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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

OR

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

For the transition period from _____ to _____

001-32492
(Commission File Number)

LAZARD LTD

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

As of October 16, 2015, there were 129,766,091 shares of the Registrant's Class A common stock outstanding (including 4,280,678 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 September 30, 2015 of all of the common membership interests in Lazard Group and its controlling interest in Lazard Group.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
SEPTEMBER 30, 2015 AND DECEMBER 31, 2014
(UNAUDITED)
(dollars in thousands, except for per share data)

	September 30, 2015	December 31, 2014
ASSETS		
Cash and cash equivalents	$ 859,984	$ 1,066,580
Deposits with banks and short-term investments	276,585	207,760
Cash deposited with clearing organizations and other segregated cash	34,859	43,290
Receivables (net of allowance for doubtful accounts of $20,327 and $23,540 at September 30, 2015 and December 31, 2014, respectively):		
Fees	426,441	483,681
Customers and other	75,968	73,915
	502,409	557,596
Investments	575,204	620,352
Property (net of accumulated amortization and depreciation of $261,856 and $256,286 at September 30, 2015 and December 31, 2014, respectively)	209,814	222,569
Goodwill and other intangible assets (net of accumulated amortization of $55,141 and $51,754 at September 30, 2015 and December 31, 2014, respectively)	325,624	347,438
Deferred tax assets	1,113,060	59,041
Other assets	250,498	207,610
Total Assets	$ 4,148,037	$ 3,332,236

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
SEPTEMBER 30, 2015 AND DECEMBER 31, 2014
(UNAUDITED)
(dollars in thousands, except for per share data)

	September 30, 2015	December 31, 2014
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits and other customer payables	$ 399,824	$ 316,601
Accrued compensation and benefits	455,966	606,290
Senior debt	998,350	1,048,350
Tax receivable agreement obligation	523,907	19,577
Capital lease obligations	9,685	12,015
Other liabilities	548,432	559,346
Total Liabilities	2,936,164	2,562,179
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Preferred stock, par value $.01 per share; 15,000,000 shares authorized:		
Series A - 7,921 shares issued and outstanding at September 30, 2015 and December 31, 2014	–	–
Series B - no shares issued and outstanding	–	–
Common stock:		
Class A, par value $.01 per share (500,000,000 shares authorized; 129,766,091 shares issued at September 30, 2015 and December 31, 2014, including shares held by subsidiaries as indicated below)	1,298	1,298
Additional paid-in-capital	569,535	702,800
Retained earnings	1,014,145	464,655
Accumulated other comprehensive loss, net of tax	(252,525)	(200,766)
	1,332,453	967,987
Class A common stock held by subsidiaries, at cost (4,264,125 and 7,450,745 shares at September 30, 2015 and December 31, 2014, respectively)	(177,798)	(261,243)
Total Lazard Ltd Stockholders' Equity	1,154,655	706,744
Noncontrolling interests	57,218	63,313
Total Stockholders' Equity	1,211,873	770,057
Total Liabilities and Stockholders' Equity	$ 4,148,037	$ 3,332,236

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(UNAUDITED)
(dollars in thousands, except for per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
REVENUE				
Investment banking and other advisory fees	$ 330,408	$ 290,604	$ 946,057	$ 843,186
Asset management fees	253,752	276,940	784,461	805,848
Interest income	1,102	1,243	3,393	3,815
Other	54	12,936	65,879	60,832
Total revenue	585,316	581,723	1,799,790	1,713,681
Interest expense	11,798	15,512	39,431	47,174
Net revenue	573,518	566,211	1,760,359	1,666,507
OPERATING EXPENSES				
Compensation and benefits	319,565	338,612	984,786	1,006,101
Occupancy and equipment	26,278	29,400	80,889	86,079
Marketing and business development	18,244	19,127	55,758	59,254
Technology and information services	22,923	23,025	68,850	68,466
Professional services	10,758	11,184	36,100	32,895
Fund administration and outsourced services	14,367	17,034	48,008	48,490
Amortization of intangible assets related to acquisitions	511	4,020	3,401	5,946
Provision (benefit) pursuant to tax receivable agreement	(420,792)	(176)	547,691	9,064
Other	10,920	10,273	90,845	30,340
Total operating expenses	2,774	452,499	1,916,328	1,346,635
OPERATING INCOME (LOSS)	570,744	113,712	(155,969)	319,872
Provision (benefit) for income taxes	170,954	23,792	(993,560)	58,614
NET INCOME	399,790	89,920	837,591	261,258
LESS - NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1,269	1,061	9,004	6,365
NET INCOME ATTRIBUTABLE TO LAZARD LTD	$ 398,521	$ 88,859	$ 828,587	$ 254,893
ATTRIBUTABLE TO LAZARD LTD CLASS A COMMON STOCKHOLDERS:				
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:				
Basic	125,925,006	122,206,914	125,264,447	122,366,632
Diluted	133,115,419	133,566,684	133,219,137	133,722,776
NET INCOME PER SHARE OF COMMON STOCK:				
Basic	$3.16	$0.73	$6.61	$2.08
Diluted	$2.99	$0.67	$6.22	$1.91
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK	$0.35	$0.30	$2.00	$0.90

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(UNAUDITED)
(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
NET INCOME	$ 399,790	$ 89,920	$ 837,591	$ 261,258
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:				
Currency translation adjustments	(19,034)	(29,100)	(41,376)	(18,640)
Employee benefit plans:				
Actuarial gain (loss) (net of tax (expense) benefit of $(253) and $(1,731) for the three months ended September 30, 2015 and 2014, respectively, and $7,753 and $1,919 for the nine months ended September 30, 2015 and 2014, respectively)	477	3,251	(14,140)	(3,695)
Adjustment for items reclassified to earnings (net of tax expense of $368 and $528 for the three months ended September 30, 2015 and 2014, respectively, and $1,469 and $1,391 for the nine months ended September 30, 2015 and 2014, respectively)	1,381	1,145	3,757	3,714
OTHER COMPREHENSIVE LOSS, NET OF TAX	(17,176)	(24,704)	(51,759)	(18,621)
COMPREHENSIVE INCOME	382,614	65,216	785,832	242,637
LESS - COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1,269	1,061	9,004	6,365
COMPREHENSIVE INCOME ATTRIBUTABLE TO LAZARD LTD	$ 381,345	$ 64,155	$ 776,828	$ 236,272

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(UNAUDITED)
(dollars in thousands)

	Nine Months Ended September 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 837,591	$ 261,258
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization of property	24,251	26,332
Amortization of deferred expenses and share-based incentive compensation	246,129	227,896
Amortization of intangible assets related to acquisitions	3,401	5,946
Deferred tax provision (benefit)	(1,056,659)	9,843
Provision pursuant to tax receivable agreement	547,691	9,064
Loss on extinguishment of debt	60,219	–
Gain on disposal of subsidiaries	(24,388)	–
(Increase) decrease in operating assets:		
Deposits with banks and short-term investments	(84,386)	(18,626)
Cash deposited with clearing organizations and other segregated cash	7,413	15,630
Receivables-net	34,391	(12,982)
Investments	34,198	(78,820)
Other assets	(105,902)	(114,012)
Increase (decrease) in operating liabilities:		
Deposits and other payables	105,215	25,666
Accrued compensation and benefits and other liabilities	(109,770)	58,227
Net cash provided by operating activities	519,394	415,422
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property	(18,479)	(14,161)
Disposals of property	471	1,023
Net cash used in investing activities	(18,008)	(13,138)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from:		
Contributions from noncontrolling interests	268	1,102
Issuance of senior debt, net of expenses	396,272	–
Excess tax benefits from share-based incentive compensation	9,516	1,508
Payments for:		
Senior debt	(509,098)	–
Capital lease obligations	(1,435)	(1,738)
Distributions to noncontrolling interests	(15,367)	(9,182)
Payments under tax receivable agreement	(1,276)	–
Partial extinguishment of tax receivable agreement obligation	(42,222)	–
Purchase of Class A common stock	(159,471)	(192,657)
Class A common stock dividends	(246,759)	(109,592)
Settlement of vested share-based incentive compensation	(105,007)	(83,783)
Other financing activities	(1,998)	(1,754)
Net cash used in financing activities	(676,577)	(396,096)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(31,405)	(27,086)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(206,596)	(20,898)
CASH AND CASH EQUIVALENTS—January 1	1,066,580	841,482
CASH AND CASH EQUIVALENTS—September 30	$ 859,984	$ 820,584

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014
(UNAUDITED)
(dollars in thousands)

	Series A Preferred Stock		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
	Shares	$	Shares(*)	$				Shares	$			
Balance – January 1, 2014	**7,921**	**$ –**	**129,056,082**	**$1,291**	**$ 737,899**	**$ 203,236**	**$ (133,004)**	**8,317,065**	**$(249,213)**	**$ 560,209**	**$ 69,789**	**$ 629,998**
Comprehensive income (loss):												
Net income						254,893				254,893	6,365	261,258
Other comprehensive loss - net of tax							(18,621)			(18,621)		(18,621)
Amortization of share-based incentive compensation					159,095					159,095		159,095
Dividend-equivalents					13,489	(15,243)				(1,754)		(1,754)
Class A common stock dividends						(109,592)				(109,592)		(109,592)
Purchase of Class A common stock								4,114,206	(192,657)	(192,657)		(192,657)
Delivery of Class A common stock in connection with shared-based incentive compensation and related tax benefit of $1,409					(257,127)			(4,828,479)	174,753	(82,374)		(82,374)
Class A common stock issued in exchange for Lazard Group common membership interests			710,009	7	(7)					–		–
Business acquisitions and related equity transactions:												
Class A common stock issuable (including related amortization)					387					387		387
Distributions to noncontrolling interests, net										–	(8,080)	(8,080)
Adjustments related to noncontrolling interests					3,543		(559)			2,984	(2,984)	–
Balance – September 30, 2014	**7,921**	**$ –**	**129,766,091**	**$1,298**	**$ 657,279**	**$ 333,294**	**$ (152,184)**	**7,602,792**	**$(267,117)**	**$ 572,570**	**$ 65,090**	**$ 637,660**

(*) Includes 129,056,081 and 129,766,091 shares of the Company's Class A common stock issued at January 1, 2014 and September 30, 2014, respectively, and 1 share of the Company's Class B common stock issued at January 1, 2014.

See notes to condensed consolidated financial statements.

LAZARD LTD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015
(UNAUDITED)
(dollars in thousands)

	Series A Preferred Stock		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
	Shares	$	Shares	$				Shares	$			
Balance – January 1, 2015	**7,921**	**$ –**	**129,766,091**	**$1,298**	**$ 702,800**	**$ 464,655**	**$ (200,766)**	**7,450,745**	**$(261,243)**	**$ 706,744**	**$ 63,313**	**$ 770,057**
Comprehensive income (loss):												
Net income						828,587				828,587	9,004	837,591
Other comprehensive loss - net of tax							(51,759)			(51,759)		(51,759)
Amortization of share-based incentive compensation					174,823					174,823		174,823
Dividend-equivalents					30,340	(32,338)				(1,998)		(1,998)
Class A common stock dividends						(246,759)				(246,759)		(246,759)
Purchase of Class A common stock								3,141,526	(159,471)	(159,471)		(159,471)
Delivery of Class A common stock in connection with share-based incentive compensation and related tax benefit of $9,495					(337,101)			(6,300,830)	241,589	(95,512)		(95,512)
Business acquisitions and related equity transactions:												
Delivery of Class A common stock					(1,327)			(27,316)	1,327	–		–
Distributions to noncontrolling interests, net										–	(15,099)	(15,099)
Balance – September 30, 2015	**7,921**	**$ –**	**129,766,091**	**$1,298**	**$ 569,535**	**$1,014,145**	**$ (252,525)**	**4,264,125**	**$(177,798)**	**$1,154,655**	**$ 57,218**	**$1,211,873**

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 and has long specialized in crafting solutions to the complex financial and strategic challenges of our clients. We serve a diverse set of clients around the world, including corporations, governments, institutions, partnerships and individuals.

Lazard Ltd indirectly held 100% of all outstanding Lazard Group common membership interests as of September 30, 2015 and December 31, 2014. Lazard Ltd, through its control of the managing members of Lazard Group, controls Lazard Group, which is governed by an Amended and Restated Operating Agreement dated as of October 26, 2015 (the "Operating Agreement"). LAZ-MD Holdings LLC ("LAZ-MD Holdings"), an entity formerly owned by Lazard Group's current and former managing directors, held approximately 0.5% of the outstanding Lazard Group common membership interests as of January 1, 2014. As of January 1, 2014, LAZ-MD Holdings was also the sole owner of the one issued and outstanding share of Lazard Ltd's Class B common stock (the "Class B common stock"). In May 2014, the remaining outstanding Lazard Group common membership interests held by LAZ-MD Holdings were exchanged for shares of the Company's Class A common stock, par value $0.01 per share ("Class A common stock"), and the sole issued and outstanding share of the Company's Class B common stock was automatically converted into one share of the Company's Class A common stock pursuant to the provisions of the Company's bye-laws, resulting in only one outstanding class of common stock (the "Final Exchange of LAZ-MD Interests"). Following the Final Exchange of LAZ-MD Interests, Lazard Group became a wholly-owned indirect subsidiary of Lazard Ltd.

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 mergers and acquisitions ("M&A") and other strategic matters, restructurings, capital structure, capital raising and various other financial matters, and
- Asset Management, which offers a broad range of global investment solutions and investment management services in equity and fixed income strategies, alternative investments and private equity funds to corporations, public funds, sovereign entities, endowments and foundations, labor funds, financial intermediaries and private clients.

In addition, we record selected other activities in our Corporate segment, including management of cash, investments, deferred tax assets, outstanding indebtedness and assets associated with Lazard Group's Paris-based subsidiary Lazard Frères Banque SA ("LFB").

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

LAZARD LTD

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

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, 2014 (the "Form 10-K"). The accompanying December 31, 2014 unaudited condensed consolidated statement of financial condition data was derived from audited consolidated financial statements, but does not include all disclosures required by U.S. GAAP for annual financial statement purposes. The accompanying condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented.

Preparing financial statements requires management to make estimates and assumptions that affect the amounts that are reported in the financial statements and the accompanying disclosures. For example, discretionary compensation and benefits expense for interim periods is accrued based on the year-to-date amount of revenue earned, and an assumed annual ratio of compensation and benefits expense to revenue, with the applicable 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 nine month periods ended September 30, 2015 are not necessarily indicative of the results to be expected for any future interim or annual period.

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

The Company's policy is to consolidate entities in which it has a controlling financial interest. The Company consolidates (i) a voting interest entity ("VOE") where the Company either holds a majority of the voting interest in such entity or is the general partner in such entity and the third-party investors do not have the right to replace the general partner and (ii) a variable interest entity ("VIE") where the Company absorbs a majority of the expected losses, expected residual returns, or both, of such entity. 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 applies the equity method of accounting in which it records in earnings its share of earnings or losses of the entity. Intercompany transactions and balances have been eliminated.

Certain prior period amounts have been reclassified to conform to the current period presentation, primarily by separately presenting deferred tax assets and the tax receivable agreement obligation in the condensed consolidated statements of financial condition and the condensed consolidated statements of cash flows.

LAZARD LTD

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

2. RECENT ACCOUNTING DEVELOPMENTS

Revenue from Contracts with Customers—In May 2014, the Financial Accounting Standards Board (the "FASB") issued comprehensive new revenue recognition guidance. The guidance requires a company to recognize revenue when it transfers promised services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those services and requires enhanced disclosures. The new guidance is effective for annual and interim periods beginning after December 15, 2016, and early adoption is not permitted. On July 9, 2015, the FASB approved the deferral of the effective date of the new revenue guidance by one year to annual reporting periods beginning after December 15, 2017, with early adoption being permitted for annual periods beginning after December 15, 2016. The Company is currently evaluating the new guidance.

Amendments to the Consolidation Analysis—In February 2015, the FASB issued updated guidance for the consolidation of certain legal entities. The updated guidance eliminates the deferral of certain consolidation standards for entities considered to be investment companies and modifies the evaluation of whether limited partnerships and similar legal entities are VIEs or VOEs. The new guidance is effective for annual reporting periods beginning after December 15, 2015, with early adoption permitted. The Company does not expect that the adoption of this guidance will have a material impact on our consolidated financial statements or related disclosures.

Interest—Imputation of Interest—In April 2015, the FASB issued updated guidance which requires a company to classify debt issuance costs related to a recognized debt liability in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The new guidance is effective for financial statements issued for fiscal years beginning after December 15, 2015, with early adoption permitted. The new guidance is to be applied on a retrospective basis. The Company does not expect that the adoption of this guidance will have a material impact on our consolidated financial statements or related disclosures.

Fair Value Measurement—In May 2015, the FASB issued updated guidance for the classification and disclosure of certain investments using the net asset value ("NAV") as a practical expedient to measure the fair value of the investment. The guidance removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using NAV as a practical expedient. The new guidance is effective for financial statements issued for fiscal years beginning after December 15, 2015, with early adoption permitted. The new guidance is to be applied on a retrospective basis. The Company elected to early adopt this guidance in the quarter ended September 30, 2015 and has removed investments that are measured at NAV as a practical expedient from the fair value hierarchy in all periods presented in the condensed consolidated financial statements and related disclosures.

3. RECEIVABLES

The Company's receivables represent fee receivables and amounts due from customers and other receivables.

LAZARD LTD

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

Receivables are stated net of an estimated allowance for doubtful accounts, for past due amounts and for specific accounts deemed uncollectible, which may include situations where a fee is in dispute. Activity in the allowance for doubtful accounts for the three month and nine month periods ended September 30, 2015 and 2014 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Beginning balance	$21,071	$29,943	$23,540	$28,777
Bad debt expense, net of recoveries	(256)	2,064	3,037	9,567
Charge-offs, foreign currency translation and other adjustments	(488)	(2,148)	(6,250)	(8,485)
Ending balance	$20,327	$29,859	$20,327	$29,859

Bad debt expense, net of recoveries is included in “investment banking and other advisory fees” on the condensed consolidated statements of operations.

At September 30, 2015 and December 31, 2014, the Company had receivables past due or deemed uncollectible of $27,474 and $24,578, respectively.

Of the Company’s fee receivables at September 30, 2015 and December 31, 2014, $82,681 and $86,221, respectively, represented interest-bearing financing receivables. Based upon our historical loss experience, the credit quality of the counterparties, and the lack of past due or uncollectible amounts, there was no allowance for doubtful accounts required at those dates related to such receivables.

The aggregate carrying amount of our non-interest bearing receivables of $419,728 and $471,375 at September 30, 2015 and December 31, 2014, respectively, approximates fair value.

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4. INVESTMENTS

The Company's investments and securities sold, not yet purchased, consist of the following at September 30, 2015 and December 31, 2014:

	September 30, 2015	December 31, 2014
Interest-bearing deposits	$ 56,441	$ 84,575
Debt	1,736	10,426
Equities	46,576	57,302
Funds:		
Alternative investments (a)	69,026	34,705
Debt (a)	66,570	82,889
Equity (a)	206,936	228,209
Private equity	121,217	114,470
	463,749	460,273
Equity method	6,702	7,776
Total investments	575,204	620,352
Less:		
Interest-bearing deposits	56,441	84,575
Equity method	6,702	7,776
Investments, at fair value	$ 512,061	$ 528,001
Securities sold, not yet purchased, at fair value (included in "other liabilities")	$ 3,076	$ 9,290

(a) Interests in alternative investment funds, debt funds and equity funds include investments with fair values of $12,001, $31,116 and $153,627, respectively, at September 30, 2015 and $8,321, $42,070 and $162,798, respectively, at December 31, 2014, held in order to satisfy the Company's liability 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 actual or notional interests in a number of Lazard-managed funds, subject to service-based vesting conditions (see Notes 6 and 12 of Notes to Condensed Consolidated Financial Statements).

Interest-bearing deposits have original maturities of greater than three months but equal to or less than one year and are carried at cost that approximates fair value due to their short-term maturities.

Debt securities primarily consist of seed investments invested in debt securities held within separately managed accounts related to our Asset Management business.

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.

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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 held by a broker-dealer subsidiary of the Company.

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) Lazard Australia Corporate Opportunities Fund 2 ("COF2"), an Australian fund targeting Australian mid-market investments, (iii) a mezzanine fund, which invests in mezzanine debt of a diversified selection of small- to mid-cap European companies, and (iv) a fund targeting significant noncontrolling-stake investments in established private companies. The Company disposed of its private equity business in Australia in the second quarter of 2015 in a transaction with the management of the disposed business. Revenue of $24,388 relating to the disposal of the business primarily represents the realization of carried interest at fair value and is included in "revenue-other" on the condensed consolidated statements of operations for the nine month period ended September 30, 2015. See Note 5 of Notes to Condensed Consolidated Financial Statements.

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").

During the three month and nine month periods ended September 30, 2015 and 2014, the Company reported in "revenue-other" on its condensed consolidated statements of operations net unrealized investment gains and losses pertaining to "trading" securities still held as of the reporting date as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net unrealized investment gains (losses)	$(24,962)	$(13,897)	$(26,077)	$ (75)

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.

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The Company's investments in debt securities are classified as Level 1 when their respective fair values are based on unadjusted quoted prices in active markets and are classified as Level 2 when their fair values are primarily based on prices as provided by external pricing services.

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

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

The fair value of investments in private equity funds is classified as Level 3 for certain investments that are valued based on potential transaction value.

The fair values of derivatives entered into by the Company are classified as Level 2 and are based on the values of the related underlying assets, indices or reference rates as follows: the fair value of forward foreign currency exchange rate contracts is a function of the spot rate and the interest rate differential of the two currencies from the trade date to settlement date; the fair value of total return swaps is based on the change in fair values 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 of Notes to Condensed Consolidated Financial Statements.

Investments Measured at Net Asset Value—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) in private equity funds are not redeemable in the near term as a result of redemption restrictions.

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The following tables present, as of September 30, 2015 and December 31, 2014, 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:

	September 30, 2015				
	Level 1	Level 2	Level 3	NAV (a)	Total
Assets:					
Investments:					
Debt	$ 1,736	$ –	$ –	$ –	$ 1,736
Equities	45,300	–	1,276	–	46,576
Funds:					
Alternative investments	43,961	–	–	25,065	69,026
Debt	66,564	–	–	6	66,570
Equity	206,893	–	–	43	206,936
Private equity	–	–	25,191	96,026	121,217
Derivatives	–	12,210	–	–	12,210
Total	$364,454	$ 12,210	$26,467	$121,140	$524,271
Liabilities:					
Securities sold, not yet purchased	$ 3,076	$ –	$ –	$ –	$ 3,076
Derivatives	–	189,563	–	–	189,563
Total	$ 3,076	$189,563	$ –	$ –	$192,639

	December 31, 2014 (b)				
	Level 1	Level 2	Level 3	NAV (a)	Total
Assets:					
Investments:					
Debt	$ 5,540	$ 4,886	$ –	$ –	$ 10,426
Equities	55,987	–	1,315	–	57,302
Funds:					
Alternative investments	–	–	–	34,705	34,705
Debt	82,885	–	–	4	82,889
Equity	228,166	–	–	43	228,209
Private equity	–	–	–	114,470	114,470
Derivatives	–	2,355	–	–	2,355
Total	$372,578	$ 7,241	$1,315	$149,222	$530,356
Liabilities:					
Securities sold, not yet purchased	$ 9,290	$ –	$ –	$ –	$ 9,290
Derivatives	–	208,093	–	–	208,093
Total	$ 9,290	$208,093	$ –	$ –	$217,383

(a) Represents certain investments measured at NAV or its equivalent as a practical expedient in determining fair value. In accordance with current accounting guidance, these investments have not been classified in the fair value hierarchy. See Note 2 of Notes to Condensed Consolidated Financial Statements for additional information.

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(b) The table as of December 31, 2014 reflects the retrospective application of new disclosure guidance adopted by the Company for investments using NAV or its equivalent as a practical expedient when measuring fair value. See Note 2 of Notes to Condensed Consolidated Financial Statements.

The following tables provide a summary of changes in fair value of the Company's Level 3 assets for the three month and nine month periods ended September 30, 2015 and 2014:

	Three Months Ended September 30, 2015 (a)					
	Beginning Balance	Net Unrealized/ Realized Gains (Losses) Included In Revenue-Other (b)	Purchases/ Acquisitions	Sales/ Dispositions	Foreign Currency Translation Adjustments	Ending Balance
Investments:						
Equities	$ 1,299	$ 2	$ –	$ –	$ (25)	$ 1,276
Private equity funds	22,267	633	2,291	–	–	25,191
Total Level 3 Assets	$ 23,566	$ 635	$ 2,291	$ –	$ (25)	$ 26,467

	Nine Months Ended September 30, 2015 (a)					
	Beginning Balance	Net Unrealized/ Realized Gains (Losses) Included In Revenue-Other (b)	Purchases/ Acquisitions/ Transfers (c)	Sales/ Dispositions	Foreign Currency Translation Adjustments	Ending Balance
Investments:						
Equities	$ 1,315	$ 12	$ –	$ –	$ (51)	$ 1,276
Private equity funds	–	3,404	22,178	(391)	–	25,191
Total Level 3 Assets	$ 1,315	$ 3,416	$ 22,178	$ (391)	$ (51)	$ 26,467

	Three Months Ended September 30, 2014 (a)					
	Beginning Balance	Net Unrealized/ Realized Gains (Losses) Included In Revenue-Other (b)	Purchases/ Acquisitions	Sales/ Dispositions	Foreign Currency Translation Adjustments	Ending Balance
Investments:						
Equities	$ 1,370	$ –	$ –	$ –	$ (36)	$ 1,334
Total Level 3 Assets	$ 1,370	$ –	$ –	$ –	$ (36)	$ 1,334

	Nine Months Ended September 30, 2014 (a)					
	Beginning Balance	Net Unrealized/ Realized Gains (Losses) Included In Revenue-Other (b)	Purchases/ Acquisitions	Sales/ Dispositions	Foreign Currency Translation Adjustments	Ending Balance
Investments:						
Equities	$ 1,340	$ 14	$ –	$ –	$ (20)	$ 1,334
Total Level 3 Assets	$ 1,340	$ 14	$ –	$ –	$ (20)	$ 1,334

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(a) The tables for the three month and nine month periods ended September 30, 2015 and 2014 reflect the retrospective application of new disclosure guidance adopted by the Company for investments using NAV or its equivalent as a practical expedient when measuring fair value. See Note 2 of Notes to Condensed Consolidated Financial Statements.
(b) Earnings for the three month and nine month periods ended September 30, 2015 and the three month and nine month periods ended September 30, 2014 include net unrealized gains (losses) of $635, $3,416, $0 and $14, respectively.
(c) Certain investments that were valued at NAV as of December 31, 2014 of $19,255 were transferred to Level 3 from the NAV category in the nine months ended September 30, 2015 as these investments are valued based on a potential transaction value as of September 30, 2015.

There were no transfers between any of the Level 1, 2 and 3 categories in the fair value measurement hierarchy during the three month and nine month periods ended September 30, 2015 and 2014.

The following tables present, at September 30, 2015 and December 31, 2014, certain investments that are valued using NAV or its equivalent as a practical expedient in determining fair value:

	September 30, 2015							
				Estimated Liquidation Period of Investments Not Redeemable			Investments Redeemable	
	Fair Value	Unfunded Commitments	% of Fair Value Not Redeemable	% Next 5 Years	% 5-10 Years	% Thereafter	Redemption Frequency	Redemption Notice Period
Alternative investment funds:								
Hedge funds	$ 23,005	$ –	NA	NA	NA	NA	(a)	<30-60 days
Funds of funds	457	–	NA	NA	NA	NA	(b)	<30-90 days
Other	1,603	–	NA	NA	NA	NA	(c)	<30-60 days
Debt funds	6	–	NA	NA	NA	NA	(d)	30 days
Equity funds	43	–	NA	NA	NA	NA	(e)	<30-90 days
Private equity funds:								
Equity growth	61,549	1,078(f)	100%	25%	73%	2%	NA	NA
Mezzanine debt	34,477	–	100%	–	–	100%	NA	NA
Total	$121,140	$ 1,078						

(a) weekly (22%), monthly (61%) and quarterly (17%)
(b) monthly (98%) and quarterly (2%)
(c) daily (19%) and monthly (81%)
(d) daily (100%)
(e) daily (17%), monthly (57%) and quarterly (26%)
(f) Unfunded commitments to private equity investments consolidated but not owned by Lazard of $5,501 are excluded. Such commitments are required to be funded by capital contributions from noncontrolling interest holders.

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	December 31, 2014							
				Estimated Liquidation Period of Investments Not Redeemable			Investments Redeemable	
	Fair Value	Unfunded Commitments	% of Fair Value Not Redeemable	% Next 5 Years	% 5-10 Years	% Thereafter	Redemption Frequency	Redemption Notice Period
Alternative investment funds:								
Hedge funds	$ 31,042	$ –	NA	NA	NA	NA	(a)	<30-60 days
Funds of funds	475	–	NA	NA	NA	NA	(b)	<30-90 days
Other	3,188	–	NA	NA	NA	NA	(c)	<30-60 days
Debt funds	4	–	NA	NA	NA	NA	(d)	30 days
Equity funds	43	–	NA	NA	NA	NA	(e)	30-90 days
Private equity funds:								
Equity growth	75,578	18,676(f)	100%	10%	63%	27%	NA	NA
Mezzanine debt	38,892	–	100%	–	–	100%	NA	NA
Total	$149,222	$ 18,676						

(a) weekly (15%), monthly (66%) and quarterly (19%)
(b) monthly (98%) and quarterly (2%)
(c) daily (11%), weekly (3%) and monthly (86%)
(d) daily (100%)
(e) daily (14%), monthly (58%) and quarterly (28%)
(f) Unfunded commitments to private equity investments consolidated but not owned by Lazard of $6,888 are excluded. Such commitments are required to be funded by capital contributions from noncontrolling interest holders.

