segment are set forth below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Lazard Statistics:				
Number of clients with fees greater than \$1 million:				
Financial Advisory	73	85	140	147
Percentage of total Financial Advisory net revenue from top 10 clients	41%	40%	28%	31%
Number of M&A transactions completed with values greater than \$500 million (a)	9	25	18	48

(a) Source: Dealogic as of July 4, 2023.

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 Americas (U.S., Canada, and Latin America), EMEA (primarily in the U.K., France, Germany, Italy and Spain) and the Asia Pacific region and therefore may not be reflective of the geography in which the clients are located.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Americas	59 %	63 %	54 %	57 %
EMEA	40	37	45	42
Asia Pacific	1	-	1	1
Total	100 %	100 %	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, restructuring and other strategic advisory matters, 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 or other services. Accordingly, Lazard measures performance in its Financial Advisory segment based on overall segment operating 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 June 30, 2023 versus June 30, 2022

Financial Advisory net revenue decreased \$55 million, or 14%, as compared to the 2022 period. The decrease in Financial Advisory net revenue was primarily a result of a decrease in the number of fees between \$1 million and \$5 million as compared to the 2022 period.

Operating expenses, which included \$82 million associated with cost-saving initiatives in the 2023 period, increased \$123 million, or 39%, as compared to the 2022 period.

Financial Advisory operating loss was \$87 million as compared to operating income of \$91 million in the 2022 period and, as a percentage of net revenue, was (24.7)%, as compared to 22.4% in the 2022 period.

Six Months Ended June 30, 2023 versus June 30, 2022

Financial Advisory net revenue decreased \$168 million, or 21%, as compared to the 2022 period. The decrease in Financial Advisory net revenue was primarily a result of a decrease in the value of fees greater than \$10 million as compared to the 2022 period.

Operating expenses, which included \$91 million associated with cost-saving initiatives in the 2023 period, increased \$153 million, or 25%, as compared to the 2022 period.

Financial Advisory operating loss was \$138 million as compared to operating income of \$183 million in the 2022 period and, as a percentage of net revenue, was (21.9)%, as compared to 23.0% in the 2022 period.

Asset Management

Assets Under Management

AUM primarily consists of debt and equity instruments, which have a value that is readily available based on either prices quoted on a recognized exchange or prices provided by external pricing services.

Prices of equity and debt securities and other instruments that comprise our AUM are provided by well-recognized, independent, third-party vendors. Such third-party vendors rely on prices provided by external pricing services which are obtained from recognized exchanges or markets, or, for certain fixed income securities, from evaluated bids or other similarly sourced price.

Either directly, or through our third-party vendors, we perform a variety of regular due diligence procedures on our pricing service providers.

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

	As of	
	June 30, 2023	December 31, 2022
	(\$ in millions)	
AUM by Asset Class:		
Equity:		
Emerging Markets	\$ 24,554	\$ 21,557
Global	51,602	46,861
Local	51,223	47,504
Multi-Regional	57,346	51,473
Total Equity	184,725	167,395
Fixed Income:		
Emerging Markets	9,196	8,944
Global	11,347	11,029
Local	6,008	5,352
Multi-Regional	19,300	18,061
Total Fixed Income	45,851	43,386
Alternative Investments	3,959	3,812
Other Alternative Investments	2,713	-
Private Equity	1,387	1,038
Cash Management	705	494
Total AUM	\$ 239,340	\$ 216,125

Total AUM at June 30, 2023 was \$239 billion, an increase of \$23 billion, or 11%, as compared to total AUM of \$216 billion at December 31, 2022 due to market and foreign exchange appreciation and net inflows. Average AUM for the three month period ended June 30, 2023 increased 2% as compared to the three month period ended June 30, 2022 and decreased 5%, as compared to the six month period ended June 30, 2022.

As of June 30, 2023, approximately 84% 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, compared to 85% as of December 31, 2022. As of June 30, 2023, approximately 16% of our AUM was managed on behalf of individual client relationships, which was principally with family offices and individuals, compared to approximately 15% as of December 31, 2022.

As of June 30, 2023, AUM with foreign currency exposure represented approximately 63% of our total AUM as compared to 65% at December 31, 2022. AUM with foreign currency exposure generally declines in value with the strengthening of the U.S. Dollar and increases in value as the U.S. Dollar weakens, with all other factors held constant.

The following is a summary of changes in AUM by asset class for the three month and six month periods ended June 30, 2023 and 2022:

Three Months Ended June 30, 2023							
AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance	
(\$ in millions)							
Equity	\$ 178,628	\$ 5,814	\$ (7,128)	\$ (1,314)	\$ 8,097	\$ (686)	\$ 184,725
Fixed Income	45,461	1,758	(2,127)	(369)	708	51	45,851
Other	8,051	1,173	(487)	686	32	(5)	8,764
Total	\$ 232,140	\$ 8,745	\$ (9,742)	\$ (997)	\$ 8,837	\$ (640)	\$ 239,340

Inflows in the Equity asset class were primarily attributable to the Multi-Regional and Global platforms, and inflows in the Fixed Income asset class were primarily attributable to the Multi-Regional and Global platforms. Outflows in the Equity asset class were primarily attributable to the Global, Multi-Regional and Local platforms, and outflows in the Fixed Income asset class were primarily attributable to the Multi-Regional and Global platforms.

Six Months Ended June 30, 2023							
AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance	
(\$ in millions)							
Equity	\$ 167,395	\$ 12,841	\$ (14,417)	\$ (1,576)	\$ 18,847	\$ 59	\$ 184,725
Fixed Income	43,386	5,110	(4,749)	361	1,429	675	45,851
Other	5,344	4,454	(1,237)	3,217	181	22	8,764
Total	\$ 216,125	\$ 22,405	\$ (20,403)	\$ 2,002	\$ 20,457	\$ 756	\$ 239,340

Inflows include approximately \$3.9 billion related to a wealth management acquisition.

Inflows in the Equity asset class were primarily attributable to the Multi-Regional and Global platforms, and inflows in the Fixed Income asset class were primarily attributable to the Multi-Regional and Global platforms. Outflows in the Equity asset class were primarily attributable to the Global, Multi-Regional and Local platforms, and outflows in the Fixed Income asset class were primarily attributable to the Multi-Regional and Global platforms.

Three Months Ended June 30, 2022							
AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance	
(\$ in millions)							
Equity	\$ 201,027	\$ 7,089	\$ (10,987)	\$ (3,898)	\$ (20,701)	\$ (6,154)	\$ 170,274
Fixed Income	44,984	1,940	(2,992)	(1,052)	(2,090)	(1,913)	39,929
Other	6,664	951	(650)	301	(406)	(136)	6,423
Total	\$ 252,675	\$ 9,980	\$ (14,629)	\$ (4,649)	\$ (23,197)	\$ (8,203)	\$ 216,626

Six Months Ended June 30, 2022

	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	(\$ in millions)						
Equity	\$ 221,006	\$ 13,205	\$ (23,801)	\$ (10,596)	\$ (32,340)	\$ (7,796)	\$ 170,274
Fixed Income	46,286	4,495	(5,698)	(1,203)	(2,832)	(2,322)	39,929
Other	6,447	1,722	(1,097)	625	(470)	(179)	6,423
Total	\$ 273,739	\$ 19,422	\$ (30,596)	\$ (11,174)	\$ (35,642)	\$ (10,297)	\$ 216,626

Average AUM for the three month and six month periods ended June 30, 2023 and 2022 for each significant asset class is set forth below. Average AUM generally represents the average of the monthly ending AUM balances for the period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(\$ in millions)			
Average AUM by Asset Class:				
Equity	\$ 181,066	\$ 181,343	\$ 178,218	\$ 192,695
Fixed Income	45,881	42,171	45,533	43,993
Alternative Investments	4,074	4,374	4,035	4,387
Other Alternative Investments	2,657	-	1,772	-
Private Equity	963	1,259	933	1,263
Cash Management	711	1,015	619	925
Total Average AUM	\$ 235,352	\$ 230,162	\$ 231,110	\$ 243,263

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(\$ in thousands)			
Net Revenue	\$ 288,313	\$ 289,151	\$ 572,357	\$ 627,652
Operating Expenses (a)	269,219	232,546	517,270	474,062
Operating Income	\$ 19,094	\$ 56,605	\$ 55,087	\$ 153,590
Operating Income, as a % of net revenue	6.6 %	19.6 %	9.6 %	24.5 %

(a) See Note 14 of Notes to Condensed Consolidated Financial Statements for information regarding cost-saving initiatives.

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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Americas	43 %	48 %	42 %	47 %
EMEA	45	40	45	42
Asia Pacific	12	12	13	11
Total	100 %	100 %	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 June 30, 2023 versus June 30, 2022

Asset Management net revenue decreased \$1 million as compared to the 2022 period. Management fees and other revenue remained substantially the same as compared to the 2022 period. Incentive fees were \$6 million, a decrease of \$1 million as compared to \$7 million in the 2022 period.

Operating expenses, which included \$37 million associated with cost-saving initiatives in the 2023 period, increased \$37 million, or 16%, as compared to the 2022 period.

Asset Management operating income was \$19 million, a decrease of \$38 million, or 66%, as compared to operating income of \$57 million in the 2022 period and, as a percentage of net revenue, was 6.6%, as compared to 19.6% in the 2022 period.

Six Months Ended June 30, 2023 versus June 30, 2022

Asset Management net revenue decreased \$55 million, or 9%, as compared to the 2022 period. Management fees and other revenue was \$561 million, a decrease of \$34 million, or 6%, as compared to \$595 million in the 2022 period primarily due to a decrease in average AUM. Incentive fees were \$11 million, a decrease of \$21 million as compared to \$33 million in the 2022 period.

Operating expenses, which included \$48 million associated with cost-saving initiatives in the 2023 period, increased \$43 million, or 9%, as compared to the 2022 period.

Asset Management operating income was \$55 million, a decrease of \$99 million, or 64%, as compared to operating income of \$154 million in the 2022 period and, as a percentage of net revenue, was 9.6%, as compared to 24.5% in the 2022 period.

Corporate

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(\$ in thousands)			
Interest Income	\$ 3,326	\$ 1,876	\$ 10,645	\$ 2,981
Interest Expense	(19,151)	(19,235)	(38,547)	(38,539)
Net Interest Expense	(15,825)	(17,359)	(27,902)	(35,558)
Other Revenue (Loss)	18,149	(40,131)	11,044	(55,756)
Net Revenue (Loss)	2,324	(57,490)	(16,858)	(91,314)
Operating Expenses (Credits) (a)	44,523	(35,412)	47,097	(40,022)
Operating Loss	\$ (42,199)	\$ (22,078)	\$ (63,955)	\$ (51,292)

(a) See Note 14 of Notes to Condensed Consolidated Financial Statements for information regarding cost-saving initiatives.

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 June 30, 2023 versus June 30, 2022

Net interest expense decreased \$2 million as compared to the 2022 period.

Other revenue was positively impacted by gains attributable to investments held in connection with LFI in the 2023 period, as compared to losses in the 2022 period.

Operating expenses increased \$80 million as compared to the 2022 period primarily due to \$28 million associated with cost-saving initiatives in the 2023 period, and charges in the 2023 period as compared to credits in the 2022 period pertaining to LFI.

Six Months Ended June 30, 2023 versus June 30, 2022

Net interest expense decreased \$8 million as compared to the 2022 period.

Other revenue was positively impacted by gains attributable to investments held in connection with LFI in the 2023 period, as compared to losses in the 2022 period. Such gains in the 2023 period were partially offset by losses incurred from the impairment of equity method investments and the liquidation of LGAC in February 2023.

Operating expenses excluding the benefit pursuant to the TRA of \$40 million, increased \$128 million as compared to the 2022 period primarily due to \$28 million associated with cost-saving initiatives in the 2023 period, and charges in the 2023 period as compared to credits in the 2022 period pertaining to LFI.

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 shareholders, payments of incentive compensation to managing directors and employees and purchases of common stock.

M&A and 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 Capital Advisory activities are generally collected over a four-year period from billing and typically include an interest component.

The Company makes cash payments for a significant portion of its incentive compensation during the first three months of each calendar year with respect to the prior year's results.

Summary of Cash Flows:

	Six Months Ended June 30,	
	2023	2022
(\$ in millions)		
Cash Provided By (Used In):		
Operating activities:		
Net income (loss)	\$ (136)	\$ 213
Adjustments to reconcile net income to net cash provided by operating activities (a)	198	309
Other operating activities (b)	(273)	(437)
Net cash provided by (used in) operating activities	(211)	85
Investing activities	(22)	(20)
Financing activities (c)	(1,244)	(62)
Effect of exchange rate changes	18	(208)
Net Decrease in Cash and Cash Equivalents and Restricted Cash	(1,459)	(205)
Cash and Cash Equivalents and Restricted Cash (d):		
Beginning of Period	2,639	3,430
End of Period	\$ 1,180	\$ 3,225

(a) Consists of the following:

	Six Months Ended June 30,	
	2023	2022
(\$ in millions)		
Depreciation and amortization of property	\$ 22	\$ 21
Noncash lease expense	32	32
Amortization of deferred expenses and share-based incentive compensation	250	213
Deferred tax provision (benefit)	(114)	43
Benefit pursuant to tax receivable agreement	(40)	-
Impairment of equity method investments and other receivables	23	-
Impairment of assets associated with cost-saving initiatives	7	-
Loss on LGAC liquidation	18	-
Total	\$ 198	\$ 309

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

(c) Consists primarily of purchases of shares of common stock, tax withholdings related to the settlement of vested RSUs, vested RSAs and vested PRSUs, common stock dividends, changes in customer deposits, distributions to noncontrolling interest holders, and in 2023, distributions to redeemable noncontrolling interests associated with LGAC's redemption of all its outstanding Class A ordinary shares.

(d) Consists of cash and cash equivalents, deposits with banks and short-term investments and restricted cash.

Liquidity and Capital Resources

The Company's liquidity and capital resources are derived from multiple sources as described in "—Sources and Uses of Liquidity".

Sources and Uses of Liquidity

Net revenue, operating income and cash receipts fluctuate significantly between periods and could be affected by various risks and uncertainties. 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 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 expect this seasonal pattern of cash flow to continue. We also pay certain tax advances during the year on behalf of certain managing directors, which serve to reduce their respective incentive compensation payments. Additionally, we anticipate payments in August 2023 with respect to deferred cash awards and throughout the year relating to severance and other employee termination costs associated with the cost-saving initiatives (See Note 14 of Notes to Condensed Consolidated Financial Statements).

Liquidity is also affected by the level of deposits and other customer payables, principally at LFB. To the extent that such deposits and other customer payables rise or fall, this has a corresponding impact on liquidity held at LFB, with the majority of such amounts generally being recorded in "deposits with banks and short-term investments". In the first half of 2023, as reflected on the condensed consolidated statements of financial condition, both "deposits with banks and short-term investments" and "deposits and other customer payables" decreased as compared to December 31, 2022, and reflect the level of LFB customer-related demand deposits, primarily from clients and funds managed by LFG.

We regularly monitor our liquidity position, including cash levels, lease obligations, investments, credit lines, principal investment commitments, interest and principal payments on debt, capital expenditures, dividend payments, purchases of shares of common stock and matters relating to liquidity and to compliance with regulatory net capital requirements. At June 30, 2023, Lazard had approximately \$698 million of cash, including approximately \$417 million held at Lazard's operations outside the U.S. Lazard provides for income taxes on substantially all of its foreign earnings. We expect that no material amount of additional taxes would be recognized upon receipt of dividends or distributions of such earnings from our foreign operations.

As of June 30, 2023, the Company's remaining lease obligations were \$41 million for 2023 (July 1 through December 31), \$153 million from 2024 through 2025, \$124 million from 2026 through 2027 and \$281 million through 2033.

As of June 30, 2023, Lazard had approximately \$209 million in unused lines of credit available to it, including a \$200 million, five-year, senior revolving credit facility under the Second Amended and Restated Credit Agreement.

The Second Amended and Restated Credit Agreement 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 Second Amended and Restated Credit Agreement 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. Borrowings under the Second Amended and Restated Credit Agreement generally will bear interest at adjusted term SOFR plus an applicable margin for specific interest periods determined based on Lazard Group's highest credit rating from an internationally recognized credit agency.

As long as the lenders' commitments remain in effect, any loan pursuant to the Second Amended and Restated Credit Agreement remains outstanding and unpaid or any other amount is due to the lending bank group, the Second Amended and Restated Credit Agreement includes financial covenants that require that Lazard Group not permit (i) its Consolidated Leverage Ratio (as defined in the Second Amended and Restated Credit Agreement) for the 12-month period ending on the last day of any fiscal quarter to be greater than 3.25 to 1.00, provided that the Consolidated Leverage Ratio may be greater than 3.25 to 1.00 for four (consecutive or nonconsecutive) quarters so long as it is not greater than 3.50 to 1.00 on the last day of any such quarter, or (ii) its Consolidated Interest Coverage Ratio (as defined in the Second Amended and Restated Credit Agreement) 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 June 30, 2023, Lazard Group was in compliance with such ratios, with its

Consolidated Leverage Ratio being 2.21 to 1.00 and its Consolidated Interest Coverage Ratio being 13.53 to 1.00. In any event, no amounts were outstanding under the Second Amended and Restated Credit Agreement as of June 30, 2023.

In addition, the Second Amended and Restated Credit Agreement contains certain other covenants (none of which relate to financial condition), events of default and other customary provisions. At June 30, 2023, the Company was in compliance with all of these provisions.

Lazard's annual cash flow generated from operations historically has been sufficient to enable it to meet its annual obligations. We believe that the sources of liquidity described above should be sufficient for us to fund our current obligations for the next 12 months.

See also Notes 10, 12, 13, 15 and 17 of Notes to Condensed Consolidated Financial Statements regarding information in connection with commitments, incentive plans, employee benefit plans, income taxes and tax receivable agreement obligations, respectively.

Senior Debt

The table below sets forth our corporate indebtedness as of June 30, 2023 and December 31, 2022. 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.

Senior Debt	Maturity	Outstanding as of					
		June 30, 2023			December 31, 2022		
		Principal	Unamortized Debt Costs	Carrying Value	Principal	Unamortized Debt Costs	Carrying Value
(\$ in millions)							
Lazard Group 2025 Senior Notes	2025	\$ 400.0	\$ 0.8	\$ 399.2	\$ 400.0	\$ 1.0	\$ 399.0
Lazard Group 2027 Senior Notes	2027	300.0	1.4	298.6	300.0	1.6	298.4
Lazard Group 2028 Senior Notes	2028	500.0	4.4	495.6	500.0	4.9	495.1
Lazard Group 2029 Senior Notes	2029	500.0	4.4	495.6	500.0	4.8	495.2
		<u>\$ 1,700.0</u>	<u>\$ 11.0</u>	<u>\$ 1,689.0</u>	<u>\$ 1,700.0</u>	<u>\$ 12.3</u>	<u>\$ 1,687.7</u>

The indenture and supplemental indentures relating to Lazard Group's senior notes contain certain covenants (none of which relate to financial condition), events of default and other customary provisions. At June 30, 2023, 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.

Stockholders' Equity

At June 30, 2023, total stockholders' equity was \$416 million, as compared to \$675 million at December 31, 2022, including \$360 million and \$556 million attributable to Lazard Ltd on the respective dates. The net activity in stockholders' equity during the six month period ended June 30, 2023 is reflected in the table below (in millions of dollars):

Stockholders' Equity - January 1, 2023	\$	675
Increase (decrease) due to:		
Net loss (a)		(144)
Other comprehensive income		14
Amortization of share-based incentive compensation		151
Purchase of common stock		(99)
Settlement of share-based incentive compensation (b)		(49)
Common stock dividends		(86)
LFI Consolidated Funds		(74)
Reversal to net loss of amounts previously charged to additional paid-in-capital and noncontrolling interests		18
Reversal of deferred offering costs liability		20
Other - net		(10)
Stockholders' Equity - June 30, 2023	\$	416

(a) Excludes net income associated with redeemable noncontrolling interests of \$9 million in 2023.

(b) The tax withholding portion of share-based compensation is settled in cash, not shares.

The Board of Directors of Lazard has issued a series of authorizations to repurchase common stock, which help offset the dilutive effect of our share-based incentive compensation plans. During a given year the Company intends to repurchase at least as many shares as it expects to issue pursuant to such compensation plans in respect of year-end incentive compensation attributable to the prior year. The rate at which the Company purchases shares in connection with this annual objective may vary from period to period due to a variety of factors. Purchases with respect to such program are set forth in the table below:

<u>Six Months Ended June 30:</u>	<u>Number of Shares Purchased</u>	<u>Average Price Per Share</u>
2022	10,598,882	\$ 35.40
2023	2,697,627	\$ 36.73

As of June 30, 2023, a total of \$203 million of share repurchase authorization remained available under Lazard Ltd's share repurchase program, which authorization will expire on December 31, 2024.

During the six month period ended June 30, 2023, Lazard Ltd had in place trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to which it effected stock repurchases in the open market.

On July 26, 2023, the Board of Directors of Lazard declared a quarterly dividend of \$0.50 per share on our common stock. The dividend is payable on August 18, 2023 to stockholders of record on August 7, 2023.

See Notes 11 and 12 of Notes to Condensed Consolidated Financial Statements for additional information regarding Lazard's stockholders' 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 rules regarding 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 18 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 our Form 10-K.

Critical Accounting Policies and Estimates

The preparation of Lazard's condensed consolidated financial statements, in conformity with U.S. GAAP, 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, the allowance for credit losses, compensation liabilities, income taxes (including the impact on the tax receivable agreement obligation), 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.

The following is a description of Lazard's critical accounting estimates and judgments used in the preparation of its condensed consolidated financial statements.

Revenue Recognition

Lazard generates substantially all of its revenue from providing Financial Advisory and Asset Management services to clients. Lazard recognizes revenue in accordance with the criteria in Note 2 of Notes to Consolidated Financial Statements in our Form 10-K.

Assessment of these criteria requires the application of judgment in determining the timing and amount of revenue recognized, including the probability of collection of fees.

Allowance for Credit Losses

We maintain an allowance for credit losses to provide coverage for estimated losses from our receivables. We determine the adequacy of the allowance under the current expected credit losses ("CECL") guidance by (i) applying a bad debt charge-off rate based on historical charge-off experience; (ii) 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 uncollectible, which may include situations where a fee is in dispute or litigation has commenced; and (iii) performing qualitative assessments to monitor economic risks that may require additional adjustments.

The allowance for credit losses involves judgment including incorporation of historical loss experience and assessment of risk characteristics of our clients. The bad debt charge-off rate based on historical charge-off experience was an average annual rate estimated using the most recent two years of charge-off data. When assessing risk characteristics of individual clients, we considered the macroeconomic environment in the local market, our collection experience and recent communication with the client, as well as any potential future engagement with the client.

Compensation Liabilities

Annual discretionary compensation represents a significant portion of our annual compensation and benefits expense. We allocate the estimated amount of such annual discretionary compensation to interim periods in proportion to the amount of operating revenue earned in such periods based on an estimated annual ratio of awarded compensation and benefits expense to operating revenue. See "Financial Statement Overview—Operating Expenses" for more information on our periodic compensation and benefits expense.

Income Taxes

As part of the process of preparing our consolidated financial statements, we estimate our income taxes for each of our tax-paying entities in its respective jurisdiction. In addition to estimating actual current tax liabilities for these jurisdictions, we also must account for the tax effects of differences between the financial reporting and tax reporting of items, such as basis adjustments, compensation and benefits expense, and depreciation and amortization. Differences which are temporary in nature result in deferred tax assets and liabilities. Significant judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities, any valuation allowance recorded against our deferred tax assets and our unrecognized tax benefits.

We recognize a deferred tax asset if it is more likely than not (defined as a likelihood of greater than 50%) that a tax benefit will be accepted by the relevant taxing authority. The measurement of deferred tax assets and liabilities is based upon currently enacted tax rates in the applicable jurisdictions. At December 31, 2022, on a consolidated basis, we recorded gross deferred tax assets of approximately \$598 million, with such amount partially offset by a valuation allowance of approximately \$88 million (as described below).

Subsequent to the initial recognition of deferred tax assets, we also must continually assess the likelihood that such deferred tax assets will be realized. If we determine that we may not fully derive the benefit from a deferred tax asset, we consider whether it would be appropriate to apply a valuation allowance against the applicable deferred tax asset, taking into account all available information. The ultimate realization of a deferred tax asset for a particular entity depends, among other things, on the generation of taxable income by such entity in the applicable jurisdiction.

We consider multiple possible sources of taxable income when assessing a valuation allowance against a deferred tax asset. See Note 2 of Notes to Consolidated Financial Statements in our Form 10-K for additional information on sources of taxable income, and the information considered when assessing whether a valuation allowance is required.

The weight we give to any particular item is, in part, dependent upon the degree to which it can be objectively verified. We give greater weight to the recent results of operations of a relevant entity. Pre-tax operating losses on a three year cumulative basis or lack of sustainable profitability are considered objectively verifiable evidence and will generally outweigh a projection of future taxable income.

Certain of our tax-paying entities have individually experienced losses on a cumulative three year basis or have tax attributes that may expire unused. In addition, some of our tax-paying entities have recorded a valuation allowance on substantially all of their deferred tax assets due to the combined effect of operating losses in certain subsidiaries of these entities as well as foreign taxes that together substantially offset any U.S. tax liability. Taking into account all available information, we cannot determine that it is more likely than not that deferred tax assets held by these entities will be realized. Consequently, we have recorded valuation allowances on \$88 million of deferred tax assets held by these entities as of December 31, 2022.

We record tax positions taken or expected to be taken in a tax return based upon our estimates regarding 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, we recognize 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 for 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 Item 1A, "Risk Factors" in our Form 10-K and Note 15 of Notes to Condensed Consolidated Financial Statements for additional information related to income taxes.

Amended and Restated Tax Receivable Agreement

The Second Amended and Restated Tax Receivable Agreement, dated as of October 26, 2015 (the "TRA"), between Lazard and LTBP Trust (the "Trust") provides for payments by our subsidiaries to the owners of the Trust, who include certain of our executive officers.

The amount of the TRA liability is an undiscounted amount based upon current tax laws and the structure of the Company and various assumptions regarding potential future operating profitability. The assumptions reflected in the estimate involve significant judgment, and if our structure or income assumptions were to change, we could be required to accelerate payments under the TRA. As such, the actual amount and timing of payments under the TRA could differ materially from our estimates. See Note 17 of Notes to Condensed Consolidated Financial Statements for additional information regarding the TRA.

Pursuant to the periodic revaluation of the TRA liability and the assumptions reflected in the estimate, the revaluation had the effect of reducing the estimated liability under the TRA. As a result, the Company recorded a "benefit pursuant to tax receivable agreement" of \$40 million on the condensed consolidated statement of operations for the six month period ended June 30, 2023. In addition, the Company made a payment under the TRA in the six months ended June 30, 2023 of \$32 million.

The cumulative liability relating to our obligations under the TRA as of June 30, 2023 and December 31, 2022 was \$119 million and \$191 million, respectively, and is recorded in "tax receivable agreement obligation" on the condensed consolidated statements of financial condition.

Goodwill

In accordance with current accounting guidance, goodwill has an indefinite life and is tested for impairment annually, as of November 1, or more frequently if circumstances indicate impairment may have occurred. The goodwill associated with each business combination is allocated to the related reporting units for impairment testing. The Company performs 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. The qualitative evaluation includes significant judgment on the business outlook assumptions of each reporting unit based on historical data, current economic conditions, stock performance and industry trends. See Note 8 of Notes to Condensed Consolidated Financial Statements for additional information regarding goodwill.

Consolidation

The condensed consolidated financial statements include entities in which Lazard 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 ("VOE") or a variable interest entity ("VIE") under U.S. GAAP.

- **Voting Interest Entities.** VOEs 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 VOE if it holds a majority of the voting interest in such VOE.
- **Variable Interest Entities.** VIEs are entities that lack one or more of the characteristics of a VOE. 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 required to consolidate a VIE if we are the primary beneficiary having (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of, or receive benefits from, the VIE that could be potentially significant to the VIE.

Lazard's involvement with various entities that are VOEs or VIEs primarily arises from LFI investments, investment management contracts with fund entities in our Asset Management business and LGAC. Lazard is not required to consolidate such entities because, with the exception of certain seed and LFI investments, and LGAC, as discussed below, we do not hold more than an inconsequential equity interest in such entities and we do not hold other variable interests (including our investment management agreements, which do not meet the definition of variable interests) in such entities.

Lazard makes seed and LFI investments in certain entities that are considered VOEs and VIEs and often require consolidation as a result of our investment. The impact of seed and LFI investment entities that require consolidation on the condensed consolidated financial statements, including any consolidation or deconsolidation of such entities, is not material to our financial statements. Our exposure to loss from entities in which we have made such investments is limited to the extent of our investment in, or investment commitment to, such entities.

Generally, when the Company initially invests to seed an investment entity, the Company is the majority owner of the entity. Our majority ownership in seed investment entities represents a controlling interest, except when we are the general partner in such entities and the third-party investors have the right to replace the general partner. To the extent material, we consolidate seed and LFI investment entities in which we own a controlling interest, and we would deconsolidate any such entity when we no longer have a controlling interest in such entity.

Seed investments held in entities in which the Company maintained a controlling interest were \$91 million in nine entities as of June 30, 2023, as compared to \$112 million in thirteen entities as of December 31, 2022. LFI investments held in entities in which the Company maintained a controlling interest were \$170 million in ten entities as of June 30, 2023, as compared to \$139 million in nine entities as of December 31, 2022.

As of June 30, 2023 and December 31, 2022, the Company did not consolidate any seed investment entities or LFI investment entities, with the exception of the consolidation of certain LFI funds (see Note 20 of Notes to Condensed Consolidated Financial Statements). As such, seed investments and substantially all of LFI investments included in "investments" on the consolidated statements of financial condition represented the Company's economic interest in the seed and LFI investments.

See Note 1 of Notes to Condensed Consolidated Financial Statements for additional information on the consolidation of LGAC.

Risk Management

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 fair value on the condensed consolidated statements of financial condition, and any increases or decreases in the fair value of these investments are reflected in earnings. The fair value of investments is generally based upon market prices or the net asset value ("NAV") or its equivalent for investments in funds.

Investments also include those investments accounted for under the equity method of accounting. Any increases or decreases in the Company's share of net income or losses pertaining to its equity method investments are reflected in earnings.

See Note 5 of Notes to Condensed Consolidated Financial Statements for additional information on the measurement of the fair value of investments.

Lazard is subject to market and credit risk on investments held. As such, 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.

Data relating to investments is set forth below:

	June 30, 2023	December 31, 2022
	(\$ in thousands)	
Seed investments by asset class:		
Debt	\$ 5,022	\$ -
Equities (a)	109,647	126,632
Fixed income	15,457	14,774
Alternative investments	31,386	31,634
Private equity	18,363	18,508
Total seed investments	179,875	191,548
Other investments owned:		
Private equity	11,107	18,876
Fixed income and other	2,337	23,337
Total other investments owned	13,444	42,213
Subtotal	193,319	233,761
Add:		
Private equity consolidated, not owned	13,712	16,438
Equity method	-	15,481
LFI	483,168	433,297
Total investments	\$ 690,199	\$ 698,977

(a) At June 30, 2023 and December 31, 2022, seed investments in directly owned equity securities were invested as follows:

	June 30, 2023	December 31, 2022
Percentage invested in:		
Financials	14 %	15 %
Consumer	32	34
Industrial	14	12
Technology	20	17
Other	20	22
Total	100 %	100 %

The Company makes investments primarily to seed strategies in our Asset Management business or to reduce exposure arising from LFI and other similar deferred compensation arrangements. The Company measures its net economic exposure to market and other risks arising from investments that it owns, excluding (i) investments held in connection with LFI and other similar deferred compensation arrangements, (ii) investments in funds owned entirely by the noncontrolling interest holders of certain acquired entities and (iii) investments accounted for under the equity method of accounting.

The market risk associated with investments held in connection with LFI and other similar deferred compensation arrangements is equally offset by the market risk associated with the derivative liability with respect to awards expected to vest. 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.

Risk sensitivities include the effects of economic hedging. For equity market price risk, investment portfolios and their corresponding hedges are beta-adjusted to the All-Country World equity index. Fair value and sensitivity measurements presented herein are based on various portfolio exposures at a particular point in time and may not be representative of future results. Risk exposures may change as a result of ongoing portfolio activities and changing market conditions, among other things.

Equity Market Price Risk—At June 30, 2023 and December 31, 2022, the Company’s exposure to equity market price risk in its investment portfolio, which primarily relates to investments in equity securities, equity funds and hedge funds, was approximately \$148 million and \$147 million, respectively. The Company hedges market exposure arising from a significant portion of our equity investment portfolios by entering into total return swaps. The Company estimates that a hypothetical 10% adverse change in market prices would result in a net (increase) decrease of approximately \$(1.3) million and \$2.0 million in the carrying value of such investments as of June 30, 2023 and December 31, 2022, respectively, including the effect of the hedging transactions.

Interest Rate/Credit Spread Risk—At June 30, 2023 and December 31, 2022, the Company’s exposure to interest rate and credit spread risk in its investment portfolio related to investments in debt securities or funds which invest primarily in debt securities was \$17 million and \$53 million, respectively. The Company hedges market exposure arising from a portion of our debt investment portfolios by entering into total return swaps. The Company estimates that a hypothetical 100 basis point adverse change in interest rates or credit spreads would result in a net (increase) decrease of approximately \$(0.1) million and \$0.1 million in the carrying value of such investments as of June 30, 2023 and December 31, 2022, respectively, including the effect of the hedging transactions.

Foreign Exchange Rate Risk—At June 30, 2023 and December 31, 2022, the Company’s exposure to foreign exchange rate risk in its investment portfolio, which primarily relates to investments in foreign currency denominated equity and debt securities was \$68 million and \$63 million, respectively. A significant portion of the Company’s foreign currency exposure related to our equity and debt investment portfolios is hedged through the aforementioned total return swaps. The Company estimates that a 10% adverse change in foreign exchange rates versus the U.S. Dollar would result in a decrease of approximately \$1.6 million and \$3.0 million in the carrying value of such investments as of June 30, 2023 and December 31, 2022, respectively, including the effect of the hedging transactions.

Private Equity—The Company invests in private equity primarily as a part of its co-investment activities and in connection with certain legacy businesses. At June 30, 2023 and December 31, 2022, the Company’s exposure to changes in fair value of such investments was approximately \$29 million and \$37 million, respectively. The Company estimates that a hypothetical 10% adverse change in fair value would result in a decrease of approximately \$2.9 million and \$3.7 million in the carrying value of such investments as of June 30, 2023 and December 31, 2022, respectively.

For additional information regarding risks associated with our investments, see Item 1A, “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.

Risks Related to Receivables

We maintain an allowance for credit losses to provide coverage for expected losses from our receivables. We determine the adequacy of the allowance by estimating the expected credit losses based on our analysis of the client’s creditworthiness and specifically provide for exposures where we determine the receivables are uncollectible. At June 30, 2023, total receivables amounted to \$675 million, net of an allowance for credit losses of \$27 million. As of that date, Financial Advisory and Asset Management fees, and customers and other receivables comprised 78% and 22% of total receivables, respectively. At December 31, 2022, total receivables amounted to \$653 million, net of an allowance for credit losses of \$18 million. As of that date, Financial Advisory and Asset Management fees, and customers and other receivables comprised 75% and 25% of total receivables, 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.

LFG and LFB offer wealth management and banking services to high net worth individuals and families. At June 30, 2023 and December 31, 2022, customers and other receivables included \$112 million and \$129 million, respectively, of LFB loans. Such loans were fully collateralized and monitored for counterparty creditworthiness. Therefore, there was no allowance for credit losses required at those dates related to such receivables.

Credit Concentrations

The Company monitors its exposures to individual counterparties and diversifies where appropriate to reduce the exposure to concentrations of credit.

Risks Related to Derivatives

Lazard enters into forward foreign currency exchange contracts and interest rate swaps to hedge exposures to currency exchange rates and interest rates and uses total return swap contracts on various equity and debt indices 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. Net derivative assets amounted to \$1 million and \$15 million at June 30, 2023 and December 31, 2022, respectively, and net derivative liabilities, excluding the derivative liability arising from the Company's obligation pertaining to LFI and other similar deferred compensation arrangements amounted to \$5 and \$1 million at June 30, 2023 and December 31, 2022, respectively.

The Company also records derivative liabilities relating to its obligations pertaining to LFI 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 expected to be delivered upon settlement of LFI awards. Derivative liabilities relating to LFI amounted to \$373 million and \$326 million at June 30, 2023 and December 31, 2022, respectively.

Risks Related to Cash and Cash Equivalents and Corporate Indebtedness

A significant portion of the Company's indebtedness has fixed interest rates, while its cash and cash equivalents generally have market interest rates. Based on account balances as of June 30, 2023, Lazard estimates that its annual operating income relating to cash and cash equivalents would increase by approximately \$7 million in the event interest rates were to increase by 1% and decrease by approximately \$7 million if rates were to decrease by 1%.

As of June 30, 2023, the Company's cash and cash equivalents totaled approximately \$698 million. Substantially all of the Company's cash and cash equivalents were invested in (i) highly liquid institutional money market funds (a significant majority of which were invested solely in U.S. Government or agency money market funds), (ii) in short-term interest bearing and non-interest bearing accounts at a number of leading banks throughout the world, and (iii) in short-term certificates of deposit from such banks. Cash and cash equivalents are continuously 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 Risk

Operational risk is inherent in all of our businesses and may, for example, manifest itself in the form of errors, breaches in the system of internal controls, employee misconduct, business interruptions, fraud, including fraud perpetrated by third parties, legal actions due to operating deficiencies, noncompliance or cyber attacks. 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 our operating subsidiaries 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 policies designed to help protect the Company against accidental loss and losses that may significantly affect our financial objectives, personnel, property or our ability to continue to meet our responsibilities to our various stakeholder groups.

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 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 judicial, governmental, 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 may 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 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 for the year ended December 31, 2022.

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

None.

Issuer Repurchases of Equity Securities

The following table sets forth information regarding Lazard's purchases of its common stock on a monthly basis during the second quarter of 2023. Share repurchases are recorded on a trade date basis.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
April 1 – April 30, 2023				
Share Repurchase Program (1)	-	\$ -	-	\$ 203.2 million
Employee Transactions (2)	465	\$ 33.22	-	-
May 1 – May 31, 2023				
Share Repurchase Program (1)	-	\$ -	-	\$ 203.2 million
Employee Transactions (2)	95,053	\$ 31.28	-	-
June 1 – June 30, 2023				
Share Repurchase Program (1)	5,466	\$ 31.35	-	\$ 203.0 million
Employee Transactions (2)	19,739	\$ 29.18	-	-
Total				
Share Repurchase Program (1)	5,466	\$ 31.35	5,466	\$ 203.0 million
Employee Transactions (2)	115,257	\$ 30.92	-	-

(1) Since 2021 and through the six months ended June 30, 2023, the Board of Directors of Lazard authorized the repurchase of common stock as set forth in the table below.

<u>Date</u>	<u>Repurchase Authorization</u>	<u>Expiration</u>
	<u>(\$ in thousands)</u>	
April 2021	\$ 300,000	December 31, 2022
February 2022	\$ 300,000	December 31, 2024
July 2022	\$ 500,000	December 31, 2024

A significant portion of the Company's purchases under the share repurchase program are used to offset a portion of the shares that have been or will be issued under the 2018 Plan. Purchases under the share repurchase program may be made in the open market or through privately negotiated transactions. The rate at which the Company purchases shares in connection with the share repurchase program may vary from quarter to quarter due to a variety of factors. Amounts shown in this line item include repurchases of common stock and exclude the shares of common stock withheld by the Company to meet the minimum statutory tax withholding requirements as described below.

(2) Under the terms of the 2018 Plan, upon the settlement of RSUs, PRSUs, DSUs and delivery of restricted stock, shares of common stock may be withheld by the Company to meet the minimum statutory tax withholding requirements. During the three month period ended June 30, 2023, the Company satisfied such obligations in lieu of issuing (i) 26,890 shares of common stock upon the settlement of 79,580 RSUs and (ii) 88,367 shares of common stock upon the delivery of 176,217 shares of restricted stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

PART IV

- Item 6. Exhibits**
- 3.1 Certificate of Incorporation and Memorandum of Association of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).
 - 3.2 Certificate of Incorporation on Change of Name of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).
 - 3.3 Amended and Restated Bye-Laws of Lazard Ltd (incorporated by reference to Exhibit 3.3 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
 - 3.4 First Amendment to Amended and Restated Bye-Laws of Lazard Ltd (incorporated by reference to Exhibit 3.4 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 9, 2008).
 - 3.5 Second Amendment to the Amended and Restated Bye-Laws of Lazard Ltd (incorporated by reference to Exhibit 3.5 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2010).
 - 4.1 Form of Specimen Certificate for Class A common stock (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on April 11, 2005).
 - 4.2 Indenture, dated as of May 10, 2005, by and between Lazard Group LLC and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to Lazard Group LLC's Registration Statement (File No. 333-126751) on Form S-4 filed on July 21, 2005).
 - 4.3 Sixth Supplemental Indenture, dated as of February 13, 2015, between Lazard Group LLC and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on February 13, 2015).
 - 4.4 Seventh Supplemental Indenture, dated as of November 4, 2016, between Lazard Group LLC and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on November 7, 2016).
 - 4.5 Eighth Supplemental Indenture, dated as of September 19, 2018, between Lazard Group LLC and the Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on September 19, 2018).
 - 4.6 Ninth Supplemental Indenture, dated as of March 11, 2019, between Lazard Group LLC and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on March 11, 2019).
 - 4.7 Form of Senior Note (included in Exhibits 4.3, 4.4, 4.5, and 4.6).
 - 10.1 Third Amended and Restated Operating Agreement of Lazard Group LLC, dated as of March 31, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).
 - 10.2 Second Amended and Restated Tax Receivable Agreement, dated as of October 26, 2015, by and among Ltd Sub A, Ltd Sub B and LTBP Trust (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on October 28, 2015).
 - 10.3 Lease, dated as of January 27, 1994, by and between Rockefeller Center Properties and Lazard Frères & Co. LLC (incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).