***Investment Capital Funding Commitments*—**At September 30, 2015, the Company's maximum unfunded commitments for capital contributions to investment funds arose primarily from commitments to EGCP III, which amounted to $9,672, through the earlier of October 12, 2016 (*i.e.*, the end of the investment period) for investments and/or expenses (with a portion of the undrawn amount of such commitments as of that date remaining committed until October 12, 2023 in respect of "follow-on investments" and/or fund expenses) or the liquidation of the fund.

6. DERIVATIVES

The Company enters into forward foreign currency exchange rate contracts, interest rate swaps, interest rate futures, total return swap contracts on various equity and debt indices and other derivative contracts to economically hedge exposures to fluctuations in currency exchange rates, interest rates and equity and debt prices. The Company reports its derivative instruments separately as assets and liabilities unless a legal right of set-off exists under a master netting agreement enforceable by law. The Company's derivative instruments are recorded at their fair value, and are included in "other assets" and "other liabilities" on the condensed consolidated statements of financial condition. Gains and losses on the Company's derivative instruments not

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designated as hedging instruments are included in "interest income" and "interest expense", respectively, or "revenue-other", depending on the nature of the underlying item, in the condensed consolidated statements of operations.

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

The tables below present the fair values of the Company's derivative instruments reported within "other assets" and "other liabilities" and the fair values of the Company's derivative liabilities relating to its obligations pertaining to LFI and other similar deferred compensation arrangements (see Note 12 of Notes to Condensed Consolidated Financial Statements) on the accompanying condensed consolidated statements of financial condition as of September 30, 2015 and December 31, 2014:

	September 30, 2015	December 31, 2014
Derivative Assets:		
Forward foreign currency exchange rate contracts	$ 876	$ 2,355
Total return swaps and other (a)	11,334	–
Total	$ 12,210	$ 2,355
Derivative Liabilities:		
Forward foreign currency exchange rate contracts	$ 926	$ 124
Total return swaps and other (a)	–	663
LFI and other similar deferred compensation arrangements	188,637	207,306
	$ 189,563	$ 208,093

(a) For total return swaps, amounts represent the netting of gross derivative assets and liabilities of $11,338 and $4 as of September 30, 2015, respectively, and $1,123 and $1,786 as of December 31, 2014, respectively, for contracts with the same counterparty under legally enforceable master netting agreements. Such amounts are recorded "net" in "other assets", with receivables for net cash collateral under such contracts of $406 and $12,364 as of September 30, 2015 and December 31, 2014, respectively.

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Net gains (losses) with respect to derivative instruments (predominantly reflected in "revenue-other") and the Company's derivative liabilities relating to its obligations pertaining to 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 nine month periods ended September 30, 2015 and 2014, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Forward foreign currency exchange rate contracts	$ 1,109	$15,355	$12,486	$14,380
LFI and other similar deferred compensation arrangements	12,145	5,528	9,903	(6,004)
Total return swaps and other	10,945	2,835	7,761	(5,436)
Total	$24,199	$23,718	$30,150	$ 2,940

7. PROPERTY

At September 30, 2015 and December 31, 2014, property consists of the following:

	Estimated Depreciable Life in Years	September 30, 2015	December 31, 2014
Buildings	33	$ 141,162	$ 152,982
Leasehold improvements	3-20	167,410	167,837
Furniture and equipment	3-10	156,642	150,458
Construction in progress		6,456	7,578
Total		471,670	478,855
Less - Accumulated depreciation and amortization		261,856	256,286
Property		$ 209,814	$ 222,569

8. GOODWILL AND OTHER INTANGIBLE ASSETS

The components of goodwill and other intangible assets at September 30, 2015 and December 31, 2014 are presented below:

	September 30, 2015	December 31, 2014
Goodwill	$ 316,989	$ 335,402
Other intangible assets (net of accumulated amortization)	8,635	12,036
	$ 325,624	$ 347,438

At September 30, 2015 and December 31, 2014, goodwill of $252,448 and $270,861, respectively, was attributable to the Company's Financial Advisory segment and, at each such respective date, $64,541 of goodwill was attributable to the Company's Asset Management segment.

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Changes in the carrying amount of goodwill for the nine month periods ended September 30, 2015 and 2014 are as follows:

	Nine Months Ended September 30,	
	2015	2014
Balance, January 1	$335,402	$345,453
Business acquisitions	–	3,232
Foreign currency translation adjustments	(18,413)	(4,909)
Balance, September 30	$316,989	$343,776

All changes in the carrying amount of goodwill for the nine month periods ended September 30, 2015 and 2014 are attributable to the Company's Financial Advisory segment.

The gross cost and accumulated amortization of other intangible assets as of September 30, 2015 and December 31, 2014, by major intangible asset category, are as follows:

	September 30, 2015			December 31, 2014		
	Gross Cost	Accumulated Amortization	Net Carrying Amount	Gross Cost	Accumulated Amortization	Net Carrying Amount
Performance fees	$30,740	$ 23,102	$ 7,638	$30,740	$ 21,116	$ 9,624
Management fees, customer relationships and non-compete agreements	33,036	32,039	997	33,050	30,638	2,412
	$63,776	$ 55,141	$ 8,635	$63,790	$ 51,754	$12,036

Amortization expense of intangible assets for the three month and nine month periods ended September 30, 2015 was $511 and $3,401, respectively, and for the three month and nine month periods ended September 30, 2014 was $4,020 and $5,946, respectively. Estimated future amortization expense is as follows:

Year Ending December 31,	Amortization Expense (a)
2015 (October 1 through December 31)	$ 3,156
2016	5,479
Total amortization expense	$ 8,635

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

9. SENIOR DEBT

Senior debt is comprised of the following as of September 30, 2015 and December 31, 2014:

	Initial Principal Amount	Maturity Date	Annual Interest Rate	Outstanding As Of	
				September 30, 2015	December 31, 2014
Lazard Group 6.85% Senior Notes (a)	600,000	6/15/17	6.85%	$ 98,350	$ 548,350
Lazard Group 4.25% Senior Notes	500,000	11/14/20	4.25%	500,000	500,000
Lazard Group 3.75% Senior Notes (a)	400,000	2/13/25	3.75%	400,000	–
Total				$ 998,350	$ 1,048,350

(a) During February 2015, Lazard Group completed an offering of $400,000 aggregate principal amount of 3.75% senior notes due 2025 (the "2025 Notes"). Lazard Group also issued a notice to redeem $450,000 of Lazard Group's 6.85% senior notes due June 15, 2017 (the "2017 Notes") in February 2015. Interest on the 2025 Notes is payable semi-annually on March 1 and September 1 of each year beginning September 1, 2015. Lazard Group used the net proceeds of the 2025 Notes, together with cash on hand, to redeem or otherwise retire $450,000 of the 2017 Notes, which, including the recognition of unamortized issuance costs, resulted in a loss on debt extinguishment of $60,219. Such loss on debt extinguishment was recorded in "operating expenses—other" on the condensed consolidated statement of operations for the nine month period ended September 30, 2015.

On September 25, 2015, Lazard Group entered into an Amended and Restated Credit Agreement for a five-year $150,000 senior revolving credit facility with a group of lenders (the "Amended and Restated Credit Agreement"), which expires in September 2020. The Amended and Restated Credit Agreement amended and restated the previous credit agreement dated September 25, 2012. Borrowings under the Amended and Restated Credit Agreement generally will bear interest at LIBOR plus an applicable margin for specific interest periods determined based on Lazard Group's highest credit rating from an internationally recognized credit agency. At September 30, 2015 and December 31, 2014, no amounts were outstanding under the Amended and Restated Credit Agreement or the prior revolving credit facility, respectively.

The Amended and Restated Credit Agreement, 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 September 30, 2015, the Company was in compliance with such provisions. All of the Company's senior debt obligations are unsecured.

As of September 30, 2015, the Company had approximately $247,000 in unused lines of credit available to it, including the credit facility provided under the Amended and Restated Credit Agreement, and unused lines of credit available to LFB of approximately $39,000 (at September 30, 2015 exchange rates) and Edgewater of $55,000. In addition, LFB has access to the Eurosystem Covered Bond Purchase Program of the Banque de France.

The Company's senior debt at September 30, 2015 and December 31, 2014 is carried at historical amounts. At those dates, the fair value of such senior debt was approximately $1,016,000 and $1,135,000, respectively, and exceeded the aggregate carrying value by approximately $18,000 and $87,000, 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.

10. COMMITMENTS AND CONTINGENCIES

***Leases*—**The Company has various leases and other contractual commitments arising in the ordinary course of business.

***Guarantees*—**In the normal course of business, LFB provides indemnifications to third parties to protect them in the event of non-performance by its clients. At September 30, 2015, LFB had $4,818 of such indemnifications and held $4,465 of collateral/counter-guarantees to secure these commitments. The Company believes the likelihood of loss with respect to these indemnities is remote. Accordingly, no liability is recorded in the condensed consolidated statement of financial condition.

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

The aggregate fair value of the consideration recognized by the Company at the acquisition date was $61,624. Such consideration consisted of (i) a one-time cash payment, (ii) 1,142,857 shares of Class A common stock (the "Initial Shares") and (iii) up to 1,142,857 additional shares of Class A common stock (the "Earnout Shares") that are subject to earnout criteria and payable over time. The Earnout Shares will be issued only if certain performance thresholds are met. As of September 30, 2015 and December 31, 2014, 913,722 shares are issuable on a contingent basis, and 1,371,992 shares have been earned because applicable performance thresholds have been satisfied. As of September 30, 2015 and December 31, 2014, 1,371,992 of the earned shares have been settled.

Contingent Consideration Relating To Other Business Acquisitions—For a business acquired in 2012, at December 31, 2012, 170,988 shares of Class A common stock (including dividend equivalent shares) were issuable on a non-contingent basis. Such shares were delivered in the first quarter of 2013. During the second quarter of 2015, the achievement of certain performance thresholds related to the acquired business were satisfied, resulting in the issuance of 27,316 shares of Class A common stock.

Other Commitments—The Company has various other contractual commitments arising in the ordinary course of business. In addition, from time to time, each of LFB and LFNY may enter into underwriting commitments in which it will participate as an underwriter. At September 30, 2015, LFB and LFNY had no such underwriting commitments.

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

In the opinion of management, the fulfillment of the commitments described herein will 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, 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 experiences significant variation in its revenue and earnings on a quarterly basis. Accordingly, the results of any pending matter or matters could be significant when compared to the Company's earnings in any particular fiscal quarter. The Company believes, however, based on currently available information, that the results of any pending matters, in the aggregate, will not have a material effect on its business or financial condition.

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11. STOCKHOLDERS' EQUITY

Share Repurchase Program—During the nine month period ended September 30, 2015 and for the years ended December 31, 2014, 2013, and 2012, the Board of Directors of Lazard authorized the repurchase of Class A common stock as set forth in the table below.

Date	Repurchase Authorization	Expiration
October 2012	$ 200,000	December 31, 2014
October 2013	$ 100,000	December 31, 2015
April 2014	$ 200,000	December 31, 2015
February 2015	$ 150,000	December 31, 2016

The Company expects that the share repurchase program will primarily be used to offset a portion of the shares that have been or will be issued under the Lazard Ltd 2005 Equity Incentive Plan (the "2005 Plan") and the Lazard Ltd 2008 Incentive Compensation Plan (the "2008 Plan"). Pursuant to 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 quarter to quarter due to a variety of factors. Purchases with respect to such program are set forth in the table below:

	Number of Shares Purchased	Average Price Per Share
Nine Months Ended September 30:		
2014	4,114,206	$ 46.83
2015	3,141,526	$ 50.76

The shares purchased in the nine months ended September 30, 2014 included 1,000,000 shares purchased from Natixis S.A. on June 26, 2014 for $50,340 in connection with the sale by Natixis S.A. of its entire investment in the Company's Class A common stock. The purchase transaction closed on July 1, 2014.

As of September 30, 2015, a total of $119,461 of share repurchase authorization remained available under the Company's share repurchase program, which will expire on December 31, 2016.

During the nine month period ended September 30, 2015, the Company had in place trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934, 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 are each non-participating securities convertible into Class A common stock, and have no voting or dividend rights. As of both September 30, 2015 and December 31, 2014, 7,921 shares of Series A preferred stock were outstanding, and no shares of Series B preferred stock were outstanding. At September 30, 2015 and December 31, 2014, no shares of Series A preferred stock were convertible into shares of Class A common stock on a contingent or a non-contingent basis.

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Accumulated Other Comprehensive Income (Loss), Net of Tax ("AOCI")—The tables below reflect changes in the balances of each component of AOCI during the nine month periods ended September 30, 2015 and 2014:

	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard Ltd AOCI
Balance, January 1, 2015	$ (46,102)	$(154,665)	$(200,767)	$ (1)	$(200,766)
Activity January 1 to September 30, 2015:					
Other comprehensive loss before reclassifications	(41,376)	(14,140)	(55,516)	–	(55,516)
Adjustments for items reclassified to earnings, net of tax	–	3,757	3,757	–	3,757
Net other comprehensive loss	(41,376)	(10,383)	(51,759)	–	(51,759)
Balance, September 30, 2015	$ (87,478)	$(165,048)	$(252,526)	$ (1)	$(252,525)

	Currency Translation Adjustments	Employee Benefit Plans	Total AOCI	Amount Attributable to Noncontrolling Interests	Total Lazard Ltd AOCI
Balance, January 1, 2014	$ 3,869	$(137,431)	$(133,562)	$ (558)	$(133,004)
Activity January 1 to September 30, 2014:					
Other comprehensive income (loss) before reclassifications	(18,640)	(3,695)	(22,335)	559	(22,894)
Adjustments for items reclassified to earnings, net of tax	–	3,714	3,714	–	3,714
Net other comprehensive income (loss)	(18,640)	19	(18,621)	559	(19,180)
Balance, September 30, 2014	$ (14,771)	$(137,412)	$(152,183)	$ 1	$(152,184)

The table below reflects adjustments for items reclassified out of AOCI, by component, for the three month and nine month periods ended September 30, 2015 and 2014:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Amortization relating to employee benefit plans (a)	$ 1,749	$ 1,673	$ 5,226	$ 5,105
Less – related income taxes	368	528	1,469	1,391
Total reclassifications, net of tax	$ 1,381	$ 1,145	$ 3,757	$ 3,714

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

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***Noncontrolling Interests*—**Noncontrolling interests principally represent interests held in (i) Edgewater's management vehicles that the Company is deemed to control, but does not own, and (ii) Lazard Group by LAZ-MD Holdings until May 2014. Following the Final Exchange of LAZ-MD Interests, Lazard Group became a wholly-owned indirect subsidiary of Lazard Ltd.

The tables below summarize net income attributable to noncontrolling interests for the three month and nine month periods ended September 30, 2015 and 2014 and noncontrolling interests as of September 30, 2015 and December 31, 2014 in the Company's condensed consolidated financial statements:

	Net Income Attributable to Noncontrolling Interests			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Edgewater	$ 1,268	$ 1,060	$ 9,002	$ 5,732
LAZ-MD Holdings	–	–	–	631
Other	1	1	2	2
Total	$ 1,269	$ 1,061	$ 9,004	$ 6,365

	Noncontrolling Interests As Of	
	September 30, 2015	December 31, 2014
Edgewater	$ 56,498	$ 62,584
Other	720	729
Total	$ 57,218	$ 63,313

Dividends Declared, October 2015— On October 21, 2015, the Board of Directors of Lazard Ltd declared a quarterly dividend of $0.35 per share on its Class A common stock, payable on November 13, 2015, to stockholders of record on November 2, 2015.

12. INCENTIVE PLANS

Share-Based Incentive Plan Awards

A description of Lazard Ltd's 2008 Plan and 2005 Plan and activity with respect thereto during the three month and nine month periods ended September 30, 2015 and 2014 is presented below.

Shares Available Under the 2008 Plan and the 2005 Plan

The 2008 Plan authorizes the issuance of shares of Class A common stock pursuant to the grant or exercise of stock options, stock appreciation rights, restricted stock units ("RSUs") and other equity-based awards. Under the 2008 Plan, the maximum number of shares available is based on a formula that limits the aggregate number of shares that may, at any time, be subject to awards that are considered "outstanding" under the 2008 Plan to 30% of the then-outstanding shares of Class A common stock.

The 2005 Plan authorized the issuance of up to 25,000,000 shares of Class A common stock pursuant to the grant or exercise of stock options, stock appreciation rights, RSUs and other equity-based awards. Each RSU or similar award granted under the 2005 Plan represented a contingent right to receive one share of Class A common

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stock, at no cost to the recipient. The fair value of such awards was generally determined based on the closing market price of Class A common stock at the date of grant. The 2005 Plan expired in the second quarter of 2015, although awards granted under the 2005 Plan remain outstanding and 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, performance-based restricted stock units ("PRSUs") and restricted stock awards) and "professional services" expense (with respect to deferred stock units ("DSUs")) within the Company's accompanying condensed consolidated statements of operations for the three month and nine month periods ended September 30, 2015 and 2014:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Share-based incentive awards:				
RSUs	$ 38,156	$ 39,091	$129,490	$132,307
PRSUs	10,207	4,957	24,819	11,657
Restricted Stock	3,635	2,637	19,088	13,493
DSUs	32	102	1,426	1,638
Total	$ 52,030	$ 46,787	$174,823	$159,095

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

For purposes of calculating diluted net income per share, RSUs, DSUs and restricted stock awards are included in the diluted weighted average shares of Class A common stock outstanding using the "treasury stock" method. PRSUs are included in the diluted weighted average shares of Class A common stock outstanding to the extent the performance conditions are met at the end of the reporting period, also using the "treasury stock" method.

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 Class A common stock (unless the recipient is then eligible for retirement under the Company's retirement policy) and convert into shares of Class A common stock on a one-for-one basis after the stipulated vesting periods. PRSUs, which are RSUs that are also subject to service-based vesting conditions, have additional performance conditions, and are described below. 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.

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RSUs generally include a dividend participation right that provides that during vesting periods each RSU is attributed additional RSUs (or fractions thereof) equivalent to any dividends paid on Class A common stock during such period. During the nine month periods ended September 30, 2015 and 2014, issuances of RSUs pertaining to such dividend participation rights and respective charges to "retained earnings", net of estimated forfeitures (with corresponding credits to "additional paid-in-capital"), consisted of the following:

	Nine Months Ended September 30,	
	2015	2014
Number of RSUs issued	603,608	288,272
Charges to retained earnings, net of estimated forfeitures	$ 30,340	$ 13,489

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 23,961 and 26,360 DSUs granted in connection with annual compensation during the nine month periods ended September 30, 2015 and 2014, respectively. 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 Class A common stock at the time of cessation of service to the Board of Directors and, for purposes of calculating diluted net income per share, are included in the diluted weighted average shares of Class A common stock outstanding using the "treasury stock" method. DSUs include a cash dividend participation right equivalent to any ordinary quarterly dividends paid on Class A common stock.

The Company'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 Class A common stock on the date immediately preceding the date of the grant. During the nine month periods ended September 30, 2015 and 2014, 1,761 and 6,381 DSUs, respectively, had been granted pursuant to such Plan.

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

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The following is a summary of activity relating to RSUs and DSUs during the nine month periods ended September 30, 2015 and 2014:

	RSUs		DSUs	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance, January 1, 2015	13,529,116	$ 35.19	286,227	$ 34.21
Granted (including 603,608 RSUs relating to dividend participation)	4,111,619	$ 48.84	25,722	$ 55.43
Forfeited	(461,297)	$ 43.49	–	–
Vested	(7,159,642)	$ 30.87	–	–
Balance, September 30, 2015	10,019,796	$ 43.50	311,949	$ 35.96
Balance, January 1, 2014	16,630,009	$ 34.51	251,434	$ 32.02
Granted (including 288,272 RSUs relating to dividend participation)	3,733,113	$ 42.75	32,741	$ 50.04
Forfeited	(210,458)	$ 33.45	–	–
Vested	(6,529,801)	$ 37.86	–	–
Balance, September 30, 2014	13,622,863	$ 35.18	284,175	$ 34.10

In connection with RSUs that vested during the nine month periods ended September 30, 2015 and 2014, the Company satisfied its minimum statutory tax withholding requirements in lieu of issuing 1,940,996 and 1,876,398 shares of Class A common stock in the respective nine month periods. Accordingly, 5,218,646 and 4,653,403 shares of Class A common stock held by the Company were delivered during the nine month periods ended September 30, 2015 and 2014, respectively.

As of September 30, 2015, estimated unrecognized RSU compensation expense was approximately $158,948, with such expense expected to be recognized over a weighted average period of approximately 0.9 years subsequent to September 30, 2015.

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Restricted Stock

The following is a summary of activity related to shares of restricted Class A common stock associated with compensation arrangements during the nine month periods ended September 30, 2015 and 2014:

	Restricted Shares	Weighted Average Grant Date Fair Value
Balance, January 1, 2015	729,827	$ 38.63
Granted	576,886	$ 50.88
Forfeited	(45,500)	$ 50.24
Vested	(512,516)	$ 39.25
Balance, September 30, 2015	748,697	$ 46.94
Balance, January 1, 2014	575,054	$ 32.72
Granted	449,911	$ 45.52
Forfeited	(12,097)	$ 41.19
Vested	(205,075)	$ 35.23
Balance, September 30, 2014	807,793	$ 39.08

In connection with shares of restricted Class A common stock that vested during the nine month periods ended September 30, 2015 and 2014, the Company satisfied its minimum statutory tax withholding requirements in lieu of delivering 94,745 and 29,999 shares of Class A common stock during such respective nine month periods. Accordingly, 417,771 and 175,076 shares of Class A common stock held by the Company were delivered during the nine month periods ended September 30, 2015 and 2014, respectively.

The restricted stock awards include a cash dividend participation right equivalent to any ordinary dividends paid on Class A common stock during the period, which will vest concurrently with the underlying restricted stock award. At September 30, 2015, estimated unrecognized restricted stock expense was approximately $18,183, with such expense to be recognized over a weighted average period of approximately 1.0 years subsequent to September 30, 2015.

PRSUs

PRSUs are subject to both performance-based and service-based vesting conditions. The number of shares of Class A common stock that a recipient will receive upon vesting of a PRSU will be calculated by reference to certain performance metrics that relate to the Company's performance over a three-year period. The target number of shares of Class A common stock subject to each PRSU is one; however, based on the achievement of the performance criteria, the number of shares of Class A common stock that may be received in connection with each PRSU generally can range from zero to two times the target number (with the exception of the PRSUs granted in 2013, for which (i) the performance period ended on December 31, 2014 and (ii) the number of shares of Class A common stock that may be received is equal to approximately 2.2 times the target number). The PRSUs granted in 2015 and 2014 will vest on a single date three years following the date of the grant and the PRSUs granted in 2013 vested 33% in March 2015 and will vest 67% in March 2016, in each case provided the applicable service and performance conditions are satisfied, other than with respect to the PRSUs granted in 2013, which performance conditions have been satisfied as of December 31, 2014. In addition, the performance metrics applicable to each PRSU will be evaluated on an annual basis at the end of each fiscal year during the performance period and, if the Company has achieved a threshold level of performance with respect to the fiscal year, 25% of the target number of shares of Class A common stock subject to

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each PRSU award will no longer be at risk of forfeiture based on the achievement of performance criteria. PRSUs include dividend participation rights that provide that during vesting periods the target number of PRSUs (or, following the relevant performance period, the actual number of shares of Class A common stock that are no longer subject to performance conditions) receive dividend equivalents at the same rate that dividends are paid on Class A common stock during such period. These dividend equivalents are credited as RSUs that are not subject to the performance-based vesting criteria but are otherwise subject to the same restrictions as the underlying PRSUs to which they relate.

The following is a summary of activity relating to PRSUs during the nine month periods ended September 30, 2015 and 2014:

	PRSUs	Weighted Average Grant Date Fair Value
Balance, January 1, 2015	1,347,148	$ 37.79
Granted	368,389	$ 52.85
Vested	(696,499)	$ 35.96
Balance, September 30, 2015	1,019,038	$ 44.49
Balance, January 1, 2014	448,128	$ 36.11
Granted	360,783	$ 44.46
Balance, September 30, 2014	808,911	$ 39.83

In connection with PRSUs that vested during the nine month period ended September 30, 2015, the Company satisfied its minimum statutory tax withholding requirements in lieu of issuing 32,086 shares of Class A common stock in the period. Accordingly, 664,413 shares of Class A common stock held by the Company were delivered during the nine month period ended September 30, 2015.

Compensation expense recognized for PRSU awards is determined by multiplying the number of shares of Class A common stock underlying such awards that, based on the Company's estimate, are considered probable of vesting, by the grant date fair value. As of September 30, 2015, the total estimated unrecognized compensation expense was approximately $21,631, and the Company expects to amortize such expense over a weighted-average period of approximately 0.5 years subsequent to September 30, 2015.

LFI and Other Similar Deferred Compensation Arrangements

Commencing in February 2011, the Company granted LFI to eligible employees. In connection with LFI and other similar deferred compensation arrangements, which generally require future service as a condition for vesting, the Company recorded a prepaid compensation asset and a corresponding compensation liability on the grant date based upon the fair value of the award. The prepaid asset is amortized on a straight-line basis over the applicable vesting periods or requisite service periods (which are generally similar to the comparable periods for RSUs), and is charged to "compensation and benefits" expense within the Company's 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 nine month periods ended September 30, 2015 and 2014:

	Prepaid Compensation Asset	Compensation Liability
Balance, January 1, 2015	$ 73,278	$ 207,306
Granted	89,817	89,817
Settled	–	(94,899)
Forfeited	(3,610)	(6,873)
Amortization	(64,136)	–
Change in fair value related to:		
Decrease in fair value of underlying investments	–	(9,903)
Adjustment for estimated forfeitures	–	5,219
Other	(184)	(2,030)
Balance, September 30, 2015	$ 95,165	$ 188,637

	Prepaid Compensation Asset	Compensation Liability
Balance, January 1, 2014	$ 60,433	$ 162,422
Granted	92,728	92,728
Settled	–	(54,293)
Forfeited	(1,320)	(1,908)
Amortization	(57,287)	–
Change in fair value related to:		
Increase in fair value of underlying investments	–	6,004
Adjustment for estimated forfeitures	–	6,527
Other	(551)	(1,559)
Balance, September 30, 2014	$ 94,003	$ 209,921

The amortization of the prepaid compensation asset will generally be recognized over a weighted average period of approximately 0.9 years subsequent to September 30, 2015.

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 nine month periods ended September 30, 2015 and 2014:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Amortization, net of forfeitures	$ 21,168	$21,310	$66,092	$63,226
Change in the fair value of underlying investments	(12,145)	(5,528)	(9,903)	6,004
Total	$ 9,023	$15,782	$56,189	$69,230

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13. EMPLOYEE BENEFIT PLANS

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

On March 31, 2015, the Company and the Trustees of the U.K. defined benefit pension plans concluded the December 31, 2013 triennial valuations of the plans. In connection with such valuations, the Company and the Trustees agreed upon pension funding terms pursuant to which the Company agreed, among other things, (i) to make contributions of 11.2 million British pounds into the plans by way of three equal contributions at June 30, September 30 and December 31, 2015, and (ii) that the Company's existing account security arrangement would be dissolved and the cash balance within such accounts would be paid into the plans by June 30, 2015. On June 4, 2015, the full balance of 11.2 million British pounds in the account security arrangement was paid into the plans. At December 31, 2014, the balance of the account security arrangement was $17,500 and was recorded in "cash deposited with clearing organizations and other segregated cash" on the accompanying condensed consolidated statements of financial condition. Income on the account security arrangement accreted to the Company and was recorded in interest income.

The following table summarizes the components of net periodic benefit cost (credit) related to the Company's post-retirement plans for the three month and nine month periods ended September 30, 2015 and 2014:

	Pension Plans		Medical Plan	
	Three Months Ended September 30,			
	2015	2014	2015	2014
Components of Net Periodic Benefit Cost (Credit):				
Service cost	$ 440	$ 267	$ 7	$ 7
Interest cost	6,237	7,636	45	49
Expected return on plan assets	(7,146)	(8,253)	–	–
Amortization of:				
Prior service cost	595	708	–	–
Net actuarial loss (gain)	1,154	1,096	–	(131)
Net periodic benefit cost (credit)	$ 1,280	$ 1,454	$ 52	$ (75)

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	Pension Plans		Medical Plan	
	Nine Months Ended September 30,			
	2015	2014	2015	2014
Components of Net Periodic Benefit Cost (Credit):				
Service cost	$ 1,153	$ 718	$ 20	$ 24
Interest cost	18,496	22,807	135	146
Expected return on plan assets	(21,236)	(24,560)	–	–
Amortization of:				
Prior service cost	1,789	2,176	–	–
Net actuarial loss (gain)	3,437	3,325	–	(396)
Net periodic benefit cost (credit)	$ 3,639	$ 4,466	$ 155	$ (226)

14. 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. 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 New York City Unincorporated Business Tax ("UBT") attributable to its operations apportioned to New York City.