- 10.4 Fourth Amendment dated as of February 16, 2011, 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 10.16 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 29, 2011).
- 10.5* Lazard Ltd 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on May 2, 2005).
- 10.6* Lazard Ltd 2008 Incentive Compensation Plan (incorporated by reference to Annex B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-32492) filed on March 24, 2008).
- 10.7* Lazard Ltd 2018 Incentive Compensation Plan (incorporated by reference to Annex B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-32492) filed on March 15, 2018).
- 10.8* Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 31, 2022, by and among the Registrant, Lazard Group LLC and Kenneth M. Jacobs (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
- 10.9* Amendment to Amended and Restated Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 25, 2023, by and among the Registrant, Lazard Group LLC and Kenneth M. Jacobs (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on May 26, 2023).
- 10.10* Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 31, 2022, by and among the Registrant, Lazard Group LLC and Evan L. Russo (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
- 10.11* Amendment to Amended and Restated Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 25, 2023, by and among the Registrant, Lazard Group LLC and Evan L. Russo (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on May 26, 2023).
- 10.12* Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 31, 2022, by and among the Registrant, Lazard Group LLC and Peter R. Orszag (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
- 10.13* Amendment to Amended and Restated Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 25, 2023, by and among the Registrant, Lazard Group LLC and Peter R. Orszag (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on May 26, 2023).
- 10.14* Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 29, 2019, by and among the Registrant, Lazard Group LLC and Ashish Bhutani (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 3, 2019).
- 10.15* Resignation Letter Agreement, dated as of March 31, 2022, by and between the Registrant and Ashish Bhutani (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).
- 10.16* Letter Agreement, dated as of January 1, 2023, by and between Lazard Asset Management LLC and Ashish Bhutani (incorporated by reference to Exhibit 10.13 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).
- 10.17* Amended and Restated Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 29, 2019, by and among the Registrant, Lazard Group LLC and Alexander F. Stern (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 3, 2019).

10.18*	<u>Resignation Letter Agreement, dated as of March 31, 2022, by and between the Registrant and Alexander F. Stern (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on April 6, 2022).</u>
10.19*	<u>Letter Agreement, dated as of January 1, 2023, by and between Lazard Frères & Co. LLC and Alexander F. Stern (incorporated by reference to Exhibit 10.16 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).</u>
10.20*	<u>Letter Agreement, dated as of July 23, 2022, by and between Lazard Group LLC and Mary Ann Betsch (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on July 28, 2022).</u>
10.21*	<u>Form of Award Letter for Annual Grant of Deferred Stock Units to Non-Executive Directors (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on September 8, 2005).</u>
10.22*	<u>Directors' Fee Deferral Unit Plan (incorporated by reference to Exhibit 10.39 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on May 11, 2006).</u>
10.23	<u>Second Amended and Restated Credit Agreement, dated as of June 6, 2023, among Lazard Group LLC, the Banks from time to time parties thereto, and Citibank, N.A., as Administrative Agent.</u>
10.24*	<u>Form of Agreement for Performance-Based Profits Interest Participation Right Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.24 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on April 30, 2019).</u>
10.25*	<u>First Amendment to the Lazard Ltd 2018 Incentive Compensation Plan (incorporated by reference to Annex B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-32492) filed on March 16, 2021).</u>
10.26*	<u>Form of Agreement evidencing grant of Performance-Based Restricted Participation Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.19 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on May 4, 2021).</u>
10.27*	<u>Form of Agreement evidencing grant of Lazard Fund Interests to Named Executive Officers under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on May 4, 2021).</u>
10.28*	<u>Form of Agreement for Profits Interest Participation Right Units under the 2018 Compensation Plan (incorporated by reference to Exhibit 10.21 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-32492) filed on May 4, 2021).</u>
10.29*	<u>Form of Agreement for Profits Interest Participation Right Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.26 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).</u>
10.30*	<u>Form of Agreement evidencing grant of Restricted Stock Units under the 2018 Incentive Compensation Plan (incorporated by reference to Exhibit 10.27 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2023).</u>
31.1	<u>Rule 13a-14(a) Certification of Kenneth M. Jacobs.</u>
31.2	<u>Rule 13a-14(a) Certification of Mary Ann Betsch.</u>
32.1	<u>Section 1350 Certification for Kenneth M. Jacobs.</u>
32.2	<u>Section 1350 Certification for Mary Ann Betsch.</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because iXBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase

101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* 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.

Dated: July 31, 2023

LAZARD LTD

By: /s/ Mary Ann Betsch

Name: Mary Ann Betsch

Title: Chief Financial Officer

\$200,000,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

among

LAZARD GROUP LLC,

as Borrower,

The Several Banks from Time to Time Party Hereto,

and

CITIBANK, N.A.,

as Administrative Agent

Dated as of June 6, 2023

CITIBANK, N.A.,
as Lead Arranger and Bookrunner

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SCHEDULES:

- Schedule 1.1A - Commitments
- Schedule 1.1B - Rating Agencies
- Schedule 7.2 - Existing Indebtedness and Existing Liens

EXHIBITS:

- Exhibit A - Form of Revolving Credit Note
- Exhibit B - [Reserved]
- Exhibit C - Form of Assignment and Assumption
- Exhibit D - Form of Compliance Certificate
- Exhibit E - Form of U.S. Tax Compliance Certificate
- Exhibit F-1 - Form of Increased Facility Activation Notice
- Exhibit F-2 - Form of New Bank Supplement

SECOND AMENDED AND RESTATED CREDIT AGREEMENT, dated as of June 6, 2023, among LAZARD GROUP LLC, a Delaware limited liability company (the "Company"), the several Banks, financial institutions or other entities from time to time party hereto, and CITIBANK, N.A., a national banking association ("Citibank"), as administrative agent for the Banks hereunder.

WITNESSETH:

WHEREAS, the Company entered into that certain Amended and Restated Credit Agreement, dated as of July 22, 2020, between the Company, the Administrative Agent and the several banks from time to time party thereto (the "Existing Lenders") (as amended, supplemented or modified from time to time prior to the date hereof, the "Existing Credit Agreement"); and

WHEREAS, subject to and on the terms and conditions set forth herein, the parties thereto wish to amend and restate the Existing Credit Agreement in its entirety upon the terms and conditions set forth herein, with the Existing Credit Agreement, as so amended and restated, and as may be further amended, restated, supplemented or otherwise modified, being hereinafter referred to as the "Agreement";

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Existing Lenders, the Administrative Agent and the Company agree that the Existing Credit Agreement is hereby amended and restated as of the Restatement Effective Date (as hereinafter defined) to read in its entirety as follows, and the several other Banks agree to enter into this Agreement as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms have the following meanings:

"Act": the Securities and Exchange Act of 1934, as amended from time to time.

"Additional Assets": Capital Stock of an entity primarily engaged in or related to, or property used or useful in, the investment banking or asset management businesses engaged in by the Company on the date hereof.

"Adjustment Date": as defined in the Pricing Grid.

"Adjusted Term SOFR": for purposes of any calculation, the rate per annum equal to (a) the Term SOFR for such calculation plus (b) 10 basis points; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"Administrative Agent": Citibank, in its capacity as administrative agent for the Banks hereunder, and its successors in such capacity.

"Affected Financial Institution": (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate”: any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Company. For purposes of this definition, a Person shall be deemed to be “controlled by” the Company if the Company possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“Agreement”: as defined in the Preamble.

“Applicable Margin”: the Applicable Margin will be determined in accordance with the Pricing Grid.

“Assignee”: as defined in Section 12.7(b)(i).

“Assignment and Assumption”: an agreement substantially in the form of Exhibit C.

“Available Commitment”: as to each Bank, at a particular time, an amount equal to the difference between (a) the amount of such Bank’s Commitment and (b) the aggregate outstanding principal amount of Loans made by such Bank (after giving effect to any simultaneous repayment of Loans at such time); collectively, as to the Banks, the “Available Commitments”.

“Available Tenor”: as of any date of determination and with respect to the then-current Benchmark, as applicable, if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.14(e).

“Bail-In Action”: the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation”: (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Banks”: Citibank, State Street Bank and Trust Company, The Bank of New York Mellon, and HSBC Bank USA, N.A, as parties to this Agreement, and permitted assignees pursuant to subsection 12.7 (individually, a “Bank”).

“Base Rate”: for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate in effect on such day plus 1/2 of 1.00%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its prime rate, and (c) the Adjusted Term SOFR for a Loan denominated in Dollars with an Interest Period of one month commencing on such day plus 1.00%. For the

purposes of clause (b) above, the prime rate is a rate set by the Administrative Agent based upon various factors, including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan": a Loan that bears interest based on the Base Rate.

"Base Rate Term SOFR Determination Day": as defined in the definition of "Term SOFR".

"Basel III": the consultative papers of The Basel Committee on Banking Supervision of December 2009 entitled "Strengthening the resilience of the banking sector" and "International framework for liquidity risk measurement, standards and monitoring", in each case together with any amendments thereto.

"Benchmark": initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.14(b).

"Benchmark Replacement": with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Company giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement and the other Credit Documents.

"Benchmark Replacement Adjustment": with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Company giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Conforming Changes": with respect to either the use or administration of Adjusted Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the

definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.12 and other technical, administrative or operational matters) that the Administrative Agent reasonably determines, in consultation with the Company, may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent reasonably determines that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent reasonably determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents).

“Benchmark Replacement Date”: the earlier to occur of the following events with respect to such then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof); or
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, if such Benchmark is a term rate, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) above with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event”: the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no

successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

- (2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, if such Benchmark is a term rate, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Start Date”: in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period”: the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document pursuant to Section 2.14.

“Beneficial Ownership Certification”: a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation”: 31 C.F.R. § 1010.230.

“Benefited Bank”: as defined in Section 12.8(a).

“Board”: the Board of Governors of the Federal Reserve System, or any successor entity to the functions of the Board of Governors of the Federal Reserve System.

“Board of Directors”: as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

“Borrowing Date”: any Business Day on which the Banks make Loans hereunder, as specified in a notice pursuant to Section 2.6 or Section 2.7.

“Broker-Dealer Indebtedness”: Indebtedness of the Subsidiaries of the Company which are registered broker-dealers.

“Business Combination”: as defined in Section 7.4.

“Business Day”: a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

“Capital Lease Obligations”: as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, subject to Section 1.2(b), and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP, subject to Section 1.2(b). Notwithstanding the foregoing, all leases of any Person that would have been treated as operating leases for purposes of GAAP on September 25, 2015 (regardless of whether such lease was in effect on such date or amended, modified or otherwise supplemented after such date) shall be accounted for as operating leases (and not as capital leases) for purposes of this Agreement regardless of any change to GAAP following September 25, 2015 which would otherwise require such leases to be treated as capital leases.

“Capital Stock”: any and all shares and interests (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing but excluding any profit participation interests.

“Cash Equivalents”: (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Bank or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or carrying an equivalent rating by any rating agency set forth on Schedule 1.1B or any nationally recognized rating agency, if S&P and all the rating agencies on Schedule 1.1B cease publishing ratings of commercial paper issues generally,

and maturing within six months from the date of acquisition; (d) repurchase obligations of any Bank or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A- by S&P or carry an equivalent rating by any rating agency set forth on Schedule 1.1B or any nationally recognized rating agency; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Bank or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; or (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and carry an equivalent rating by any rating agency set forth on Schedule 1.1B and (iii) have portfolio assets of at least \$5,000,000,000.

“Change in Control”: (a) the acquisition by any individual or group (other than the Managing Directors, or, in the case of the Company, Holdings or its controlled affiliates) of beneficial ownership of more than 50% of either (i) the then-outstanding shares of Holdings Capital Stock, (ii) the then-outstanding shares of Company Capital Stock or (iii) the combined voting power of the then-outstanding voting securities of the Company (if applicable) or Holdings entitled to vote generally in the election of directors (other than, for the purposes of this clause (a), any acquisition that would otherwise be a Change in Control under this clause (a) pursuant to which the Company and Holdings become Subsidiaries of another person (such person, the **“Parent Company.”**) and such Parent Company shall not have an individual or group having beneficial ownership of more than 50% of the Capital Stock of the Parent Company generally entitled to elect the directors of the Parent Company) or (b) failure of Holdings to beneficially own or be entitled to exercise, directly or indirectly, the right (whether by contract, limited liability company agreement, bylaws, agreement or otherwise) to elect a majority of the Board of Directors of the Company.

“Citibank”: as defined in the Preamble.

“Code”: the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and the rulings issued thereunder.

“Commitment”: as to each Bank, its obligation to make Loans to the Company in an aggregate principal amount not to exceed the amount set forth opposite such Bank’s name on Schedule 1.1A; collectively, as to the Banks, the **“Commitments”**.

“Commitment Fee Rate”: the Commitment Fee Rate will be determined in accordance with the Pricing Grid.

“Commitment Percentage”: as to each Bank, the percentage of the amount of the aggregate Commitments constituted by the amount of such Bank’s Commitment.

“Commitment Period”: on any date of determination thereof, the period from and including the Restatement Effective Date to but not including the earlier to occur of (a) the Maturity Date or (b) such other date as the Commitments shall terminate as provided herein.

“Common Interest”: as defined in the operating agreement of the Company or any other Capital Stock of the Company which shall replace the Common Interest.

“Commonly Controlled Entity”: an entity, whether or not incorporated, which is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or is part of a group that includes the Company and that is treated as a single employer under Section 414(b) or (c) of the Code.

“Communications”: as defined in Section 12.2(b).

“Company”: as defined in the Preamble.

“Company Capital Stock”: the Common Interests of the Company.

“Consolidated Adjusted EBITDA”: for any period, an amount determined for the Company and its Subsidiaries on a consolidated basis equal to (a) the sum, without duplication, of the amounts for such period of (i) Consolidated Net Income, (ii) Consolidated Interest Expense, (iii) provisions for taxes based on income plus tax distributions in accordance with the Company’s operating agreement (computed on a cash basis), (iv) total depreciation expense, (v) total amortization expense (including, for the avoidance of doubt, (A) non-cash amortization related to performance-based restricted participation units and other equity awards of the Company and (B) non-cash amortization related to acquisitions and similar transactions) and (vi) other non-cash expenses, fees, charges, reserves or losses reducing Consolidated Net Income (excluding any such non-cash item otherwise included in this clause (vi) to the extent that such item represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period (other than severance or restructuring related expenses or charges, which shall be added back)); minus (b) non-cash items increasing Consolidated Net Income for such period (excluding any such non-cash items to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period).

“Consolidated Interest Coverage Ratio”: for any period, the ratio of (a) Consolidated Adjusted EBITDA for such period to (b) Consolidated Interest Expense for such period.

“Consolidated Interest Expense”: for any period, total cash interest expense (including that attributable to Capital Lease Obligations, but excluding debt issuance costs and similar charges and any amortization thereof) of the Company and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Company and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing); less (i) interest income on marketable securities, and (ii) in the case of Broker-Dealer Indebtedness (including that of LFNy) and the Indebtedness of Lazard Frères Banque, interest income related to such Indebtedness. Consolidated Interest Expense shall not include the portion of the payments due under the terms of “mandatory” convertible or “mandatory” exchangeable securities (it being understood that such exchangeable securities refers to

securities exchangeable into equity) representing contract adjustment payments (including interest accretion on the contract adjustment payment related liability) or the interest accruals under the Paris Profit Sharing Plan.

“Consolidated Leverage Ratio”: as at the last day of any fiscal quarter, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated Adjusted EBITDA for the period of four consecutive fiscal quarters then ended.

“Consolidated Net Income”: for any period, the net income (or loss) of the Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP; provided, that there shall be excluded (a) any net after-tax extraordinary or nonrecurring or unusual gains, losses, expenses or charges, including without limitation those attributable to business dispositions, asset dispositions (other than in the ordinary course of business), discontinued operations and the early extinguishment of indebtedness, (b) any fees, expenses or charges related to any offering of equity interests or debt of any kind or related to any acquisition or merger or similar transaction (whether or not successful), including any fees, expenses, charges or change in control payments related to such transaction, (c) the impact of any cumulative change in accounting principles during the applicable period, (d) any non-cash impairment charge or asset write off resulting from the application of SFAS 142 and 144, and the amortization of intangibles arising pursuant to SFAS 141 and (e) any non-cash expenses realized or resulting from employee benefit plans or post-employment benefit plans, grants of restricted stock, restricted stock units, performance-based restricted stock units, stock appreciation rights, stock options, Lazard fund interests or other rights, or one-time non-cash compensation charges (including any cash expenditure for the acquisition of equity interests of Holdings to be so granted to the extent that Holdings or any of its subsidiaries contributes to or otherwise invests in the equity of the Company a corresponding amount of cash). For all purposes of this Agreement, Consolidated Net Income shall be reduced by an amount equal to the tax distributions (computed on a cash basis) in accordance with the Company’s operating agreement.

“Consolidated Total Debt”: at any date, the aggregate principal amount of all Indebtedness of the Company and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP; provided that, without duplication, “Consolidated Total Debt” shall not include (a) the Indebtedness of Lazard Frères Banque or any Broker-Dealer Indebtedness (including that of LFNY) (other than Broker-Dealer Indebtedness that is included in the calculation used to determine the capital requirements of any of the Company’s Subsidiaries) or (b) up to \$250,000,000 aggregate principal amount of any Subordinated Indebtedness. Notwithstanding anything to the contrary herein, Consolidated Total Debt shall not include any Indebtedness (“Subject Debt”) outstanding on any determination date which is to be refinanced with the proceeds of previously incurred refinancing Indebtedness that is included in Consolidated Total Debt on such date or with other proceeds available to the Company or its Subsidiaries (collectively, the “Refinancing Proceeds”); provided that a notice of redemption of, or an offer to purchase, such Subject Debt has been given or made (and, in the case of an offer to purchase, not withdrawn) on or prior to such date and the applicable Refinancing Proceeds have been irrevocably deposited in a trust or escrow account pursuant to documentation relating to such redemption of, or offer to purchase, the applicable Subject Debt.

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

“Credit Documents”: any of this Agreement, the Notes and all other certificates, documents, instruments or agreements executed and delivered by the Company for the benefit of the Administrative Agent and the Banks in connection herewith.

“Default”: any of the events specified in Section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Defaulting Lender”: any Bank, as determined by the Administrative Agent, that has (a) failed to fund any portion of its Loans within three Business Days of the date required to be funded by it hereunder, (b) notified the Company, the Administrative Agent, or any Bank in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) failed, within three Business Days after request by the Administrative Agent, to confirm in writing that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans, (d) otherwise failed to pay over to the Administrative Agent or any other Bank any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute, or (e) (i) become or is insolvent or has a parent company that has become or is insolvent, or is generally unable to pay its debts as they become due, or admits in writing its inability to pay its debt as they become due, or makes a general assignment for the benefit of its creditors, or (ii) become the subject of a bankruptcy, insolvency, reorganization, liquidation, Bail-In Action or similar proceeding, or has had a receiver, conservator, trustee, administrator, intervenor, sequesteror, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or in the good faith determination of the Administrative Agent, has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy, insolvency reorganization, liquidation, Bail-In Action or similar proceeding, or has had a receiver, conservator, trustee, administrator, intervenor, sequesteror, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to or acquiescence in any such proceeding or appointment. Any determination by the Administrative Agent that a Bank is a Defaulting Lender under any of clauses (a) through (e) above will be conclusive and binding absent manifest error, and such Bank will be deemed to be a Defaulting Lender (subject to Section 2.19(c)) upon notification of such determination by the Administrative Agent to the Company and the Banks.

“Designated Asset Sale”: the sale, transfer or other disposition of any Capital Stock of any Designated Subsidiary, or issuance of any Capital Stock of any Designated Subsidiary, in each case to a Person other than the Company or a Wholly Owned Subsidiary of the Company.

“Designated Subsidiary”: each of LFNy, Lazard Asset Management LLC, Lazard & Co., Limited and Compagnie Financière Lazard Frères SAS and each of their respective successors.

“Disposition Amount”: as defined in Section 2.18.

“Dodd-Frank”: the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203 (2010).

“Dollars” and “\$”: dollars in lawful currency of the United States.

“EEA Financial Institution”: (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country”: any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority”: any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“ERISA”: the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the Restatement Effective Date and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

“Erroneous Payment”: has the meaning assigned to it in Section 11.10(a).

“Erroneous Payment Subrogation Rights”: has the meaning assigned to it in Section 11.10.

“EU Bail-In Legislation Schedule”: the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Event of Default”: any of the events specified in Section 9, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Exchange”: the New York Stock Exchange, Inc.

“Existing Credit Agreement”: as defined in the Preamble.

“Existing Lenders”: as defined in the Preamble.

“Fair Market Value”: with respect to any asset or property, the price that would be negotiated in an arm’s-length transaction between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

“FATCA”: Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code or any intergovernmental agreements entered into by the United States in connection with the implementation of such Sections of the Code (or any such amended or successor version thereof) and any law, regulation, rule, promulgation, or official agreement implementing such an intergovernmental agreement.

“FCPA”: the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

“Federal Reserve Bank of New York’s Website”: the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Federal Reserve Board”: the Board of Governors of the Federal Reserve System of the United States of America.

“Federal Funds Rate”: for any day, the rate calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the Federal Reserve Bank of New York’s Website from time to time, and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate; provided that if such rate shall be less than zero, such rate shall be deemed to be zero.

“Fee Letter”: the Fee Letter dated as of May 9, 2023, among the Lead Arranger, the Administrative Agent and the Company.

“Floor”: a rate of interest equal to 0.00%

“Foreign Plan”: each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to U.S. law and is maintained or contributed to (or within the past six years has been maintained or contributed to) by the Company, any of its Significant Subsidiaries or any Commonly Controlled Entity.

“GAAP”: generally accepted accounting principles in the United States.

“Governmental Authority”: any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Guarantee Obligation”: as to any Person (the “guaranteeing person”), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or

payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include assurances given in the ordinary course of business for the payment of obligations of customers or suppliers of the Company or any Subsidiary, customary indemnifications, representations and warranties made in connection with purchases, sales or leasing of property or assets or issuances of securities, endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (1) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (2) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Company in good faith.

“Holdings”: Lazard Ltd.

“Holdings Capital Stock”: the Class A common stock, par value \$.01 per share, of Holdings.

“Indebtedness”: of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) (i) all obligations of such Person of the kind referred to in clauses (a) through (f) above that are mandatorily convertible or exchangeable into Capital Stock of such Person (but solely prior to any conversion or exchange, unless otherwise constituting Indebtedness after giving effect to such conversion or exchange) and (ii) all “mandatory” redeemable preferred Capital Stock of such Person, (h) the amount then outstanding under any Receivables Financing, (i) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (h) above, and (j) all obligations of the kind referred to in clauses (a) through (i) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is directly liable therefor as a result of such Person's ownership

interest in such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding anything to the contrary herein, Indebtedness shall exclude, for the avoidance of doubt, deposits or other funds held by Subsidiaries that are regulated banks or registered broker-dealers for the benefit of, or owed to, their customers in the ordinary course of business.

“Increased Facility Activation Notice”: a notice substantially in the form of Exhibit F-1.

“Increased Facility Closing Date”: any Business Day designated as such in an Increased Facility Activation Notice.

“Incremental Commitments”: as defined in Section 2.21(a)

“Incremental Loans”: as defined in Section 2.21(a)

“Indemnified Liabilities”: as defined in Section 12.5.

“Indemnitee”: as defined in Section 12.5.

“Insolvency”: with respect to any Multiemployer Plan, the condition that such plan is insolvent within the meaning of Section 4245 of ERISA.

“Insolvent”: pertaining to a condition of Insolvency.

“Installment Notes”: Indebtedness issued by the Company or any Subsidiary to facilitate the deferral by clients of capital gains which result from securities transactions.

“Interest Payment Date”: (a) as to any Base Rate Loan, the last day of each March, June, September and December while such Loan is outstanding and (b) as to any Term SOFR Loan having an Interest Period of three months or less, the last day of such Interest Period, and (c) as to any Term SOFR Loan having an Interest Period longer than three months each day which is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period.

“Interest Period”: with respect to any Term SOFR Loan:

(1) initially, the period commencing on the Borrowing Date or date of conversion pursuant to Section 2.7, as the case may be, with respect to such Term SOFR Loan and ending one, three or six months thereafter, as selected by the Company in its notice of borrowing pursuant to Section 2.6 or notice of conversion pursuant to Section 2.7, as the case may be, given with respect thereto; and

(2) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Term SOFR Loan and ending one, three or six months thereafter, as selected by the Company by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

provided that the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period pertaining to a Term SOFR Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date; and

(iii) any Interest Period pertaining to a Term SOFR Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

“Investment”: any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase of any Capital Stock, bonds, notes debentures or other debt securities of, or any assets constituting a business unit of, or any other investment in, any Person.

“IRS”: as defined in Section 2.17(d).

“Lead Arranger”: Citibank N.A.

“LFNY”: Lazard Frères & Co. LLC, a New York limited liability company.

“Lien”: any mortgage, pledge, hypothecation, assignment by way of security, deposit arrangement by way of security, encumbrance, attachment lien (statutory or other), or other security agreement or arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, or any financing lease having substantially the same economic effect as any of the foregoing).

“Loan”: each loan made to the Company pursuant to Section 2.1.

“Loans”: the collective reference to the Loans.

“Managing Directors”: the collective reference to each of the managing directors of Holdings, the Company or any of their respective controlled affiliates who holds, directly or indirectly, an equity interest of Holdings or securities convertible or exchangeable into equity interests of Holdings (including without limitation restricted stock, restricted stock units, performance-based restricted stock units or other issuances under Holdings’ equity incentive plan) and each trust, estate planning vehicle or other entity that holds or shall be transferred any such interest for tax or estate planning purposes.

“Margin Stock”: as defined in Regulation U of the Board as in effect from time to time.

“Material Adverse Effect”: a material adverse effect on (a) the business, property, financial condition or results of operations of the Company and its Subsidiaries taken as a whole or (b) the ability of the Company to perform its obligations under this Agreement or the Notes.

“Maturity Date”: the date which is the fifth anniversary of the Restatement Effective Date.

“Members’ Equity”: ownership equity of the Company represented by common members’ interests.

“Merger”: as defined in Section 7.4.

“Multiemployer Plan”: a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Proceeds”: in the case of cash proceeds received (a) in connection with any Designated Asset Sale constituting a sale, transfer or other disposition of Capital Stock, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of the sum of (i) attorneys’ fees, accountants’ fees, investment banking fees and other customary fees and expenses actually incurred in connection therewith, (ii) taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing or tax receivables arrangements), (iii) the amount of all payments required to be made by the Company and the applicable Subsidiary to repay Indebtedness secured by assets transferred in connection with such sale, transfer or disposition, and (iv) the amount of any payments that the Company estimates in good faith will be required to be made in respect of contingent liabilities directly attributable to such event and set forth in a notice delivered to the Administrative Agent (provided that the Company will evaluate in good faith not less often than quarterly any estimate resulting in a reduction of Net Proceeds under this clause (iv) and will promptly notify the Administrative Agent if the estimated amount of such payments in respect of any contingent liability shall be reduced, and the Company and any such Subsidiary shall be deemed to have received Net Proceeds equal to the amount of any such reduction), and (b) in connection with any issuance of any Capital Stock constituting a Designated Asset Sale, the cash proceeds received from such issuance, net of attorneys’ fees, investment banking fees, accountants’ fees, underwriting discounts, taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and commissions and other customary fees and expenses actually incurred therewith.

In the case of non-cash proceeds received in connection with any Designated Asset Sale, the Net Proceeds shall be deemed to be the book value of the portion of the property giving rise thereto as reflected in the financial statements most recently delivered pursuant to Section 6.1 or, if not reflected therein, as reflected in the financial statements of the relevant entity, in each case as demonstrated in reasonable detail and certified to the Administrative Agent by a Responsible Officer.

“New Bank”: as defined in Section 2.21(b).

“New Bank Supplement”: as defined in Section 2.21(b).

“Non-Excluded Taxes”: as defined in Section 2.17(a).

“Non-U.S. Lender”: as defined in Section 2.17(d).

“Note”: as defined in Section 2.2; collectively, the “Notes”.

“Obligations”: the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other monetary obligations and liabilities of the Company to the Administrative Agent or to any Bank, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under or in connection with, this Agreement, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Bank that are required to be paid by the Company pursuant hereto) or otherwise.

“OFAC”: the United States Department of the Treasury’s Office of Foreign Assets Control, which administers and enforces U.S. economic sanctions regulations set forth under (31 C.F.R. Subtitle B, Chapter V) (“OFAC Regulations”).

“Other Taxes”: any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement, except any such taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.20(b)) as a result of a present or former connection between the Administrative Agent or a Bank and the jurisdiction imposing such tax (other than any such connection arising from the Administrative Agent or such Bank having executed, delivered, become a party to, or performed its obligations or received a payment under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, this Agreement).

“Paris Profit Sharing Plan”: that certain Accord de participation initially dated March 21, 1996 among Lazard Frères SAS and its employees, Lazard Frères Gestion SAS and its employees, Lazard Frères Banque SA and its employees and LFG-Courtage SARL and its employees.

“Paris Property”: each of (i) that certain property owned by Lazard Frères Banque that is located at 121 Boulevard Haussmann, Paris, France, (ii) that certain property owned by Compagnie Financière Lazard Frères SAS that is located at 119 Boulevard Haussmann, Paris, France and (iii) that certain property owned by Lazard Frères Banque and subsidiaries that is located at 10 Avenue Percier, Paris, France.

“Paris Subsidiaries”: each of Compagnie Financière Lazard Frères SAS, Lazard Frères Banque SA, Lazard Frères Gestion SAS and Lazard Frères SAS and each of their respective successors.

“Participant”: as defined in Section 12.7(c)(i).

“Participant Register”: as defined in Section 12.7(c)(i).

“Payment Recipient”: as defined in Section 11.10(a).

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Periodic Term SOFR Determination Day”: as defined in the definition of “Term SOFR”.

“Permitted Receivables Financings”: any Receivables Financing of a Receivables Subsidiary that meets the following conditions:

(a) senior management or the Board of Directors of the Company shall have determined in good faith that such Permitted Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the best interests of the Company and the Receivables Subsidiary;

(b) all sales of accounts receivable and related assets to the Receivables Subsidiary (or valid capital contributions made to the Receivables Subsidiary) are made at Fair Market Value (as determined in good faith by senior management or the Board of Directors of the Company); and

(c) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by senior management or the Board of Directors of the Company).

“Permitted Refinancing Indebtedness”: any Indebtedness issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund (collectively, to “Refinance”), the Indebtedness being Refinanced (or previous refinancings thereof constituting Permitted Refinancing Indebtedness); **provided** that (a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so Refinanced (plus unpaid accrued interest and premium thereon and underwriting discounts, fees, commissions and expenses), (b) the average life to maturity of such Permitted Refinancing Indebtedness is greater than or equal to the remaining average life to maturity of the Indebtedness being Refinanced, (c) if the Indebtedness being Refinanced is subordinated in right of payment to the Obligations under this Agreement, such Permitted Refinancing Indebtedness shall be subordinated in right of payment to such Obligations on terms at least as favorable to the Banks as those contained in the documentation governing the Indebtedness being Refinanced and (d) no Permitted Refinancing Indebtedness shall have different obligors, or greater guarantees or security, than the Indebtedness being Refinanced, unless the incurrence of such Indebtedness, guarantees or security is permitted by a separate provision of this Agreement.

“Person”: an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan”: any employee benefit plan (as defined in Section 3(3) of ERISA) and in respect of which the Company, any Subsidiary thereof or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4062 or 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Platform”: as defined in Section 12.2(c).

“Pricing Grid”: the table set forth below.

Ratings	Applicable Margin		Commitment Fee
	Term SOFR Loans	Base Rate Loans	
≥ A	100.0 bps	10.0 bps	10.0 bps
≥ A- but < A	112.5 bps	12.5 bps	12.5 bps
≥ BBB+ but < A-	125.0 bps	25.0 bps	15.0 bps
≥ BBB but < BBB+	150.0 bps	50.0 bps	20.0 bps
< BBB	175.0 bps	75.0 bps	25.0 bps

For the purposes of the Pricing Grid, the Company shall provide prompt written notice to the Administrative Agent of any change in any Rating by S&P (or, if applicable, such other rating agency determined in accordance with the definition of "Ratings"). The Applicable Margin and the Commitment Fee Rate resulting from changes in the Ratings shall be effective on the date (the "Adjustment Date") that is three Business Days after the date of such change and shall remain in effect until the next change to be effected pursuant to this paragraph. In the event that the Company has obtained more than one Rating and such Ratings are split, the Pricing Grid will be based on the highest rating.

"Prohibited Transaction": has the meaning assigned to such term in Section 406 of ERISA and Section 4975(c) of the Code.

"Ratings": a rating of the Company's senior unsecured non-credit enhanced indebtedness for borrowed money assigned by S&P, each other rating agency set forth on Schedule 1.1B or any internationally recognized rating agency approved by the Administrative Agent and the Company; provided that in each case if the Company shall have no senior unsecured non-credit enhanced indebtedness for borrowed money, the Company's corporate credit rating shall be used; provided, further that if at any time S&P or any other rating agency set forth on Schedule 1.1B shall not maintain a rating for the Company's senior unsecured non-credit enhanced indebtedness for borrowed money, or shall not maintain a corporate credit rating for the Company, as the case may be, the Required Lenders and the Company may agree to determine the ratings using the corresponding ratings level of one or more Nationally Recognized Statistical Rating Organizations (as defined in Rule 436 under the Securities Act of 1933).

"Receivables Financing": any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may (a) sell, convey or otherwise transfer to a Receivables Subsidiary or (b) grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

“Receivables Subsidiary”: a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Permitted Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Chief Financial Officer of the Company (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary of the Company, (ii) is recourse to or obligates the Company or any other Subsidiary of the Company in any way (except for standard representations, warranties, covenants and indemnities made in connection with such facilities) or (iii) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof;

(b) with which neither the Company nor any other Subsidiary of the Company has any material contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be, on the whole, no less favorable to the Company or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and

(c) to which neither the Company nor any other Subsidiary of the Company has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Chief Financial Officer of the Company shall be evidenced to the Administrative Agent by delivery to the Administrative Agent a certified copy of the resolution of the Board of Directors of the Company giving effect to such designation and a certificate of a Responsible Officer certifying that such designation complied with the foregoing conditions.

“Register”: as defined in Section 12.7(b)(iv).

“Regulation U”: Regulation U of the Board as in effect from time to time.

“Relevant Governmental Body”: the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Reportable Event”: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived.

“Required Lenders”: at any time, the holders of more than 50% of (a) the sum of the Commitments then in effect or, (b) if the Commitments have terminated, the sum of the aggregate unpaid principal amount of the Loans then outstanding; provided that at any time when there are two or more non-affiliated Banks party hereto, in no event shall the Required Lenders consist of fewer than two non-affiliated Banks.

“Requirement of Law”: as to any Person, the certificate of incorporation and by-laws or partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolution Authority”: an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer”: the chief executive officer, president or chief financial officer of the Company, but in any event, with respect to financial matters, the chief financial officer of the Company.

“Restatement Effective Date”: the date on which each of the conditions specified in Section 5.1 of this Agreement has been satisfied (or has been waived in accordance with Section 12.1).

“Restricted Payments”: as defined in Section 7.8.

“Sanction” or “Sanctions”: any international economic or financial sanction (including transaction prohibitions or asset-freezes) issued, administered or enforced by the United States Government (including OFAC and the U.S. Department of State), the European Union, HM’s Treasury of the United Kingdom, the United Nations Security Council (to the extent that it has jurisdiction over the Company or any of its Subsidiaries), or any other applicable European Union member state that has jurisdiction over the Company or any of its Subsidiaries.

“Sanctioned Country”: at any time, any country or region that is the subject or target of comprehensive Sanctions (at the time of this Agreement, presently the Crimea, the so-called Donetsk People’s Republic, Kherson, the so-called Luhansk People’s Republic, and Zaporizhzhia regions of Ukraine, Cuba, Iran, North Korea, and Syria).

“Sanctioned Person”: (a) any Person named on OFAC’s List of Specially Designated Nationals and Blocked Persons, any similar Sanctions-related list maintained by the United States Government (including OFAC and the U.S. Department of State), the United Nations Security Council (to the extent that it has jurisdiction over the Company or any of its Subsidiaries), the European Union, HM’s Treasury of the United Kingdom, or any other applicable European Union member state that has jurisdiction over the Company or any of its Subsidiaries; (b) any Person organized or resident in, or the government of, a Sanctioned Country; (c) any government not located in a Sanctioned Country but which is itself the target of comprehensive Sanctions under OFAC Regulations (presently, the Government of Venezuela); (d) any Person owned or controlled by any such Person or Persons referred to in clauses (a), (b) or (c) above; or (e) any Person otherwise the subject or target of Sanctions.

“S&P”: Standard & Poor’s Ratings Services.

“SEC”: the Securities and Exchange Commission, or such other regulatory body which succeeds to the functions of the Securities and Exchange Commission.

“SEC Filings”: as to the Company, any public filings that the Company or Lazard Ltd has made on form 10-K, 10-Q or 8-K pursuant to the U.S. federal securities statutes, rules or regulations prior to March 31, 2023.

“Senior Note Indentures”: the Indenture dated as of May 10, 2005, as supplemented by the First and Second Supplemental Indentures dated as of May 10, 2005 the Amended and Restated Third Supplemental Indenture dated as of May 15, 2008, the Fourth Supplemental Indenture dated as of June 21, 2007, the Fifth Supplemental Indenture dated as of November 14, 2013, the Sixth Supplemental Indenture dated as of February 13, 2015, the Seventh Supplemental Indenture dated as of November 4, 2016, the Eighth Supplemental Indenture dated as of September 19, 2018 and the Ninth Supplemental Indenture dated as of March 11, 2019, together with all instruments and other agreements entered into by the Company in connection therewith.

“Significant Subsidiary”: any Subsidiary that would be a “Significant Subsidiary” of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC as in effect on the Restatement Effective Date, but excluding Lazard Funding Limited LLC.

“Single Employer Plan”: any Plan (other than a Multiemployer plan) that is covered by Section 412 of the Code or Section 302 or Title IV of ERISA and is maintained or contributed to by the Company or any Commonly Controlled Entity.

“SOFR”: a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator”: the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“Specified Non-Recourse Indebtedness”: at any time, Indebtedness of the Company or any Subsidiary secured by real property, leasehold improvements and equipment of the Company or any Subsidiary to the extent that the terms of such Indebtedness provide that at such time recourse for repayment thereof and payment of any other obligation in respect thereof is only to such assets and is not a general obligation of the Company or any of its Subsidiaries (notwithstanding that such terms provide that such Indebtedness may become Specified Recourse Indebtedness upon the occurrence of certain events after such time).

“Specified Recourse Indebtedness”: at any time, Indebtedness of the Company or any Subsidiary secured by real property, leasehold improvements and equipment of the Company or any Subsidiary to the extent that the terms of such Indebtedness provide that at such time recourse for repayment thereof and payment of any other obligation in respect thereof is a general obligation of the Company or any of its Subsidiaries.

“Street Loans”: short term borrowings made by the Company for the purpose of purchasing or carrying securities for the Company, or for customers of the Company.

“Subordinated Indebtedness”: Indebtedness of the Company or any of its Subsidiaries that is subordinated in right of payment to the Obligations, provided that, to the extent incurred after the Restatement Effective Date, such Indebtedness has (a) no maturity, amortization, mandatory redemption or repurchase option or sinking fund payment prior to the date that is six months after the Maturity Date (other than customary

provisions for application of asset sale proceeds or following a change of control) and (b) customary subordination provisions as shall be reasonably satisfactory to the Administrative Agent and the Required Lenders.

“Subsidiary”: as to any Person, (a) a corporation, limited liability company or other similar business entity of which shares of stock or other equity interests having ordinary voting power (other than stock or other equity interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors or other managers of such corporation or entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person or (b) any partnership of which such Person and/or one or more Subsidiaries of such Person has, directly or indirectly, more than 50% of the interest in profits and losses. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company.

“Term SOFR”:

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “Base Rate Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate SOFR Determination Day.

“Term SOFR Administrator”: CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion)

“Term SOFR Borrowing”: as to any Borrowing, the Term SOFR Loans comprising such Borrowing.

“Term SOFR Loan”: a Loan that bears interest at a rate based on Adjusted Term SOFR, other than pursuant to clause (c) of the definition of “Base Rate”.

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“Term SOFR Tranche”: the collective reference to Term SOFR Loans with then current Interest Periods that begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

“Trade Debt”: of a Person, at a particular date, (i) Indebtedness of such Person resulting from free credit balances and similar payables, day loans, Installment Notes, Street Loans, and other liabilities and obligations incurred in the ordinary course of business of such Person both as principal and as agent as an investment banker, futures commission merchant, broker dealer or financial services institution; and (ii) other short term Indebtedness of such Person incurred in the ordinary course of its business not material individually or in the aggregate to such Person.

“Type”: as to any Loan, its nature as a Base Rate Loan or a Term SOFR Loan.

“UK Financial Institutions”: any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority”: the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement”: the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“USA PATRIOT Act”: the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time.