The Company recorded an income tax provision (benefit) of $170,954 and $(993,560) for the three month and nine month periods ended September 30, 2015, respectively, and $23,792 and $58,614 for the three month and nine month periods ended September 30, 2014, respectively, representing effective tax rates of 30.0%, 637.0%, 20.9% and 18.3%, respectively. The difference between the U.S. federal statutory rate of 35.0% and the effective tax rates reflected above principally relates to (i) change in the valuation allowance affecting the provision for income taxes, (ii) recognition of a deferred tax asset associated with the recording of the tax receivable agreement obligation and reduction of a deferred tax asset as a result of the partial extinguishment of our tax receivable agreement obligation (see below), (iii) taxes payable to foreign jurisdictions that are not offset against U.S. income taxes, (iv) foreign source income (loss) not subject to U.S. income taxes (including interest on intercompany financings), and (v) U.S. state and local taxes (primarily UBT), which are incremental to the U.S. federal statutory tax rate.

Certain of our tax-paying entities at which we have historically recorded significant valuation allowances were profitable on a cumulative basis for the three year periods ended June 30, 2015 and September 30, 2015. Our assessment of such valuation allowance at each such date is described below.

In assessing our valuation allowance as of June 30, 2015, we considered all available information, including the magnitude of recent and current operating results, the relatively long duration of statutory carryforward periods, our historical experience utilizing tax attributes prior to their expiration dates, the historical volatility of operating results of these entities and our assessment regarding the sustainability of their profitability. At that time, we concluded that there was a sufficient history of sustained profitability at these entities that it was more likely than not that these entities would be able to realize deferred tax assets. Accordingly, during the period ended June 30, 2015, we released substantially all of the valuation allowance against the deferred tax assets held by these entities, with the exception of the portion of the valuation allowance that we expected to release based on our estimate of operating income in the current year.

As a result, during the quarter ended June 30, 2015, we recorded a deferred tax benefit of approximately $821,000. In addition, we also recorded a separate deferred tax benefit of approximately $378,000 that reflected the tax deductibility of payments under the tax receivable agreement.

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As of September 30, 2015, we continued to conclude that the positive evidence in favor of releasing the valuation allowance in the relevant tax-paying entities outweighed the negative evidence and that it is more likely than not that these entities will be able to realize deferred tax assets. During the quarter ended September 30, 2015, we recorded an additional deferred tax benefit of approximately $18,000 from the release of valuation allowance on deferred tax assets based on our estimate of operating income in 2015. In addition, during the quarter ended September 30, 2015, we recorded a deferred tax expense of approximately $161,000 relating to the reduction of a deferred tax asset as a result of the partial extinguishment of our tax receivable agreement obligation. See "—Tax Receivable Agreement" below for more information regarding our accrual under the tax receivable agreement in the second quarter of 2015 and the partial extinguishment of our tax receivable agreement obligation in the third quarter of 2015.

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

Tax Receivable Agreement

In connection with our initial public offering and related transactions in May 2005, we entered into a tax receivable agreement with the predecessor of LMDC Holdings LLC ("LMDC Holdings") on May 10, 2005 (the "Tax Receivable Agreement"). The agreement was based on the mutual recognition that the redemption of Lazard Group membership interests that were held by the historical partners of Lazard Group on May 10, 2005 for cash resulted in an increase in the tax basis of the tangible and intangible assets of Lazard Group attributable to our subsidiaries' interest in Lazard Group that otherwise would not have been available. The agreement also was based on the mutual recognition that the exchange from time to time by such historical partners of exchangeable interests in LAZ-MD Holdings LLC for shares of our Class A common stock could subsequently result in additional increases in such tax basis.

On June 16, 2015, Lazard and LMDC Holdings amended and restated the Tax Receivable Agreement and, on October 26, 2015, Lazard and LTBP Trust, a Delaware statutory trust (the "Trust"), entered into a Second Amended and Restated Tax Receivable Agreement (the "Amended and Restated Tax Receivable Agreement"). Pursuant to these transactions, among other things, (i) LMDC Holdings assigned all of its obligations under the Tax Receivable Agreement, including the obligation to receive payments and promptly distribute them to historical partners of Lazard Group, to LTBP Trust, and the Trust assumed all of LMDC Holdings' obligations thereunder, (ii) LMDC Holdings distributed the interests in the Trust to certain owners of LMDC Holdings, and (iii) holders of interests in the Trust obtained the ability, subject to certain restrictions and conditions, to transfer such interests to certain additional persons and entities, including Lazard.

The Amended and Restated Tax Receivable Agreement provides for the payment by our subsidiaries to the Trust of (i) approximately 45% (following the July 2015 purchase described below) 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 tax basis and of certain other tax benefits related to the Amended and Restated Tax Receivable Agreement, and (ii) an amount that we currently expect will approximate 85% of the cash tax savings that may arise from tax benefits attributable to payments under the Amended and Restated Tax Receivable Agreement. Our subsidiaries expect to benefit from the balance of cash savings, if any, in income tax that our subsidiaries realize. Any amount paid by our subsidiaries to the Trust will generally be distributed to the owners of the Trust, including our executive officers, in proportion to their beneficial interests in the Trust.

For purposes of the Amended and Restated Tax Receivable Agreement, 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 the tangible and intangible assets of Lazard Group attributable to our subsidiaries' interest in Lazard Group as a result of the redemption and exchanges and had our subsidiaries not entered into the Amended and Restated Tax Receivable Agreement. The term of the Amended and Restated Tax Receivable Agreement will continue until approximately 2033 or, if earlier, until all relevant tax benefits have been utilized or expired.

As described above, during the period ended June 30, 2015, we released substantially all of our valuation allowance against deferred tax assets. As a result, we accrued a corresponding liability of $961,948 during the quarter ended June 30, 2015 for amounts relating to the Amended and Restated Tax Receivable Agreement at that time.

The amount of the Amended and Restated Tax Receivable Agreement liability is an undiscounted amount based upon currently enacted tax laws, the current structure of the Company and various assumptions regarding potential future operating profitability. The assumptions reflected in the estimate involve significant judgment. As such, the actual amount and timing of payments under the Amended and Restated Tax Receivable Agreement 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 consolidated statement of operations. Adjustments, if necessary, to the related deferred tax assets would be recorded through income tax expense.

In July 2015, we purchased approximately 47% of the then-outstanding beneficial interests in the Trust from certain owners of the Trust for $42,222 in cash, which resulted in the automatic cancellation of such beneficial interests and the extinguishment of a significant portion of our payment obligations under the Amended and Restated Tax Receivable Agreement. The extinguishment of these payment obligations resulted in a pre-tax gain of $420,792 recorded in "provision (benefit) pursuant to tax receivable agreement" on the condensed consolidated statement of operations for the three and nine month periods ended September 30, 2015. In addition, the extinguishment of these payment obligations resulted in a reduction of the tax benefits that would have been attributable to the actual payments and, accordingly, we recorded a deferred tax expense of approximately $161,000 on the condensed consolidated statement of operations for the three month and nine month periods ended September 30, 2015.

The cumulative liability relating to our obligations under the Amended and Restated Tax Receivable Agreement as of September 30, 2015 was $523,907.

15. NET INCOME PER SHARE OF CLASS A COMMON STOCK

The Company's basic and diluted net income per share calculations for the three month and nine month periods ended September 30, 2015 and 2014 are computed as described below.

Basic Net Income Per Share

Numerator—utilizes net income attributable to Lazard Ltd for the respective periods, plus applicable adjustments to such net income associated with the inclusion of shares of Class A common stock issuable on a non-contingent basis.

Denominator—utilizes the weighted average number of shares of Class A common stock outstanding for the respective periods, plus applicable adjustments to such shares associated with shares of Class A common stock issuable on a non-contingent basis.

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Diluted Net Income Per Share

Numerator—utilizes net income attributable to Lazard Ltd for the respective periods as in the basic net income per share calculation described above, plus, to the extent applicable and dilutive, (i) changes in net income attributable to noncontrolling interests resulting from assumed Class A common stock issuances in connection with share-based incentive compensation and, in 2014, on an "as-if-exchanged" basis, amounts applicable to LAZ-MD Holdings exchangeable interests and (ii) income tax related to (i) above.

Denominator—utilizes the weighted average number of shares of Class A common stock outstanding for the respective periods as in the basic net income per share calculation described above, plus, to the extent dilutive, the incremental number of shares of Class A common stock required to settle share-based incentive compensation and, in 2014, LAZ-MD Holdings exchangeable interests, using the "treasury stock" method or the "as-if-exchanged" basis, as applicable.

The calculations of the Company's basic and diluted net income per share and weighted average shares outstanding for the three month and nine month periods ended September 30, 2015 and 2014 are presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income attributable to Lazard Ltd - basic	$398,521	$88,859	$828,587	$254,893
Add - dilutive effect, as applicable, of:				
Adjustments to income relating to interest expense and changes in net income attributable to noncontrolling interests resulting from assumed Class A common stock issuances in connection with share-based incentive compensation, and, in 2014, exchangeable interests, net of tax	–	(3)	–	604
Net income attributable to Lazard Ltd - diluted	$398,521	$88,856	$828,587	$255,497
Weighted average number of shares of Class A common stock outstanding	125,852,995	121,800,294	125,192,436	121,954,428
Add - adjustment for shares of Class A common stock issuable on a non-contingent basis	72,011	406,620	72,011	412,204
Weighted average number of shares of Class A common stock outstanding - basic	125,925,006	122,206,914	125,264,447	122,366,632
Add - dilutive effect, as applicable, of:				
Weighted average number of incremental shares of Class A common stock issuable from share-based incentive compensation and, in 2014, exchangeable interests	7,190,413	11,359,770	7,954,690	11,356,144
Weighted average number of shares of Class A common stock outstanding - diluted	133,115,419	133,566,684	133,219,137	133,722,776
Net income attributable to Lazard Ltd per share of Class A common stock:				
Basic	$3.16	$0.73	$6.61	$2.08
Diluted	$2.99	$0.67	$6.22	$1.91

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16. REGULATORY AUTHORITIES

LFNY is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934. Under the basic method permitted by this rule, the minimum required net capital, as defined, is a specified fixed percentage (6 2/3%) of total aggregate indebtedness recorded in LFNY's Financial and Operational Combined Uniform Single ("FOCUS") report filed with the Financial Industry Regulatory Authority ("FINRA"), or $100, whichever is greater. In addition, the ratio of aggregate indebtedness (as defined) to net capital may not exceed 15:1. At September 30, 2015, LFNY's regulatory net capital was $207,189, which exceeded the minimum requirement by $203,374. LFNY's aggregate indebtedness to net capital ratio was 0.28:1 as of September 30, 2015.

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 September 30, 2015, the aggregate regulatory net capital of the U.K. Subsidiaries was $119,490, which exceeded the minimum requirement by $101,713.

CFLF, under which asset management and commercial banking activities are carried out in France, is subject to regulation by the ACPR for its banking activities conducted through its subsidiary, LFB. The investment services activities of the Paris group, exercised through LFB and other subsidiaries of CFLF, primarily LFG (asset management), also are subject to regulation and supervision by the Autorité des Marchés Financiers. At September 30, 2015, the consolidated regulatory net capital of CFLF was $134,142, which exceeded the minimum requirement set for regulatory capital levels by $89,369. 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 new 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 June 30, 2015, the regulatory net capital of the combined European regulated group was $179,780, which exceeded the minimum requirement set for regulatory capital levels by $115,014. 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 (which is similar to the information that the Company had already been providing informally). This new supervision under, and provision of information to, the ACPR became effective December 31, 2013.

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 September 30, 2015, for those subsidiaries with regulatory capital requirements, their aggregate net capital was $108,221, which exceeded the minimum required capital by $75,949.

At September 30, 2015, each of these subsidiaries individually was in compliance with its regulatory capital requirements.

Any new or expanded rules and regulations that may be adopted in countries in which we operate (including regulations that have not yet been proposed) could affect us in other ways.

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17. 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 of Notes to Condensed Consolidated Financial Statements. In addition, as described in Note 1 of Notes to Condensed Consolidated Financial Statements, the Company records selected other activities in its Corporate segment.

The Company's segment information for the three month and nine month periods ended September 30, 2015 and 2014 is prepared using the following methodology:

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

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

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 September 30,		Nine Months Ended September 30,	
		2015	2014	2015	2014
Financial Advisory	Net Revenue	$ 330,832	$ 291,089	$ 948,735	$ 847,354
	Operating Expenses	261,952	255,230	758,108	754,449
	Operating Income	$ 68,880	$ 35,859	$ 190,627	$ 92,905
Asset Management	Net Revenue	$ 264,581	$ 291,967	$ 850,226	$ 848,695
	Operating Expenses	179,155	191,501	554,738	552,499
	Operating Income	$ 85,426	$ 100,466	$ 295,488	$ 296,196
Corporate	Net Revenue	$ (21,895)	$ (16,845)	$ (38,602)	$ (29,542)
	Operating Expenses (a)	(438,333)	5,768	603,482	39,687
	Operating Income (Loss)	$ 416,438	$ (22,613)	$ (642,084)	$ (69,229)
Total	Net Revenue	$ 573,518	$ 566,211	$ 1,760,359	$ 1,666,507
	Operating Expenses	2,774	452,499	1,916,328	1,346,635
	Operating Income (Loss)	$ 570,744	$ 113,712	$ (155,969)	$ 319,872

	As Of	
	September 30, 2015	December 31, 2014
Total Assets		
Financial Advisory	$ 742,298	$ 785,557
Asset Management	515,544	588,403
Corporate (b)	2,890,195	1,958,276
Total	$ 4,148,037	$ 3,332,236

(a) Operating expenses include $(420,792) and $547,691 in the three month and nine month periods ended September 30, 2015, respectively, recorded for the provision (benefit) pursuant to the tax receivable agreement. See Note 14 of Notes to Condensed Consolidated Financial Statements for information regarding the tax receivable agreement obligation.

(b) Corporate segment assets include amounts recorded for deferred tax assets of $1,113,060 and $59,041 at September 30, 2015 and December 31, 2014, respectively. See Note 14 of Notes to Condensed Consolidated Financial Statements for information regarding deferred tax assets.

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, 2014 (the "Form 10-K"). All references to "2015", "2014", "third quarter", "first nine months" or "the period" refer to, as the context requires, the three month and nine month periods ended September 30, 2015 and September 30, 2014.

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 growth strategies, business plans and initiatives and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. These factors include, but are not limited to, those discussed in our Form 10-K under the caption "Risk Factors," including the following:

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

Forward-looking statements include, but are not limited to, statements about:

- financial goals, including the ratio of awarded 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;
- recruitment and retention of our managing directors and employees;
- potential levels of compensation expense and non-compensation expense;
- potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts;
- 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;
- expectations with respect to the economy, the securities markets, the market for mergers, acquisitions and strategic advisory and restructuring activity, the market for asset management activity and other macroeconomic and industry trends;
- effects of competition on our business; and
- impact of future legislation and regulation on our business.

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

Business Summary

Lazard is one of the world's preeminent financial advisory and asset management firms. We have long specialized in crafting solutions to the complex financial and strategic challenges of a diverse set of clients around the world, including corporations, governments, institutions, partnerships and individuals. Founded in 1848 in New Orleans, we currently operate from 43 cities in key business and financial centers across 27 countries throughout North America, Europe, Asia, Australia, the Middle East, and Central and South America.

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

We operate in cyclical businesses across multiple geographies, industries and asset classes. In recent years, we have expanded our geographic reach, bolstered our industry expertise and continued to build in growth areas. Companies, government bodies and investors seek independent advice with a geographic perspective, deep understanding of capital structure, informed research and knowledge of global economic conditions. We believe that our business model as an independent advisor will continue to create opportunities for us to attract new clients and key personnel.

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

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

In addition, we record selected other activities in our Corporate segment, including management of cash, investments, deferred tax assets, outstanding indebtedness and assets associated with Lazard Group's Paris-based subsidiary, Lazard Frères Banque SA ("LFB").

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

Our consolidated net revenue was derived from the following segments:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Financial Advisory	58%	51%	54%	51%
Asset Management	46	52	48	51
Corporate	(4)	(3)	(2)	(2)
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, since 2005, we have engaged in a number of alternative investments and private equity activities, including, historically, investments through (i) the Edgewater Funds ("Edgewater"), our Chicago-based private equity firm (see Note 10 of Notes to Condensed Consolidated Financial Statements), (ii) Lazard Australia Corporate Opportunities Fund 2 ("COF2"), an Australian fund targeting Australasian mid-market investments, (iii) a mezzanine fund, which invests in mezzanine debt of a diversified selection of small-to mid-cap European companies and (iv) a fund targeting significant noncontrolling-stake investments in established private companies. We also 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. As 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 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.

Equity market indices for developed markets at September 30, 2015 generally decreased as compared to such indices at December 31, 2014. Emerging markets equity indices at September 30, 2015 have also generally

decreased as compared to December 31, 2014. In the global M&A markets during the first nine months of 2015, the value of all completed M&A transactions increased as compared to the same period in the prior year, as did the subset of such transactions involving values greater than $500 million. During the same time, the value of all announced M&A transactions, including the subset of such transactions involving values greater than $500 million, also increased, reflecting an active global M&A environment. While the value of completed and announced transactions increased as compared to the prior period, the number of completed and announced transactions (excluding the subset of completed and announced transactions involving values greater than $500 million) decreased. During the first nine months of 2015, global restructuring activity remained low, consistent with the last several years.

In the first nine months of 2015, corporate cash balances remain high and interest rates remain low. The U.S. macroeconomic environment has improved, but Europe and many of the developing markets remain unsettled, particularly with respect to foreign exchange markets. Although market and foreign currency volatility may continue, the longer-term trends appear to remain favorable for both of our businesses.

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

- ***Financial Advisory*** – The fundamentals for continued M&A activity generally appear to remain in place. Demand continues for expert, independent strategic advice that can be levered across geographies and our range of advisory capabilities. The global scale and breadth of our Financial Advisory business allows us to advise on large, complex cross-border transactions across a variety of industries. In addition, we believe our businesses throughout the emerging markets, Japan and Australia position us for growth in these markets, while enhancing our relationships with, and the services that we can provide to, clients in developed economies.
- ***Asset Management*** – Generally, we have seen investor demand across regions and investment platforms. In the short to intermediate term, we expect most of our growth will come from defined benefit and defined contribution plans in the developed economies because of their sheer scope and size. Over the longer term, we expect an increasing share of our AUM to come from the developing economies in Asia and the Middle East, as their retirement systems evolve and individual wealth is increasingly deployed in the financial markets. Our global footprint is already well established in the developed economies and we expect our business in the developing economies will continue to expand. Given our globally diversified platform and our ability to provide investment solutions for a global mix of clients, we believe we are positioned to benefit from growth that may occur in the asset management industry. In recent years, we have expanded the global footprint of our Asset Management business by opening offices in Singapore, Dubai and Dublin. We are continually developing and seeding new investment strategies that extend our existing platforms. Recent examples of growth initiatives include the following investment strategies: U.S. Long/Short Equity, European Long/Short Equity, Quantitative Equity, Middle East North African Equities and Asian Equities.

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 prudent management of our costs and expenses, the efficient use of our assets and the return of capital to our shareholders.

Certain 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 of all completed transactions, including completed transactions with values greater than $500 million, increased in the first nine months of 2015 as compared to the first nine months of 2014, while the number of all completed transactions decreased over the same period. With respect to announced M&A transactions, the value of all announced transactions, including announced transactions with values greater than $500 million, increased in the first nine months of 2015 as compared to the first nine months of 2014, while the number of all announced transactions decreased over the same period.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Incr / (Decr)	2015	2014	% Incr / (Decr)
	($ in billions)					
Completed M&A Transactions:						
All deals:						
Value	$ 957	$ 727	32%	$ 2,871	$ 2,089	37%
Number	8,151	10,559	(23)%	27,035	30,372	(11)%
Deals Greater than $500 million:						
Value	$ 767	$ 507	51%	$ 2,267	$ 1,468	54%
Number	263	281	(6)%	830	775	7%
Announced M&A Transactions:						
All deals:						
Value	$1,226	$ 955	28%	$ 3,414	$ 2,668	28%
Number	8,921	10,816	(18)%	28,601	31,082	(8)%
Deals Greater than $500 million:						
Value	$1,004	$ 721	39%	$ 2,726	$ 2,006	36%
Number	357	321	11%	967	873	11%

Source:Dealogic as of October 2, 2015.

Global restructuring activity during the first nine months of 2015, as measured by the number of corporate defaults, increased as compared to the first nine months of 2014, however, the aggregate value of debt defaults remained low, consistent with the last several years. The number of defaulting issuers increased to 68 in the 2015 period, according to Moody's Investors Service, Inc., as compared to 43 in the 2014 period.

Asset Management

The percentage change in major equity market indices at September 30, 2015, as compared to such indices at June 30, 2015, December 31, 2014, and at September 30, 2014, is shown in the table below.

	Percentage Changes September 30, 2015 vs.		
	June 30, 2015	December 31, 2014	September 30, 2014
Euro Stoxx	(9.5)%	(1.5)%	(3.9)%
MSCI Emerging Market	(18.5)%	(17.2)%	(21.2)%
MSCI World Index	(8.9)%	(7.5)%	(6.9)%
S&P 500	(6.9)%	(6.7)%	(2.7)%

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. Our AUM at September 30, 2015 decreased 7% versus AUM at December 31, 2014, primarily due to market depreciation and adverse foreign exchange movements, partially offset by net inflows. Average AUM for the three month period ended September 30, 2015 was 5% lower than average AUM for the three month period ended September 30, 2014. Average AUM for the nine month period ended September 30, 2015 increased 1% as compared to average AUM in the 2014 period.

Financial Statement Overview

Net Revenue

The majority of Lazard's Financial Advisory net revenue historically has been earned from the successful completion of M&A transactions, strategic advisory matters, restructuring and capital structure advisory services, capital raising and similar transactions. The main drivers of Financial Advisory net revenue are overall M&A activity, the level of corporate debt defaults and the environment for capital raising activities, particularly in the industries and geographic markets in which Lazard focuses. In some client engagements, often those involving financially distressed companies, revenue is earned in the form of retainers and similar fees that are contractually agreed upon with each client for each assignment and are not necessarily linked to the completion of a transaction. In addition, Lazard also earns fees from providing strategic advice to clients, with such fees not being dependent on a specific transaction, and may also earn fees in connection with public and private securities offerings. Significant fluctuations in Financial Advisory net revenue can occur over the course of any given year, because a significant portion of such net revenue is earned upon the successful completion of a transaction, restructuring or capital raising activity, the timing of which is uncertain and is not subject to Lazard's control.

Lazard's Asset Management segment principally includes LAM, LFG and Edgewater. Asset Management net revenue is derived from fees for investment management and advisory services provided to clients. As noted above, the main driver of Asset Management net revenue is the level and product mix of AUM, which is generally influenced by the performance of the global equity markets and, to a lesser extent, fixed income markets as well as Lazard's investment performance, which impacts its ability to successfully attract and retain assets. As a result, fluctuations (including timing thereof) in financial markets and client asset inflows and outflows have a direct effect on Asset Management net revenue and operating income. Asset Management fees are generally based on the level of AUM measured daily, monthly or quarterly, and an increase or reduction in AUM, due to market price fluctuations, currency fluctuations, changes in product mix, or net client asset flows will result in a corresponding increase or decrease in management fees. The majority of our investment advisory contracts are generally terminable at any time or on notice of 30 days or less. Institutional and individual clients, and firms with which we have strategic alliances, can terminate their relationship with us, reduce the aggregate amount of AUM or shift their funds to other types of accounts with different rate structures for a number of

reasons, including investment performance, changes in prevailing interest rates and financial market performance. In addition, as Lazard's AUM includes significant amounts of assets that are denominated in currencies other than U.S. Dollars, changes in the value of the U.S. Dollar relative to foreign currencies will impact the value of Lazard's AUM. Fees vary with the type of assets managed and the vehicle in which they are managed, with higher fees earned on equity assets 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 a 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 basis and, therefore, clawback of carried interest during the life of the fund can occur. As a result, incentive fees earned on our private equity funds are not recognized until potential uncertainties regarding the ultimate realizable amounts have been determined, including any potential for clawback.

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

Although Corporate segment net revenue during the first nine months of 2015 represented (2)% of Lazard's net revenue, total assets in the Corporate segment represented 70% of Lazard's consolidated total assets as of September 30, 2015, 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 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 2008 Incentive Compensation Plan (the "2008 Plan") and the Lazard Ltd 2005 Equity Incentive Plan (the "2005 Plan"), which expired in the second quarter of 2015, 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-U.S. GAAP measures, for comparison of compensation and benefits expense between periods. For the reconciliations and calculations with respect to "adjusted compensation and benefits expense" and related ratios to "operating revenue," see the table under "Consolidated Results of Operations" below.

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

- We deduct amortization expense recorded for accounting principles generally accepted in the United States of America ("U.S. GAAP") purposes in each fiscal year associated with the vesting of deferred incentive compensation awards,
- We add (i) the deferred incentive compensation awards granted applicable to the relevant year-end compensation process (*e.g.* deferred incentive compensation awards granted in 2015, 2014 and 2013 related to the 2014, 2013 and 2012 year-end compensation processes, respectively) and (ii) investments in people (*e.g.* "sign-on" bonuses) and other special deferred incentive compensation awards granted throughout the applicable year, with such amounts in (i) and (ii) reduced by an estimate of future forfeitures of such awards, and
- We adjust for year-end foreign exchange fluctuations.

Compensation and benefits expense is the largest component of our operating expenses. Our goal is for annual awarded compensation and benefits expense to rise at a slower rate than operating revenue growth, and if operating revenue declines, awarded compensation and benefits expense should also decline. In addition, we seek to maintain discipline with respect to the rate at which we award deferred compensation. We believe that over the cycle we can attain a ratio of awarded compensation and benefits expense to operating revenue in the mid-to-high-50s percentage range, which compares to 55.8% for the year ended December 31, 2014. While we have implemented initiatives that we believe will assist us in attaining a ratio within this range, there can be no guarantee that such a ratio will be attained or that our policies or initiatives will not change in the future. We may benefit from pressure on compensation costs within the financial services industry in future periods; however, increased competition for senior professionals, changes in the macroeconomic environment or the financial markets generally, lower operating revenue 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 or various other factors could prevent us from attaining this goal.

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, our provision pursuant to the tax receivable agreement and other expenses. In 2015, non-compensation expense also included the expenses related to the redemption of a substantial majority of the Company's 6.85% senior notes due 2017 (the "2017 Notes") (see Note 9 of Notes to Condensed Consolidated Financial Statements). For all periods, the amortization of intangible assets related to acquisitions pertains primarily to the acquisition of Edgewater.

We believe that "adjusted non-compensation expense," a non-U.S. GAAP measure, provides a more meaningful basis for assessing our operating results. For calculations with respect to "adjusted non-compensation expense" see the table under "Consolidated Results of Operations" below.

Provision for Income Taxes and Tax Receivable Agreement

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. 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 Note 14 of Notes to Condensed Consolidated Financial Statements for additional information).

As discussed under "Critical Accounting Policies and Estimates—Income Taxes" below, in the second quarter of 2015, we concluded that certain of our tax-paying entities at which we have historically recorded valuation allowances had achieved sufficient sustained profitability that it was more likely than not that they would be able to realize their deferred tax assets. Accordingly, in the second quarter of 2015, we released substantially all of our valuation allowance related to the deferred tax assets. If we are able to use the deferred tax assets in future periods to reduce our income taxes, we will be required to pay a significant portion of the tax savings pursuant to our tax receivable agreement. We therefore also recognized a related liability under the tax receivable agreement.

As of September 30, 2015, we continued to conclude that the positive evidence in favor of releasing the valuation allowance in the relevant tax-paying entities outweighed the negative evidence and that it is more likely than not that these entities will be able to realize deferred tax assets. In addition, in the third quarter of 2015, we purchased a portion of our obligation relating to the tax receivable agreement.

See "Critical Accounting Policies and Estimates—Income Taxes" below and Note 14 of Notes to Condensed Consolidated Financial Statements for additional information regarding income taxes, our deferred tax assets, the valuation allowance release and the tax receivable agreement obligation.

Noncontrolling Interests

Noncontrolling interests primarily consist of amounts related to Edgewater's management vehicles that the Company is deemed to control but not own and, through May 2014, the amount attributable to LAZ-MD Holdings LLC's ("LAZ-MD Holdings") ownership interest in the net income of Lazard Group. See Note 11 of Notes to Condensed Consolidated Financial Statements for information regarding the Company's noncontrolling interests. In May 2014, the remaining Lazard Group common membership interests held by LAZ-MD Holdings were exchanged for shares of the Company's Class A common stock. Following the exchange, Lazard Group became a wholly-owned indirect subsidiary of Lazard Ltd, and the sole issued and outstanding share of the Company's Class B common stock was automatically converted into one share of the Company's Class A common stock pursuant to the provisions of the Company's bye-laws, resulting in only one outstanding class of common stock. See Note 1 of Notes to Condensed Consolidated Financial Statements.

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.

A portion of our net revenue is derived from transactions that are denominated in currencies other than the U.S. dollar. Since the middle of 2014, the value of the U.S. dollar has strengthened against many other major currencies. As a result, net revenue for the three month and nine month periods ended September 30, 2015 was negatively impacted in comparison to the prior year periods. The majority of the negative impact in each period was offset by the positive impact of the exchange rate movements on our operating expenses denominated in currencies other than the U.S. dollar.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in thousands)			
Net Revenue	$ 573,518	$566,211	$1,760,359	$1,666,507
Operating Expenses:				
Compensation and benefits	319,565	338,612	984,786	1,006,101
Non-compensation	103,490	110,043	380,450	325,524
Amortization of intangible assets related to acquisitions	511	4,020	3,401	5,946
Provision (benefit) pursuant to tax receivable agreement	(420,792)	(176)	547,691	9,064
Total operating expenses	2,774	452,499	1,916,328	1,346,635
Operating Income (Loss)	570,744	113,712	(155,969)	319,872
Provision (benefit) for income taxes	170,954	23,792	(993,560)	58,614
Net Income	399,790	89,920	837,591	261,258
Less – Net Income Attributable to Noncontrolling Interests	1,269	1,061	9,004	6,365
Net Income Attributable to Lazard Ltd	$ 398,521	$ 88,859	$ 828,587	$ 254,893
Operating Income (Loss), as a % of net revenue	99.5%	20.1%	(8.9)%	19.2%

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in thousands)			
Operating Revenue:				
Net revenue	$ 573,518	$ 566,211	$ 1,760,359	$ 1,666,507
Adjustments:				
Interest expense (a)	11,599	15,447	39,112	46,722
Revenue related to noncontrolling interests (b)	(2,995)	(4,032)	(15,317)	(12,810)
Private equity revenue adjustment (c)	–	–	(12,203)	–
(Gains) losses on investments pertaining to LFI (d)	12,145	5,528	9,903	(6,004)
Operating revenue	$ 594,267	$ 583,154	$ 1,781,854	$ 1,694,415

(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) Revenue related to the consolidation of noncontrolling interests is excluded from operating revenue because the Company has no economic interest in such amount.
(c) The Company disposed of its private equity business in Australia in the second quarter of 2015 in a transaction with the management team of the disposed business. Revenue of $24,388 relating to the disposal of the business (which primarily represents the realization of carried interest at fair value) is adjusted for the recognition of an obligation of $12,203 with the management of the disposed business, which obligation was previously recognized for U.S. GAAP.
(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 September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in thousands)			
Adjusted Compensation and Benefits Expense:				
Total compensation and benefits expense	$319,565	$338,612	$984,786	$1,006,101
Adjustments:				
Noncontrolling interests (a)	(1,156)	(1,094)	(3,557)	(3,340)
(Charges) credits pertaining to LFI (b)	12,145	5,528	9,903	(6,004)
Adjusted compensation and benefits expense	$330,554	$343,046	$991,132	$ 996,757
Adjusted compensation and benefits expense, as a % of operating revenue	55.6%	58.8%	55.6%	58.8%

(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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in thousands)			
Adjusted Non-Compensation Expense:				
Total non-compensation expense	$103,490	$110,043	$380,450	$325,524
Adjustments:				
Noncontrolling interests (a)	(410)	(570)	(1,125)	(1,571)
Charges pertaining to senior debt refinancing (b)	–	–	(60,219)	–
Expense related to partial extinguishment of tax receivable obligation	(759)	–	(759)	–
Adjusted non-compensation expense	$102,321	$109,473	$318,347	$323,953
Adjusted non-compensation expense, as a % of operating revenue	17.2%	18.8%	17.9%	19.1%

(a) Expenses related to the consolidation of noncontrolling interests are excluded because the Company has no economic interest in such amounts.
(b) Charges pertaining to the redemption of a substantial majority of the Company's 2017 Notes are excluded because of the non-recurring nature of the transaction. See "—Liquidity and Capital Resources—Financing Activities."

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in thousands)			
Earnings From Operations:				
Operating revenue	$ 594,267	$ 583,154	$1,781,854	1,694,415
Deduct:				
Adjusted compensation and benefits expense	(330,554)	(343,046)	(991,132)	(996,757)
Adjusted non-compensation expense	(102,321)	(109,473)	(318,347)	(323,953)
Earnings from operations	$ 161,392	$ 130,635	$ 472,375	$ 373,705
Earnings from operations, as a % of operating revenue	27.2%	22.4%	26.5%	22.1%

Headcount information is set forth below:

	As Of		
	September 30, 2015	December 31, 2014	September 30, 2014
Headcount:			
Managing Directors:			
Financial Advisory	141	139	140
Asset Management	90	81	82
Corporate	18	16	16
Total Managing Directors	249	236	238
Other Employees:			
Business segment professionals	1,180	1,139	1,154
All other professionals and support staff	1,182	1,148	1,130
Total	2,611	2,523	2,522

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 September 30, 2015 versus September 30, 2014

The Company reported net income attributable to Lazard Ltd of $399 million, as compared to net income of $89 million in the 2014 period. The changes in the Company's operating results during these periods are described below.

Net revenue increased $7 million, or 1%, with operating revenue increasing $11 million, or 2%, as compared to the 2014 period. Fee revenue from investment banking and other advisory activities increased $40 million, or 14%, primarily due to increases in M&A and Other Advisory fees. The increase in M&A and Other Advisory fee revenue was primarily due to an increase in the number of, and average transaction fee with respect to, completed transactions involving fees greater than $1 million as compared to the 2014 period. Asset management fees, including incentive fees, decreased $23 million, or 8%, as compared to the 2014 period, principally reflecting an $11 billion, or 5%, decrease in average AUM as compared to the 2014 period and a decrease in incentive fees relating to traditional investment products. In the aggregate, interest income, other revenue and interest expense decreased $9 million as compared to the 2014 period, primarily due to investment losses due to LFI, partially offset by lower interest expense due to the refinancing of the 2017 Notes.

Compensation and benefits expense decreased $19 million, or 6%, as compared to the 2014 period, primarily driven by a decrease in discretionary compensation.

Adjusted compensation and benefits expense (which excludes certain items and which we believe allows for improved comparability between periods, as described above) was $331 million, a decrease of $12 million, or 4%, as compared to $343 million in the 2014 period. The ratio of adjusted compensation and benefits expense to operating revenue was 55.6% for the 2015 period, as compared to 58.8% for the 2014 period and 55.6% for full-year 2014.

Non-compensation expense decreased $7 million, or 6%, as compared to the 2014 period. The ratio of adjusted non-compensation expense to operating revenue was 17.2%, as compared to 18.8% in the 2014 period.

Amortization of intangible assets decreased $4 million as compared to the 2014 period.

The benefit pursuant to the tax receivable agreement of $421 million in the 2015 period reflects a gain on the partial extinguishment of our tax receivable agreement obligation in the third quarter (see Note 14 of Notes to Condensed Consolidated Financial Statements for additional information).

Operating income, which included the impact of the gain on the partial extinguishment of our tax receivable agreement obligation described above, increased $457 million as compared to the 2014 period, and, as a percentage of net revenue, was 99.5%, as compared to 20.1% in the 2014 period.

Earnings from operations, which excludes the impact of the gain on the partial extinguishment of our tax receivable agreement obligation described above, increased $31 million, or 24%, as compared to the 2014 period, and, as a percentage of operating revenue, was 27.2%, as compared to 22.4% in the 2014 period.

The provision for income taxes reflects an effective tax rate of 30.0%, as compared to 20.9% for the 2014 period. The increase in the effective tax rate in 2015 as compared to 2014 was primarily driven by (i) the increase in operating income as a result of the gain on partial extinguishment of our tax receivable agreement obligation described above, and (ii) the provision (benefit) for income taxes, which was impacted by deferred tax expense of approximately $161 million relating to the partial extinguishment of the tax receivable agreement obligation and a deferred tax benefit of $18 million relating to the release of valuation allowance on deferred tax assets. See Note 14 of Notes to Condensed Consolidated Financial Statements.

Net income attributable to noncontrolling interests remained substantially unchanged as compared to the 2014 period.

Nine Months Ended September 30, 2015 versus September 30, 2014

The Company reported net income attributable to Lazard Ltd of $829 million, as compared to net income of $255 million in the 2014 period. The changes in the Company's operating results during these periods are described below.

Net revenue increased $94 million, or 6%, with operating revenue increasing $87 million, or 5%, as compared to the 2014 period. Fee revenue from investment banking and other advisory activities increased $103 million, or 12%, primarily due to increases in M&A and Other Advisory fees. The increase in M&A and Other Advisory fee revenue was primarily due to an increase in the number of, and average transaction fee with respect to, completed transactions involving fees greater than $1 million as compared to the 2014 period. Asset management fees, including incentive fees, decreased $21 million, or 3%, as compared to the 2014 period, principally reflecting a decrease in incentive fees relating to traditional investment products. In the aggregate, interest income, other revenue and interest expense increased $12 million as compared to the 2014 period, primarily due to a $24 million gain on the disposal of the Company's Australian private equity business (which primarily relates to the realization of carried interest at fair value), partially offset by lower investment gains due to LFI. Interest expense was lower due to the refinancing of the 2017 Notes.

Compensation and benefits expense decreased $21 million, or 2%, as compared to the 2014 period, primarily driven by a decrease in discretionary compensation.

Adjusted compensation and benefits expense (which excludes certain items and which we believe allows for improved comparability between periods, as described above) was $991 million, a decrease of $6 million, or 1%, as compared to $997 million in the 2014 period. The ratio of adjusted compensation and benefits expense to operating revenue was 55.6% for the 2015 period, as compared to 58.8% for the 2014 period and 55.6% for full-year 2014.

Non-compensation expense increased $55 million, or 17%, as compared to the 2014 period primarily due to a charge of $60 million related to the redemption of a substantial majority of the Company's 2017 Notes. Adjusted non-compensation expense, which excludes such charge, as well as non-compensation costs relating to noncontrolling interests, decreased $6 million, or 2%, as compared to the 2014 period. The ratio of adjusted non-compensation expense to operating revenue was 17.9%, as compared to 19.1% in the 2014 period.

Amortization of intangible assets decreased $3 million in the 2015 period as compared to the 2014 period.

As a result of the possible utilization of certain deferred tax assets that are subject to the tax receivable agreement, including the impact of the partial extinguishment of our tax receivable agreement obligation in the third quarter of 2015, the provision pursuant to the tax receivable agreement was $548 million in the 2015 period, as compared to $9 million in the 2014 period (see Note 14 of Notes to Condensed Consolidated Financial Statements for additional information).

Operating income, which included the charge relating to the redemption of a substantial majority of the Company's 2017 Notes, as well as the impact of the provision pursuant to the tax receivable agreement described above, decreased $476 million as compared to the 2014 period, and, as a percentage of net revenue, was (8.9)%, as compared to 19.2% in the 2014 period.

Earnings from operations, which excludes the charge related to the redemption of a substantial majority of the Company's 2017 Notes, as well as the impact of the provision pursuant to the tax receivable agreement described above, increased $99 million, or 26%, as compared to the 2014 period, and, as a percentage of operating revenue, was 26.5%, as compared to 22.1% in the 2014 period.

The provision for income taxes reflects an effective tax rate of 637.0%, as compared to 18.3% for the 2014 period. The increase in the effective tax rate in 2015 as compared to 2014 was primarily driven by (i) the reduction of operating income as a result of the provision pursuant to the tax receivable agreement described above, and (ii) the provision (benefit) for income taxes, which was impacted by the recognition of deferred tax assets of $1,217 million and deferred tax expense of approximately $161 million relating to the partial extinguishment of the tax receivable agreement obligation in the third quarter. See Note 14 of Notes to Condensed Consolidated Financial Statements.

Net income attributable to noncontrolling interests increased $3 million as compared to the 2014 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 tables summarize the reported operating results attributable to the Financial Advisory segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in thousands)			
M&A and Other Advisory	$288,109	$241,213	$822,063	$713,670
Capital Raising	16,932	17,842	51,794	50,632
Total Strategic Advisory	305,041	259,055	873,857	764,302
Restructuring	25,791	32,034	74,878	83,052
Net Revenue	330,832	291,089	948,735	847,354
Operating Expenses	261,952	255,230	758,108	754,449
Operating Income	$ 68,880	$ 35,859	$190,627	$ 92,905
Operating Income, as a % of net revenue	20.8%	12.3%	20.1%	11.0%

Net revenue trends in Financial Advisory for M&A and Other Advisory and Restructuring 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. For example, our M&A and Other Advisory revenue, which includes Sovereign and Capital Structure Advisory revenue, increased 15% in 2015 as compared to 2014. In contrast, the industry statistics for global M&A transactions described above reflect a 37% increase in the value, and an 11% decrease in the number, of all completed transactions in the first nine months of 2015 as compared to 2014. For M&A deals with values greater than $500 million, the value and number of completed transactions in the first nine months of 2015 increased 54% and 7%, respectively, as compared to 2014.

Certain Lazard fee and transaction statistics are set forth below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Lazard Statistics:				
Number of clients with fees greater than $1 million:				
Total Financial Advisory	75	62	207	203
M&A and Other Advisory	62	50	173	161
Percentage of total Financial Advisory net revenue from top 10 clients	36%	34%	21%	18%
Number of M&A transactions completed with values greater than $500 million (a)	16	20	60	54

(a) Source: Dealogic as of October 5, 2015.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
United States	59%	54%	58%	55%
Europe	36	40	35	38
Rest of World	5	6	7	7
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, strategic advisory matters and restructuring transactions, depending on clients' needs. This flexibility allows Lazard to better match its professionals with the counter-cyclical business cycles of mergers and acquisitions and restructurings. While Lazard measures revenue by practice area, Lazard does not separately measure the costs or profitability of M&A services as compared to restructuring services. Accordingly, Lazard measures performance in its Financial Advisory segment based on overall segment 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 September 30, 2015 versus September 30, 2014

Financial Advisory net revenue increased $40 million, or 14%, as compared to the 2014 period. Total Strategic Advisory net revenue, representing fees from our M&A and Other Advisory and Capital Raising businesses, increased $46 million, or 18%, and Restructuring revenue decreased $6 million, or 19%, as compared to the 2014 period.

M&A and Other Advisory revenue increased $47 million, or 19%, while Capital Raising revenue decreased by $1 million, or 5%, as compared to the 2014 period. The increase in M&A and Other Advisory revenue was primarily due to an increase in the number of, and average transaction fee with respect to, completed transactions involving fees greater than $1 million as compared to the 2014 period. Our major clients, which in the aggregate represented a significant portion of our M&A and Other Advisory revenue in the 2015 period, included AT&T, Capgemini Group, D.E Master Blenders 1753, Heinz, NiSource, Pfizer and RockTenn.

The Restructuring revenue in the 2015 period was generally in line with the continued industry-wide low level of corporate restructuring activity. Our major clients, which in the aggregate represented a significant portion of our Restructuring revenue for the 2015 period, included Chassix, RadioShack, Standard Register and Target Canada.

Operating expenses increased $7 million, or 3%, as compared to the 2014 period, primarily due to an increase in compensation and benefits expense.

Financial Advisory operating income was $69 million, an increase of $33 million, or 92%, as compared to operating income of $36 million in the 2014 period and, as a percentage of net revenue, was 20.8%, as compared to 12.3% in the 2014 period.

Nine Months Ended September 30, 2015 versus September 30, 2014

Financial Advisory net revenue increased $101 million, or 12%, as compared to the 2014 period. Total Strategic Advisory net revenue, representing fees from our M&A and Other Advisory and Capital Raising businesses, increased $110 million, or 14%, and Restructuring revenue decreased $8 million, or 10%, as compared to the 2014 period.

M&A and Other Advisory revenue increased $108 million, or 15%, while Capital Raising revenue increased $1 million, or 2%, as compared to the 2014 period. The increase in M&A and Other Advisory revenue was primarily due to an increase in the number of, and average transaction fee with respect to, completed transactions involving fees greater than $1 million as compared to the 2014 period. Restructuring revenue in the 2015 period was generally in line with the continued industry-wide low level of corporate restructuring activity.

Operating expenses increased $4 million, or 1%, as compared to the 2014 period, primarily due to an increase in compensation and benefits expense.

Financial Advisory operating income was $191 million, an increase of $98 million, or 105%, as compared to operating income of $93 million in the 2014 period and, as a percentage of net revenue, was 20.1%, as compared to 11.0% in the 2014 period.

Asset Management

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

	As of	
	September 30, 2015	December 31, 2014
	($ in millions)	
AUM by Asset Class:		
Equity:		
Emerging Markets	$ 37,663	$ 48,459
Global	30,143	33,982
Local	29,622	31,684
Multi-Regional	49,364	46,787
Total Equity	146,792	160,912
Fixed Income:		
Emerging Markets	14,920	14,227
Global	4,200	3,771
Local	3,846	3,676
Multi-Regional	8,478	9,436
Total Fixed Income	31,444	31,110
Alternative Investments	3,325	3,799
Private Equity	858	1,091
Cash Management	203	191
Total AUM	$ 182,622	$ 197,103

Total AUM at September 30, 2015 was $183 billion, a decrease of $14 billion, or 7%, as compared to total AUM of $197 billion at December 31, 2014, and a decrease of $20 billion, or 10%, as compared to total AUM of $203 billion at June 30, 2015, primarily due to market depreciation and foreign exchange movements, partially offset by net inflows. Average AUM for the three month period ended September 30, 2015 was 5% lower than average AUM for the three month period ended September 30, 2014. Average AUM for the nine month period ended September 30, 2015 was 1% higher than average AUM for the nine month period ended September 30, 2014.

As of September 30, 2015, approximately 88% 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 approximately 90% as of December 31, 2014, and, as of September 30, 2015, approximately 12% of our AUM was managed on behalf of individual client relationships, which are principally with family offices and individuals, compared to approximately 10% at December 31, 2014.

As of September 30, 2015, AUM with foreign currency exposure represented approximately 72% of our total AUM, compared to approximately 73% at December 31, 2014. 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 nine month periods ended September 30, 2015 and 2014:

	Three Months Ended September 30, 2015						
	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	($ in millions)						
Equity	$ 166,402	$ 7,427	$ (7,812)	$ (385)	$ (15,430)	$ (3,795)	$ 146,792
Fixed Income	32,513	2,188	(1,902)	286	(510)	(845)	31,444
Other	4,171	846	(546)	300	(54)	(31)	4,386
Total	$ 203,086	$ 10,461	$ (10,260)	$ 201	$ (15,994)	$ (4,671)	$ 182,622

	Nine Months Ended September 30, 2015						
	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	($ in millions)						
Equity	$ 160,912	$ 21,338	$ (21,453)	$ (115)	$ (6,140)	$ (7,865)	$ 146,792
Fixed Income	31,110	7,956	(4,527)	3,429	(663)	(2,432)	31,444
Other	5,081	1,169	(1,693)	(524)	(82)	(89)	4,386
Total	$ 197,103	$ 30,463	$ (27,673)	$ 2,790	$ (6,885)	$ (10,386)	$ 182,622

Inflows in the Equity and Fixed Income asset classes were primarily attributable to the Emerging Markets, Multi-Regional and Global equity platforms. Outflows in the Equity asset class were primarily attributable to the Emerging Markets, Multi-Regional and Global equity platforms, and outflows in the Fixed Income asset class were primarily attributable to the Multi-Regional and Emerging Markets platforms.

	Three Months Ended September 30, 2014						
	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	($ in millions)						
Equity	$ 167,374	$ 8,028	$ (6,424)	$ 1,604	$ (1,286)	$ (6,391)	$ 161,301
Fixed Income	31,264	2,252	(1,106)	1,146	91	(1,822)	30,679
Other	5,887	245	(394)	(149)	(21)	(108)	5,609
Total	$ 204,525	$ 10,525	$ (7,924)	$ 2,601	$ (1,216)	$ (8,321)	$ 197,589

	Nine Months Ended September 30, 2014						
	AUM Beginning Balance	Inflows	Outflows	Net Flows	Market Value Appreciation/ (Depreciation)	Foreign Exchange Appreciation/ (Depreciation)	AUM Ending Balance
	($ in millions)						
Equity	$ 154,062	$ 22,398	$ (18,604)	$ 3,794	$ 8,267	$ (4,822)	$ 161,301
Fixed Income	26,874	7,321	(2,698)	4,623	1,009	(1,827)	30,679
Other	5,988	1,024	(1,283)	(259)	33	(153)	5,609
Total	$ 186,924	$ 30,743	$ (22,585)	$ 8,158	$ 9,309	$ (6,802)	$ 197,589

As of October 16, 2015, AUM was $193.1 billion, a $10.5 billion increase since September 30, 2015. The increase in AUM was due to market appreciation of $8.0 billion and foreign exchange appreciation of $2.5 billion, with net outflows of $0.04 billion.

Average AUM for the three month and nine month periods ended September 30, 2015 and 2014 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 September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in millions)			
Average AUM by Asset Class:				
Equity	$ 155,116	$ 165,760	$ 161,076	$ 160,341
Fixed Income	32,226	31,365	32,406	29,662
Alternative Investments	3,663	4,468	3,516	4,542
Private Equity	858	1,113	957	1,132
Cash Management	163	136	130	138
Total Average AUM	$ 192,026	$ 202,842	$ 198,085	$ 195,815

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in thousands)			
Revenue:				
Management Fees	$248,143	$262,992	$758,631	$760,022
Incentive Fees	2,705	11,801	15,966	37,953
Other Revenue	13,733	17,174	75,629	50,720
Net Revenue	264,581	291,967	850,226	848,695
Operating Expenses	179,155	191,501	554,738	552,499
Operating Income	$ 85,426	$100,466	$295,488	$296,196
Operating Income, as a % of net revenue	32.3%	34.4%	34.8%	34.9%

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 September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
United States	61%	66%	59%	62%
Europe	29	27	28	29
Rest of World	10	7	13	9
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 September 30, 2015 versus September 30, 2014

Asset Management net revenue decreased $27 million, or 9%, as compared to the 2014 period. Management fees decreased $15 million, or 6%, as compared to the 2014 period, primarily reflecting an $11 billion, or 5%, decrease in average AUM. Incentive fees decreased $9 million, or 77%, as compared to the 2014 period, primarily due to incentive fees related to traditional investment products. Other revenue decreased $3 million as compared to the 2014 period.

Operating expenses decreased $12 million, or 6%, as compared to the 2014 period, primarily due to decreases in (i) compensation and benefits expense related to discretionary compensation, (ii) non-compensation expense related to business activity and (iii) amortization of intangible assets related to Edgewater.

Asset Management operating income was $85 million, a decrease of $15 million, or 15%, as compared to operating income of $100 million in the 2014 period and, as a percentage of net revenue, was 32.3%, as compared to 34.4% in the 2014 period.

Nine Months Ended September 30, 2015 versus September 30, 2014

Asset Management net revenue increased $2 million, or 1%, as compared to the 2014 period. Management fees decreased $1 million as compared to the 2014 period. Incentive fees decreased $22 million, or 58%, as compared to the 2014 period, primarily due to incentive fees related to traditional investment products. Other revenue increased $25 million, or 49%, as compared to the 2014 period, primarily due to a $24 million gain on disposal of the Company's Australian private equity business (which relates primarily to the realization of carried interest at fair value).

Operating expenses increased $2 million, or 1%, as compared to the 2014 period.

Asset Management operating income was $295 million, a decrease of $1 million as compared to operating income of $296 million in the 2014 period and, as a percentage of net revenue, was 34.8%, as compared to 34.9% in the 2014 period.

Corporate

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	($ in thousands)			
Interest Income	$ 695	$ 1,051	$ 2,113	$ 3,033
Interest Expense	(11,787)	(15,510)	(39,403)	(47,170)
Net Interest (Expense)	(11,092)	(14,459)	(37,290)	(44,137)
Other Revenue	(10,803)	(2,386)	(1,312)	14,595
Net Revenue (Expense)	(21,895)	(16,845)	(38,602)	(29,542)
Operating Expenses (a)	(438,333)	5,768	603,482	39,687
Operating Loss	$ 416,438	$ (22,613)	$ (642,084)	$ (69,229)

(a) Includes, (i) in the nine months ended September 30, 2015, $60,219 relating to the redemption of a substantial majority of the Company's 2017 Notes, (ii) in the three month and nine month periods ended September 30, 2015, $(420,792) and $547,691, respectively, relating to the provision (benefit) pursuant to the tax receivable agreement, and (iii) in the three month and nine month periods ended September 30, 2014, $(176) and $9,064, respectively, relating to the provision (benefit) pursuant to the tax receivable agreement.

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 September 30, 2015 versus September 30, 2014

Net interest expense decreased $3 million, or 23%, as compared to the 2014 period, primarily due to the redemption of $450 million of the 2017 Notes and Lazard Group's issuance of $400 million of 3.75% senior notes due 2025 (the "2025 Notes").

Other revenue decreased $8 million as compared to the 2014 period, primarily due to investment losses in LFI.

Operating expenses decreased $444 million as compared to the 2014 period, primarily due to a gain of $421 million related to the partial extinguishment of our tax receivable agreement obligation (see Note 14 of Notes to Condensed Consolidated Financial Statements) and decreased compensation and benefits expense relating to discretionary compensation.

Nine Months Ended September 30, 2015 versus September 30, 2014

Net interest expense decreased $7 million, or 16%, as compared to the 2014 period, primarily due to the redemption of $450 million of the 2017 Notes and the issuance of the 2025 Notes.

Other revenue decreased $16 million as compared to the 2014 period, primarily due to investment losses recorded in connection with LFI.

Operating expenses increased $564 million as compared to the 2014 period, including (i) in the 2015 period, a charge of $60 million related to the redemption of a substantial majority of the Company's 2017 Notes and (ii) in the 2015 and 2014 periods, $548 million and $9 million, respectively, relating to the provision (benefit) pursuant to the tax receivable agreement (see Note 14 of Notes to Condensed Consolidated Financial Statements). Excluding the impact of such charges, operating expenses decreased $35 million compared to the 2014 period, primarily due to decreased compensation and benefits expense related to discretionary compensation.

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 Class A common stock. Cash flows also were affected in the 2015 period by the redemption of $450 million of the 2017 Notes and the issuance of the 2025 Notes. 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 Fund Advisory activities are generally collected over a four-year period from billing and typically include an interest component.

The Company makes cash payments for, or in respect of, a significant portion of its incentive compensation during the first three months of each calendar year with respect to the prior year's results. In addition, during the 2014 period, the Company made cash payments, including severance payments, associated with cost saving initiatives. The Company also paid a special dividend in February 2015.

Summary of Cash Flows:

	Nine Months Ended September 30,	
	2015	2014
	($ in millions)	
Cash Provided By (Used In):		
Operating activities:		
Net income	$ 837.6	$ 261.3
Adjustments to reconcile net income to net cash provided by operating activities (a)	(199.4)	279.0
Other operating activities (b)	(118.8)	(124.9)
Net cash provided by operating activities	519.4	415.4
Investing activities	(18.0)	(13.1)
Financing activities (c)	(676.6)	(396.1)
Effect of exchange rate changes	(31.4)	(27.1)
Net Decrease in Cash and Cash Equivalents	(206.6)	(20.9)
Cash and Cash Equivalents:		
Beginning of Period	1,066.6	841.5
End of Period	$ 860.0	$ 820.6

(a) Consists of the following:

	Nine Months Ended September 30,	
	2015	2014
	($ in millions)	
Depreciation and amortization of property	$ 24.3	$ 26.3
Amortization of deferred expenses and stock units	246.1	227.9
Amortization of intangible assets related to acquisitions	3.4	5.9
Deferred tax provision (benefit)	(1,056.7)	9.8
Provision pursuant to tax receivable agreement	547.7	9.1
Loss on extinguishment of debt	60.2	–
Gain on disposal of subsidiaries	(24.4)	–
Total	$ (199.4)	$ 279.0

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

(c) Consists primarily of purchases of shares of Class A common stock, tax withholdings related to the settlement of vested restricted stock units ("RSUs") and vested performance-based restricted stock units ("PRSUs"), Class A common stock dividends and distributions to noncontrolling interest holders, activity relating to borrowings, including, in 2015, the redemption of a majority of the Company's 2017 Notes and issuance of the 2025 Notes, and payments made relating to the partial extinguishment of our obligations under the tax receivable agreement.

Liquidity and Capital Resources

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

Operating Activities

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

Liquidity is significantly impacted by cash payments for, or in respect of, incentive compensation, a significant portion of which are made during the first three months of the year. As a consequence, cash on hand generally declines in the beginning of the year and gradually builds over the remainder of the year. We also pay certain tax advances during the year on behalf of our managing directors, which serve to reduce their respective incentive compensation payments. We expect this seasonal pattern of cash flow to continue.

Lazard's condensed consolidated financial statements are presented in U.S. Dollars. Many of Lazard's non-U.S. subsidiaries have a functional currency (*i.e.*, the currency in which operational activities are primarily conducted) that is other than the U.S. Dollar, generally the currency of the country in which such subsidiaries are domiciled. Such subsidiaries' assets and liabilities are translated into U.S. Dollars at the respective balance sheet date exchange rates, while revenue and expenses are translated at average exchange rates during the year based on the daily closing exchange rates. Adjustments that result from translating amounts from a subsidiary's functional currency are reported as a component of stockholders' equity. Foreign currency remeasurement gains and losses on transactions in non-functional currencies are included on the condensed consolidated statements of operations.