“U.S. Government Securities Business Day”: any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“Wholly Owned Subsidiary”: of any Person, a Subsidiary of such Person 95% of the outstanding Capital Stock or other ownership interests of which shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

“Write-Down and Conversion Powers”: (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority

from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the Notes, unless otherwise specified, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company wishes to amend any provision hereof, including, without limitation, any covenant in Section 6, to eliminate the effect of any change in GAAP (or the application thereof) adopted after the Restatement Effective Date on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders wish to amend any such provision for such purpose), then the Company's compliance with such provision shall be determined on the basis of GAAP in effect and applied immediately before the relevant change in GAAP (or the application thereof) became effective, until either such notice is withdrawn or such provision is amended in a manner satisfactory to the Company and the Required Lenders. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change in accounting for leases resulting from the implementation of Financial Accounting Standards Board ASU No. 2016-02, Leases (Topic 842), to the extent that such change would require the recognition of right-of-use assets and lease liabilities for any lease (or similar arrangement conveying the right to use) that would not be classified as a capital lease under GAAP as in effect on September 25, 2015, regardless of whether such lease was in effect on such date or amended, modified or otherwise supplemented after such date.

(c) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement and (v) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and

properties, including cash, securities, accounts and contract rights. References herein to knowledge with respect to the Company shall be deemed to refer to the actual knowledge of any executive officer of the Company.

1.3 Divisions. For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Capital Stock at such time.

SECTION 2. AMOUNT AND TERMS OF LOAN COMMITMENT

2.1 Loans. (a) Subject to the terms and conditions hereof, each Bank severally agrees to make revolving credit loans (individually, a "Loan"; collectively, the "Loans") to the Company from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding not to exceed the amount of such Bank's Commitment, as such amount may be reduced as provided herein. During the Commitment Period, the Company may use the Commitments by borrowing, prepaying the Loans in whole or in part subject to subsection 2.9, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Loans may from time to time be (i) Term SOFR Loans, (ii) Base Rate Loans or (iii) a combination thereof, as determined by the Company and notified to the Administrative Agent in accordance with Sections 2.6 and 2.7, provided that no Loan shall be continued as or converted into a Term SOFR Loan after the day that is one month prior to the Maturity Date.

2.2 Notes. Each Bank may request that the Loans made by such Bank pursuant hereto shall be evidenced by a promissory note of the Company, substantially in the form of Exhibit A hereto, with appropriate insertions as to date and principal amount (individually a "Note"; collectively, the "Notes"), payable to such Bank and evidencing the obligation of the Company to pay the aggregate unpaid principal amount of all Loans made by such Bank hereunder, with interest thereon as prescribed in Section 2.3. Each Bank is hereby authorized to record the date and amount of each Loan made by such Bank, and the date and amount of each payment or prepayment of principal thereof on the schedule annexed to and constituting a part of its Note, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided, however, that any error or omission in making any such recordation shall not affect the obligations of the Company hereunder or under any Note. Each Note shall (x) be stated to mature on the last day of the Commitment Period and (y) bear interest on the unpaid principal amount thereof from time to time outstanding at the rates set forth in Section 2.3.

2.3 Interest Rates and Interest Payment Dates. (a) Each Term SOFR Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Adjusted Term SOFR determined for such day plus the Applicable Margin.

(b) Each Base Rate Loan shall bear interest for each day at a rate per annum equal to the Base Rate determined for such day plus the Applicable Margin.

(c) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (d) of this Section shall be payable from time to time on demand.

(d) (i) If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), then such overdue principal amount shall bear interest at a rate per annum which is 2% above the rate which would otherwise be applicable pursuant to Section 2.3(a) or 2.3(b), as the case may be, and (ii) if all or a portion of any interest payable on any Loan or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum which is 2% above the rate then applicable to Base Rate Loans, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (after as well as before judgment).

2.4 Fees. (a) The Company agrees to pay to the Administrative Agent for the account of each Bank a commitment fee computed at the Commitment Fee Rate on the average daily amount of the undrawn Commitment of such Bank during the period for which payment is made, the accrued and unpaid portion of such fee to be payable in arrears on the last day of March, June, September and December of each year (commencing on the first such date to occur after the Restatement Effective Date) and on the Maturity Date. The Administrative Agent shall promptly distribute to each Bank its pro rata share of each payment of such fees.

(b) The Company agrees to pay to the Administrative Agent the fees in the amounts and on the date as set forth in the Fee Letter and to perform any other obligations contained therein.

2.5 Computation of Interest and Fees. (a) Interest and fees shall be computed on the basis of (i) a 360 day year for actual days elapsed for Term SOFR Loans and (ii) a 365 day or 366 day, as the case may be, year for actual days elapsed for Base Rate Loans and for fees under this Agreement. The Administrative Agent shall as soon as practicable notify the Company and the Banks of each determination of a Term SOFR or of a Base Rate. Any change in the interest rate on a Loan resulting from a change in the Base Rate shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Company and the Banks of such effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Company and the Banks in the absence of manifest error. The Administrative Agent shall, at the request of the Company, deliver to the Company a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.3(a) or 2.3(b), as the case may be.

2.6 Procedure for Borrowing. The Company may borrow Loans under the Commitments during the Commitment Period on any Business Day, provided that the Company shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent, (a) prior to 1:00 P.M., New York City time three U.S. Government Securities Business Days prior to the requested Borrowing Date, if all or any part of the requested Loans are to be initially Term SOFR Loans or (b) prior to 11:00 A.M., New York City time on or prior to the requested Borrowing Date, if all of the requested Loans are to be initially Base Rate Loans), specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date,

(iii) whether the borrowing is to be of Term SOFR Loans, Base Rate Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Term SOFR Loans, the amount of such Type of Loan and the length of the initial Interest Periods therefor. Each borrowing of Loans pursuant to the Commitments shall be in an aggregate principal amount equal to the lesser of (i) \$5,000,000 or a whole multiple thereof, and (ii) the Available Commitments. Upon receipt of any such notice, the Administrative Agent shall promptly notify each Bank thereof. Each Bank will make available to the Company at the office of the Administrative Agent specified in Section 12.2, prior to 12:00 noon (New York City time) on the requested Borrowing Date, or as soon as practicable thereafter, an amount in immediately available funds equal to the amount of the Loan to be made by such Bank.

2.7 Conversion and Continuation Options. (a) The Company may elect from time to time to convert Term SOFR Loans to Base Rate Loans, by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election. The Company may elect from time to time to convert Base Rate Loans to Term SOFR Loans by giving the Administrative Agent at least three U.S. Government Securities Business Days' prior irrevocable notice of such election. Any such notice of conversion to Term SOFR Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Bank thereof. All or any part of outstanding Term SOFR Loans and Base Rate Loans may be converted as provided herein, provided that (i) no Loan may be converted into a Term SOFR Loan when any Event of Default has occurred and is continuing and the Administrative Agent has or the Banks have determined and notified the Company that such a conversion is not appropriate and (ii) no Loan may be converted into a Term SOFR Loan after the date that is one month prior to the Maturity Date.

(b) Any Term SOFR Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Company giving notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Term SOFR Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Administrative Agent has or the Banks have determined and notified the Company that such a continuation is not appropriate or (ii) after the date that is one month prior to the Maturity Date and provided, further, that if the Company shall fail to give such notice or if such continuation is not permitted such Loans shall be automatically converted to Base Rate Loans on the last day of such then expiring Interest Period.

2.8 Termination or Reduction of Commitments. The Company shall have the right, upon not less than three Business Days' notice to the Banks, to terminate the Commitments or, from time to time, reduce the amount of the Commitments; provided that, subject to the proviso in Section 2.9(a), (a) any such reduction shall be accompanied by prepayment of the Loans to the extent, if any, that the amount of the Loans then outstanding exceeds the amount of the Commitments as then reduced, (b) any such termination of the Commitments shall be accompanied by prepayment in full of the Loans then outstanding, together with accrued interest thereon to the date of such prepayment, and the payment of any unpaid commitment fee then accrued hereunder and other amounts, if any, payable by the Company hereunder and (c) for any such prepayment, the Company shall reasonably promptly pay the costs arising therefrom pursuant to Section 2.12 (such notice to be revocable only if such prepayment is conditioned upon a refinancing of the Loans or other events mutually agreed between the Company and the Administrative Agent). Any such reduction shall be in an amount of \$5,000,000, or greater integral multiple of \$5,000,000, and shall reduce permanently the amount of the Commitments then in effect.

2.9 Optional Prepayments of Loans. (a) The Company may, at any time, on the last day of any Interest Period with respect thereto, in the case of Term SOFR Loans (or on any other day if the Company reasonably promptly pays the costs arising therefrom pursuant to Section 2.12), and from time to time, in the case of Base Rate Loans, and upon three U.S. Government Securities Business Days' irrevocable notice (such notice to be revocable only if such prepayment is conditioned upon a refinancing of the Loans or other events mutually agreed between the Company and the Administrative Agent), in the case of Term SOFR Loans, and upon one Business Day's notice, in case of Base Rate Loans, to the Administrative Agent, prepay the Loans on the date specified in such notice, in whole or in part, with accrued interest to the date of such prepayment on the amount prepaid; provided, however, that each partial prepayment of Loans shall be in a principal amount of \$5,000,000 or a larger integral multiple of \$1,000,000.

(b) Upon receipt of a notice of prepayment of Loans pursuant to Section 2.9(a), the Administrative Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share of such prepayment.

2.10 Pro Rata Treatment and Payments. (a) Each borrowing of Loans by the Company from the Banks and each payment (including each prepayment) by the Company on account of principal of and interest on the Loans shall be made pro rata according to the respective principal and interest owed to the Banks and any reduction of the Commitments of the Banks hereunder shall be made pro rata according to the respective Commitment Percentages of the Banks. All payments (including prepayments) to be made by the Company in respect of the Loans on account of principal, interest and fees shall be made without set-off or counterclaim and shall be made directly to the office of the Administrative Agent specified in Section 12.2, in lawful money of the United States of America and in immediately available funds. The Administrative Agent shall distribute such payments to the Banks entitled thereto promptly upon receipt in like funds as received by the Administrative Agent. If any payment hereunder becomes due and payable on a day other than a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(b) Each Bank shall apply the amount of each payment (including each prepayment) made by the Company on account of principal of the Loans to the payment of the then outstanding principal amounts of Loans, in such amounts and in such order as the Company shall direct by notice to the Administrative Agent (or, in the case of a prepayment pursuant to Section 2.9, as the Company shall direct in its notice of prepayment), provided that if the Company shall fail to give any such notice, each Bank shall apply the amount received to the payment of the then outstanding Loans pro rata according to the respective outstanding principal amounts of such Loans.

2.11 Non-Receipt of Funds by the Administrative Agent. (a) Unless the Administrative Agent shall have been notified by the Company prior to the date on which any payment in respect of a Loan is due from it hereunder (which notice shall be effective upon receipt) that the Company does not intend to make such payment, the Administrative Agent may assume that the Company has made such payment when due and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to each Bank on such payment date an amount equal to the portion of such assumed payment to which such Bank is entitled hereunder, and if the Company has not in fact made such payment to the Administrative Agent, such Bank shall, on demand, repay to the Administrative Agent the amount made available to such Bank together with interest thereon in respect of each day during the period commencing on the date such amount was made available to such Bank and ending on

(but excluding) the date such Bank repays such amount to the Administrative Agent, at a rate per annum equal to the Administrative Agent's cost of obtaining overnight funds in the federal funds market in New York on each such day.

(b) A certificate of the Administrative Agent submitted to any Bank with respect to any amount owing under the foregoing paragraph (a) shall be prima facie evidence of the facts stated therein.

2.12 Indemnity. The Company agrees to indemnify each Bank and to hold each Bank harmless from any loss or expense (other than any loss of anticipated profits) which such Bank may sustain or incur as a consequence of (a) default by the Company in making a borrowing of, conversion into or continuation of Term SOFR Loans after the Company has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Company in making any prepayment of or conversion from a Term SOFR Loan after the Company has given a notice thereof in accordance with the provisions of Section 2.9 or (c) the making of a prepayment or conversion of Term SOFR Loans on a day which is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, prepaid, converted or continued, for the period from the date of such prepayment or of such failure to borrow, prepay, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable Adjusted Term SOFR (excluding the Applicable Margin) over (ii) the amount of interest (as reasonably determined by such Bank) which would have accrued to such Bank on such amount by redeploying such amount in respect of deposits in the eurodollar market for a comparable period. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.13 Capital Adequacy. In the event that any of the Banks shall have determined that the adoption after the Restatement Effective Date of any law, rule or regulation regarding capital and liquidity adequacy, or any change after the Restatement Effective Date therein or in the interpretation or application thereof or compliance by such Bank with any request or directive regarding capital and liquidity adequacy (whether or not having the force of law) from any central bank or Governmental Authority including under Basel III or Dodd-Frank, does or shall have the effect of reducing the rate of return on such Bank's capital as a consequence of its obligations hereunder to a level below that which such Bank could have achieved but for such adoption, change or compliance (taking into consideration such Bank's policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then after submission by such Bank to the Company of a written request therefor, the amount of interest payable by the Company to such Bank on each Interest Payment Date shall be increased by such amount (as determined in good faith by such Bank in accordance with its practice applicable in similar circumstances under comparable provisions of other financing agreements of similarly situated borrowers) as will compensate such Bank for the portion of such reduction allocable to the period in respect of which interest is so paid on such Interest Payment Date. A certificate as to any additional amounts payable pursuant to this Section 2.13, together with a statement by such Bank that such amounts have been calculated consistently with amounts calculated and claimed for in the case of other borrowers parties to revolving credit agreements with such Bank, submitted by such Bank, through the Administrative Agent, to the Company, shall be conclusive evidence, absent demonstrable error, of the facts stated therein. Notwithstanding the foregoing, the Company shall not be required to compensate a Bank for any increased costs or reductions incurred more than 180 days prior to the date that such Bank notifies the Company of the change in law giving rise to such increased costs or reductions and

of such Bank's intention to claim compensation under this Section; provided that, if the change in law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

2.14 Inability to Determine Interest Rate; Benchmark Transition Events.

(a) Inability to Determine Rates. Subject to clauses (b) through (f) below, if, on or prior to the first day of any Interest Period for any Term SOFR Loan:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Adjusted Term SOFR" cannot be determined pursuant to the definition thereof, or

(ii) the Required Lenders determine that for any reason in connection with any request for a Term SOFR Loan or a conversion thereto or a continuation thereof that Adjusted Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to such Banks of making and maintaining such Loan, and the Required Lenders have provided notice of such determination to the Administrative Agent,

then, in each case, the Administrative Agent will promptly so notify the Company and each Bank.

Upon notice thereof by the Administrative Agent to the Company, any obligation of the Banks to make Term SOFR Loans, and any right of the Company to continue Term SOFR Loans or to convert Base Rate Loans to Term SOFR Loans, shall be suspended (to the extent of the affected Term SOFR Loans or affected Interest Periods) until the Administrative Agent (with respect to clause (ii) above, at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Company may revoke any pending request for a borrowing of, conversion to or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or affected Interest Periods) or, failing that, the Company will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans in the amount specified therein and (ii) any outstanding affected Term SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such conversion, the Company shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 2.12. Subject to clauses (b) through (f) below, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Adjusted Term SOFR" cannot be determined pursuant to the definition thereof on any given day, the interest rate on Base Rate Loans shall be determined by the Administrative Agent without reference to clause (c) of the definition of "Base Rate" until the Administrative Agent revokes such determination.

(b) Effect of Benchmark Transition Event. Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Credit Document, upon the occurrence of a Benchmark Transition Event the Administrative Agent and the Company may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Banks so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Banks comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.14 will occur prior to the applicable Benchmark Transition Start Date.

(c) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(d) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Company and the Banks of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Company of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.14(e) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Bank (or group of Banks) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 2.14. The Benchmark Replacement shall, upon its effectiveness pursuant to this Section 2.14, replace the then current Benchmark for all purposes under this Agreement and any other Credit Documents. .

(e) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor

(f) Benchmark Unavailability Period. Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Company may revoke any request for a Term SOFR Borrowing of, conversion to or continuation of Term SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Company will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans and (ii) any outstanding affected Term SOFR Loans will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-

current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

2.15 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof (including under Basel III or Dodd-Frank) shall make it unlawful for any Bank to make or maintain Term SOFR Loans as contemplated by this Agreement, then, such Bank shall give written notice thereof to the Company and to the Administrative Agent and (a) the commitment of such Bank hereunder to make Term SOFR Loans, continue Term SOFR Loans as such and convert Base Rate Loans to Term SOFR Loans shall forthwith be suspended for the duration of such unlawfulness and (b) the Bank and the Company shall promptly enter into negotiations in good faith to agree to a solution to such illegality, limitation or impracticability; provided however, that if such an agreement has not been reached by the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law, such Bank's Loans then outstanding as Term SOFR Loans, if any, shall be converted automatically to Base Rate Loans at the earlier of (i) the end of such Interest Period and (ii) the date required under such Requirement of Law. Each Bank that has delivered a notice pursuant to this Section, if the circumstances giving rise to such notice cease to exist, shall notify the Company thereof as soon as practicable.

2.16 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Bank with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the Restatement Effective Date:

(i) shall subject any Bank to any tax on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto (except for Non-Excluded Taxes covered by Section 2.17, changes in the rate of tax on the overall net income of such Bank, any branch profits imposed by the United States of America or any similar tax imposed by any other jurisdiction and any United States federal withholding taxes imposed under FATCA);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Bank; or

(iii) shall impose on such Bank any other condition;

and the result of any of the foregoing is to increase the cost to such Bank, by an amount which such Bank deems to be material, of making, converting into, continuing or maintaining Term SOFR Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the amount of interest payable by the Company to such Bank on the Interest Payment Date in respect of each Interest Period shall be increased by such amount (as determined in good faith by such Bank in accordance with its practice applicable in similar circumstances under comparable provisions of other financing agreements of similarly situated borrowers) as will compensate such Bank for such increased cost or reduced amount receivable allocable to such Interest Period. Any Bank claiming additional amounts pursuant to this Section 2.16 shall use its reasonable efforts (consistent with internal policy and applicable legal and regulatory restrictions) to take such action, as requested by the Company in writing, if the taking of such action would avoid the need for or reduce the amount of any such additional amounts and would not, in the judgment of such Bank, be adverse to the affected Loans or to such Bank.

If any Bank becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify the Company (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this Section submitted by such Bank to the Company (with a copy to the Administrative Agent) shall be conclusive in the absence of demonstrable error. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(b) No Bank shall be entitled to any compensation under this Section 2.16 for any costs incurred or reduction suffered with respect to any date unless such Bank shall have notified the Company that it will demand compensation for such costs or reductions under paragraph (a) above not more than 60 days after the later of (i) such date and (ii) the date on which such Bank shall have become aware of such costs or reductions.

(c) Notwithstanding anything herein to the contrary, (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) Dodd-Frank and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be a change in law under this Agreement, regardless of the date enacted, adopted, issued or implemented.

2.17 Taxes. (a) All payments made by or on account of the Company under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp, excise or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto), excluding (i) net income taxes and franchise taxes imposed on the Administrative Agent or any Bank by (A) the jurisdiction under the laws of which such entity is organized or in which its principal office or applicable lending office is located or (B) any jurisdiction as a result of a present or former connection between the Administrative Agent or such Bank and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Bank having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement), (ii) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (i) above and (iii) any United States federal withholding taxes imposed under FATCA; provided, that if any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable by or on account of the Company to the Administrative Agent or any Bank as determined in good faith by the applicable withholding agent, (x) such amounts shall be paid to the relevant Governmental Authority by the applicable withholding agent in accordance with applicable law, and (y) the amounts so payable by the Company to the Administrative Agent or such Bank shall be increased to the extent necessary to yield to the Administrative Agent or such Bank (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement as if such withholding or deduction had not been made, provided further, however, that the Company shall not be required to increase any such amounts payable to the Administrative Agent or any Bank with respect to any Non-Excluded Taxes (1) that are attributable to such Bank's failure to comply with the requirements of paragraph (d) of this Section, or (2) that are United States federal withholding taxes imposed on amounts payable by the Company to such Bank at the time (i) such Bank becomes a party to this Agreement or (ii)

such Bank changes its lending office, except, in each case, to the extent that such Bank's assignor (if any) was entitled at the time of assignment or such Bank was entitled immediately before changing its lending office to receive additional amounts from the Company with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, the Company shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of any Other Taxes.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Company (or the Administrative Agent on account of such Banks), as promptly as possible after the payment of such Non-Excluded or Other Taxes, the Company shall send to the Administrative Agent for its own account or for the account of the relevant Bank, as the case may be, proof of payment thereof. If (i) the Company fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or (ii) any Non-Excluded Taxes (other than taxes described in clauses (1) and (2) of the final proviso of Section 2.17(a)) or Other Taxes are imposed directly upon the Administrative Agent or any Bank, the Company shall indemnify the Administrative Agent and the Banks for such amounts and any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Bank as a result of any such failure, in the case of (i) or any such direct imposition, in the case of (ii).