We regularly monitor our liquidity position, including cash levels, credit lines, principal investment commitments, interest and principal payments on debt, capital expenditures, dividend payments, purchases of shares of Class A common stock and matters relating to liquidity and to compliance with regulatory net capital requirements. At September 30, 2015, Lazard had approximately $860 million of cash, with such amount including approximately $369 million held at Lazard's operations outside the U.S. Since Lazard provides for U.S. income taxes on substantially all of its unrepatriated foreign earnings, we expect that no material amount of additional U.S. income taxes would be recognized upon receipt of dividends or distributions of such earnings from our foreign operations.

We maintain lines of credit in excess of anticipated liquidity requirements. As of September 30, 2015, Lazard had approximately $247 million in unused lines of credit available to it, including a $150 million, five-year senior revolving credit facility with a group of lenders that expires in September 2020 (the "Amended and Restated Credit Agreement") (see "—Financing Activities" below) and unused lines of credit available to LFB of approximately $39 million (at September 30, 2015 exchange rates) and Edgewater of $55 million. In addition, LFB has access to the Eurosystem Covered Bond Purchase Program of the Banque de France.

The 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 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.

Financing Activities

The table below sets forth our corporate indebtedness as of September 30, 2015 and December 31, 2014. The agreements with respect to this indebtedness are discussed in more detail in our condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q and in our Form 10-K.

	Maturity Date	As of September 30, 2015	As of December 31, 2014	Increase (Decrease)
		($ in millions)		
Senior Debt:				
6.85%	2017	$ 98.4	$ 548.4	$ (450.0)
4.25%	2020	500.0	500.0	–
3.75%	2025	400.0	–	400.0
Total Senior Debt		$ 998.4	$ 1,048.4	$ (50.0)

During February 2015, Lazard Group completed an offering of $400 million aggregate principal amount of 2025 Notes. Lazard Group used the net proceeds of the 2025 Notes, together with cash on hand, to redeem or otherwise retire $450 million of the 2017 Notes, which, including the recognition of unamortized issuance costs, resulted in a loss on debt extinguishment in connection with the redemption of such 2017 Notes of approximately $60 million.

Lazard's annual cash flow generated from operations historically has been sufficient to enable it to meet its annual obligations. We believe that our cash flows from operating activities, along with the use of our credit lines as needed, should be sufficient for us to fund our current obligations for the next 12 months.

As long as the lenders' commitments remain in effect, any loan pursuant to the Amended and Restated Credit Agreement remains outstanding and unpaid or any other amount is due to the lending bank group, the Amended and Restated Credit Agreement includes financial covenants that require that Lazard Group not permit (i) its Consolidated Leverage Ratio (as defined in the 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 or (ii) its Consolidated Interest Coverage Ratio (as defined in the 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 September 30, 2015, Lazard Group was in compliance with such ratios, with its Consolidated Leverage Ratio being 1.07 to 1.00 and its Consolidated Interest Coverage Ratio being 20.57 to 1.00. In any event, no amounts were outstanding under the Amended and Restated Credit Agreement as of September 30, 2015.

In addition, the Amended and Restated Credit Agreement, indenture and supplemental indentures relating to Lazard Group's senior notes contain certain other covenants (none of which relate to financial condition), events of default and other customary provisions. At September 30, 2015, 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 September 30, 2015, total stockholders' equity was $1,212 million, as compared to $770 million at December 31, 2014, including $1,155 million and $707 million attributable to Lazard Ltd on the respective dates. The net activity in stockholders' equity during the nine month period ended September 30, 2015 is reflected in the table below (in millions of dollars):

Stockholders' Equity—January 1, 2015	$ 770
Increase (decrease) due to:	
Net income	838
Other comprehensive loss	(52)
Amortization of share-based incentive compensation	175
Purchase of Class A common stock	(159)
Settlement of share-based incentive compensation, net of related tax benefit of $9 (a)	(96)
Class A common stock dividends	(247)
Distributions to noncontrolling interests, net	(15)
Other—net	(2)
Stockholders' Equity—September 30, 2015	$1,212

(a) The tax withholding portion of share-based compensation was generally settled in cash, not shares.

The Board of Directors of Lazard has issued a series of authorizations to repurchase Class A 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 ultimately 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 quarter to quarter due to a variety of factors. Purchases with respect to such program are set forth in the table below:

	Number of Shares	Average Price Per Share
Nine Months Ended September 30:		
2014	4,114,206	$ 46.83
2015	3,141,526	$ 50.76

The shares purchased in the nine months ended September 30, 2014 included 1,000,000 shares purchased from Natixis S.A. on June 26, 2014 for approximately $50 million in connection with the sale by Natixis S.A. of its entire investment in the Company's Class A common stock. The purchase transaction closed on July 1, 2014.

As of September 30, 2015, a total of $119 million of share repurchase authorization remained available under the Company's share repurchase program, which will expire on December 31, 2016.

During the nine months ended September 30, 2015, the Company had in place trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934, pursuant to which it effected stock repurchases in the open market.

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

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 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 16 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.

Contractual Obligations

The following table sets forth information relating to Lazard's contractual obligations as of September 30, 2015:

	Contractual Obligations Payment Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			($ in thousands)		
Senior Debt (including interest) (a)	$ 1,270,491	$ 42,987	$ 177,587	$ 72,500	$ 977,417
Operating Leases (exclusive of $67,909 of committed sublease income)	891,171	80,083	143,395	123,764	543,929
Capital Leases (including interest)	10,445	2,139	8,273	33	–
Investment Capital Funding Commitments (b)	10,453	10,453	–	–	–
Total (c)	$ 2,182,560	$ 135,662	$ 329,255	$ 196,297	$ 1,521,346

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

(b) Unfunded commitments to private equity investments consolidated but not owned by Lazard of $5,501 are excluded. Such commitments are required to be funded by capital contributions from noncontrolling interest holders. See Note 5 of Notes to Condensed Consolidated Financial Statements. These amounts are generally due on demand and therefore are presented in the "less than 1 year" category.

(c) The table above excludes contingent obligations, as well as any possible payments for uncertain tax positions and payments pursuant to the Company's tax receivable agreement, given the inability to make a reasonably reliable estimate of the timing of the amounts of any such payments. At September 30, 2015, a tax receivable agreement obligation of $523,907 was recorded on the condensed consolidated statements of financial condition. See "Critical Accounting Policies and Estimates—Income Taxes" below. See also Notes 10, 12, 13 and 14 of Notes to Condensed Consolidated Financial Statements regarding information in connection with commitments, incentive plans, employee benefit plans, tax receivable agreement obligations and income taxes, respectively.

Critical Accounting Policies and Estimates

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

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

Revenue Recognition

Lazard generates substantially all of its net revenue from providing Financial Advisory and Asset Management services to clients. Lazard recognizes revenue when the following criteria are met:

- there is persuasive evidence of an arrangement with a client;
- the agreed-upon services have been provided;

- fees are fixed or determinable; and
- collection is probable.

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

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

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

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 assumed annual ratio of adjusted 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 jurisdictions. 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 a taxing authority. The measurement of deferred tax assets and liabilities is based upon currently enacted tax rates in the applicable jurisdictions. At December 31, 2014, on a consolidated basis, we recorded gross deferred tax assets of approximately $1.18 billion.

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, including:

- future reversals of existing taxable temporary differences;
- future taxable income exclusive of reversing temporary differences and carryforwards;
- taxable income in prior carryback years; and
- tax-planning strategies.

The assessment regarding whether a valuation allowance is required or should be adjusted also considers all available information, including the following:

- nature, frequency, magnitude and duration of any past losses and current operating results;
- duration of statutory carryforward periods;
- historical experience with tax attributes expiring unused; and
- near-term and medium-term financial outlook.

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 at which we have historically recorded significant valuation allowances were profitable on a cumulative basis for the three year periods ended June 30, 2015 and September 30, 2015. Our assessment of such valuation allowance at each such date is described below.

In assessing our valuation allowance as of June 30, 2015, we considered all available information, including the magnitude of recent and current operating results, the relatively long duration of statutory carryforward periods, our historical experience utilizing tax attributes prior to their expiration dates, the historical volatility of operating results of these entities and our assessment regarding the sustainability of their profitability. At that time, we concluded that there was a sufficient history of sustained profitability at these entities that it was more likely than not that these entities would be able to realize deferred tax assets. Accordingly, during the period ended June 30, 2015, we released substantially all of the valuation allowance against the deferred tax assets held by these entities, with the exception of the portion of the valuation allowance that we expected to release based on our estimate of operating income in the current year.

As a result, during the quarter ended June 30, 2015, we recorded a deferred tax benefit of approximately $821 million. In addition, we also recorded a separate deferred tax benefit of $378 million that reflected the tax deductibility of payments under the tax receivable agreement.

As of September 30, 2015, we continued to conclude that the positive evidence in favor of releasing the valuation allowance in the relevant tax-paying entities outweighed the negative evidence and that it is more likely than not that these entities will be able to realize deferred tax assets. During the quarter ended September 30, 2015, we recorded an additional deferred tax benefit of approximately $18 million from the release of valuation allowance on deferred tax assets based on our estimate of operating income in 2015. In addition, during the quarter ended September 30, 2015, we recorded a deferred tax expense of approximately $161 million relating to the reduction of a deferred tax asset as a result of the partial extinguishment of our tax receivable agreement obligation. See “—Amended and Restated Tax Receivable Agreement” below for more information regarding our accrual under the tax receivable agreement in the second quarter of 2015 and the partial extinguishment of our tax receivable agreement obligation in the third quarter of 2015.

As a result of the release of our valuation allowance during 2015, we expect that, beginning in 2016, our effective tax rate, with all other factors being held constant, could be significantly higher than our effective tax rate for the year ended December 31, 2014. In such a situation, with all other factors being held constant, an increase in our effective tax rate as a result of the reduction in the valuation allowance would not impact the amount of cash income taxes we would pay to taxing authorities. However, as described below, payments under the Amended and Restated Tax Receivable Agreement may be required in subsequent periods.

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 14 of Notes to Condensed Consolidated Financial Statements for additional information related to income taxes.

Amended and Restated Tax Receivable Agreement

As described above, during the period ended June 30, 2015, we released substantially all of our valuation allowance against deferred tax assets. As a result, we accrued a corresponding liability of $962 million during the quarter ended June 30, 2015 for amounts relating to the Amended and Restated Tax Receivable Agreement, dated as of June 16, 2015, among Lazard, LMDC Holdings LLC and LTBP Trust (the "Trust"), as amended by the Second Amended and Restated Tax Receivable Agreement, dated as of October 26, 2015 (the "Amended and Restated Tax Receivable Agreement"), between Lazard and the Trust. See Note 14 of Notes to Condensed Consolidated Financial Statements for additional information regarding the Amended and Restated Tax Receivable Agreement.

The amount of the Amended and Restated Tax Receivable Agreement liability is an undiscounted amount based upon currently enacted tax laws, the current structure of the Company and various assumptions regarding potential future operating profitability. The assumptions reflected in the estimate involve significant judgment. As such, the actual amount and timing of payments under the Amended and Restated Tax Receivable Agreement 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 consolidated statement of operations. Adjustments, if necessary, to the related deferred tax assets would be recorded through income tax expense.

In July 2015, we purchased approximately 47% of the then-outstanding beneficial interests in the Trust from certain owners of the Trust for $42 million in cash, which resulted in the automatic cancellation of such beneficial interests and the extinguishment of a significant portion of our payment obligations under the Amended and Restated Tax Receivable Agreement. The extinguishment of these payment obligations resulted in a pre-tax gain of $421 million recorded in "provision (benefit) pursuant to tax receivable agreement" on the condensed consolidated statement of operations for the three and nine month periods ended September 30, 2015. In addition, the extinguishment of these payment obligations resulted in a reduction of the tax benefits that would have been attributable to the actual payments and, accordingly, we recorded a deferred tax expense of $161 million on the condensed consolidated statement of operations for the three month and nine month periods ended September 30, 2015.

The cumulative liability relating to our obligations under the Amended and Restated Tax Receivable Agreement recorded as of September 30, 2015 was $524 million.

Investments

Investments consist primarily of interest-bearing deposits, debt and equity securities, interests in alternative investment, debt, equity and private equity funds and investments accounted for under the equity method of accounting.

These investments, with the exception of interest-bearing deposits and equity method 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. See Note 5 of Notes to Condensed Consolidated Financial Statements for additional information on the measurement of the fair value of investments.

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 and therefore subject Lazard to market and credit risk.

Data relating to investments is set forth below:

	September 30, 2015	December 31, 2014
	($ in thousands)	
Seed investments by asset class:		
Equities (a)	$ 98,771	$ 121,611
Fixed income	16,400	26,728
Alternative investments	56,924	26,374
Total seed investments	172,095	174,713
Other investments owned:		
Private equity (b)	102,982	108,049
Interest-bearing deposits (c)	56,441	84,575
Fixed income and other	22,005	25,629
Total other investments owned	181,428	218,253
Subtotal	353,523	392,966
Add:		
Equity method (d)	6,702	7,776
Private equity consolidated, not owned (e)	18,235	6,421
LFI (f)	196,744	213,189
Total investments	$ 575,204	$ 620,352

(a) At September 30, 2015 and December 31, 2014, seed investments in directly owned equity securities were invested as follows:

	September 30, 2015	December 31, 2014
Percentage invested in:		
Financials	34%	33%
Consumer	30	27
Industrial	12	12
Technology	9	10
Energy	3	5
Other	12	13
Total	100%	100%

(b) Private equity investments include investments related to certain legacy businesses and co-investments in private equity funds managed by our Asset Management business. Co-investments owned were $26 million and $25 million as of September 30, 2015 and December 31, 2014, respectively.

(c) Short to medium term interest rates generally turned negative in Europe during 2014 and remain very low in many other countries and regions throughout the world. In the normal course of asset and liability management activities, both from a corporate treasury and LFB perspective, the Company attempts to minimize negative interest rates on its cash investments. Interest-bearing deposits generally provide positive yields when held to maturity, while also generally allowing immediate penalty-free withdrawal at any time (with less or no interest earned in such case).

(d) Represents investments accounted for under the equity method of accounting.

(e) Represents private equity investments that are consolidated but owned by noncontrolling interests, and therefore do not subject the Company to market or credit risk. The applicable noncontrolling interests are presented within "stockholders' equity" on the condensed consolidated statements of financial condition.

(f) Composed of investments held in connection with LFI and other similar deferred compensation arrangements. The market risk associated with such investments 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.

At September 30, 2015 and December 31, 2014, total investments with a fair value of $512 million and $528 million, respectively, included $26 million and $1 million, respectively, or 5% and less than 1%, respectively, of investments that were classified as Level 3 investments, and $121 million and $149 million, respectively, or 24% and 28%, respectively, of investments that were classified using NAV or its equivalent as a practical expedient. See Notes 4 and 5 of Notes to Condensed Consolidated Financial Statements for additional information regarding investments measured at fair value, including the levels of fair value within which such measurements of fair value fall.

As of September 30, 2015 and December 31, 2014, the Company held seed investments of approximately $172 million and $175 million, respectively. Seed investments held in entities in which the Company maintained a controlling interest were $72 million in twelve entities as of September 30, 2015, as compared to $54 million in eight entities as of December 31, 2014.

As of September 30, 2015 and December 31, 2014, the Company did not consolidate or deconsolidate any seed investment entities. As such, 100% of the recorded balance of seed investments as of September 30, 2015 and December 31, 2014 represented the Company's economic interest in the seed investments. See "—Consolidation of Variable Interest Entities" below for more information on the Company's policy regarding the consolidation of seed investment entities.

For additional information regarding risks associated with our investments, see "Risk Management—Investments" below as well as 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.

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 generally 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 an evaluated bid 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. Those procedures include oversight by our internal operations group, review of the pricing service providers' internal control frameworks, review of the pricing service providers' valuation methodologies, reconciliation to client custodial account values and comparison of significant pricing differences.

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 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. See Note 8 of Notes to Condensed Consolidated Financial Statements for additional information regarding goodwill.

Consolidation of Variable Interest Entities

The condensed consolidated financial statements include the accounts of Lazard Group and entities in which it has a controlling interest. Lazard determines whether it has a controlling interest in an entity by first evaluating whether the entity is a voting interest entity ("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 either holds a majority of the voting interest in such entity or is the general partner in such entity and the third-party investors do not have the right to replace the general partner.
- 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, through our variable interests, we absorb a majority of the expected losses, expected residual returns, or both, of such entity.

Lazard's involvement with various entities that are VOEs or VIEs primarily arises from investment management contracts with fund entities in our Asset Management business. Lazard is not required to consolidate such entities because, with the exception of certain seed investments, 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 investments in certain entities that are considered VOEs and often require consolidation as a result of our investment. The impact of seed 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 seed investments is limited to the extent of our investment in, or investment commitment to, such entities. See "Critical Accounting Policies and Estimates—Investments" above for more information regarding our investments.

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 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.

Risk Management

Investments

The Company has investments in a variety of asset classes, primarily debt and equity securities, and interests in alternative investments, debt, equity and private equity funds. 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) interest-bearing deposits over 90 days that allow daily withdrawals without principal penalties.

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 September 30, 2015 and December 31, 2014, 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 $132 million and $131 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 decrease of approximately $2.6 million and $2.0 million in the carrying value of such investments as of September 30, 2015 and December 31, 2014, respectively, including the effect of the hedging transactions.

Interest Rate/Credit Spread Risk—At September 30, 2015 and December 31, 2014, 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 $59 million and $54 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 decrease of approximately $1.0 million and $1.0 million in the carrying value of such investments as of September 30, 2015 and December 31, 2014, respectively, including the effect of the hedging transactions.

Foreign Exchange Rate Risk—At September 30, 2015 and December 31, 2014, 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 $77 million and $68 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 US dollar would result in a decrease of approximately $1.6 million and $0.6 million in the carrying value of such investments as of September 30, 2015 and December 31, 2014, 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 September 30, 2015 and December 31, 2014, the Company's exposure to changes in fair value of such investments was approximately $103 million and $108 million, respectively. The Company estimates that a hypothetical 10% adverse change in fair value would result in a decrease of approximately $10.3 million and $10.8 million in the carrying value of such investments as of September 30, 2015 and December 31, 2014, respectively.

Risks Related to Receivables

We maintain an allowance for doubtful accounts to provide coverage for probable losses from our receivables. We determine the adequacy of the allowance by estimating the probability of loss based on our analysis of the client's creditworthiness, among other things, and specifically provide for exposures where we determine the receivables are impaired. At September 30, 2015, total receivables amounted to $502 million, net of an allowance for doubtful accounts of $20 million. As of that date, Financial Advisory and Asset Management fees, and customer receivables comprised 85% and 15% of total receivables, respectively. At December 31, 2014, total receivables amounted to $558 million, net of an allowance for doubtful accounts of $24 million. As of that date, Financial Advisory and Asset Management fees, and customer receivables comprised 87% and 13% of total receivables, respectively. At September 30, 2015 and December 31, 2014, the Company had receivables past due or deemed uncollectible of approximately $27 million and $25 million, respectively. See also "Critical Accounting Policies and Estimates—Revenue Recognition" above and Note 3 of Notes to Condensed Consolidated Financial Statements for additional information regarding receivables.

LFB engages in lending activities, including commitments to extend credit (primarily for clients of LFG). At September 30, 2015 and December 31, 2014, customer receivables included $39 million and $35 million of LFB loans, respectively, with such loans being fully collateralized and closely monitored for counterparty creditworthiness.

Credit Concentrations

To reduce the exposure to concentrations of credit, the Company monitors exposure to individual counterparties.

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. Derivative assets amounted to $12 million and $2 million at both September 30, 2015 and December 31, 2014, respectively, and derivative liabilities, excluding the derivative liability arising from the Company's obligation pertaining to LFI and other similar deferred compensation arrangements, amounted to $1 million and $0.8 million at such respective dates.

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 $189 million and $207 million at September 30, 2015 and December 31, 2014, 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 September 30, 2015, Lazard estimates that its annual operating income relating to cash and cash equivalents would increase by approximately $9 million in the event interest rates were to increase by 1% and decrease by approximately $9 million if rates were to decrease by 1%.

As of September 30, 2015, the Company's cash and cash equivalents totaled approximately $860 million. Substantially all of the Company's cash and cash equivalents were invested in highly liquid institutional money market funds (a significant majority of which were invested solely in U.S. Government or Agency money market

funds), in short-term interest bearing and non-interest bearing accounts at a number of leading banks throughout the world, and in short-term certificates of deposit from such banks. Cash and cash equivalents are constantly monitored. On a regular basis, management reviews its investment profile as well as the credit profile of its list of depositor banks in order to adjust any deposit or investment thresholds as necessary.

Operational Risk

Operational risk is inherent in all our business and may, for example, manifest itself in the form of errors, breaches in the system of internal controls, employee misconduct, business interruptions, fraud, including fraud perpetrated by third parties, or legal actions due to operating deficiencies or noncompliance. The Company maintains a framework including policies and a system of internal controls designed to monitor and manage operational risk and provide management with timely and accurate information. Management within each of the operating companies is primarily responsible for its operational risk programs. The Company has in place business continuity and disaster recovery programs that manage its capabilities to provide services in the case of a disruption. We purchase insurance 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.

Recent Accounting Developments

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Risk Management

Quantitative and qualitative disclosures about market risk are included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk Management."

Item 4. Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the 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, 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 experiences significant variation in its revenue and earnings on a quarterly basis. Accordingly, the results of any pending matter or matters could be significant when compared to the Company's earnings in any particular fiscal quarter. The Company believes, however, based on currently available information, that the results of any pending matters, in the aggregate, will not have a material effect on its business or financial condition.

Item 1A. Risk Factors

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

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

None.

Issuer Repurchases of Equity Securities

The following table sets forth information regarding Lazard's purchases of its Class A common stock on a monthly basis during the third quarter of 2015. 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
July 1 – July 31, 2015				
Share Repurchase Program (1)	77,010	$55.51	77,010	$ 156.9 million
Employee Transactions (2)	–	$ –	–	–
August 1 – August 31, 2015				
Share Repurchase Program (1)	514,375	$50.85	514,375	$ 130.8 million
Employee Transactions (2)	1,260	$54.70	–	–
September 1 – September 30, 2015				
Share Repurchase Program (1)	243,447	$46.44	243,447	$ 119.5 million
Employee Transactions (2)	46,680	$49.35	–	–
Total				
Share Repurchase Program (1)	834,832	$50.00	834,832	$ 119.5 million
Employee Transactions (2)	47,940	$49.49	–	–

(1) During the nine months ended September 30, 2015 and for the years ended December 31, 2014, 2013, and 2012, the Board of Directors of Lazard authorized the repurchase of Class A common stock as set forth in the table below.

Date	Repurchase Authorization	Expiration
October 2012	$ 200,000	December 31, 2014
October 2013	$ 100,000	December 31, 2015
April 2014	$ 200,000	December 31, 2015
February 2015	$ 150,000	December 31, 2016

The share repurchase program is used primarily to offset a portion of the shares that have been or will be issued under the 2005 Plan and the 2008 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 Class A common stock and exclude the shares of Class A common stock withheld by the Company to meet the minimum statutory tax withholding requirements as described below.

(2) Under the terms of the 2005 Plan, which expired in the second quarter of 2015, and the 2008 Plan, upon the vesting of RSUs, PRSUs and delivery of restricted Class A common stock, shares of Class A common stock may be withheld by the Company to meet the minimum statutory tax withholding requirements. During the three month period ended September 30, 2015, the Company satisfied such obligations in lieu of issuing (i) 45,695 shares of Class A common stock upon the vesting of 286,290 RSUs and (ii) 2,245 shares of Class A common stock upon the vesting of 11,218 shares of restricted Class A common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

As discussed in Note 1 of Notes to Condensed Consolidated Financial Statements, in May 2014, LAZ-MD Holdings LLC withdrew as a common member of Lazard Group, and Lazard Ltd became the holder, through certain of its wholly-owned subsidiaries, of all of Lazard Group's common membership interests.

On October 26, 2015, the Company entered into an Amended and Restated Operating Agreement of Lazard Group (the "Restated Lazard Group Operating Agreement") to remove certain provisions of the Lazard Group operating agreement relating to Lazard Ltd's initial public offering in 2005 and various related transactions, which provisions are of no further applicability to the Company. In addition, the Restated Lazard Group Operating Agreement amended provisions of the Lazard Group operating agreement regarding, among other matters, (i) members' capital accounts, (ii) the agreement of the common members regarding the allocation of profits and losses among the members and (iii) distributions to members.

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 in 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	First Supplemental 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 4.2 to Lazard Group LLC's Registration Statement (File No. 333-126751) on Form S-4 filed on July 21, 2005).
4.4	Fourth Supplemental Indenture, dated as of June 21, 2007, between Lazard Group LLC and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on June 22, 2007).
4.5	Fifth Supplemental Indenture, dated as of November 14, 2013, 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 November 14, 2013).
4.6	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).
4.7	Form of Senior Note (included in Exhibits 4.3, 4.4, 4.5 and 4.6).
10.1	Amended and Restated Operating Agreement of Lazard Group LLC, dated as of October 26, 2015.
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.
10.3	Amended and Restated Operating Agreement of Lazard Strategic Coordination Company LLC, dated as of January 1, 2002 (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.4	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).

10.5	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).
10.6	Occupational Lease, dated as of August 9, 2002, by and among Burford (Stratton) Nominee 1 Limited, Burford (Stratton) Nominee 2 Limited, Burford (Stratton) Limited, Lazard & Co., Limited and Lazard LLC (incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on February 11, 2005).
10.7*	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).
10.8*	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).
10.9*	2005 Bonus Plan (incorporated by reference to Exhibit 10.23 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on March 21, 2005).
10.10*	Form of Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005, applicable to, and related Schedule I for, Scott D. Hoffman (incorporated by reference to Exhibit 10.26 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on June 16, 2005).
10.11*	Form of First Amendment, dated as of May 7, 2008, to Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005, for Scott D. Hoffman (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on May 9, 2008).
10.12*	Amendment, dated as of February 23, 2011, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of May 4, 2005 and amended as of May 7, 2008, for Scott D. Hoffman (incorporated by reference to Exhibit 10.25 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 29, 2011).
10.13*	Form of Agreement Relating to Retention and Noncompetition and Other Covenants (incorporated by reference to Exhibit 10.27 to the Registrant's Registration Statement (File No. 333-121407) on Form S-1/A filed on April 11, 2005).
10.14*	Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of October 4, 2004, by and between Lazard Group LLC and Alexander F. Stern (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report (File No. 001-32492) on Form 10-K filed on March 2, 2009).
10.15*	First Amendment, dated as of March 23, 2010, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of October 4, 2004, with Alexander F. Stern (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on March 23, 2010).
10.16*	Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of March 18, 2005, by and between Lazard Group LLC and Kenneth M. Jacobs (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K (File No. 001-32492) filed on March 1, 2010).
10.17*	First Amendment, dated as of March 23, 2010, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of March 18, 2005, with Kenneth M. Jacobs (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) field on March 23, 2010).

10.18*	Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of October 4, 2004, by and between Lazard Group LLC and Matthieu Bucaille (incorporated by reference to Exhibit 10.31 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 29, 2011).
10.19*	First Amendment, dated as of April 1, 2011, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of October 4, 2004, between Lazard Group LLC and Matthieu Bucaille (incorporated by reference to Exhibit 10.32 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 29, 2011).
10.20*	Description of Non-Executive Director Compensation (incorporated by reference to Exhibit 10.33 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q for the quarter ended June 30, 2005).
10.21*	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).
10.22*	Form of Agreement evidencing a grant of Restricted Stock Units to Executive Officers under the Lazard Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32492) filed on January 26, 2006).
10.23*	Form of Agreement evidencing a grant of Restricted Stock Units to Executive Officers under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.41 to the Registrant's Annual Report (File No. 001-32492) on Form 10-K filed on March 2, 2009).
10.24*	Form of Agreement evidencing a grant of Deferred Cash Award to Executive Officers under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.42 to the Registrant's Annual Report (File No. 001-32492) on Form 10-K filed on March 2, 2009).
10.25*	Directors' Fee Deferral Unit Plan (incorporated by reference to Exhibit 10.39 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 11, 2006).
10.26*	First Amended Form of Agreement evidencing a grant of Restricted Stock Units to Executive Officers under the Lazard 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.43 to the Registrant's Annual Report (File No. 001-32492) on Form 10-K filed on March 1, 2007).
10.27	Amended and Restated Credit Agreement, dated as of September 25, 2015, among Lazard Group LLC, the Banks from time to time parties thereto, and Citibank, N.A., as Administrative Agent.
10.28*	Form of Agreement evidencing a grant of Restricted Stock under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.55 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2010).
10.29*	Form of Agreement evidencing a grant of Lazard Fund Interests under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.55 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 29, 2011).
10.30*	Form of Agreement evidencing a grant of Restricted Stock Units and Restricted Stock to Executive Officers who are or may become eligible for retirement under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.53 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 2, 2012).
10.31*	First Amendment, dated as of August 2, 2011, to the Agreement Relating to Retention and Noncompetition and Other Covenants, dated as of March 15, 2005, between Lazard Group LLC and Ashish Bhutani (incorporated by reference to Exhibit 10.56 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on August 4, 2011).

10.32*	Second Amendment, dated as of October 24, 2012, to the Agreement relating to Retention and Noncompetition and Other Covenants, dated as of March 18, 2005 and amended on March 23, 2010, among the Registrant, Lazard Group LLC and Kenneth M. Jacobs (incorporated by reference to Exhibit 10.52 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on November 1, 2012).
10.33*	Second Amendment, dated as of March 14, 2013, to the Agreement Relating to Retention and Noncompetition and Other Covenants dated as of March 15, 2005 and amended on August 2, 2011, among the Registrant, Lazard Group LLC and Ashish Bhutani (incorporated by reference to Exhibit 10.50 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2013).
10.34*	Second Amendment, dated as of March 14, 2013, to the Agreement Relating to Retention and Noncompetition and Other Covenants dated as of October 4, 2004 and amended on April 1, 2011, among the Registrant, Lazard Group LLC and Matthieu Bucaille (incorporated by reference to Exhibit 10.51 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2013).
10.35*	Second Amendment, dated as of March 14, 2013, to the Agreement Relating to Retention and Noncompetition and Other Covenants dated as of May 4, 2005 and amended on May 7, 2008 and February 23, 2011, among the Registrant, Lazard Group LLC and Scott D. Hoffman (incorporated by reference to Exhibit 10.52 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2013).
10.36*	Second Amendment, dated as of March 14, 2013, to the Agreement Relating to Retention and Noncompetition and Other Covenants dated as of October 4, 2004 and amended on March 23, 2010, among the Registrant, Lazard Group LLC and Alexander F. Stern (incorporated by reference to Exhibit 10.53 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2013).
10.37*	Form of Agreement evidencing a grant of Performance-Based Stock Units under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.54 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2013).
10.38*	Form of Agreement evidencing a grant of Lazard Fund Interests to Named Executive Officers under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.55 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2013).
10.39*	Form of Agreement evidencing a grant of Restricted Stock Units to Named Executive Officers under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.56 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on April 30, 2013).
10.40*	Form of Agreement evidencing a February 20, 2014 grant of Performance-Based Stock Units under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.55 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed May 6, 2014).
10.41*	Agreement between the Company and Kenneth M. Jacobs, dated as of February 20, 2014, evidencing a grant of Performance-Based Stock Units under the 2008 Incentive Compensation Plan (incorporated by reference to Exhibit 10.56 to the Registrant's Quarterly Report (File No. 001-32492) on Form 10-Q filed on May 6, 2014).
12.1	Computation of Ratio of Earnings to Fixed Charges.
31.1	Rule 13a-14(a) Certification of Kenneth M. Jacobs.
31.2	Rule 13a-14(a) Certification of Matthieu Bucaille.
32.1	Section 1350 Certification for Kenneth M. Jacobs.

32.2	Section 1350 Certification for Matthieu Bucaille.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Management contract or compensatory plan or arrangement.

SIGNATURES

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

Dated: October 27, 2015

LAZARD LTD

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

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

Exhibit 10.1

AMENDED AND RESTATED

OPERATING AGREEMENT

OF

LAZARD GROUP LLC

Dated as of October 26, 2015

TABLE OF CONTENTS

Schedules

AMENDED AND RESTATED OPERATING AGREEMENT (together with all exhibits, annexes and schedules hereto, this "Agreement") of Lazard Group LLC, a Delaware limited liability company (the "Company"), dated as of October 26, 2015.

WHEREAS, the Lazard Board, the Managing Members, the Lazard Ltd Nominating and Governance Committee and the Lazard Ltd Board have approved and adopted this Agreement;

WHEREAS, since the date of the last amendment to this Agreement, (a) LAZ-MD Holdings LLC has (i) transferred all of its Common Interests to its members and (ii) withdrawn as a Common Member, and (b) the members of LAZ-MD Holdings LLC have transferred all of their Common Interests to the Lazard Ltd Members;

WHEREAS, the Lazard Ltd Members now own 100% of the Common Interests;

WHEREAS, the Lazard Ltd Members have determined that certain provisions in this Agreement, including provisions governing the transfer of Common Interests by LAZ-MD Holdings LLC to its members and the transfer of Common Interests by such members to the Lazard Ltd Members, are no longer necessary; and

WHEREAS, the Lazard Ltd Members have determined that the future Profits and Losses of the Company should be shared between the Members as set forth herein.

NOW, THEREFORE, the Operating Agreement, dated as of May 10, 2005, as amended, is hereby amended and restated in its entirety and this amended and restated agreement is adopted as the "limited liability company agreement" of the Company within the meaning of the Act:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Accounting Period" means the period commencing immediately after a Closing of the Books Event and ending at the next Closing of the Books Event.

"Acknowledgement" means a Membership Acknowledgement and Agreement with respect to the Profit Participation Interests in the form or forms to be approved by the Chief Executive Officer, the Chief Financial Officer and the General Counsel (or any of them).

"Act" means the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.), as amended from time to time and any successor statute thereto.

"Affiliate" means, with respect to any person, any other person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Cap" has the meaning set forth in Section 5.04(c)(A).

"Capital" means, with respect to any Common Member, the balance in such Member's Common Capital Account from time to time and, with respect to any Profit Participation Member, the balance in such Member's Profit Participation Capital Account from time to time.

"Capital Account" means, with respect to any Member, such Member's Common Capital Account or Profit Participation Capital Account, as applicable.

"Certificate of Conversion" means the certificate of conversion converting the Company's prior partnership into the Company filed with the office of the Secretary of State of the State of Delaware on March 2, 2000.

"Certificate of Formation" means the certificate of formation of the Company filed with the office of the Secretary of State of the State of Delaware on March 2, 2000.

"Change in Control" has the meaning set forth in Lazard Ltd's 2008 Incentive Compensation Plan, as amended from time to time, or, if Lazard Ltd has adopted a new equity incentive compensation plan, the meaning set forth in such new plan.

"Closing of the Books Event" means any of (i) the close of the last day of each calendar year and each calendar quarter, (ii) the close of any date on which there occurs a dissolution of the Company, the admission of a new Common Member or the withdrawal of a Common Member, or (iii) any other time that the Lazard Board determines to be appropriate for an interim closing of the Company's books.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"Common Capital Account" has the meaning set forth in Section 5.01(a).

"Common Interest" means, with respect to any Common Member, such Member's rights and obligations with respect to the Company pursuant to this Agreement and applicable law by virtue of such person being a Member of the Company.

"Common Member" means any person who, from time to time, is entitled to a Common Interest pursuant to and in compliance with this Agreement and who has been admitted to the Company as a Common Member in accordance with this Agreement and has not ceased to be a Common Member under the terms of this Agreement.

"Common Member's Proportionate Tax Share" means, with respect to a Common Member, the product of (x) the Common Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, and (y) a fraction, the numerator of which is the taxable income or gain allocated to such Member pursuant to Section 5.04(d) for such fiscal year, fiscal quarter or other period and the denominator of which is the sum of the taxable income or gain allocated to all Common Members pursuant to Section 5.04(d) for such fiscal year, fiscal quarter or other period. For purposes of this definition, if a Common Member is allocated a net taxable loss pursuant to Section 5.04(d) for a fiscal year, fiscal quarter or other period, then the amount of taxable income or gain included in the calculation described in the immediately preceding sentence in respect of such Common Member for such fiscal year, fiscal quarter or other period shall be zero (0).

"Common Tax Distribution" means, for each fiscal year, fiscal quarter or other period of the Company during the term of the Company, the product of (i) the aggregate amount of taxable income or gain allocated to the Common Members pursuant to Section 5.04(d) for such fiscal year, fiscal quarter or other period and (ii) the Tax Rate for such fiscal year, fiscal quarter or other period. For purposes of this definition, if a Common Member is allocated a net taxable loss pursuant to Section 5.04(d) for a fiscal year, fiscal quarter or other period, then the amount of taxable income or gain included in clause (i) of the immediately preceding sentence in respect of such Common Member for such fiscal year, fiscal quarter or other period shall be zero (0).

"Company" has the meaning set forth in the preamble to this Agreement.

"Delaware Arbitration Act" has the meaning set forth in Section 10.05(d).

"Directors" has the meaning set forth in Section 3.02(a).

"Disputes" has the meaning set forth in Section 10.05(a).

"Effective Period" means the period beginning January 1, 2016, and ending December 31, 2022.

"Encumbrance" has the meaning set forth in Section 7.04.

"Excluded Items" means (i) depreciation, (ii) amortization, (iii) other cost recovery deduction, and (iv) for all taxable periods commencing on and after January 1, 2015, items of deduction or loss attributable to all deferred compensation issued by or on behalf of Lazard Ltd or any of its Subsidiaries including the grant or delivery of restricted stock units, performance based stock restricted units or other equity based compensation awards issued.

"Executive Officer" has the meaning set forth in Section 3.03(g).

"Executive Review" has the meaning set forth in Section 10.05(b).

"Fixed Percentage" has the meaning set forth in Section 5.04(c)(A).

"Funding Proportion" has the meaning set forth in Section 5.04(e)(i).

"ICC" has the meaning set forth in Section 10.05(b).

"ICC Rules" has the meaning set forth in Section 10.05(b).

"Interest" means a Common Interest and a Profit Participation Interest.

"Lazard Board" has the meaning set forth in Section 3.01.

"Lazard Ltd" means Lazard Ltd, a Bermuda exempted company.

"Lazard Ltd Affiliate" has the meaning set forth in Section 10.17(a).

"Lazard Ltd Board" means the Board of Directors of Lazard Ltd.

"Lazard Ltd Common Stock" means the Class A common stock, par value $0.01 per share, of Lazard Ltd.

"Lazard Ltd Member" means Lazard Ltd Sub A and Lazard Ltd Sub B.

"Lazard Ltd Nominating and Governance Committee" means the Nominating and Governance Committee of the Lazard Ltd Board.

"Lazard Ltd Sub A" means the Subsidiary of Lazard Ltd designated as such on Schedule 1.01(a).

"Lazard Ltd Sub B" means the Subsidiary of Lazard Ltd designated as such on Schedule 1.01(a).

"LB" means Lazard & Co., Holdings Limited, an English private limited company.

"LF" means Lazard Frères S.A.S., a French *Société par Actions Simplifiée*.

"LFNY" means Lazard Frères & Co. LLC, a New York limited liability company.

"Managing Director" means (a) a managing director of LFNY, (b) an Associé-Gérant of LF, (c) a managing director or limited managing director of LB or (d) a managing director, limited managing director or comparable executive of any other Lazard Ltd Affiliate designated by the Managing Members.

"Managing Member" has the meaning set forth in Section 4.02.

"Members" means the Common Members and the Profit Participation Members, and "Member" means any of the foregoing.

"Operating Expenses" has the meaning set forth in Section 5.04(c)(B).

"Operating Income" has the meaning set forth in Section 5.04(c)(C).

"Operating Revenue" has the meaning set forth in Section 5.04(c)(D).

"Percentage Interest" means, with respect to a Common Member, the ratio set forth on Schedule 1.01(a) hereto.

"Profit or Loss", as the case may be, means the combined items of income, gain, loss or deduction of the Company. For the avoidance of doubt, "Profit or Loss" (whether operating or otherwise) shall include items of loss or deduction attributable to foreign or other taxes paid by subsidiaries of the Company that are treated as "flowthrough" entities for U.S. Federal income tax purposes.

"Profit Participation Amount" has the meaning set forth in Section 5.04(c)(E).

"Profit Participation Capital" means, with respect to any Profit Participation Member, the balance in such Member's Profit Participation Capital Account from time to time.

"Profit Participation Capital Account" has the meaning set forth in Section 5.01(a).

"Profit Participation Interest" means, with respect to any Profit Participation Member, such Member's Profit Participation Percentage and Profit Participation Capital and rights and obligations with respect to the Company pursuant to this Agreement and applicable law by virtue of such Member holding such Profit Participation Percentage and having such Profit Participation Capital.

"Profit Participation Member" means any person who has acquired a Profit Participation Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Company as a Profit Participation Member in accordance with this Agreement and shall not have ceased to be a Profit Participation Member under the terms of this Agreement.

"Profit Participation Member's Proportionate Tax Share" means, with respect to a Profit Participation Member, the product of (i) the Profit Participation Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, and (ii) the Profit Participation Percentage of such Profit Participation Member for such fiscal year, fiscal quarter or other period. In the event that the Profit Participation Percentage of a Profit Participation Member changes during any fiscal year, fiscal quarter or other period, the Profit Participation Member's Proportionate Tax Share of such Profit Participation Member and the other Profit Participation Members, as the case may be, for such fiscal year, fiscal quarter or other period shall be appropriately adjusted to take into account the Profit Participation Members' varying interests.

"Profit Participation Percentage" means, with respect to any Accounting Period, (i) the profit percentage of a Profit Participation Member under the terms of this Agreement for such Accounting Period determined in accordance with Section 4.03, or (ii) the profit percentage constituting the Unallocated Float.

"Profit Participation Tax Distribution" means, for each fiscal year, fiscal quarter or other period of the Company during the term of the Company, the product of (i) the aggregate amount of taxable income or gain allocated to the Profit Participation Members pursuant to

Section 5.04(a)(i) or Section 5.04(b)(i), as the case may be, for such fiscal year, fiscal quarter or other period and (ii) the average individual tax rate, as determined by the Company in its sole discretion, to be applicable for such fiscal year, fiscal quarter or other period.

"Quarterly Common Tax Distribution" means, for each Common Member for each of the first three fiscal quarters of the Company during the term of the Company, such Common Member's Proportionate Tax Share for such fiscal quarter.

"Quarterly Profit Participation Tax Distribution" means, for each Profit Participation Member for each of the first three fiscal quarters of the Company during the term of the Company, such Profit Participation Member's Proportionate Tax Share for such fiscal quarter.

"Retirement" means, with respect to any Profit Participation Member, (i) the resignation, removal (including, for the avoidance of doubt, for cause) or withdrawal of such Member from the Company, (ii) such Member ceasing to be a Managing Director, (iii) the purported Transfer by such Member of his or her Profit Participation Interest in violation of Article VII, (iv) the death of such Member, or (v) the occurrence with respect to such Member of any of the events set forth in Section 18-304 of the Act. "Retired" and "Retiring" have meanings correlative thereto.

"Specific Tax Rate" means, with respect to a Common Member, the highest aggregate marginal statutory federal, state, local and foreign income, franchise and branch profits tax rate (determined taking into account the deductibility of state and local income taxes for federal income tax purposes and the creditability or deductibility of foreign income taxes for federal income tax purposes) applicable to a person or entity, as appropriate, whose principal tax residence is in the same national jurisdiction as such Common Member on income of the same character and source as the income allocated to such Common Member pursuant to Section 5.04(a)(ii) for such fiscal year, fiscal quarter or other period.

"Subsidiary" means, with respect to any person, any corporation, limited liability company, company, partnership, trust, association or other legal entity or organization of which such person (either directly or through one or more Subsidiaries of such person) (i) owns, directly or indirectly, a majority of the capital stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation, limited liability company, partnership, trust, association or other legal entity or organization, or (ii) is otherwise entitled to exercise (A) a majority of the voting power generally in the election of the board of directors or other governing body of such corporation, limited liability company, partnership, trust, association or other legal entity or organization or (B) control of such corporation, limited liability company, partnership, trust, association or other legal entity or organization.

"Tax Rate" means the greatest of any Common Members' Specific Tax Rate.

"Transfer" means any transfer, sale, conveyance, assignment, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law, of all or any part of an Interest or any right, title or interest therein.

"Transferee" means the transferee in a Transfer or proposed Transfer.

"Unallocated Entity" has the meaning set forth in Section 5.04(e)(i).

"Unallocated Float" means any Profit Participation Percentage for any Accounting Period that is not allocated to a particular Member.

SECTION 1.02. Other Definitional Provisions. Wherever required by the context of this Agreement, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein:

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

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

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

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

(e) the word "person" means any individual, corporation, limited liability company, trust, joint venture, association, company, partnership or other legal entity or a government or any department or agency thereof or self-regulatory organization; and

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

SECTION 1.03. References to Schedules. The Chief Executive Officer and General Counsel shall maintain and revise from time to time all schedules referred to in this Agreement in accordance with this Agreement. Notwithstanding anything in Section 10.02 to the contrary, any such revision shall not be deemed an amendment to this Agreement, and shall not require any act, vote or approval of any person. The Company shall not be obligated by this Agreement to distribute or otherwise provide to the Members copies of or access to such schedules.

ARTICLE II

FORMATION, CONTINUATION AND POWERS

SECTION 2.01. Formation and Continuation. Effective as of 5:00 a.m., New York City time, on March 3, 2000, the Company was converted into a limited liability company pursuant to the provisions of the Act by the filing of the Certificate of Conversion and the Certificate of Formation. Pursuant to the Act, the existence of the Company is deemed to have commenced on June 12, 1984, the date the Company's prior partnership was formed.

SECTION 2.02. Name. The name of the Company is "Lazard Group LLC".

SECTION 2.03. Purpose and Scope of Activity. The Company has been formed for the object and purpose of, and the nature of the business to be conducted by the Company is, engaging in any lawful business purpose or activity for which limited liability companies may be formed under the Act, and engaging in any and all activities necessary or incidental to the foregoing. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, that are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company.

SECTION 2.04. Principal Place of Business. For purposes of the Act, the principal place of business of the Company shall be located in New York, New York or at such other place as may hereafter be designated from time to time by the Lazard Board. Company, committee and board meetings shall take place at the Company's principal place of business unless decided otherwise for any particular meeting.

SECTION 2.05. Registered Agent and Office. The registered agent for service of process is, and the mailing address of the registered office of the Company in the State of Delaware is in care of, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware. At any time, the Company may designate another registered agent or registered office.

SECTION 2.06. Authorized Persons. The officers of the Company are hereby designated as authorized persons, within the meaning of the Act, to act in connection with executing and causing to be filed, when approved by the appropriate governing body or bodies hereunder, any certificates required or permitted to be filed with the Secretary of State of the State of Delaware and any certificates (and any amendments or restatements thereof) necessary for the Company to file in any jurisdiction in which the Company is required to make a filing.

ARTICLE III

MANAGEMENT

SECTION 3.01. Management Generally. Except as otherwise expressly provided in this Agreement with respect to the Managing Members, the business and affairs of the Company shall be managed under the direction of the board of directors of the Company (the "Lazard Board"). In addition to the powers and authorities by this Agreement expressly

conferred upon them, the Lazard Board may exercise all such powers of the Company and do all such lawful acts and things as are not by the Act or by this Agreement required to be exercised or done by the Members or the Managing Members. Certain powers and authorities of the Lazard Board may be concurrently allocated to or executed by the Chief Executive Officer, or one or more other officers, when and to the extent expressly delegated thereto by the Lazard Board in accordance with this Agreement; provided that any such delegation may be revoked at any time and for any reason by the Lazard Board. Approval by or action taken by the Lazard Board in accordance with this Agreement shall constitute approval or action by the Company and shall be binding on the Members. Each Director on the Lazard Board shall be a "manager" of the Company within the meaning of the Act.

SECTION 3.02. Lazard Board. (a) Composition. The Lazard Board shall initially consist of ten managers (the "Directors"), provided that the number of Directors may be increased or decreased from time to time exclusively by the Managing Members. The members of the Lazard Board are set forth on Schedule 3.02(a). Schedule 3.02(a) shall be amended pursuant to Section 1.03 to reflect any change in the identity of the members of, or increase or decrease in the size of, the Lazard Board in accordance with this Agreement. Each Director shall continue in such position until his or her successor shall have been duly elected and shall have qualified or until the earlier of his or her death, disability, resignation, retirement or removal from such position.

(b) Vacancies; Removal. Vacancies resulting from death, resignation, retirement, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of Directors, may be filled only by the Managing Members. Any Director may be removed at any time, with or without cause, by the Managing Members in their sole discretion.

(c) Compensation of Directors. Directors of the Company, in their capacity as such, shall not be entitled to compensation, unless, and to the extent, approved by the Managing Members.

(d) Meetings. Meetings of the Lazard Board shall be held at the Company's principal place of business or such other place, within or without the State of Delaware, that has been designated from time to time by the Lazard Board. Meetings of the Lazard Board for any purpose or purposes may be called at any time by (i) the Managing Members, (ii) the Chief Executive Officer, (iii) the Chairman of the Board, or (iv) a majority of the Directors then in office. Notice of any meeting of the Lazard Board shall be given to each Director at his business or residence in writing by hand delivery, first-class or overnight mail or courier service, electronic mail transmission, telegram or facsimile transmission, or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If by electronic mail transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such

meeting. If by facsimile transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Lazard Board need be specified in the notice of such meeting. A meeting may be held at any time without notice if all the Directors are present or if those not present waive notice of the meeting in accordance with Section 3.02(g) of this Agreement.

(e) Quorum; Alternates; Participation in Meetings by Conference Telephone Permitted. The presence of a majority of the Directors then in office shall constitute a quorum for the transaction of business. Directors may participate in a meeting of the Lazard Board through use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can communicate with and hear one another. The Directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

(f) Vote Required for Action. The act of the majority of the Directors present at a meeting of the Lazard Board at which a quorum is present shall be the act of the Lazard Board.

(g) Waiver of Notice; Consent to Meeting. Notice of a meeting need not be given to any Director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the Company's records and made a part of the minutes of the meeting.

(h) Action by Lazard Board Without a Meeting. Any action required or permitted to be taken by the Lazard Board may be taken without a meeting and without prior notice if a majority of the Directors then in office shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Lazard Board. Such action by written consent shall have the same force and effect as a vote of the Lazard Board in favor of such action.

(i) Executive and Other Committees. The Lazard Board may, by resolution adopted by a majority of the Lazard Board then in office, designate an Executive Committee to exercise, subject to applicable provisions of law, all the powers of the Lazard Board in the management of the business and affairs of the Company when the Lazard Board is not in session, including the power to make distributions, to authorize the issuance of Interests if and to the extent permitted by this Agreement and to approve mergers of the Company, and may, by resolution similarly adopted, designate one or more other committees. The Executive Committee and each such other committee shall consist of two or more Directors of the Company. The Lazard Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, other than

the Executive Committee (the powers of which are expressly provided for herein), may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Lazard Board to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Lazard Board when required. A majority of any committee may determine its action and fix the time and place of its meetings, unless the Lazard Board shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 3.02(d). The Lazard Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Lazard Board from appointing one or more committees consisting in whole or in part of persons who are not Directors of the Company; provided, however, that no such committee shall have or may exercise any authority of the Lazard Board.

(j) Records. The Lazard Board shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Lazard Board and of the Members, appropriate books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Company.

(k) Agents. To the extent of their powers set forth in this Agreement, the Directors are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers set forth in this Agreement shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Act, except as provided in this Agreement or in a resolution of the Directors, a Director may not bind the Company.

SECTION 3.03. Officers. (a) The elected officers of the Company shall be a Chief Executive Officer, a Chief Financial Officer, a General Counsel, and such other officers as the Lazard Board from time to time may deem proper. The Lazard Board shall choose one of its Directors to serve as Chairman of the Board. All officers elected by the Lazard Board shall each have such powers and duties as generally pertain to their respective offices if the Company were a Delaware corporation, subject to the specific provisions of this Section 3.03. Such officers shall also have such powers and duties as from time to time may be conferred by the Lazard Board or by any committee thereof. The Lazard Board or any committee thereof may from time to time elect, or the Chief Executive Officer may appoint, such other officers (including one or more Vice Chairmen, Presidents, Vice Presidents, Secretaries, Treasurers, Controllers, Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers, and Assistant Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Company; provided, that the Lazard Board shall be given prior notice of any proposed appointment by the Chief Executive Officer of any such Vice Chairman, President or Secretary. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in this Agreement or as may be prescribed by the Lazard Board or such committee or by the Chief Executive Officer, as the case may be; provided that, notwithstanding anything in this Section 3.03 to the contrary, such powers and duties may not impair, and shall be subordinate to,

the powers and duties of the Lazard Board set forth in Section 3.01 hereof. The identity and office of the Officers are set forth on Schedule 3.03(a). Schedule 3.03(a) shall be amended pursuant to Section 1.03 to reflect any change in the identity or office of the Officers in accordance with this Agreement.

(b) Term of Office. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or retire, but any officer may be removed from office with or without cause at any time by the Lazard Board or, except in the case of an officer or agent elected by the Lazard Board, the Chief Executive Officer. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

(c) Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Members (if any shall be called) and of the Lazard Board. The Chairman of the Board may also serve as the Chief Executive Officer, if so elected by the Lazard Board.

(d) Chief Executive Officer. The Chief Executive Officer shall act in a general executive capacity and shall be responsible for the general management of the affairs of the Company and shall perform all duties incidental to his or her office that may be required by law and all such other duties as are properly required of him by the Lazard Board. He or she shall make reports to the Lazard Board and the Members, and shall see that all orders and resolutions of the Lazard Board and of any committee thereof are carried into effect. The Chief Executive Officer shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of Members (if any shall be called) and of the Lazard Board.

(e) Chief Financial Officer. The Chief Financial Officer shall be the chief financial officer of the Company and act in an executive financial capacity. He or she shall assist the Chief Executive Officer in the general supervision of the Company's financial policies and affairs; and, in general, he or she shall perform all the duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned to him by the Lazard Board or the Chief Executive Officer.

(f) General Counsel. The General Counsel shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Lazard Board, the committees of the Lazard Board and the Members (if any shall be called); he or she shall see that all notices are duly given in accordance with the provisions of this Agreement and as required by law; he or she shall be custodian of the records; and he or she shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and, in general, he or she shall perform all the duties incident to the office of General Counsel and such other duties as from time to time may be assigned to him by the Lazard Board or the Chief Executive Officer.

(g) Other Officers. The Lazard Board or the Chief Executive Officer may from time to time appoint other officers of the Company and assign titles and functional titles to any such individual. Such officers shall have such functions, powers and obligations, including such power to bind the Company as the Lazard Board or the Chief Executive Officer shall delegate to them. The Lazard Board or the Chief Executive Officer may from time to time appoint certain of these officers as executive officers (each, an "Executive Officer"), with the additional power and authority set forth in this Agreement or as may be delegated to them.

(h) Contracts. Notwithstanding any other provision contained in this Agreement and except as required by law, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Company by such officer or officers of the Company as the Lazard Board may from time to time direct. Such authority may be general or confined to specific instances as the Lazard Board may determine. The Chairman of the Board, the Chief Executive Officer, Chief Financial Officer, General Counsel or any Executive Officer may execute bonds, contracts, deeds, leases and other instruments to be made or executed for or on behalf of the Company. Subject to any restrictions imposed by the Lazard Board, the Chief Executive Officer, Chief Financial Officer, General Counsel or any Executive Officer may delegate contractual powers to others under his jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

(i) Proxies. Unless otherwise provided by resolution adopted by the Lazard Board, the Chairman of the Board, the Chief Executive Officer, Chief Financial Officer, General Counsel or any Executive Officer may from time to time appoint an attorney or attorneys or agent or agents of the Company, in the name and on behalf of the Company, to cast the votes which the Company may be entitled to cast as the holder of stock or other securities in any other person, any of whose stock or other securities may be held by the Company, at meetings of the holders of the stock or other securities of such other person, or to consent in writing, in the name of the Company as such holder, to any action by such other person, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Company and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in the premises.

(j) Removal. Any officer may be removed by the affirmative vote of a majority of the Lazard Board then in office with or without cause. Any officer or agent appointed by the Chief Executive Officer may be removed by the Chief Executive Officer with or without cause. No elected officer shall have any contractual rights against the Company for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

(k) Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Lazard Board for the unexpired portion of the term at any meeting of the Lazard Board. Any vacancy in an office appointed by the Chief Executive Officer because of death, resignation, or removal may be filled by the Chief Executive Officer.

SECTION 3.04. Resignations. Any Director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board, the Chief Executive Officer or General Counsel, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the Chief Executive Officer or General Counsel, or at such later time as is specified therein. No formal action shall be required of the Lazard Board or the Members (including the Managing Members) to make any such resignation effective.

SECTION 3.05. Members. (a) No Member Voting Rights. The Members shall not have voting rights under the Act, this Agreement or otherwise, and shall not be entitled to consent to, approve or authorize any actions by the Company, except in the case of the Managing Members, as set forth herein. Without in any way limiting the foregoing, the Members shall not have voting rights with respect to the matters set forth in Sections 18-209, 18-213, 18-216, 18-702, 18-704, 18-801 and 18-803 of the Act, all of which voting and approval rights shall be vested in the Lazard Board, except as expressly set forth herein with respect to the Managing Members.

(b) Authority of Members. Except as expressly set forth herein with respect to the Managing Members, no Member shall have any power or authority, in such Member's capacity as a Member, to act for or bind the Company except to the extent that such Member is so authorized in writing prior thereto by the Lazard Board. Without limiting the generality of the foregoing, except as expressly set forth herein with respect to the Managing Members, no Member, as such, shall, except as so authorized, have any power or authority to incur any liability or execute any instrument, agreement or other document for or on behalf of the Company, whether in the Company's name or otherwise.

ARTICLE IV

MEMBERS AND INTERESTS

SECTION 4.01. Members. The Company shall have Managing Members, Common Members and Profit Participation Members. Schedule 1.01(a) sets forth the name and address of the Common Members and the Managing Members, and Schedule 4.01 sets forth the name and address of the Profit Participation Members. Such schedules shall be amended pursuant to Section 1.03 to reflect any change in the identity or address of the Members in accordance with this Agreement. Each person admitted to the Company as a Member pursuant to this Agreement shall be a member of the Company until such person ceases to be a Member in accordance with the provisions of this Agreement.