(d) Any Bank that is entitled to an exemption from or reduction of any applicable withholding tax with respect to payments hereunder shall, to the extent it is legally entitled to do so, deliver to the Company (with a copy to the Administrative Agent), at the time or times reasonably requested by the Company or Administrative Agent, such properly completed and executed documentation prescribed by applicable law or as reasonably requested by the Company or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. Without limiting the generality of the foregoing, each Bank (or Assignee) that is not a "United States person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to the Company and the Administrative Agent (or, in the case of a Participant, to the Bank from which the related participation shall have been purchased) two copies of U.S. Internal Revenue Service ("IRS") Form W-8BEN or W-8BEN-E, as applicable, Form W-8ECI, or Form W-8IMY (together with any applicable underlying IRS forms) or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit E and a Form W-8BEN or a Form W-8BEN-E, as applicable, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Company under this Agreement. Such forms shall be delivered by each Non-U.S. Lender on or about the date it becomes a party to this Agreement (or, in the case of any Participant, on or about the date such Participant purchases the related participation) and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent. In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Company and the Administrative Agent at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Company (or any other form of certification adopted by the U.S. taxing authorities for such purpose). If a payment made to a Bank would be subject to U.S. federal withholding imposed by FATCA if such Bank were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Bank shall deliver to the Company and the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section

1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Company and the Administrative Agent to comply with their obligations under FATCA and to determine that such Bank has complied with such Bank's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of the preceding sentence, "FATCA" shall include any amendments made to FATCA after the date of this Agreement. Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) Each Bank shall indemnify the Administrative Agent for the full amount of any taxes, levies, imposts, duties, charges, fees, deductions, withholdings or similar charges imposed by any Governmental Authority that are attributable to such Bank and that are payable or paid by the Administrative Agent, together with all interest, penalties, reasonable costs and expenses arising therefrom or with respect thereto, as determined by the Administrative Agent in good faith. A certificate as to the amount of such payment or liability delivered to any Bank by the Administrative Agent shall be conclusive absent manifest error.

(f) If the Administrative Agent or any Bank determines, in its sole discretion, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Company or with respect to which the Company has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to the Company (but only to the extent of indemnity payments made, and/or additional amounts paid, by the Company under this Section 2.17 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent or such Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Company, upon the written request of the Administrative Agent or such Bank, agrees to repay the amount paid over to the Company (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Bank in the event the Administrative Agent or such Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph the payment of which would place the indemnified party in a less favorable net after-tax position than the indemnified party would have been in if the tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such tax had never been paid. This paragraph shall not be construed to require the Administrative Agent or any Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Company or any other Person.

(g) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.18 Commitment Reductions and Mandatory Prepayments. If on any date the Company or any of its Subsidiaries shall receive Net Proceeds from a Designated Asset Sale and if, after such Designated Asset Sale, the Company or any of its Subsidiaries owns less than 65% of the Capital Stock of the Designated Subsidiary subject to such Designated Asset Sale, the Commitments shall be permanently reduced by an amount equal to 100% of the value of such Net Proceeds, less any portion of such Net Proceeds reinvested by Company or any of its Subsidiaries, as applicable, in Additional Assets within 180 days from the applicable Designated Asset Sale from which such Net Proceeds were received (the "Disposition Amount"); provided

that, if immediately prior to giving effect to such Designated Asset Sale, the Company and its Subsidiaries own in excess of 65% of the Capital Stock of the Designated Subsidiary that is subject to such Designated Asset Sale, the "Disposition Amount" shall be limited to the portion of the Net Proceeds attributable to the percentage of the Capital Stock of such Designated Subsidiary sold, transferred, otherwise disposed of or issued, that is equal to the difference between 65% and the percentage of the Capital Stock of such Designated Subsidiary owned by the Company and its Subsidiaries after giving effect to such Designated Asset Sale. Any such reduction shall be accompanied by (x) a prepayment of the Loans to the extent, if any, that the amount of the Loans then outstanding exceeds the amount of the Commitments as reduced pursuant to this Section 2.18 and (y) payment of the costs arising therefrom pursuant to Section 2.12.

2.19 Defaulting Lender. Notwithstanding any provision of this Agreement to the contrary, if any Bank becomes a Defaulting Lender, then the following provisions shall apply for so long as such Bank is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.4;

(b) the Commitment and Loans of such Defaulting Lender shall not be included in determining whether all Banks, each affected Bank, or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 12.1), provided that any waiver, amendment or modification that would increase or extend the term of the Commitment of such Defaulting Lender, extend the date for the payment of principal or interest owing to such Defaulting Lender hereunder, reduce the principal amount of any obligation owing to such Defaulting Lender hereunder, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder, or alter the terms of this proviso, will require the consent of such Defaulting Lender; and

(c) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender) shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated account and, subject to any applicable requirements of law, be applied at such time or times as may be determined by the Administrative Agent (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (ii) second, to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, (iii) third, if so determined by the Administrative Agent and the Company, held in such account as cash collateral for future funding obligations of the Defaulting Lender in respect of any Loans under this Agreement, (iv) fourth, to the payment of any amounts owing to the Banks as a result of any judgment of a court of competent jurisdiction obtained by any Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, and (v) fifth, to the payment of any amounts owing to the Company as a result of any judgment of a court of competent jurisdiction obtained by the Company against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement.

Notwithstanding Section 2.20, the Company may, upon not less than three Business Days' notice to a Defaulting Lender and the Administrative Agent (which the Administrative Agent will promptly provide to the other Banks), terminate or reduce the unused Commitment of such Defaulting Lender (without being required to terminate or reduce the

Commitments of other Banks); provided, that the Company may not terminate or reduce such Commitment if after giving effect to such termination or reduction, the aggregate principal amount of outstanding Loans would exceed the total Commitments. At any time after termination or reduction of a Defaulting Lender's unused Commitment, (i) the Company may identify one or more banks or financial institutions willing to become a party to this Agreement as a Bank and (ii) the Company may enter into an agreement with each such bank or financial institution pursuant to which it shall become a Bank with a Commitment under this Agreement, provided, that (a) the Administrative Agent approves the bank or financial institution that is to become a Bank under this Agreement, (b) the agreement pursuant to which such bank or financial institution becomes a party to this Agreement shall be reasonably satisfactory to the Administrative Agent, (c) such Defaulting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the banks or financial institutions that become Banks hereunder (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (d) the aggregate amount of the new Commitments of banks or financial institutions that become Banks hereunder pursuant to this sentence does not exceed the amount of the terminated or reduced Commitment of the Defaulting Lender.

In the event that the Administrative Agent and the Company each agrees that a Defaulting Lender has adequately remedied all matters that caused such Bank to be a Defaulting Lender, then outstanding Loans of the Banks shall be readjusted to reflect the inclusion of such Bank's Commitment and on such date such Bank shall purchase at par such of the Loans of the other Banks as the Administrative Agent shall determine may be necessary in order for such Bank to hold such Loans in accordance with the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Bank's Commitment; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Company while such Bank was a Defaulting Lender; provided, further, that except to the extent otherwise expressly agreed by the affected parties, a Bank's ceasing to be a Defaulting Lender will not constitute a waiver or release of any claim of any party hereunder arising from such Bank's having been a Defaulting Lender.

2.20 Mitigation Obligations; Replacement of Banks. (a) If any Bank requests compensation under Section 2.16, or requires the Company to pay any additional amount to any Bank or any Governmental Authority for the account of any Bank pursuant to Section 2.17, then such Bank shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.16 or 2.17, as the case may be, in the future and (ii) if, in the sole good faith judgment of such Bank, would not subject such Bank to any unreimbursed cost or expense, would not violate applicable law or would not otherwise be materially disadvantageous to such Bank. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Bank in connection with any such designation or assignment.

(b) If any Bank requests compensation under Section 2.16, or if the Company is required to pay any additional amount to any Bank or any Governmental Authority for the account of any Bank pursuant to Section 2.17, or if any Bank is a Defaulting Lender, then the Company may, at its sole expense and effort, upon notice to such Bank and the Administrative Agent, require such Bank to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.7), all of its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Bank, if a Bank accepts such assignment); provided

that (i) the Company shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Bank shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.16 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Bank shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Bank or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply. In case such Bank is a Defaulting Lender, each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Company, the Administrative Agent and the assignee and that the Bank required to make such assignment need not be a party thereto.

2.21 Incremental Commitments. (a) The Company and any one or more Banks (including New Banks) may from time to time agree that such Banks shall make, obtain or increase the amount of their Commitments ("Incremental Commitments"), by executing and delivering to the Administrative Agent an Increased Facility Activation Notice specifying (i) the amount of such Incremental Commitment and (ii) the Increased Facility Closing Date; provided that, immediately prior to and after giving effect to any such increase in the Commitments (i) no Default or Event of Default shall have occurred and be continuing and (ii) each of the representations and warranties made by the Company in or pursuant to the Credit Documents shall be true and correct in all material respects (or, if such representations and warranties are qualified by materiality or "Material Adverse Effect", in all respects) on and as of such date as if made on and as of such date (except that any representations and warranties which expressly relate to an earlier date shall be true and correct in all material respects (or, if such representations and warranties are qualified by materiality or "Material Adverse Effect", in all respects) as of such earlier date). Notwithstanding the foregoing, (i) without the consent of the Required Lenders, the aggregate amount of Incremental Commitments obtained after the Restatement Effective Date pursuant to this paragraph shall not exceed \$100,000,000, (ii) without the consent of the Administrative Agent, each increase effected pursuant to this paragraph shall be in a minimum amount of at least \$10,000,000 and (iii) all Incremental Commitments shall be documented solely as an increase to the Commitments, all Loans under Incremental Commitments ("Incremental Loans") shall be identical to the Loans, and the terms and provisions of the Incremental Commitments and Incremental Loans shall be no more favorable than those applicable to the Commitments and Loans, respectively, including, without limitation, in respect of any interest rate margin applicable to any such Incremental Loans and any undrawn commitment fee payable to any Bank or New Bank (as defined below) in connection with such Incremental Commitments. No Bank shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(b) Any additional bank, financial institution or other entity which, with the consent of the Company and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a "Bank" under this Agreement in connection with any transaction described in Section 2.21(a) shall execute a New Bank Supplement (each, a "New Bank Supplement"), substantially in the form of Exhibit F-2, whereupon such bank, financial institution or other entity (a "New Bank") shall become a Bank for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(c) Unless otherwise agreed by the Administrative Agent, on each Increased Facility Closing Date, the Company shall borrow Loans under the relevant increased Commitments from each Bank (including New Banks) participating in the relevant increase in an amount determined by reference to the amount of each Type of Loan (and, in the case of Term SOFR Loans, of each Term SOFR Tranche) which would then have been outstanding from such Bank if (i) each such Type or Term SOFR Tranche had been borrowed or effected on such Increased Facility Closing Date and (ii) the aggregate amount of each such Type or Term SOFR Tranche requested to be so borrowed or effected had been proportionately increased. The Term SOFR applicable to any Term SOFR Loan borrowed pursuant to the preceding sentence shall equal the Term SOFR then applicable to the Term SOFR Loans of the other Banks in the same Term SOFR Tranche (or, until the expiration of the then-current Interest Period, such other rate as shall be agreed upon between the Company and the relevant Bank). If on such Increased Facility Closing Date there are any Loans outstanding, the Administrative Agent shall take those steps which it deems, in its sole discretion and in consultation with the Company, necessary and appropriate to result in each Bank (including each New Bank) having a pro-rata share of the outstanding Loans based on each such Bank's Commitment Percentage immediately after giving effect to such increase in Commitments.

SECTION 3. RESERVED

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce the Banks to enter into this Agreement and to make the Loans herein provided for, the Company hereby represents and warrants to the Banks and the Administrative Agent that:

4.1 Financial Condition. The audited statements of financial condition of the Company and its consolidated Subsidiaries as at December 31, 2020, December 31, 2021 and December 31, 2022, and the related consolidated statements of operations and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from Deloitte & Touche LLP, present fairly the consolidated financial condition of the Company and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein).

4.2 No Material Adverse Effect. Except as disclosed in the SEC Filings, since December 31, 2022, there has been no event or development that would reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. The Company (a) is a limited liability company formed and validly existing under the Limited Liability Company Law of the State of Delaware, or, if at any time after the Restatement Effective Date the Company has changed its form of business organization to a corporate or partnership form or has changed its jurisdiction of organization, is, on any date on or after the effectiveness of such change upon which this representation is made or deemed made, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the requisite power and authority under such law to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged and (c) is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except where the failure to so qualify or

be in good standing would not reasonably be expected, in the aggregate, to have a Material Adverse Effect. Each of the Company's Significant Subsidiaries (x) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (y) has the requisite power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged and (z) is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except where the failure to so qualify or be in good standing would not reasonably be expected, in the aggregate, to have a Material Adverse Effect. Each of the Company and its Significant Subsidiaries is in compliance with all Requirements of Law except to the extent that the failure to comply therewith would not reasonably be expected, in the aggregate, to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. The Company has the requisite power and authority and the legal right to make, deliver and perform this Agreement and the Notes and to borrow hereunder and has taken all necessary and proper action to authorize the borrowings on the terms and conditions of this Agreement and the Notes and to authorize the execution, delivery and performance of this Agreement and the Notes by the Company. No consent or authorization of, filing with or other act by or in respect of any Governmental Authority, except such as have been obtained or made and are in full force and effect, is required by the Company in connection with the borrowings hereunder or with the execution, delivery or performance of this Agreement or the Notes by the Company or with the validity or enforceability of this Agreement or the Notes against the Company. This Agreement has been duly executed and delivered on behalf of the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). On the date of the initial Loans hereunder, each Note, if requested, will have been duly executed and delivered on behalf of the Company and will constitute a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the Notes, the borrowings hereunder and the use of the proceeds thereof, (i) will not violate (a) the organizational or governing documents of the Company or any of its Significant Subsidiaries, (b) any other material Requirement of Law or (c) any Contractual Obligation of the Company or of any of its Significant Subsidiaries, and (ii) will not result in, or require, the creation or imposition of any Lien on any of its or their respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation, except with respect to clauses (i)(c) and (ii) only, to the extent that any such violation or creation or imposition of a Lien would not reasonably be expected to have, in the aggregate, a Material Adverse Effect.

4.6 No Material Litigation. Except as disclosed in the SEC Filings, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Company, threatened by or against the Company or any of its Significant Subsidiaries or against any of its or their respective properties or revenues (a) with respect to this Agreement or the Notes, or (b) which is reasonably likely to be adversely determined and, if adversely determined, would reasonably be expected to have, a Material Adverse Effect.

4.7 No Default. Neither the Company nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation in any respect which would reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each of the Company and its Subsidiaries, if any, has good title to or valid leasehold interests in all its real property, and good title to or valid leasehold interests in all its other property, except, in each case, for such exceptions as would not reasonably be expected to have a Material Adverse Effect, and none of such property is subject to any Lien prohibited by Section 7.3.

4.9 Taxes. Each of the Company and its Subsidiaries has filed or caused to be filed all tax returns which to the knowledge of the Company are required to be filed by it and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority except (a) those taxes the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Company or any of its Significant Subsidiaries, as the case may be, or (b) to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.10 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used (a) for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect for any purpose that violates the provisions of the Regulations of the Board or (b) for any purpose that violates the provisions of the Regulations of the Board.

4.11 ERISA. Except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (a) during the five-year period prior to the date on which this representation is made or deemed made, (i) no Reportable Event or non-exempt Prohibited Transaction has occurred with respect to any Plan; (ii) no termination of a Single Employer Plan has occurred with respect to which the liability remains unsatisfied and no Lien in favor of the PBGC has arisen; (iii) there has been no failure to meet the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) with respect to any Single Employer Plan; and (iv) there has been no filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Single Employer Plan, no failure to make, by its due date, a required installment under Section 430(j) of the Code with respect to any Single Employer Plan, or failure by the Company or any Commonly Controlled Entity to make any required contribution to a Multiemployer Plan; (b) the Company, each of its Significant Subsidiaries and each Commonly Controlled Entity is in compliance in all respects with the applicable provisions of ERISA and the Code relating to Plans; (c) the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Single Employer Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Single Employer Plan allocable to such accrued benefits and there has been no determination that any Single Employer Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430(i)(4) of the Code or Section 303(i)(4) of ERISA); (d) neither the Company nor any Commonly Controlled Entity has received from the PBGC or a plan administrator any notice relating to an intention to terminate any Single Employer Plan or to appoint a trustee to administer any Single Employer Plan under Section 4042 of ERISA; (e) neither the Company nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or would

reasonably be expected to result in any liability under Section 4201 of ERISA; (f) neither the Company nor any Commonly Controlled Entity has received any notice of a determination that a Multiemployer Plan is Insolvent or in “endangered” or “critical” status (within the meaning of Section 432(b) of the Code or Section 305(b) of ERISA); and (g) with respect to each Foreign Plan, there has been no failure (i) to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan; (ii) to register, or loss of good standing, with applicable regulatory authorities of any such Foreign Plan required to be registered; or (iii) of any Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Plan.

4.12 Investment Company Act. Neither the Company nor any of its Subsidiaries is an “investment company”, or a company “controlled” by a registered “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

4.13 Significant Subsidiaries. Except as disclosed in the SEC Filings or to the Administrative Agent (who shall promptly notify the other Banks upon receipt of such disclosure) by the Company in writing from time to time after the Restatement Effective Date, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors’ qualifying shares or interests in the Paris Subsidiaries that are owned by the Company’s French managing directors or other employees of such subsidiaries) of any nature relating to any Capital Stock of the Company or any of its Significant Subsidiaries, except as created by this Agreement.

4.14 EEA Financial Institutions. The Company is not an EEA Financial Institution.

4.15 Accuracy of Information, etc. No statement or information contained in this Agreement, the Beneficial Ownership Certification provided on or prior to the Restatement Effective Date to the Administrative Agent in connection with this Agreement or any other document, certificate or statement furnished by or on behalf of the Company to the Administrative Agent or the Banks, or any of them, for use in connection with the transactions contemplated by this Agreement, contained as of the date such statement, information, document or certificate was so furnished (as modified or supplemented by other information so furnished), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not materially misleading in each case taken as a whole and in light of the circumstances under which they were made; provided that, with respect to any such statement or information with respect to projected financial information or other projected results, the Company represents only that such information was based upon good faith estimates and assumptions believed by management of the Company to be reasonable at the time made, it being recognized by the Banks that such information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such information may differ from the projected results set forth therein by a material amount.

4.16 Use of Proceeds. (a) The proceeds of the Loans shall be used by the Company for general corporate purposes.

(b) The Company will not use the proceeds of the Loans (i) to further an offer, payment, promise to pay, or authorization of the payment of money, to any Person in violation of any Sanctions; (ii) to fund, finance or facilitate any activities, business or transaction of or with a Sanctioned Person or in a Sanctioned Country, in violation of any Sanctions; or (iii) for any other

purpose that would violate the FCPA, any other applicable anti-corruption laws of jurisdictions that have jurisdiction over the Company or any of its Subsidiaries, or Sanctions.

4.17 Sanctions, OFAC and Patriot Act. (a) None of the Company, any of its Subsidiaries, or any of their respective directors or officers, or, to the knowledge of the Company, employees or agents, is a Sanctioned Person. The Company, its Subsidiaries and, to the knowledge of the Company, the directors, officers and employees of the Company and the Company's Subsidiaries are in compliance with applicable Sanctions in all material respects.

(b) The Company and each of its Subsidiaries are in compliance in all material respects with (i) the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the "USA Patriot Act"); and (ii) applicable anti-corruption laws of jurisdictions that have jurisdiction over the Company or any of its Subsidiaries, including the FCPA.

(c) The Company and its Subsidiaries have instituted and maintain policies and procedures reasonably designed to ensure compliance by the Company and its Subsidiaries with applicable anti-corruption laws of jurisdictions that have jurisdiction over the Company or any of its Subsidiaries, including the FCPA, and applicable Sanctions, including OFAC Regulations.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions of Initial Loans. The obligation of each Bank to make its initial Loan hereunder and the effectiveness of this Agreement are subject to the satisfaction of the following conditions precedent:

(a) Execution of Agreement. The Administrative Agent shall have received this Agreement, executed by an authorized officer of each Bank party hereto and by an authorized officer of the Company.

(b) Notes. The Administrative Agent shall have received a Note conforming to the requirements hereof and executed by an authorized officer of the Company for each Bank that has requested a Note prior to the Restatement Effective Date. The Administrative Agent shall promptly forward any such Notes to the appropriate Banks.

(c) Existing Credit Agreement. Prior to or substantially simultaneously with the Restatement Effective Date, the Company shall have repaid all outstanding loans, unpaid interest thereon and all fees and expenses owed thereunder.

(d) Legal Opinion. The Administrative Agent shall have received an opinion of Cravath, Swaine & Moore LLP, special counsel to the Company in form and substance reasonably satisfactory to the Administrative Agent, dated the Restatement Effective Date and addressed to the Administrative Agent and the Banks.

(e) Closing Certificate. The Administrative Agent shall have received a Closing Certificate of the Company dated the Restatement Effective Date, in a form reasonably satisfactory to the Administrative Agent, with appropriate insertions and

attachments (including the certificate of formation and the operating agreement of the Company) executed by an officer of the Company.