SECTION 4.02. Managing Member. The Company shall have one or two managing members (each, a "Managing Member"), who shall have the rights, powers, duties and obligations set forth in this Agreement. Schedule 1.01(a) shall designate whether a Member is a Managing Member. Schedule 1.01(a) shall be amended pursuant to Section 1.03 to reflect any change in the identity or address of each Managing Member in accordance with this Agreement. A Managing Member shall not be allocated, distributed or entitled to receive any interest in the profits, losses, assets or capital of the Company by reason of being designated as a Managing Member.

In the event there shall be two Managing Members: (a) each Managing Member shall be entitled to 50% of the voting power with respect to any action to be taken by the Managing Members hereunder, such that each action of the Managing Members shall require the consent of both Managing Members, (b) each reference to the Managing Member in this Agreement shall be deemed to refer to both Managing Members unless the context otherwise requires, and (c) each reference to a consent, authorization, approval or other action of the Managing Member shall be deemed to refer to the consent, authorization, approval or other action of the Managing Members (taken in accordance with clause (a) of this sentence).

SECTION 4.03. Interests. (a) Common Interests. Each Common Member shall be deemed to have a Common Interest in the Company, which Common Interest shall entitle such holder to the rights, and subject such holder to the obligations, set forth in this Agreement. The Lazard Board shall have the authority to cause the Company to issue Common Interests in its discretion. The Managing Members shall have the authority to cause the Company to issue Common Interests to any Common Member and to any person who is admitted as an additional Common Member in accordance with this Agreement. Schedule 1.01(a) sets forth the Percentage Interest of each of the Common Members. Such schedule shall be amended pursuant to Section 1.03 to reflect any issuance of Common Interests in accordance with this Agreement.

(b) Profit Participation Interests. (i) The Profit Participation Interests shall consist of, and be allocated as, Profit Participation Percentages and Profit Participation Capital. The aggregate of all Profit Participation Percentages shall total 100%. The Profit Participation Percentages allocated to each of the Profit Participation Members and the Profit Participation Percentage contained in the Unallocated Float are set forth on Schedule 4.01. Schedule 4.01 shall be amended pursuant to Section 1.03 to reflect any change in identity of the Profit Participation Members and the Profit Participation Percentages in accordance with this Agreement.

(ii) In any Accounting Period, the Company (by action of the Chief Executive Officer or the Lazard Board) may from time to time change or otherwise modify any or all of the Profit Participation Percentages in his or her sole discretion, including by changing any Member's Profit Participation Percentage to zero, allocating additional Profit Participation Interests from the Unallocated Float to new or existing Profit Participation Members or increasing or decreasing the aggregate Profit Participation Percentages allocated to the Members (with a corresponding decrease or increase in the Profit Participation Percentage contained in the Unallocated Float); provided that the aggregate of all Profit Participation Percentages allocated to the Members and the Profit Participation Percentages contained in the Unallocated Float shall total 100%.

(iii) Notwithstanding anything herein to the contrary, the Lazard Board shall have the power, in its sole discretion, to terminate the Profit Participation Interests, effective at the time specified in the resolutions of the Lazard Board approving such termination or, if not so specified in such resolutions, at the time that the resolutions approving such termination were approved by the Lazard Board. Upon termination of the Profit Participation Interests, all Profit Participation Interests shall immediately cease to be outstanding and shall no longer be allocable by the Company, and such termination shall have the effects set forth in Section 4.04(b)(ii).

SECTION 4.04. Admission and Withdrawal of Members. (a) Common Members. (i) Any recipient of a Common Interest pursuant to Section 4.03(a) or Section 7.02 who is not a Common Member at the time of such issuance or such Transfer, as applicable, shall be admitted as an additional Common Member, and shall be listed as a "Common Member" on Schedule 1.01(a), and the issuance or Transfer, as applicable, of the Common Interest shall be effective upon the execution and delivery to the Company by such recipient of an agreement in which such person agrees to be bound by this Agreement and any other agreements, documents or instruments specified by the Managing Members or the Lazard Board; provided, however, that a recipient who is not a Common Member at the time of such issuance or Transfer, as applicable, shall only be admitted as an additional Common Member with the prior approval of the Lazard Ltd Nominating and Governance Committee.

(ii) Effective immediately upon the Transfer of a Common Member's entire Common Interest as provided in Section 7.02(a), such Member shall cease to have any interest in the profits, losses, assets, properties or capital of the Company and shall cease to be a Common Member.

(b) Profit Participation Members. (i) Schedule 4.01 sets forth the identity and initial Profit Participation Interest of each Profit Participation Member. The Company may, by action of the Managing Members or the Lazard Board, from time to time admit additional Managing Directors as Profit Participation Members and may grant such persons Profit Participation Interests, provided that such additional Profit Participation Members properly execute and return an Acknowledgement. Schedule 4.01 shall be amended pursuant to Section 1.03 to reflect any change in identity of the Profit Participation Members and the Profit Participation Interests in accordance with this Agreement.

(ii) Effective immediately upon the earliest of (A) Retirement of a Profit Participation Member or (B) termination of the Profit Participation Interests as provided in Section 4.03(b)(iii), such Member (or his estate) shall cease to have any interest in the profits, losses, assets, properties or capital of the Company other than, in respect of such former Profit Participation Member's Profit Participation Capital, the right to receive any distributions in respect of such Profit Participation Capital to the extent provided in Section 8.03) and shall cease

to be a Profit Participation Member; provided that, for the avoidance of doubt, under no circumstances shall any Profit Participation Member be entitled to receive or otherwise be distributed any of the Profit Participation Capital associated with such Member's Profit Participation Interest in the event of the occurrence of any of the events set forth in clause (A) or (B) of this sentence, which Profit Participation Capital shall thereafter represent solely the right to receive distributions of such Profit Participation Capital to the extent provided in Section 8.03. Upon the Retirement of a Profit Participation Member or other termination of a Profit Participation Interest, the Profit Participation Percentage associated with such Member's Profit Participation Interest shall cease to be allocated and become part of the Unallocated Float.

(c) Managing Members. As of the date hereof, Lazard Ltd Sub A and Lazard Ltd Sub B are the Managing Members. Notwithstanding anything in this Agreement to the contrary, a Managing Member may resign from the Company for any reason (with or without cause); provided that, subject to the final sentence of this Section 4.04(c), as a condition to such resignation, (i) such resigning Managing Member shall first appoint another person as a new Managing Member and (ii) such person shall be admitted to the Company as a new Managing Member (upon the execution and delivery of an agreement to be bound by the terms of this Agreement); provided further that in the event that the resigning Managing Member shall be the sole Managing Member and such resigning Managing Member elects to appoint two other persons as Managing Members, as a condition to such resignation, (A) such resigning Managing Member shall first appoint two other persons as new Managing Members and (B) each such person shall be admitted to the Company as a new Managing Member (upon the execution and delivery of an agreement to be bound by the terms of this Agreement). Such admission shall be deemed effective immediately prior to the resignation, and, immediately following such admission, the resigning Managing Member shall cease to be a member of the Company (but, if applicable, shall otherwise remain a Member with respect to its Interests). Notwithstanding the foregoing, in the event that there shall be two Managing Members, the resigning Managing Member may, in lieu of appointing a new Managing Member in accordance with this Section 4.04(c), designate the remaining Managing Member as the sole Managing Member.

(d) No Additional Members. No additional Members shall be admitted to the Company except in accordance with this Article IV.

SECTION 4.05. Liability to Third Parties; Capital Account Deficits. Except as may otherwise be expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Members (including the Managing Members) and Directors shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being Members or acting as managers or the Managing Members of the Company. The Members shall not be liable to make up any deficit in their Capital Accounts.

SECTION 4.06. Classes. As used in this Agreement, all Common Members and Profit Participation Members shall be deemed to be separate Members even if any Member holds more than one class of Interest. References to a certain class of Interest (or Capital) with respect to any Member shall refer solely to that class of Interest (or Capital) of such Member and not to any other class of Interest (or Capital), if any, held by such Member.

SECTION 4.07. Certificates. The Company may issue Interests in certificated form in accordance with Section 18-702(c) of the Act, which certificates, if issued, shall be held by the Company as custodian for the applicable Members. The form of any such certificates shall be approved by the Managing Members or the Lazard Board and include the legend required by Section 7.05.

ARTICLE V

CAPITAL AND ACCOUNTING MATTERS

SECTION 5.01. Capital. (a) Capital Accounts. The Company has established a capital account on its books and records for each Common Member (a "Common Capital Account") and a capital account for each Profit Participation Member (a "Profit Participation Capital Account"; any of a Profit Participation Capital Account or a Common Capital Account, a "Capital Account"). Schedule 5.01 sets forth the names and Capital Accounts of the Members and shall be amended from time to time pursuant to Section 1.03 to reflect any change in the identity of the Members or Capital Accounts in accordance with this Agreement.

(b) Capital Contributions. (i) No capital contributions shall be required (A) unless otherwise determined by the Managing Members or the Lazard Board and agreed to by the contributing Member or (B) unless otherwise determined by the Managing Members or the Lazard Board in connection with the admission of a new Member or the issuance of additional Interests to a Member.

(ii) The Company may invest or cause to be invested all amounts received by the Company as capital contributions in its sole discretion.

(iii) The Managing Members may cause the Company to issue Common Interests pursuant to Section 4.03(a) to any Common Member and to any person who is admitted as an additional Common Member in accordance with Section 4.04(a) of this Agreement, in each case in exchange for a capital contribution.

SECTION 5.02. Withdrawals; Return on Capital. No Member shall be entitled to withdraw or otherwise receive any distributions in respect of any Capital, except (a) in the case of Common Interests, as provided in Section 6.02 or Section 8.03 or as approved by the Lazard Board or (b) in the case of Profit Participation Interests, as provided in Section 6.01 or Section 8.03. The Members shall not be entitled to any return on their Capital.

SECTION 5.03. Allocation of Profits and Losses. As of the end of each Accounting Period, the balance in each Member's Capital Account shall be adjusted by (x) increasing such balance by (i) such Member's allocable share of each item of the Company's Profit for such Accounting Period (allocated in accordance with Section 5.04) and (ii) the amount of cash or the fair market value of other property (determined in accordance with Section 5.05) contributed to the Company by such Member during such Accounting Period, net

of liabilities assumed by the Company with respect to such other property, and (y) decreasing such balance by (i) the amount of cash or the fair market value of other property (determined in accordance with Section 5.05) distributed to such Member pursuant to this Agreement, net of liabilities (if any) assumed by such Member with respect to such other property and (ii) such Member's allocable share of each item of the Company's Loss for such Accounting Period (allocated in accordance with Section 5.04). The balance in each Members' Capital Account shall also be adjusted at the time and in the manner permitted by the capital accounting rules of the U.S. Treasury Regulation section 1.704-1(b)(2)(iv)(f). The foregoing and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulation sections 1.704-1 and 1.704-2, and shall be interpreted and applied in a manner consistent therewith.

SECTION 5.04. Allocations and Tax Matters. (a) Book Allocations Prior to and After the Effective Period. Except as described in Section 5.04(b), for purposes of computing Capital Accounts, all items of Profit or Loss with respect to each Accounting Period shall be allocated in the following order and priority:

(i) first, a net amount of Profit or Loss (excluding any Excluded Items), as the case may be, equal to the Profit Participation Amount for such Accounting Period shall be allocated to the Profit Participation Capital Accounts of the Profit Participation Members in proportion to their respective Profit Participation Percentages as of the end of such Accounting Period;

(ii) second, a net amount of operating Profit or Loss, as the case may be, derived by or with respect to each entity set forth on Schedule B for the time period set forth on Schedule B shall be allocated to the Common Capital Accounts of the Common Members in proportion to the ratio set forth for each Common Member on Schedule A with respect to such entity as of the end of such Accounting Period;

(iii) third, a net amount of operating Profit or Loss, as the case may be, derived by or with respect to each entity set forth on Schedule C for the time period set forth on Schedule C shall be allocated to the Common Capital Accounts of the Common Members in proportion to the ratio set forth for each Common Member on Schedule C with respect to such entity as of the end of such Accounting Period; and

(iv) thereafter, a net amount of Profit or Loss, as the case may be, shall be allocated to the Common Capital Accounts of the Common Members in proportion to their respective Percentage Interests as of the end of such Accounting Period.

Schedules B and C may be revised from time to time by action of the Managing Members; provided that any such revisions to Schedule C shall be consistent with the principles set forth in Section 5.04(e)(ii). Notwithstanding anything in Section 10.02 to the contrary, any such revision shall not be deemed an amendment to this Agreement, and shall not require any act, vote or approval of any person.

(b) Book Allocations During the Effective Period. During the Effective Period, for purposes of computing Capital Accounts, all items of Profit or Loss with respect to each Accounting Period shall be allocated in the following order and priority:

(i) first, a net amount of Profit or Loss (excluding any Excluded Items), as the case may be, equal to the Profit Participation Amount for such Accounting Period shall be allocated to the Profit Participation Capital Accounts of the Profit Participation Members in proportion to their respective Profit Participation Percentages as of the end of such Accounting Period;

(ii) second, a net amount of operating Profit or Loss, as the case may be, derived by or with respect to each entity set forth on Schedule A shall be allocated to the Common Capital Accounts of the Common Members in proportion to the ratio set forth for each Common Member on Schedule A with respect to such entity as of the end of such Accounting Period;

(iii) third, a net amount of operating Profit or Loss, as the case may be, derived by or with respect to each Unallocated Entity (if any) shall be allocated to the Common Capital Accounts of the Common Members in proportion to their respective Funding Proportions with respect to such Unallocated Entity as of the end of such Accounting Period; and

(iv) thereafter, a net amount of Profit or Loss, as the case may be, shall be allocated to the Common Capital Accounts of the Common Members in proportion to their respective Percentage Interests as of the end of such Accounting Period.

Schedule A may be revised from time to time by action of the Managing Members; provided that any such revisions shall be consistent with the principles set forth in Section 5.04(e)(ii). Notwithstanding anything in Section 10.02 to the contrary, any such revision shall not be deemed an amendment to this Agreement, and shall not require any act, vote or approval of any person.

(c) For the purposes of this Agreement:

(A) "Fixed Percentage" means 20%; provided, however, that in the event that the Profit Participation Amount would in any Accounting Period exceed the product of (1) 8% and (2) the Operating Revenue for such Accounting Period (such product, the "Cap"), the Fixed Percentage shall, for such Accounting Period, be an amount (expressed as a percentage) equal to a fraction, the numerator of which shall be the Cap and the denominator of which shall be the Operating Income, in each case for such Accounting Period;

(B) "Operating Expenses" means, with respect to any Accounting Period, an amount equal to the excess, if any, of (1) the consolidated expenses of the Company over (2) the sum of (a) the aggregate amount of compensation paid or payable to Managing Directors, (b) all minority interest, (c) all interest expense (but excluding all "operating" interest expense, including in respect of Lazard

Frères Banque S.A.), (d) all income taxes, and (e) all extraordinary losses, in each case as determined in accordance with generally accepted accounting principles in the United States of America and otherwise in accordance with Section 5.05. For the avoidance of doubt, "Operating Expense" shall exclude amounts allocable to Profit Participation Members in respect of their Profit Participation Interests;

(C) "Operating Income" means, with respect to any Accounting Period, an amount equal to the excess, if any, of (1) the Operating Revenue over (2) the Operating Expenses, in each case for such Accounting Period;

(D) "Operating Revenue" means, with respect to any Accounting Period, an amount equal to the excess, if any, of (1) the sum of (a) the consolidated net revenue of the Company and (b) all interest expense (but excluding all "operating" interest expense, including in respect of Lazard Frères Banque S.A.), over (2) all extraordinary gains, in each case as determined in accordance with generally accepted accounting principles in the United States of America and otherwise in accordance with Section 5.05; and

(E) "Profit Participation Amount" means, with respect to any Accounting Period, an amount equal to the product of (1) the Fixed Percentage and (2) the Operating Income, in each case for such Accounting Period.

In any calculation of Operating Income, all gains and losses arising from the sale of a business segment or a significant asset outside the ordinary course of business shall be excluded from Operating Revenue and Operating Expense, as applicable.

(d) Tax Allocations. Except as otherwise required under Section 704(c) of the Code and the Treasury Regulations promulgated thereunder, the Company shall cause each item of income, gain, loss or deduction recognized by the Company to be allocated among the Members for U.S. federal, state and local income and, where relevant, non-U.S. tax purposes in the same manner that each such item is allocated to the Members' Capital Accounts or as otherwise provided herein. Allocations required by Section 704(c) of the Code shall be made using any reasonable method permitted by the Treasury Regulations promulgated under Section 704(c) of the Code that is selected by the tax matters partner.

(e) Future Acquisitions. (i) In the event the Company or one of its Subsidiaries acquires an entity after the date hereof and the Managing Members do not revise Schedule A or Schedule C to reflect such entity, such entity shall be an "Unallocated Entity". The Managing Members shall determine the "Funding Proportion" of each Common Member with respect to each Unallocated Entity in accordance with the principles set forth in Section 5.04(e)(ii).

(ii) Any revisions to Schedule A or Schedule C to reflect any entity acquired after the date hereof, and any determination of a Funding Proportion pursuant to Section 5.04(e)(i), shall reflect each Common Member's economic investment with respect to the relevant entity relative to each other Common

Member, as determined in good faith and taking into account (A) any adjustments to the Common Members' respective Percentages Interests that result from transactions related to the acquisition of such entity, including pursuant to Section 4.03(a), (B) any portion of the consideration for the relevant entity provided by the Company and (C) any other relevant information. Determinations made in accordance with the principles set forth in this Section 5.04(e)(ii), and the allocations of Profit or Loss, as the case may be, that result therefrom, are intended to comply with Treasury Regulation section 1.704-1(b), and shall be interpreted and applied in a manner consistent therewith.

SECTION 5.05. Board Determinations. All determinations, valuations and other matters of judgment required to be made for purposes of this Article V, including with respect to calculations of Profit Participation Amount, Ordinary Revenue and Ordinary Expenses and accounting procedures and tax matters not expressly provided for by the terms of this Agreement, or for determining the value of any type or form of proceeds, contribution or distributions hereunder shall be made by the Managing Members or the Lazard Board. In the event an additional Member is admitted to the Company and contributes property to the Company, or an existing Member contributes additional property to the Company, pursuant to this Agreement, the value of such contributed property shall be the fair market value of such property as determined by the Managing Members or the Lazard Board.

SECTION 5.06. Books and Accounts. (a) The Company shall at all times keep or cause to be kept true and complete records and books of account, which records and book shall be maintained in accordance with U.S. generally accepted accounting principles. Such records and books of account shall be kept at the principal place of business of the Company. The Managing Members and the Lazard Board shall have access thereto and the right to receive copies thereof. As permitted by Section 18-305(g) of the Act, no Member shall be entitled to review such records and books of account (including any of the schedules hereto) unless the Managing Members or the Lazard Board, in its sole discretion, shall permit such review. The Company's accounts shall be maintained in United States dollars.

(a) The Company's fiscal year shall begin on the first day of January and end on the thirty-first day of December of each year, or shall be such other period designated by the Managing Members or the Lazard Board. At the end of each fiscal year the Company's accounts shall be prepared, presented to the Managing Members or the Lazard Board and submitted to the Company's auditors for examination.

(b) The Company's auditors shall be an independent accounting firm of international reputation to be appointed from time to time by the Lazard Board or the Managing Members. The Company's auditors shall be entitled to receive promptly such information, accounts and explanations from the Lazard Board, each officer and each Member that they deem reasonably necessary to carry out their duties. The Members shall provide such financial, tax and other information to the Company as may be reasonably necessary and appropriate to carry out the purposes of the Company.

SECTION 5.07. Tax Matters Partner. Lazard Ltd Sub B is hereby designated as the tax matters partner of the Company, in accordance with the Treasury Regulations promulgated pursuant to Section 6231 of the Code and any similar provisions under any other state or local or non-U.S. tax laws. Lazard Ltd Sub B shall have the authority, in its sole discretion, to (a) make an election under Section 754 of the Code on behalf of the Company, and each Member agrees to provide such information and documentation as Lazard Ltd Sub B may reasonably request in connection with any such election, (b) determine the manner in which "excess nonrecourse liabilities" (within the meaning of Treasury Regulation section 1.752-3(a)(3)) are allocated among the Members and (c) make any other election or determination with respect to taxes (including with respect to depreciation, amortization and accounting methods).

SECTION 5.08. Tax Information. The Company shall use commercially reasonable efforts to prepare and mail as soon as reasonably practicable after the end of each taxable year of the Company, or as soon as practicable thereafter, to each Member other than the Managing Member (and each other Person that was such a Member during such taxable year or its legal representatives), U.S. Internal Revenue Service Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.," or any successor schedule or form, for such Person.

SECTION 5.09. Withholding. The Company is authorized to withhold from distributions and allocations to the Members, and to pay over to any federal, state, local or foreign governmental authority any amounts believed in good faith to be so withheld pursuant to the Code or any provision of any other federal, state, local or foreign law and, for all purposes under this Agreement, shall treat such amounts as distributed to those Members with respect to which such amounts were withheld.

ARTICLE VI

DISTRIBUTIONS

SECTION 6.01. Distributions in Respect of Profit Participation Interests. (a) Subject to the last sentence of this Section 6.01(a), the Company shall distribute to each Profit Participation Member from such Member's Profit Participation Capital Account as promptly as practicable after the end of each of the first three (3) fiscal quarters of each fiscal year of the Company or relevant estimated tax payment date an amount equal to such Profit Participation Member's Quarterly Profit Participation Tax Distribution for such fiscal quarter. In addition, the Company shall distribute to each Profit Participation Member from such Member's Profit Participation Capital Account as promptly as practicable after the end of each fiscal year an amount equal to the excess, if any, of such Profit Participation Member's Proportionate Tax Share for such fiscal year over the aggregate amount of Quarterly Profit Participation Tax Distributions made to such Profit Participation Member with respect to such fiscal year. If, at the end of any fiscal year of the Company, the aggregate amount of Quarterly Profit Participation Tax Distributions made to a Profit Participation Member exceeds such Profit Participation Member's Proportionate Tax Share, in each case with respect to such fiscal year, then (i) in the case of any Profit Participation Member who is an Executive Officer, the amount of such excess shall reduce the amount of any future distributions that would otherwise be made to such Profit Participation Member, including any distributions pursuant to this Section 6.01(a) or Section 6.01(b) and (ii) in the case of any other Profit Participation Member, the amount of such excess shall be treated as an advance, and, at the election of the Company, shall be repaid to the Company by such Profit Participation Member or shall reduce the amount of any future distributions that would otherwise be made to such Profit Participation Member, including any distributions pursuant to this Section 6.01(a) or Section 6.01(b).

(b) The Company shall, after the end of each fiscal year, distribute to each Profit Participation Member from such Member's Profit Participation Capital Account an amount (if positive) equal to the aggregate of all Profit Participation Amounts allocated to such Member's Profit Participation Capital Account pursuant to Section 5.04(a) during such fiscal year (reduced by the amount of any distributions pursuant to Section 6.01(a)), with such distribution to occur on such date and time as determined by the Company; provided that no distribution shall be made to such person pursuant to this Section 6.01(b) unless such person shall continue to be a Profit Participation Member as of the date and time of distribution; provided further that distributions pursuant to this Section 6.01(b) shall be made to a Profit Participation Member only to the extent of the positive balance in such Member's Profit Participation Capital Account unless otherwise determined by the Lazard Board. Notwithstanding the foregoing, the Company may (i) withhold all or a portion of the distributions otherwise payable to any Profit Participation Member pursuant to the immediately foregoing sentence, or (ii) distribute to any Profit Participation Member all or a portion of the positive balance, if any, in such Member's Profit Participation Capital Account as of the end of the applicable fiscal year (after giving effect to (A) the allocations pursuant to Section 5.04(a) with respect to the Accounting Period ending on December 31 of such fiscal year and (B) any distributions pursuant to the first sentence of this Section 6.01(b)).

SECTION 6.02. Distributions in Respect of Common Interests. (a) Subject to the last sentence of this Section 6.02(a), the Company shall distribute to each Common Member from such Member's Common Capital Account as promptly as practicable after the end of each of the first three (3) fiscal quarters of each fiscal year of the Company or relevant estimated tax payment date an amount equal to such Common Member's Quarterly Common Tax Distribution for such fiscal quarter. In addition, the Company shall distribute to each Common Member from such Member's Common Capital Account as promptly as practicable after the end of each fiscal year an amount equal to the excess, if any, of such Common Member's Proportionate Tax Share for such fiscal year over the aggregate amount of Quarterly Common Tax Distributions made to such Common Member with respect to such fiscal year. If, at the end of any fiscal year of the Company, the aggregate amount of Quarterly Common Tax Distributions made to a Common Member exceeds such Common Member's Proportionate Tax Share, in each case with respect to such fiscal year, then the amount of such excess shall be treated as an advance, and, at the election of the Company, shall be repaid to the Company by such Common Member or shall reduce the amount of any future distributions that would otherwise be made to such Common Member pursuant to this Section 6.02(a).

(b) The Lazard Board shall have the right to cause the Company to make distributions to any Common Member from such Common Member's Common Capital Account, at such times, and in such amounts, as may be determined by the Lazard Board in its sole discretion; provided that no such distribution to a Common Member shall exceed such Member's Common Capital Account immediately before such distribution. Distributions pursuant to this Section 6.02 need not be made on a pro rata basis.

(c) Any amount distributed to a Common Member pursuant to Section 6.02(a) shall be treated as an advance, and shall reduce the amount of any future distributions that would otherwise be made to such Common Member pursuant to Section 6.02(b).

SECTION 6.03. Limitation on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company, and the Lazard Board on behalf of the Company, shall not be required to make a distribution to a Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

ARTICLE VII

TRANSFERS OF INTERESTS

SECTION 7.01. Transfer of Interests. No Member may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of rights, title and interest in and to, its Interest, except as permitted by the terms and conditions set forth in this Article VII. Any Transfer permitted by the terms and conditions set forth in this Article VII must be approved by action of the Managing Members. The schedules shall be deemed to be amended from time to time to reflect any change in the Members or Interests to reflect any Transfer in accordance with this Article VII.

SECTION 7.02. Permitted Transfers. (a) Common Interests. Other than any Transfer by a Common Member to any other Common Member or to any person who is admitted as an additional Common Member in accordance with Section 4.04(a) of this Agreement, no Common Member may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of rights, title and interest in and to, its Common Interest without the prior approval of the Lazard Board. Schedule 1.01(a) sets forth the Percentage Interest of each of the Common Members. Such schedule shall be amended pursuant to Section 1.03 to reflect any Transfer of Common Interests in accordance with this Agreement.

(b) Profit Participation Interests. No Profit Participation Member may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of its rights, title and interest in and to, its Profit Participation Interest.

(c) Admission as a Member. Notwithstanding anything to the contrary set forth herein, a Transferee pursuant to any Transfer under this Section 7.02 who is not a Common Member at the time of such Transfer shall be admitted as an additional Common Member, and shall be listed as a "Common Member" on Schedule 1.01(a), only in accordance with Section 4.04(a).

(d) Transfer of Capital Accounts. Notwithstanding anything herein to the contrary, each Member who Transfers an Interest (or a portion thereof) shall be deemed to have Transferred the entire Common Interest, including the Common Capital Account with respect to such Interest (or, if a portion of a Common Interest is being Transferred, a proportionate amount of Common Capital Account with respect to such Interest) to the Transferee.

SECTION 7.03. [Reserved.]

SECTION 7.04. Encumbrances. No Member (other than Lazard Ltd or one of its controlled Subsidiaries) may without the consent of the Company charge or encumber his Interest or subject his Interest to a lien, pledge, security interest, right of first refusal, option or other similar limitation (an "Encumbrance") except in each case for those created by this Agreement. Notwithstanding anything to the contrary set forth in this Article VII, the incurrence of any Encumbrance permitted by this Section 7.04 shall not be deemed to be a Transfer.

SECTION 7.05. Legend. Each Member agrees that any certificate issued to it to evidence its Interests shall have inscribed conspicuously on its front or back the following legend:

> THE LIMITED LIABILITY COMPANY INTEREST IN LAZARD GROUP LLC REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND THIS LIMITED LIABILITY COMPANY INTEREST MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, ENCUMBERED OR OTHERWISE DISPOSED OF, IN WHOLE OR IN PART, EXCEPT (A) EITHER (1) WHILE A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE REGISTRATIONS AND QUALIFICATIONS ARE IN EFFECT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (INCLUDING, IF APPLICABLE, REGULATION S THEREUNDER) AND SUCH OTHER APPLICABLE LAWS AND (B) IF PERMITTED BY THE OPERATING AGREEMENT OF LAZARD GROUP LLC AS IT MAY BE AMENDED FROM TIME TO TIME, WHICH CONTAINS STRICT PROHIBITIONS ON TRANSFERS, SALES, ASSIGNMENTS, PLEDGES, HYPOTHECATIONS, ENCUMBRANCES OR OTHER DISPOSITIONS OF THIS LIMITED LIABILITY COMPANY INTEREST.