(f) Incumbency and Signatures. The Administrative Agent shall have received a certificate of an officer of the Company, dated the Restatement Effective Date, as to the incumbency and signatures of the officers of the Company, duly authorized to sign this Agreement, the Notes and any certificate or other document required to be delivered pursuant thereto.

(g) Fees. The Administrative Agent shall have received all fees required to be paid to it and each Bank under this Agreement on or prior to the Restatement Effective Date.

(h) PATRIOT Act/KYC Requirements. (i) The Administrative Agent and each Bank shall have received, at least five days prior to the Restatement Effective Date, all documentation and other information regarding the Company requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, to the extent requested in writing of the Company at least 10 days prior to the Restatement Effective Date and (ii) to the extent the Company qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five days prior to the Restatement Effective Date, any Bank that has requested, in a written notice to the Company at least 10 days prior to the Restatement Effective Date, a Beneficial Ownership Certification in relation to the Company shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Bank of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

5.2 Conditions to All Loans. The making by each Bank of any Loan hereunder (but not the conversion or continuation of any Loan pursuant to Section 2.7) is subject to the satisfaction of the following conditions precedent on the relevant Borrowing Date:

(a) Representations and Warranties. The representations and warranties made by the Company herein or which are contained in any certificate furnished at any time under or in connection herewith (other than those representations and warranties set forth in Sections 4.2 and 4.6 of this Agreement) shall be true and correct in all material respects on and as of the Borrowing Date as if made on and as of such date (it being understood and agreed that any representation and warranty that (i) is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct (after giving effect to any qualification therein) in all respects and (ii) by its terms is made as of a specified date shall be true and correct in all material respects (or all respects, to the extent qualified as to "materiality" or "Material Adverse Effect") only as of such specified date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Loan to be made on such Borrowing Date.

(c) Compliance Certificate. Notwithstanding the fact that no Event of Default has occurred and is continuing, if the Company has failed to comply with the financial covenants set forth in Section 7.1 for any period of time, the Company shall have delivered a Compliance Certificate substantially in the form of Exhibit D.

Each borrowing by the Company hereunder shall constitute a representation and warranty by the Company as of the date of such borrowing or issuance that the conditions in clauses (a) and (b) of this Section have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

The Company hereby agrees that, so long as the Commitments remain in effect, any Loan remains outstanding and unpaid or any other amounts (other than indemnities and other contingent liabilities that survive the repayment of the Loans) is owing to the Banks or the Administrative Agent hereunder, the Company shall and (except in the case of delivery of financial information, reports and notices) shall cause each Significant Subsidiary to:

6.1 Financial Statements. Furnish to the Administrative Agent for delivery to each Bank:

(a) as soon as available, but in any event within 90 days after each December 31st or other date on which the annual audit of the Company is conducted, a copy of the balance sheet of the Company and its consolidated Subsidiaries as at such date and the related statement of income for the fiscal year then ended, reported on without a “going concern” or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally or regionally recognized standing; provided that any such financial statements that are made available on the SEC’s EDGAR system or the Company’s website shall be deemed delivered to the Administrative Agent on the date such documents are made so available; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first, second and third quarterly periods of each fiscal year of the Company (which, for the avoidance of doubt, shall include the second quarterly period of fiscal year 2023), the unaudited balance sheet of the Company and its consolidated Subsidiaries as at the end of each such quarter and the related unaudited statement of income of the Company and its consolidated Subsidiaries for the fiscal year to date, certified by a Responsible Officer of the Company with responsibility for financial reporting matters (subject to normal year-end audit adjustments); provided that any such financial statements that are made available on the SEC’s EDGAR system or the Company’s website shall be deemed delivered to the Administrative Agent on the date such documents are made so available, and no such certification shall be required;

all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail in accordance with GAAP applied consistently throughout the period reflected therein (except as disclosed therein), and in the case of clause (b) above, subject to normal year-end audit adjustments and the absence of footnotes. Notwithstanding anything to the contrary in this Section 6.1, if financial statements for the Company shall no longer be publicly available on the SEC’s EDGAR system or the Company’s website, this Section 6.1 shall be deemed to be satisfied upon the delivery of financial statements of Holdings.

6.2 Certificates; Other Information. Furnish to the Administrative Agent for delivery to each Bank:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.1(a) and (b), a certificate of an authorized financial officer of the Company (i) stating that, to the best of such authorized financial officer’s knowledge, there has not been any Default or Event of Default, and if such Default or Event of Default has

occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) setting forth quarterly computations with respect to compliance with Section 7.1 of this Agreement;

(b) [Reserved];

(c) [Reserved]; and

(d) promptly, such additional financial and other information (including such documents and information required by bank regulatory authorities under applicable “know-your-customer”, anti-terrorism and anti-money laundering rules and regulations, including the USA PATRIOT Act), as the Banks may from time to time reasonably request and which the Company is not expressly prohibited by law or written contract from disclosing.

6.3 Conduct of Business and Maintenance of Existence; Compliance. (a) Continue to engage in business of the same general type as now conducted by it and preserve, renew and keep in full force and effect its existence (which, in the case of the Company shall be as a duly formed and existing limited liability company or, if the provisions set forth in the immediately succeeding sentence have been satisfied, a duly organized and existing corporation or partnership), except as otherwise expressly permitted under Section 7.4, (b) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business except where failure to take such action would not reasonably be expected, in the aggregate, to have a Material Adverse Effect and (c) comply with all Contractual Obligations and Requirements of Law, except to the extent that failure to comply therewith would not reasonably be expected, in the aggregate, to have a Material Adverse Effect. The Company may change the form of its business organization from limited liability company to corporate form or to a limited partnership form provided that (i) immediately upon giving effect to any such change, all representations and warranties made by the Company under Section 4 hereof are true and correct as if made at such time by the Company in such successor form and (ii) upon or prior to the date of such change, the Company shall have delivered to the Administrative Agent a certificate of the Company to such effect and opinion satisfactory to the Administrative Agent with respect to the assumption of all agreements, obligations and liabilities hereunder by the Company in such successor form.

6.4 Maintenance of Property; Insurance. Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and except where failure to do so would not reasonably be expected, in the aggregate, to have a Material Adverse Effect; maintain insurance on all its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business and of a similar size; and furnish to the Administrative Agent, upon written request, evidence of such insurance.

6.5 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in all material respects shall be made of all dealings and transactions in relation to its business and activities; and (b) if an Event of Default has occurred and is continuing, or if the Administrative Agent reasonably believes that an Event of Default will occur within a period of six months following the date of the applicable determination, with the prior consent of the Company, which shall not be unreasonably withheld (and not be required when any Event of Default has occurred and is continuing but with reasonable prior notice), permit representatives of any Bank to visit and inspect any of its properties and examine and make abstracts from any of its books and records at

any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the Company and its Subsidiaries with officers and employees of the Company and its Significant Subsidiaries and with its independent certified public accountants.

6.6 Notices. Promptly give notice to the Administrative Agent and each Bank:

- (a) of the occurrence of any Default or Event of Default upon any executive officer of the Company or any Significant Subsidiary obtaining knowledge thereof, such notice to be in the form required by Section 11.5;
- (b) of any litigation or proceeding which may exist at any time between the Company or any Subsidiary and any other person, which is reasonably likely to be adversely determined and if adversely determined would have a Material Adverse Effect;
- (c) of the following events, as soon as possible and in any event within 30 days after the Company knows or has reason to know thereof: (i) the occurrence of any Reportable Event or non-exempt Prohibited Transaction resulting in liability in excess of \$25,000,000 with respect to any Plan, a failure to make any required contribution to a Single Employer Plan or Multiemployer Plan, any determination that any Single Employer Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430(i)(4) of the Code or Section 303(i)(4) of ERISA), the creation of any Lien in favor of the PBGC or a Plan, any withdrawal from, or the termination or Insolvency of, any Multiemployer Plan or determination that any Multiemployer Plan is, or is expected to be, in "endangered" or "critical" status (within the meaning of Section 432(b) of the Code or Section 305(b) of ERISA), or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Company or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination or Insolvency of, any Single Employer Plan or Multiemployer Plan or determination that any Single Employer Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430(i)(4) of the Code or Section 303(i)(4) of ERISA) or that any Multiemployer Plan is, or is expected to be, in "endangered" or "critical" status (within the meaning of Section 432(b) of the Code or Section 305(b) of ERISA); and
- (d) of any other development that has had or would reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Company setting forth details of the occurrence referred to therein and stating what action, if any, the Company proposes to take with respect thereto.

SECTION 7. NEGATIVE COVENANTS

The Company hereby agrees that, so long as the Commitments remain in effect, any Loan remains outstanding and unpaid or any other amounts (other than indemnities and other contingent liabilities that survive the repayment of the Loans) is owing to the Banks or the Administrative Agent hereunder, the Company shall not, and shall not permit any of its Significant Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the last day of any fiscal quarter, commencing with the fiscal quarter ended June 30, 2023, to be greater than 3.25 to 1.00; provided that the Consolidated Leverage Ratio may be greater than 3.25:1.00 for four (consecutive or non-consecutive) quarters so long as it is not greater than 3.50:1.00 as of the last day of any such quarter.

(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio for the period of four consecutive fiscal quarters ending on the last day of any fiscal quarter, commencing with the fiscal quarter ended June 30, 2023, to be less than 3.00 to 1.00.

7.2 Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

- (a) Indebtedness arising under this Agreement or the Notes;
- (b) Indebtedness of any Wholly Owned Subsidiary of the Company to the Company or any other Wholly Owned Subsidiary of the Company;
- (c) Indebtedness outstanding on the Restatement Effective Date and listed on Schedule 7.2 and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness;
- (d) Indebtedness of the Company;
- (e) secured Broker-Dealer Indebtedness (including that of LFNy) and Indebtedness of Lazard Frères Banque; provided that after giving effect to the incurrence of any unsecured Indebtedness by Lazard Frères Banque or LFNy, as the case may be, permitted under this Section 7.2(e), the aggregate of its unencumbered assets shall exceed the aggregate of its unsecured Indebtedness;

(f) Indebtedness of a Subsidiary acquired after the Restatement Effective Date or a corporation or other entity merged into or consolidated with the Company or any Subsidiary after the Restatement Effective Date and Indebtedness assumed in connection with the acquisition of assets, which Indebtedness in each case, exists at the time of such acquisition, merger or consolidation and is not created in contemplation of such event and where such acquisition, merger or consolidation is permitted by this Agreement and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness (whether such Permitted Refinancing Indebtedness is incurred substantially concurrently with the consummation of such acquisition, merger or consolidation or thereafter); provided that, immediately after giving effect to the acquisition or assumption of such Indebtedness (other than Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness), the Company shall be in pro forma compliance with the financial covenant set forth in Section 7.1(a);

- (g) [Reserved];
- (h) additional Capital Lease Obligations in an aggregate principal amount not to exceed \$40,000,000 at any one time outstanding;
- (i) purchase money Indebtedness incurred by any Subsidiary of the Company prior to or within 270 days of the acquisition, lease or improvement of the respective

asset permitted under this Agreement in order to finance such acquisition or improvement, and any Permitted Refinancing Indebtedness in respect thereof, in an aggregate principal amount that at the time of, and after giving effect to, the incurrence thereof in an aggregate principal amount not to exceed \$50,000,000 at any one time outstanding;

- (j) [Reserved];
- (k) Indebtedness in connection with Permitted Receivables Financings in an aggregate principal amount not to exceed \$50,000,000 at any one time outstanding;
- (l) Indebtedness in respect of letters of credit issued for the account of the Subsidiaries (other than letters of credit issued as guaranties for Indebtedness of the Company and its Subsidiaries);
- (m) Subordinated Indebtedness of any of the Subsidiaries;
- (n) additional Indebtedness of any of the Subsidiaries in an aggregate principal amount (for all Subsidiaries) not to exceed \$250,000,000 at any one time outstanding, which, for the avoidance of doubt, may include Indebtedness of any Subsidiary incurred in order to finance the improvement of, or secured by a mortgage or other Lien on, any or all of the Paris Properties, and any Permitted Refinancing Indebtedness in respect thereof; provided that, immediately after giving effect to the incurrence of such additional Indebtedness, the Company shall be in pro forma compliance with the financial covenant set forth in Section 7.1(a);
- (o) Guarantee Obligations of the Subsidiaries in respect of Indebtedness of the Company or its Subsidiaries so long as the incurrence of such Indebtedness is permitted under this Agreement; and
- (p) Specified Non-Recourse Indebtedness.

except: 7.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired,

- (a) Liens created, incurred or assumed by any Subsidiary of the Company which is a registered broker-dealer upon assets owned by such Subsidiary or held for such Subsidiary's account to secure Trade Debt;
- (b) Liens for taxes, assessments, governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company in accordance with GAAP;
- (c) carriers', warehousemen's, mechanics', materialmen's, repairmen's, or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings;
- (d) (i) pledges or deposits in connection with workmen's compensation, unemployment insurance and other social security legislation, (ii) licenses, sublicenses, leases or subleases granted in the ordinary course of business not interfering in any

material respect with the business of the Company or any of its Subsidiaries, (iii) Liens arising from UCC financing statements regarding operating leases and (iv) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents;

(e) Liens incurred or pledges or deposits made to secure the performance of bids, tenders, sales contracts, trade contracts (other than for borrowed money), leases, statutory and other obligations required by law, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate; are not substantial, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Company and its Subsidiaries taken as a whole;

(g) Liens on real property, leasehold improvements and equipment of the Company securing Specified Non-Recourse Indebtedness and/or Specified Recourse Indebtedness;

(h) any judgment Liens in respect of judgments that do not constitute an Event of Default under clause (h) of Section 9;

(i) purchase money Liens on property acquired or held by the Company or any Subsidiary in the ordinary course of business to secure the purchase price of such property or to secure Indebtedness incurred solely for the purpose of financing the acquisition, construction or improvement of such property or other Lien existing on any such property or assets at the time of acquisition (other than any such Liens created in contemplation of such acquisition that do not secure the purchase price); provided, however, that no such Lien shall extend to or cover any property other than property being acquired, constructed on or improved;

(j) any assignment of an account or chattel paper (i) as part of the sale of the business out of which such account or chattel paper arose, (ii) for the purpose of collection only, (iii) under a contract to an assignee who is also to do the performance under such contract or (iv) in whole or partial satisfaction of pre-existing Indebtedness;

(k) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any of the Liens permitted by clause (i) above upon the same real property or assets theretofore subject thereto without increase in the amount of Indebtedness secured thereby;

(l) any Lien on any property or asset (or proceeds therefrom) that is existing prior to the acquisition thereof by the Company or any Subsidiary or on any property or asset of any Person that becomes a Subsidiary after the Restatement Effective Date that is existing prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Company or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(m) (i) any Lien securing Indebtedness permitted under Sections 7.2(b) (only to the extent required under Requirements of Law), 7.2(e) or 7.2(k) and (ii) any Lien on all or any portion of the Paris Properties or assets located thereon securing Indebtedness permitted under Section 7.2(n);

(n) any Lien securing Indebtedness permitted under Sections 7.2(h) and 7.2(i) on property acquired or held by the Company or any Subsidiary solely for the purpose of financing the acquisition, construction or improvement of such property (including any such property made the subject of a Capital Lease Obligation) or other Lien existing on any such property or assets at the time of such acquisition (other than any such Liens created in contemplation of such acquisition that do not secure the purchase price); provided, however, that no such Lien shall extend to or cover any property other than the property being acquired, constructed on or improved or subject to such Capital Lease Obligation;

(o) Liens existing on the Restatement Effective Date set forth on Schedule 7.2; and

(p) other Liens securing Indebtedness or other obligations not prohibited under Section 7.2 in an aggregate principal amount outstanding not to exceed \$50,000,000 at any time outstanding.

7.4 Limitation on Fundamental Changes. Consummate any merger, amalgamation, statutory share exchange or consolidation or similar transaction (collectively, to “Merge” or a “Merger”, as applicable) involving the Company and its Significant Subsidiaries, or a sale or other disposition of all or substantially all of the assets of Company and its Subsidiaries taken as a whole (any of the foregoing, a “Business Combination”), except that:

(a) any Subsidiary of the Company may Merge with or into the Company or enter into a Business Combination with the Company (provided that the Company shall be the continuing or surviving person) or Merge with or into, or enter into a Business Combination with, any other Subsidiary;

(b) so long as no Default exists or would result therefrom, any Merger of a Significant Subsidiary, the purpose of which is to effect an asset sale or disposition permitted under this Agreement and not constituting a sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole; and

(c) any Business Combination shall be permitted if: (A) more than 50% of, respectively, the outstanding equity interests in, and more than 50% of the combined voting power of the then outstanding voting interests entitled to vote generally in the election of directors or similar governing body, as the case may be, of the person resulting from such Business Combination (including, without limitation, a person which as a result of such transaction owns Holdings or all or substantially all of Holdings’ assets either directly or through one or more subsidiaries) shall be owned by persons who are the beneficial owners of the Company immediately prior to such Business Combination, and (B) no Change in Control shall occur.

7.5 RESERVED.

7.6 RESERVED.

7.7 Clauses Restricting Subsidiary Distributions. Other than pursuant to the Senior Note Indentures, enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Significant Subsidiary of the Company to (a) make Restricted Payments in respect of any Capital Stock of such Significant Subsidiary held by, or pay any Indebtedness owed to, the Company or any other Subsidiary of the Company, (b) make loans or advances to, or other Investments in, the Company or any other Subsidiary of the Company or (c) transfer any of its assets to the Company or any other Subsidiary of the Company, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions imposed by law, by any self-regulatory organizations or existing under this Agreement, (ii) any restrictions with respect to a Significant Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Significant Subsidiary, (iii) restrictions and conditions with respect to a Person that is not a Significant Subsidiary on the Restatement Effective Date, which restrictions and conditions are in existence at the time such Person becomes a Significant Subsidiary and are not incurred in connection with, or in contemplation of, such Person becoming a Significant Subsidiary, (iv) restrictions and conditions no more restrictive than those in the Senior Note Indentures, (v) restrictions and conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions and conditions apply only to the property or assets securing such Indebtedness, and (vi) customary provisions in leases and other contracts restricting the assignment thereof.

7.8 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock (or equivalent) of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Company or any of its Subsidiaries, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any of the Company or any Subsidiary (collectively, "Restricted Payments"), if, at the time thereof and immediately after giving effect thereto, a Default or Event of Default shall have occurred and be continuing. Notwithstanding the foregoing, the Company and each Subsidiary may make the following Restricted Payments:

- (a) amounts necessary for tax distributions in accordance with Article VI of the Company's operating agreement as in effect as of the Restatement Effective Date;
- (b) distributions made in accordance with the Company's operating agreement, as in effect as of the Restatement Effective Date, in respect of profit participation interests;
- (c) Restricted Payments made by any Subsidiary of the Company to the Company or any other Subsidiary of the Company or ratably with respect to its Capital Stock;
- (d) pro rata distributions to any holders of Capital Stock in a joint venture;
- (e) Restricted Payments necessary for any parent of the Company to pay operating expenses attributable to the Company and other similar corporate overhead costs and expenses incurred in the ordinary course of business which are attributable to the Company;
- (f) Restricted Payments made by the Company or by any Significant Subsidiary of the Company, in connection with the purchase of Holdings Capital Stock in an amount equal to 100% of Holdings Capital Stock that the Company or Holdings expects to

ultimately issue pursuant to any equity compensation plan authorized and approved by the Board of Directors of Holdings or the Company in respect of year-end incentive compensation attributable to the prior year;

(g) dividend payments to employees holding Capital Stock received upon the exercise of compensation options under a benefit plan; and

(h) Restricted Payments made in connection with the Lazard Asset Management Equity Plan.

7.9 Disposition of Designated Subsidiaries. Enter into any Designated Asset Sale, if, after giving effect to such Designated Asset Sale, the Company shall own, directly or indirectly, Capital Stock of any Designated Subsidiary representing less than a majority of (a) the Capital Stock of such Designated Subsidiary, (b) the Capital Stock of such Designated Subsidiary entitled to vote generally in the election of directors or (c) the right to receive dividends or other distributions from such Designated Subsidiary.

SECTION 8. RESERVED

SECTION 9. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) The Company shall fail to pay any principal of any Loan when any such amount becomes due in accordance with the terms hereof; or to pay any interest on any Loan, or any other amount payable hereunder, within five days after such interest or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made by the Company herein or pursuant hereto or which is contained in any certificate or other document furnished at any time under or in connection with this Agreement shall prove to have been incorrect in any material respect on or as of the date made; or

(c) The Company shall default in the observance or performance of any agreement contained in Section 6.3(a) (with respect to the existence of the Company only), Section 6.6(a) or in Section 7 (other than, so long as there are no Loans outstanding under this Agreement, Section 7.1); or

(d) The Company shall default in the observance of the financial covenants set forth in Section 7.1 on the last day of any fiscal quarter on which there are no Loans outstanding under this Agreement and such default shall continue unremedied at the end of the next succeeding fiscal quarter; or

(e) The Company shall default in the observance or performance of any other agreement contained in this Agreement (other than as provided in paragraphs (a) through (d) of this Section), and such default shall continue unremedied for a period of 30 days following notice thereof by the Administrative Agent to the Company; or

(f) The Company or any of its Significant Subsidiaries shall (i) default in any payment of principal of or interest on any Indebtedness (other than the Loans) in excess of \$50,000,000 beyond the period of grace, if any, provided in the instrument or agreement (or any extension of such period granted to the Company) under which such

Indebtedness was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Indebtedness in excess of \$50,000,000 to become due prior to its stated maturity; or

(g) (i) Any Person shall engage in any non-exempt Prohibited Transaction involving any Plan; (ii) any failure to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Company or any of its Significant Subsidiaries or any Commonly Controlled Entity; (iii) a filing shall be made pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Single Employer Plan, or there shall be a failure by the Company or any Commonly Controlled Entity to make by its due date a required contribution to any Single Employer Plan or Multiemployer Plan; (iv) a determination shall be made that any Single Employer Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430(i)(4) of the Code or Section 303(i)(4) of ERISA); (v) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the Banks' reasonable opinion, reasonably likely to result in the termination of such Plan for purposes of Title IV of ERISA; (vi) any Single Employer Plan shall terminate for purposes of Title IV of ERISA; (vii) the Company, any of its Significant Subsidiaries or any Commonly Controlled Entity shall, or shall be reasonably likely to, incur any liability in connection with a withdrawal from, or the Insolvency of, a Multiemployer Plan or there shall be a determination that any Multiemployer Plan is, or is expected to be, in "endangered" or "critical" status (within the meaning of Section 432(b) of the Code or Section 305(b) of ERISA); (viii) with respect to any Foreign Plan, there shall occur (A) a failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan, (B) a failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Plan required to be registered; or (C) a failure of any Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Plan; or (ix) any other similar event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (ix) above, such event or condition, together with all other such events or conditions, if any, could subject the Company or any Significant Subsidiary to any tax, penalty or other liabilities that, in the aggregate, would have a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against the Company or any of its Significant Subsidiaries involving in the aggregate a liability (not paid or to the extent not covered by insurance) of \$50,000,000 or more and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(i) (i) the Company or any of its Significant Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of

debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Company or any of its Significant Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Company or any of its Significant Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undischarged or undischarged for a period of 60 days; or (iii) there shall be commenced against the Company or any of its Significant Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Company or any of its Significant Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Company or any of its Significant Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(j) a Change in Control shall occur.

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (i) above with respect to the Company, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Company declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Company, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Company.

SECTION 10. RESERVED

SECTION 11. THE ADMINISTRATIVE AGENT

11.1 Appointment. Each Bank hereby irrevocably designates and appoints Citibank, N.A., as the Administrative Agent of such Bank under this Agreement, and irrevocably authorizes Citibank, N.A., as the Administrative Agent for such Bank, to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary

relationship with the Banks, and no implied covenants, function, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent.

11.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

11.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement (except for its or such Person's own gross negligence, bad faith or willful misconduct (as determined by a court of competent jurisdiction by final and nonappealable judgment)), or (ii) responsible in any manner to the Banks for any recitals, statements, representations or warranties made by the Company or any officer thereof contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the Notes or for any failure of the Company to perform its obligations hereunder. The Administrative Agent shall not be under any obligation to the Banks to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Company. The Administrative Agent will not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable law, including for the avoidance of doubt, any action that may be in violation of the automatic stay under any bankruptcy or insolvency proceeding or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any bankruptcy or insolvency proceeding.

11.4 Reliance by Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Company), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Banks as it deems appropriate or it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the Notes in accordance with a request of the Banks, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Banks and all future holders of the Notes.

11.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Bank or the Company referring to this

Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default” or “notice of event of default”, as the case may be. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Banks. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Banks jointly; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Banks.

11.6 Non-Reliance on Administrative Agent. Each Bank expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Company, shall be deemed to constitute any representation or warranty by the Administrative Agent to such Bank. Each Bank represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Company and made its own decision to make its Loans hereunder and enter into this Agreement. Each Bank also represents that it will, independently and without reliance upon the Administrative Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly required to be furnished to the Banks by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Company which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

11.7 Indemnification. Each Bank agrees to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Company and without limiting the obligation of the Company to do so), ratably according to the amount of its original Commitment and the amount of the original Commitment of the Administrative Agent, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Notes) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that the Banks shall not be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Administrative Agent’s gross negligence or willful misconduct (as determined by a court of competent jurisdiction by final and nonappealable judgment). The agreements in this Section shall survive the payment of the Notes and all other amounts payable hereunder.

11.8 Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company as though the Administrative Agent were not the Administrative Agent

hereunder. With respect to its Loans made or renewed by it and any Note issued to it, the Administrative Agent shall have the same rights and powers under this Agreement as any Bank and may exercise the same as though it were not the Administrative Agent, and the terms "Bank" and "Banks" shall include the Administrative Agent in its individual capacity.

11.9 Successor Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' notice to the Company and the Banks. If the Administrative Agent shall resign as Administrative Agent under this Agreement, then the Banks shall appoint a successor agent, which successor agent shall be subject to approval by the Company and the Administrative Agent, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Notes. After any retiring Agent's resignation hereunder as Administrative Agent, the provisions of this Section 11.9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

11.10 Erroneous Payments.

(a) If the Administrative Agent (x) notifies a Bank or any Person who has received funds on behalf of a Bank (any such Bank or other recipient (and each of the respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Bank or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 11.10 and held in trust for the benefit of the Administrative Agent, and such Bank shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Fed Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Bank or any Person who has received funds on behalf of a Bank (and each of their respective successors and assigns) hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of

payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Bank or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(a) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(b) such Bank shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 11.10(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 11.10(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 11.10(a) or on whether or not an Erroneous Payment has been made.

(c) Each Bank hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Bank under any Credit Document, or otherwise payable or distributable by the Administrative Agent to such Bank under any Credit Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Bank, to the rights and interests of such Bank) under the Credit Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Company; provided that this Section 11.10 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Company relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided, further, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from, or on behalf of (including through the exercise of remedies under any Credit Document), the Company for the purpose of a payment on the Obligations.

(e) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment

received, including, without limitation, any defense based on “discharge for value” or any similar doctrine..

Each party’s obligations, agreements and waivers under this Section 11.10 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Credit Document.

SECTION 12. MISCELLANEOUS

12.1 Amendments and Waivers. Neither this Agreement, any Note, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section. The Required Lenders and the Company or, with the written consent of the Required Lenders, the Administrative Agent and the Company may, from time to time, (a) enter into written amendments, supplements or modifications hereto for the purpose of adding any provisions to this Agreement or changing in any manner the rights of the Banks or of the Company hereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Bank’s Commitment, eliminate or reduce the voting rights of any Bank under this Section 12.1, amend, modify or waive any provision of Section 2.10 (except for the reduction of Commitments pursuant to Section 2.19 or the reduction, in connection with an amendment approved by the Required Lenders, of the Commitment of any Bank that does not consent to such amendment if such reduction of the non-consenting Banks was approved by such amendment) or 12.7 (only if such amendment or modification makes the assignment and participation provisions more restrictive to the Bank), in each case without the written consent of each Bank directly affected thereby; (ii) reduce any percentage specified in the definition of Required Lenders without the written consent of all Banks; or (iii) amend, modify or waive any provision of Section 11 without the written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall be binding upon the Company, the Banks, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Company, the Banks and the Administrative Agent shall be restored to their former position and rights hereunder, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

12.2 Notices. (a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or when deposited in the mail, postage prepaid, or, in the case of facsimile notice, when sent, confirmation received, addressed as follows in the case of the Company, the Banks or the Administrative Agent, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Company:

Lazard Group LLC
30 Rockefeller Plaza
New York, New York 10112
Attention: Chief Financial Officer
Facsimile: (212) 632-6990
E-mail Address: mary.ann.betsch@lazard.com

With a copy to:

Lazard Group LLC
30 Rockefeller Plaza
New York, New York 10112
Attention: Group Treasurer
Facsimile: (212) 632-6886
E-mail Address: alexandra.deignan@lazard.com

and:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019
Attention: Stephen Kessing
Facsimile: (212) 474-3700
E-mail Address: skessing@cravath.com

The Administrative Agent:

Citibank, N.A.
1 Penns Way
OPS 2/2, Global Loans
New Castle, DE 19720
Attention: Agency Operations
Facsimile: (646) 274-5080 Telephone: (302) 894-6010
E-mail Address: AgencyABTFSupport@citi.com
E-mail Address Disclosure Team (Financial Reporting): G1AgentOfficeOps@Citi.com
E-mail Address Investor Relations Team (investor inquiries only):
global.loans.support@citi.com

The Banks: address, facsimile number, electronic mail address or telephone number specified in the Bank's Administrative Questionnaire, a form supplied by the Administrative Agent, or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by the Bank in a notice to the Administrative Agent

provided that any notice, request or demand to or upon the Administrative Agent or any Bank pursuant to Sections 2.6, 2.7, 2.8 and 2.9 shall not be effective until received.

(b) The Company hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (ii) relates to the payment of any principal or other amount due under the Agreement prior to the scheduled date therefor, (iii) provides notice of any Default or Event of Default under the Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of the Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to oploanswebadmin@citigroup.com. In addition, the Company agrees to continue to provide the Communications to the Administrative Agent in the manner specified in the Credit Documents but only to the extent requested by the Administrative Agent.

(c) The Company further agrees that the Administrative Agent may make the Communications available to the Banks by posting the Communications on Debt Domain or a substantially similar electronic transmission systems (the "Platform").

(d) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth in paragraph (b) of this Section shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Bank agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Bank for purposes of the Credit Documents. Each Bank agrees to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Bank's e-mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e-mail address.

(e) Nothing herein shall prejudice the right of the Administrative Agent or any Bank to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

12.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Bank, any right, remedy, power or privilege hereunder or under the Notes, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided or provided in the Notes are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

12.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Notes.

12.5 Payment of Expenses. The Company agrees (a) to pay or reimburse the Administrative Agent and the Lead Arranger for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication, preparation and execution, and any amendments or modifications or waivers of the provisions of this Agreement and any other

documents prepared in connection therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of one counsel (and, if necessary, one local counsel per jurisdiction) to the Lead Arranger and the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Company prior to the Restatement Effective Date (in the case of amounts to be paid on the Restatement Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Bank and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement and any such other documents, including the reasonable fees and disbursements of one counsel (and, if necessary, one local counsel per jurisdiction) to each Bank and of one counsel (and, if necessary, one local counsel per jurisdiction) to the Administrative Agent, (c) to pay, indemnify, and hold each Bank, the Lead Arranger and the Administrative Agent harmless from, any and all recording and filing fees, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents, and (d) to pay, indemnify, and hold each Bank, the Lead Arranger and the Administrative Agent and their respective officers, directors, employees, affiliates, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the syndication (but solely with respect to the Lead Arranger and its officers, directors, employees, affiliates, agents and controlling persons), execution, delivery, enforcement, performance and administration of this Agreement and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against the Company under this Agreement (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Company shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a court of competent jurisdiction in final and nonappealable judgment to have resulted from the willful misconduct, bad faith or gross negligence of such Indemnitee. All amounts due under this Section 12.5 shall be payable promptly after written demand therefor. Statements payable by the Company pursuant to this Section 12.5 shall be submitted to the address of the Company set forth in Section 12.2, or to such other Person or address as may be hereafter designated by the Company in a written notice to the Administrative Agent. The agreements in this Section 12.5 shall survive repayment of the Loans and all other amounts payable hereunder. The Banks shall endeavor in good faith to limit the number of counsel retained by them to avoid duplication of expenses.

12.6 Confidentiality. The Banks shall not disclose any information that the Company or any of its Subsidiaries furnishes to the Banks, other than (a) as required by any law, rule or regulation or judicial process (in which case, except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority that is not specific to the Company or any of its Subsidiaries, such Bank shall inform the Company promptly thereof to the extent permitted by law, rule or regulation or judicial process), (b) as requested by any state, federal or foreign authority or examiner regulating banks or banking (in which case, except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority that is not specific to the Company or any of its Subsidiaries, such Bank shall inform the Company promptly thereof to the extent permitted by law or regulation), (c) to actual or proposed (with the consent of the Company) assignees, transferees and participants; provided

that any such disclosure and any such proposed assignee, transferee or participant agrees to treat confidentially all such information and to use such information solely for the purpose of evaluating whether to become an assignee, transferee or participant, as the case may be, (d) to its Affiliates and its or their directors, officers, employees, agents, advisors and attorneys on a confidential and "need to know" basis (e) the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Banks in connection with the administration of this Agreement and the other Credit Documents and (f) to the extent such information becomes (A) publicly available other than as a result of a breach of this Section 12.6 or (B) available to the Administrative Agent, any Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Company.

12.7 Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Company may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Bank (and any attempted assignment or transfer by the Company without such consent shall be null and void) and (ii) no Bank may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Administrative Agent's and each Bank's Affiliates and their respective directors, officers, employees, agents and advisors) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Bank may assign to one or more assignees (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Company (such consent not to be unreasonably withheld or delayed), provided that no consent of the Company shall be required (x) for an assignment to an affiliate of a Bank from such Bank or (y) if an Event of Default under Sections 9(a) or (i) has occurred; and

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Loan to a Bank, an affiliate of a Bank or an Approved Fund (as defined below).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Bank, an affiliate of a Bank or an Approved Fund or an assignment of the entire remaining amount of the assigning Bank Commitments or Loans hereunder, the amount of the Commitments or Loans of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Company and the Administrative Agent otherwise consent, provided that such amounts shall be aggregated in respect of each Bank and its affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (which fee may be waived by the Administrative Agent in its discretion); provided that only a single processing and recordation fee shall be payable in respect of multiple contemporaneous assignments to Approved Funds with respect to any Bank; and

(C) the Assignee, if it shall not be a Bank, shall deliver to the Administrative Agent an administrative questionnaire.

For the purposes of this Section 12.7, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Bank, (b) an affiliate of a Bank or (c) an entity or an affiliate of an entity that administers or manages a Bank.

No assignment will be made to any Defaulting Lender or any of its subsidiaries except for as set forth in Section 2.19(c).

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.16, 2.17 and 12.5). Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this Section 12.7 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Company, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitments of, and principal amount of the Loans owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Company, the Administrative Agent and the Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company and any Bank, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Bank and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Bank hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph. The Administrative Agent shall promptly notify the Company of the effectiveness of any assignment under this Section.

(c)(i) Any Bank may, without the consent of the Company or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Bank's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Bank's obligations under this Agreement shall remain unchanged, (B) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Company, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Bank will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Bank directly affected thereby pursuant to the proviso to the second sentence of Section 12.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section, the Company agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.16 and 2.17 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.8(b) as though it were a Bank, provided such Participant shall be subject to Section 12.8(a) as though it were a Bank. Each Bank that sells a participation, acting solely for this purpose as an agent of the Company, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Bank shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive, and such Bank and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.16 or 2.17 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. No Participant shall be entitled to the benefits of Section 2.17 unless such Participant complies with Section 2.17(d) as if it were a Bank (it being understood that the documentation required under Section 2.17(d) shall be delivered by the Participant to the applicable Bank).

(d) Any Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Bank from any of its obligations hereunder or substitute any such pledgee or Assignee for such Bank as a party hereto.

(e) The Company, upon receipt of written notice from the relevant Bank, agrees to issue Notes to any Bank requiring Notes to facilitate transactions of the type described in paragraph (d) above.

(f) By executing and delivering an Assignment and Assumption, the assigning Bank thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Bank warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Commitment and the outstanding balances of its Loans, in each case without giving effect to assignments thereof that have not become effective, are as set forth in such Assignment and Assumption; (ii) except as set forth in clause (i) above, such assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other instrument or document furnished pursuant hereto or thereto, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any of the foregoing, or the financial condition of the Company or the performance or observance by the Company of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto or thereto; (iii) each of the assignee and the assignor represents and warrants that it is legally authorized to enter into such Assignment and Assumption; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of any amendments or consents entered into prior to the date of such Assignment and Assumption and copies of the most recent financial statements delivered pursuant to Section 6.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (v) such assignee will independently and without reliance upon the Administrative Agent, such assigning Bank or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agents on its behalf and to exercise such powers under this Agreement as are delegated to them by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations that by the terms of this Agreement are required to be performed by it as a Bank.

12.8 Adjustments; Right of Setoff. (a) If any Bank (a “Benefited Bank”) shall at any time receive any payment of all or part of its Loans or interest thereon (whether voluntarily or involuntarily, pursuant to events or proceedings of the nature referred to in Section 9(i), or otherwise) in a greater proportion than any such payment to any other Bank (other than a Bank that is a Defaulting Lender at such time), if any, in respect of such other Bank’s Loans, or interest thereon, such Benefited Bank shall purchase for cash from the other Bank such portion of such other Bank’s Loans as shall be necessary to cause such Benefited Bank to share the excess payment ratably with the other Bank; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Benefited Bank, such purchase shall be rescinded, and the purchase price returned, to the extent of such recovery, but without interest. The Company agrees that any Bank so purchasing a portion of the other Bank’s Loans may exercise all rights of payment with respect to such portion as fully as if such Bank were the direct holder of such portion.

(b) If an Event of Default shall have occurred and be continuing, in addition to any rights and remedies of the Banks provided by law, each Bank shall have the right, without notice to the Company, any such notice being expressly waived by the Company to the extent permitted by applicable law, upon any Obligations becoming due and payable by the Company (whether at the stated maturity, by acceleration or otherwise), to apply to the payment of such Obligations, by setoff or otherwise, any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Bank, any affiliate thereof or any of their respective branches

or agencies to or for the credit or the account of the Company; provided, however, that no Defaulting Lender shall have any rights under this Section. Each Bank agrees promptly to notify the Company and the Administrative Agent after any such application made by such Company; provided that the failure to give such notice shall not affect the validity of such application.

12.9 WAIVERS OF JURY TRIAL

THE COMPANY AND THE ADMINISTRATIVE AGENT AND THE BANKS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

12.10 Submission to Jurisdiction; Waivers. The Company hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York sitting in New York County, the courts of the United States for the Southern District of New York sitting in New York County, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Company, as the case may be at its address set forth in Section 12.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

12.11 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Company and the Administrative Agent. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually

executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other state laws based on the Uniform Electronic Transactions Act, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

12.12 Governing Law. This Agreement and the Notes and the rights and obligations of the parties under this Agreement and the Notes shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

12.13 USA Patriot Act. Each Bank hereby notifies the Company that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow such Bank to identify the Company in accordance with the USA PATRIOT Act.

12.14 Amendment and Restatement. This Agreement amends and restates the Existing Credit Agreement. All references made to the Existing Credit Agreement in any Credit Document or in any other instrument or document shall, without more, be deemed to refer to this Agreement. On and after the Restatement Effective Date, (i) the Existing Credit Agreement and the other "Credit Documents" under the Existing Credit Agreement shall terminate and have no further force and effect (other than those obligations and liabilities that expressly survive the termination of the Existing Credit Agreement) and (ii) the Existing Credit Agreement shall be amended and restated in the form of this Agreement and the Existing Credit Agreement and the other "Credit Documents" thereunder shall be replaced in full by this Agreement and the other Credit Documents.

12.15 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among the parties hereto with respect to the subject matter hereof, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit Document may be subject to the Write-Down and Conversion Powers of any applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of an applicable Resolution Authority.

In the event a Bank has been notified by an applicable Resolution Authority that it has been or may be subject to a Bail-In Action, it shall immediately notify the Administrative Agent and the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered in New York, New York by their proper and duly authorized officers as of the day and year first above written.

LAZARD GROUP LLC

By:
Name
Title:

[Signature Page to Credit Agreement]

CITIBANK, N.A.,
as Administrative Agent and as a Bank

By: /s/ Maureen Maroney
Name: Maureen Maroney
Title: Vice President

[Signature Page to Credit Agreement]

State Street Bank and Trust Company,
as a Bank

By: /s/ Kimberly Costa
Name: Kimberly Costa
Title: Vice President

[Signature Page to Credit Agreement]

The Bank of New York Mellon,
as a Bank

By: /s/ Adim Offurum
Name: Adim Offurum
Title: Director

[Signature Page to Credit Agreement]

HSBC Bank USA, N.A.,
as a Bank

By: /s/ Michael Flynn
Name: Michael Flynn
Title: Director

[Signature Page to Credit Agreement]

PUBLIC

I, Kenneth M. Jacobs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 of Lazard Ltd (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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: July 31, 2023

/s/ Kenneth M. Jacobs

Kenneth M. Jacobs

Chairman and Chief Executive Officer

I, Mary Ann Betsch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 of Lazard Ltd (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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: July 31, 2023

/s/ Mary Ann Betsch

Mary Ann Betsch
Chief Financial Officer

July 31, 2023
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lazard Ltd (the “Registrant”) hereby certifies that the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (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.

July 31, 2023
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lazard Ltd (the “Registrant”) hereby certifies that the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (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/ Mary Ann Betsch

Mary Ann Betsch
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.