SECTION 7.06. Effect of Transfer Not in Compliance with This Article. Any purported Transfer of all or any part of a Member's Interest, or any interest therein, that is not in compliance with this Article VII shall, to the fullest extent permitted by law, be void and shall be of no effect.

ARTICLE VIII

DISSOLUTION

SECTION 8.01. Dissolution. The Company shall be dissolved and its affairs shall be wound up upon (a) a decision made at any time by the Lazard Board to dissolve the Company, (b) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, or (c) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Subject to clause (b) of the immediately preceding sentence, the Company shall not be dissolved solely by reason of, and

shall continue notwithstanding, the death, Retirement, resignation, bankruptcy or dissolution of any Member (including any Managing Member). None of the Members shall have any right to terminate, dissolve or have redeemed their class of Interests or, to the fullest extent permitted by law, to terminate, wind up or dissolve the Company.

SECTION 8.02. Liquidation. Upon a dissolution pursuant to Section 8.01, the Company's business and assets shall be wound up promptly in an orderly manner. The Lazard Board shall be the liquidator to wind up the affairs of the Company. In performing its duties, the Lazard Board is authorized to sell, exchange or otherwise dispose of the Company's business and assets in accordance with the Act in any reasonable manner that the Lazard Board determines to be in the best interests of the Members. Upon completion of the winding-up of the Company, the Lazard Board shall prepare and submit to each Common Member a final statement with respect thereto.

SECTION 8.03. Distributions. (a) In the event of a dissolution of the Company pursuant to Section 8.01, the Company shall apply and distribute the proceeds of the dissolution as provided below:

(i) first, to the creditors of the Company, including Members that are creditors of the Company to the extent permitted by law, in satisfaction of the liabilities of the Company (by payment or by the making of reasonable provision for payment thereof, including the setting up of any reserves which the Managing Members determine, in their sole discretion, are necessary therefor);

(ii) second, to the Common Members in proportion to (and to the extent of) the positive balances in their respective Common Capital Accounts; and

(iii) third, to the Profit Participation Members in proportion to (and to the extent of) the positive balances in their respective Profit Participation Capital Accounts.

(b) Cancellation of Certificate of Formation. Upon completion of a liquidation and distribution pursuant to Section 8.03(a) following a dissolution of the Company pursuant to Section 8.01, the Managing Members shall execute, acknowledge and cause to be filed a certificate of cancellation of the Certificate of Formation of the Company in the office of the Secretary of State of the State of Delaware.

ARTICLE IX

INDEMNIFICATION AND EXCULPATION

SECTION 9.01. Exculpation. A Director shall not be personally liable to the Company or its Members for monetary damages for breach of fiduciary duty as a Director, except to the extent such exemption from liability or limitation thereof is not permitted under the Act as the same exists or may hereafter be amended. Any repeal or modification of the immediately preceding sentence shall not adversely affect any right or protection of a Director existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

SECTION 9.02. Indemnification. (a) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was (i) a Director or officer of the Company, (ii) a director or officer of Lazard Ltd or (iii) serving at the request of the Company (including as evidenced in a written letter signed by a proper officer of the Company) as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise or person, including service with respect to employee benefit plans maintained or sponsored by the Company, in each case whether the basis of such proceeding is alleged action in an official capacity as a Director, director, officer, employee or agent or in any other capacity while serving as a Director, director, officer, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the General Corporation Law of the State of Delaware (the "DGCL") as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), if the Company were a corporation organized under the DGCL, against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a Director, director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 9.02(c), the Company shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Lazard Board. The right to indemnification conferred in this Section 9.02 shall be a contract right. The right to indemnification conferred in this Section in the case of any Director or officer of the Company or any director or officer of Lazard Ltd shall include (and, in the case of any other person entitled to indemnification hereunder, may at the option of the Chief Executive Officer, General Counsel or the Lazard Board include) the right to be paid by the Company the expenses incurred in defending any such proceeding in advance of its final disposition, such advances to be paid by the Company within 20 days after the receipt by the Company of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding shall be made only upon delivery to the Company of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified under this Section 9.02 or otherwise.

(b) To obtain indemnification under this Section 9.02, a claimant shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 9.02(b), a determination, if required by the DGCL if the Company were a corporation organized under the DGCL, with respect to the claimant's entitlement thereto shall be made as follows: (i) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (ii) if no request is made by the claimant for a determination by

Independent Counsel, by the Chief Executive Officer or General Counsel of the Company, whose determination shall be approved by the Lazard Board (by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined)), provided that (A) if a quorum of the Lazard Board consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, such determination shall be approved by Independent Counsel in a written opinion to the Lazard Board, a copy of which shall be delivered to the claimant, or (B) if a quorum of Disinterested Directors so directs, such determination shall be approved by the Common Members on a unanimous basis. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Lazard Board unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a Change in Control, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Lazard Board. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within 10 days after such determination.

(c) If a claim under Section 9.02(a) is not paid in full by the Company within thirty days after a written claim pursuant to Section 9.02(b) has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Company) that the claimant has not met the standard of conduct that makes it permissible under the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment) for the Company to indemnify the claimant for the amount claimed if the Company were a corporation organized under the DGCL, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including the Lazard Board, Independent Counsel or Common Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Company (including its Lazard Board, Independent Counsel or Common Members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(d) If a determination shall have been made pursuant to Section 9.02(b) that the claimant is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to Section 9.02(c).

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 9.02(c) that the procedures and presumptions of this Section 9.02 are not valid, binding and enforceable and shall stipulate in such proceeding that the Company is bound by all the provisions of this Section 9.02.

(f) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 9.02 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Agreement, agreement, vote of the Common Members or Disinterested Directors or otherwise. No amendment or other modification of this Section 9.02 shall in any way diminish or adversely affect the rights of any Director, officer, employee or agent of the Company hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

(g) The Company may, to the extent authorized from time to time by the Lazard Board, grant rights to indemnification, and rights to be paid by the Company the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Company to the fullest extent of the provisions of this Section 9.02 with respect to the indemnification and advancement of expenses of Directors and officers of the Company.

(h) If any provision or provisions of this Section 9.02 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Section 9.02 (including each portion of any subsection of this Section 9.02 containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Section 9.02 (including each such portion of any subsection of this Section 9.02 containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(i) For purposes of this Article IX:

(i) "Disinterested Director" means a Director of the Company who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(ii) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Company or the claimant in an action to determine the claimant's rights under this Section 9.02.

(j) Any notice, request or other communication required or permitted to be given to the Company under this Section 9.02 shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the General Counsel of the Company and shall be effective only upon receipt by the General Counsel.

SECTION 9.03. Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article IX shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Agreement, agreement, vote of Disinterested Directors or otherwise.

SECTION 9.04. Insurance. The Company may maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the DGCL if the Company were a corporation organized under the DGCL.

SECTION 9.05. Survival. This Article IX shall survive any termination of this Agreement.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Use of Firm Name. The right to use the firm name, Lazard Group LLC, shall belong to the Company; provided that the use, sale or other disposition of any Lazard Name or any Lazard Mark shall be governed by the terms of the Coordination Agreement.

SECTION 10.02. Amendments. Except as provided in Section 1.03 with respect to this Agreement or Section 2.01 with respect to the Certificate of Formation, the Certificate of Formation and this Agreement may not be amended except with (and any such amendment shall be authorized upon obtaining) the approval of the Lazard Board and the Managing Members, provided, however, that the Lazard Board may authorize, without further approval of another person or group, (a) any amendment to this Agreement to correct any technicality, incorrect statement or error apparent on the face hereof in order to further the intent of the parties hereto or (b) a correction of any formality or error apparent on the face hereof or incorrect statement or defect in the execution hereof. Any merger or consolidation of the Company with any third party that shall amend or otherwise modify the terms of this Agreement shall require the approval of the persons referred to above to the extent the approval of such persons would have been required had such amendment or modification been effected by an amendment to this Agreement.

SECTION 10.03. Benefits of Agreement. Except as provided in Article IX, none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any of the Members. Except as provided in Article IX, nothing in this Agreement shall be deemed to create any right in any person not a party hereto, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third person. Without limiting the generality of the foregoing, except as provided in Article IX, no person not a party hereto shall have any right to compel performance by a manager of its obligations hereunder.

SECTION 10.04. Waiver of Notice. Whenever any notice is required to be given to any Member or Director under the provisions of the Act or this Agreement, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any meeting of the Members (if any shall be called) or the Lazard Board or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 10.05. Arbitration. (a) All disputes, controversies and claims arising out of or relating to the Company's affairs, the rights or interests of the Members or the estate of any deceased Member (to the extent that they are related to any of the foregoing) ("Disputes"), whether arising during or after the Company's term or liquidation, shall be determined in accordance with this Section 10.05.

(b) All Disputes shall first be reviewed by the Chief Executive Officer ("Executive Review"). Any party to a Dispute may invoke Executive Review by written notice to the other party or parties thereto and the Chief Executive Officer. As soon as practicable and in any event within 30 days after receipt of notice of a Dispute, the Chief Executive Officer shall attempt in good faith to resolve such Dispute. In the event that any Dispute remains unresolved 45 days after notice thereof to the Chief Executive Officer, such Dispute shall be finally determined by an arbitral tribunal under the Rules of Arbitration (the "ICC Rules") of the International Chamber of Commerce (the "ICC") and in accordance with Section 10.05(c).

(c) The arbitral tribunal determining any Dispute shall be comprised of three arbitrators. Each party to a Dispute shall designate one arbitrator. If a party fails to designate an arbitrator within a reasonable period, the ICC shall designate an arbitrator for such party, including upon a request by another party. The two arbitrators designated by the parties to a Dispute (or, if applicable, the ICC) shall designate a third arbitrator. In the event that the two arbitrators designated by the parties to a Dispute (or, if applicable, the ICC) are unable to agree upon a third arbitrator within a reasonable period, the third arbitrator shall be selected in accordance with the ICC Rules by the ICC. The language, place and procedures of the arbitration of any Dispute shall be as agreed upon by the parties to such Dispute or, failing such agreement within a reasonable period, as determined in accordance with the ICC Rules in order to ensure a speedy, efficient and just resolution of such Dispute. If neither the parties nor the arbitral tribunal can agree upon procedures, the arbitration shall be conducted in accordance with the ICC's procedures. The hearings and taking of evidence of any Dispute may be conducted at any locations that will, in the judgment of the arbitral tribunal, result in a speedy, efficient and just resolution of such Dispute. The parties to any dispute shall use their best efforts to cooperate with each other and the arbitral tribunal in order to obtain a resolution as quickly as possible, including by adopting the ICC's "fast-track" procedure (as provided for in Article 32(1) of the ICC Rules) if appropriate.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 10.04 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Uniform Arbitration Act (10 Del. C. § 5701 et seq .) (the "Delaware Arbitration Act"). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 10.05, including the ICC Rules, shall be invalid or unenforceable under the Delaware Arbitration Act or other applicable law, such invalidity shall not invalidate all of this Section 10.05. In that case, this Section 10.05 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 10.05 shall be construed to omit such invalid or unenforceable provision.

SECTION 10.06. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective estates, heirs, legal representatives, successors and permitted assigns, any additional Member admitted in accordance with the provisions hereof and any successor to a trustee of a trust that is or becomes a party hereto.

SECTION 10.07. Confidentiality. Each Member that is not a controlled Affiliate of Lazard Ltd expressly agrees, whether or not at the time a Member of the Company or providing services to the Company or any of its Subsidiaries, to maintain the confidentiality of, and not disclose to any Person other than the Company, its officers or any financial, legal or other advisor to the Company, any information relating to the business, clients, affairs or financial structure, position or results of the Company or its affiliates (including any Affiliate) or any Dispute that shall not be generally known to the public or the securities industry; provided that such Member may disclose any such information (a) to the extent required by any applicable law, rule or regulation in the opinion of counsel or by the order of any securities exchange, banking supervisory authority or other governmental or self-regulatory organization of competent jurisdiction (provided that such Member notifies the Company of such requirement prior to making such disclosure and cooperates with the Company in seeking to prevent or minimize such disclosure), (b) to his or its legal counsel and financial advisers (who shall agree to abide by the terms of this Section 10.07), or (c) with the prior written consent of the Company.

SECTION 10.08. Notices. Except as provided in Section 3.02(d), all notices and other communications required or permitted by this Agreement shall be made in writing and any such notice or communication shall be deemed delivered when delivered in person, properly transmitted by telecopier or one business day after it has been sent by an internationally recognized overnight courier to the address for notices shown in the Company's records (or any other address provided to the Company in writing for this purpose) or, if given to the Company, to the principal place of business of the Company in New York, New York. Communications by telecopier also shall be sent concurrently by overnight courier, but shall in any event be effective as stated above. Each Member and Director may from time to time change its address for notices under this Section 10.08 by giving at least five days' prior written notice of such changed address to the Company.

SECTION 10.09. No Waiver of Rights. No failure or delay on the part of any Member in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or of any other right or power. The waiver by any Member or manager of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

SECTION 10.10. Power of Attorney. Each Member agrees that, by its execution of this Agreement, such Member irrevocably constitutes and appoints the Chief Executive Officer and the General Counsel, each acting alone, as its true and lawful attorney-in-fact coupled with an interest, with full power and authority, in its name, place and stead to make, execute, acknowledge and record (a) all certificates, instruments or documents, including fictitious name or assumed name certificates, as may be required by, or may be appropriate under, the laws of any state or jurisdiction in which the Company is doing or intends to do business and (b) all agreements, documents, certificates or other instruments amending this Agreement or the Certificate of Formation that may be necessary or appropriate to reflect or accomplish (i) a change in the name or location of the principal place of business of the Company or a change of name or address of a Member, (ii) the disposal or increase by a Member of his Interest in the Company or any part thereof, (iii) a distribution and reduction of the capital contribution of a Member or any other changes in the capital of the Company, (iv) the dissolution or termination of the Company, (v) the addition or substitution of a person becoming a Member of the Company and (vi) any amendment to this Agreement, in each case only to the extent expressly authorized and conducted in accordance with the preceding sections of this Agreement. The power granted hereby is coupled with an interest and shall survive the subsequent disability or incapacity of the principal.

SECTION 10.11. Severability. If any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

SECTION 10.12. Headings. The Article, Section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 10.13. Entire Agreement. This Agreement amends and restates in its entirety the Company's prior operating agreement. This Agreement, including the exhibits, annexes and schedules hereto and the Acknowledgements, constitutes the entire agreement among the parties hereto and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and thereof.

SECTION 10.14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of law principles.

SECTION 10.15. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

SECTION 10.16. Effectiveness. This Agreement shall be effective immediately upon execution hereof.

SECTION 10.17. Corporate Opportunity; Fiduciary Duty. (a) To the greatest extent permitted by law, none of Lazard Ltd, any Affiliate of Lazard Ltd (each such Affiliate of Lazard Ltd, a "Lazard Ltd Affiliate") and none of their respective officers, directors, employees or agents shall owe any fiduciary duty to, nor shall any of Lazard Ltd or any Lazard Ltd Affiliate be liable for breach of fiduciary duty to, the Company, any Subsidiary of the Company or any other holder of Interests or Affiliate of such holder (or any of their respective officers, directors, employees or agents). To the greatest extent permitted by law, in taking any action, making any decision or exercising any discretion with respect to the Company, each of Lazard Ltd and each Lazard Ltd Affiliate shall be entitled to consider such interests and factors as it desires, including its own interests and those of other Lazard Ltd Affiliates, and shall have no duty or obligation (i) to give any consideration to the interests of or factors affecting the Company, the holders of Interests or any other person, or (ii) to abstain from participating in any vote or other action of the Company or any Affiliate thereof, the Lazard Board or any committee or similar body of any of the foregoing. Lazard Ltd and any Lazard Ltd Affiliate (and their respective officers, directors, employees or agents) shall not violate a duty or obligation to the Company merely because such person's conduct furthers such person's own interest. Such persons may lend money to and transact other business with the Company. The rights and obligations of any such person who lends money to, contracts with, borrows from or transacts business with the Company are the same as those of a person who is not involved with the Company, subject to other applicable law. To the greatest extent permitted by law, no transaction with the Company shall be voidable solely because any such person has a direct or indirect interest in the transaction. Nothing herein contained shall prevent any such person from conducting any other business, including serving as an officer, director, employee, or stockholder of any corporation, a trustee of any trust, an executor or administrator of any estate, or an administrative official of any other business or not-for-profit entity, or from receiving any compensation in connection therewith.

(b) Neither the alteration, amendment, termination, expiration or repeal of this Section 10.17 nor the adoption of any provision of this Agreement inconsistent with this Section 10.17 shall eliminate or reduce the effect of this Section 10.17 in respect of any matter occurring, or any cause of action, suit or claim that, but for this Section 10.17, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

IN WITNESS WHEREOF, the undersigned, acting pursuant to the resolutions of the Lazard Board, has duly executed this Agreement to reflect approval by the Lazard Board as of the date first above written.

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

IN WITNESS WHEREOF, the undersigned, acting pursuant to the resolutions of the Lazard Ltd Board and the Lazard Ltd Nominating and Governance Committee, has duly executed this Agreement to reflect approval by the Lazard Ltd Board and the Lazard Ltd Nominating and Governance Committee as of the date first above written.

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

IN WITNESS WHEREOF, the Managing Members have duly executed this Agreement as of the date first above written.

LAZARD LTD SUB A

By: /s/ Matthieu Bucaille
Name: Matthieu Bucaille
Title: Manager

LAZARD LTD SUB B

By: /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Secretary

TAX RECEIVABLE AGREEMENT

This SECOND AMENDED AND RESTATED TAX RECEIVABLE AGREEMENT (this "Agreement"), dated as of October 26, 2015, by and among Ltd Sub A and Ltd Sub B (each as defined herein), both wholly owned indirect subsidiaries of Lazard Ltd, a Bermuda company ("Lazard"), and LTBP Trust, a Delaware statutory trust (the "Trust").

WHEREAS, on December 16, 2004, Lazard, Lazard LLC, a Delaware limited liability company taxable as a partnership for U.S. Federal income tax purposes that was renamed "Lazard Group LLC" ("Lazard Group"), and LAZ-MD Holdings LLC, a Delaware limited liability company ("LAZ-MD"), entered into that certain Class B-1 and Class C Members Transaction Agreement relating to Lazard Group (the "Buyout Agreement"); and

WHEREAS, pursuant to the Buyout Agreement, certain interests of historical partners of Lazard Group (the "Historical Partners") were redeemed for cash (the "Redemption"); and

WHEREAS, pursuant to the Buyout Agreement, Lazard Group and the Historical Partners agreed to treat a portion of the consideration paid to the Historical Partners in the Redemption as received in a sale or exchange pursuant to Section 707(a)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), and the remainder of such consideration as received by the Historical Partners as a distribution; and

WHEREAS, in connection with transactions contemplated by the Buyout Agreement, certain members of Lazard Group (each, an "Exchangeable Holder") were issued a class of exchangeable membership interests in LAZ-MD, which exchangeable interests were effectively exchangeable on a one-for-one basis for shares of Lazard (an "Exchange"); and

WHEREAS, the Exchanges were effected via an Exchangeable Holder's transfer of Lazard Group interests directly to Ltd Sub A and Ltd Sub B (each, an "Ltd Exchanging Subsidiary") in transactions that were intended to result in an Exchangeable Holder's recognition of gain or loss for U.S. Federal income tax purposes (each, a "Taxable Exchange"), as described herein; and

WHEREAS, Lazard Group had in effect an election under Section 754 of the Code for the Taxable Year (as defined herein) in which the Redemption occurred, which election resulted in an adjustment to the Ltd Exchanging Subsidiaries' share of the tax basis of the assets owned by Lazard Group as of the Redemption Date (such assets and any asset whose tax basis is determined, in whole or in part, by reference to the adjusted basis of any such asset, the "Original Assets") by reason of the Redemption; and

WHEREAS, Lazard Group had in effect an election under Section 754 of the Code for each Taxable Year in which any Taxable Exchanges occurred, which election resulted in an adjustment to the Ltd Exchanging Subsidiaries' share of the tax basis of the assets owned by Lazard Group as of the date of any such Taxable Exchange; and

WHEREAS, Lazard, through the Ltd Exchanging Subsidiaries, owns Lazard Group and the common membership interests in Lazard Group; and

WHEREAS, the income, gain, loss, expense and other Tax items of Lazard Group and the Relevant Lazard Ltd Taxpayers (as defined herein) may be affected by the Basis Adjustment (as defined herein) and the Imputed Interest (as defined herein); and

WHEREAS, Lazard and LMDC Holdings LLC, a Delaware limited liability company formerly known as LFCM Holdings LLC ("LMDC"), previously entered into that certain Tax Receivable Agreement (the "Original Agreement"), dated May 10, 2005, in order to make certain arrangements with respect to the effect of the Basis Adjustment and Imputed Interest on the actual liability for Covered Taxes of the Relevant Lazard Ltd Taxpayers (as defined herein); and

WHEREAS, Lazard and LMDC amended the Original Agreement by that certain Amendment No. 1 to the Tax Receivable Agreement (as so amended, the "First Amended Agreement"), dated as of April 24, 2015, to replace Schedule D to the Original Agreement with a revised Schedule D and to permit certain future amendments to Schedule D; and

WHEREAS, Lazard, LMDC and the Trust previously entered into that certain Amended and Restated Tax Receivable Agreement (the "First Amended and Restated Tax Receivable Agreement"), dated as of June 16, 2015, (i) to provide for LMDC to contribute and assign all of its rights and obligations under the First Amended and Restated Tax Receivable Agreement to the Trust and to provide for the Trust to assume all of LMDC's rights and obligations under the First Amended and Restated Tax Receivable Agreement, (ii) to provide for the distribution of the beneficial interests in the Trust (the "Trust Interests") by LMDC to the Schedule D Persons in accordance with the percentages listed on Schedule D as set forth in the First Amended and Restated Tax Receivable Agreement as of June 16, 2015 (the "Trust Interest Distribution") and (iii) to provide for certain additional terms and conditions set forth therein; and

WHEREAS, the parties to this Agreement desire to amend and restate the First Amended and Restated Tax Receivable Agreement to provide for certain terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree to amend and restate the First Amended and Restated Tax Receivable Agreement in its entirety as follows:

ARTICLE I

Definitions

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

"Advisory Firm" means an accounting or law firm that is nationally recognized as being expert in Covered Tax matters, as determined by the Audit Committee. The Audit Committee shall select the Advisory Firm.

"Advisory Firm Letter" shall mean a letter from the Advisory Firm stating that the relevant schedule, notice or other information to be provided by the Ltd Exchanging Subsidiaries to the Trust and all supporting schedules and work papers were prepared in a manner consistent with the terms of this Agreement and, to the extent not expressly provided in this Agreement, on a reasonable basis in light of the facts and law in existence on the date such schedule, notice or other information is delivered to the Trust.

"Agreed Rate" means LIBOR plus 200 basis points.

"Agreement" is defined in the preamble.

"Aggregate Purchased Percentage" means the fraction, expressed as a percentage, the numerator of which is 85% minus the Payment Percentage and the denominator of which is 85%.

"Amended Tax Benefit Schedule" is defined in Section 2.05(b) of this Agreement.

"Applicable Treasury Rate" means a rate equal to the yield to maturity as of the date an Early Termination Notice is delivered (the "delivery date") of U.S. Treasury securities with a constant maturity (the "Applicable Maturity") (as compiled and published in the most recent Federal Reserve Statistical Release H 15 (519)) equal to (a) if the delivery date is on or after the fifth anniversary of the Redemption Date but prior to the fifteenth anniversary of the Redemption Date, the number of years from the delivery date through the fifteenth anniversary of the Redemption Date, or (b) if the delivery date is on or after the fifteenth anniversary of the Redemption Date, two years after the delivery date. If there are no U.S. Treasury securities with a constant maturity equal to the Applicable Maturity, the yield to maturity shall be interpolated from the U.S. Treasury securities with constant maturities that are most nearly longer than and shorter than the Applicable Maturity.

"Audit Committee" means the audit committee of the board of directors of Lazard Ltd.

"Bank" is defined in Section 7.12 of this Agreement.

"Basis Adjustment" means the increase or decrease to the tax basis of, or any Relevant Lazard Ltd Taxpayer's share of the tax basis of, Lazard Group's assets (i) under Sections 734(b), 743(b) and 754 of the Code and the comparable sections of U.S. state and local income and franchise Tax law as a result of the Redemption, (ii) under Section 743(b) and 754 of the Code and the comparable sections of U.S. state and local income and franchise Tax law as a result of the Taxable Exchanges and (iii) under Sections 743(b) and 754 as a result of any payments under this Agreement. For the avoidance of doubt, payments under this Agreement shall not be treated as resulting in a Basis Adjustment to the extent such payments relate to the Redemption or are treated as Imputed Interest.

"Business Day" means any calendar day that is not a Saturday, Sunday or other calendar day on which banks are required or authorized to be closed in the City of New York in the State of New York or the City of Wilmington in the State of Delaware.

"Buyout Agreement" is defined in the recitals.

"Change of Control Event" means the occurrence of any of the following events:

(i) the consummation, through one or more related transactions, of (A) a merger, amalgamation, consolidation, statutory share exchange or similar form of corporate transaction involving Lazard or Lazard Group (a "Reorganization") or (B) the sale or other disposition of all or substantially all the assets of Lazard or Lazard Group to an entity that is not a controlled subsidiary of Lazard (a "Sale") if such Reorganization or Sale requires the approval of Lazard's stockholders under the law of Bermuda (whether such approval is required for such Reorganization or Sale or for the issuance of securities of Lazard in such Reorganization or Sale or the rules and regulations of the principal trading exchange for Lazard's Class A common shares), unless, immediately following such Reorganization or Sale, (1) all or substantially all the individuals and entities who were the "beneficial owners" (as such term is defined in Rule 13d-3 under the Exchange Act (or a successor rule thereto)) of the shares of Lazard, or such other securities of Lazard into which such shares shall be changed by reason of a Reorganization (the "Shares") or other securities eligible to vote for the election of the Board (together, "Lazard Voting Securities") outstanding immediately prior to the consummation of such Reorganization or Sale beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the corporation resulting from such Reorganization or Sale (including, without limitation, a corporation that as a result of such transaction owns Lazard or all or substantially all Lazard's assets either directly or through one or more subsidiaries) (the "Continuing Corporation") in substantially the same proportions as their ownership, immediately prior to the consummation of such Reorganization or Sale, of the outstanding Lazard Voting Securities (excluding any outstanding voting securities of the Continuing Corporation that such beneficial owners hold immediately following the consummation of the Reorganization or Sale as a result of their ownership prior to such consummation of voting securities of any company or other entity involved in or forming part of such Reorganization or Sale other than Lazard);

(ii) the stockholders of Lazard approve a plan of complete liquidation or dissolution of Lazard; or

(iii) any "person" (as such term is used in Section 13(d) of the Exchange Act), corporation or other entity or "group" (as used in Section 14(d)(2) of the Exchange Act) (other than (A) Lazard, (B) any trustee or other fiduciary holding securities under an employee benefit plan of Lazard or an affiliate of Lazard, (C) a person controlled by all or substantially all of the then-current managing directors of Lazard (provided no individual person controls more than 5% of any such person) or (D) any company owned, directly or indirectly, by the stockholders of Lazard in substantially the same proportions as their ownership of the voting power of the Lazard Voting Securities) becomes the beneficial owner, directly or indirectly, of securities of Lazard representing 20% or more of the combined voting power of the Lazard Voting Securities; provided, however, that for purposes of this subparagraph (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Lazard or an affiliate of Lazard shall not constitute a Change of Control Event.

"Change of Control Termination Payment" is defined in Section 4.03(c) of this Agreement.

"Change Notice" is defined in Section 3.03 of this Agreement.

"Code" is defined in the recitals.

"Covered Taxable Year" means any Taxable Year of the Relevant Lazard Ltd Taxpayers ending after the Redemption Date and on or before the end of the Taxable Year including the date which is the twentieth-fourth (24th) anniversary of the Redemption Date.

"Covered Taxes" means U.S. Federal Income Taxes and U.S. state and local income and franchise Taxes.

"Determination" shall have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of state or local income or franchise Tax law, as applicable.

"Distribution" is defined in Section 2.01 of the Agreement.

"Early Termination Notice" is defined in Section 4.02 of this Agreement.

"Early Termination Payment" is defined in Section 4.03(b) of this Agreement.

"Early Termination Rate" means the Applicable Treasury Rate plus 300 basis points.

"Escrow Account" means the account or accounts established by the Escrow Agent to hold any Tax Benefit Payments then held in escrow, along with any interest earned on such funds, in accordance with the Escrow Agreement.

"Escrow Agent" is defined in Section 3.01(a) of the Agreement.

"Escrow Agreement" means the escrow agreement dated August 23, 2007, by and among the Ltd Exchanging Subsidiaries, LMDC and The Bank of New York Mellon, as Escrow Agent, as amended by the first amendment to the escrow agreement dated June 16, 2015, by and among the Ltd Exchanging Subsidiaries, LMDC, the Trust and The Bank of New York Mellon, as Escrow Agent.

"Exchange" is defined in the recitals.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute thereto.

"Exchange Assets" means the assets owned by Lazard Group as of an applicable Exchange Date (and any asset whose tax basis is determined, in whole or in part, by reference to the adjusted basis of any such asset).

"Exchange Basis Schedule" is defined in Section 2.04(a) of this Agreement.

"Exchange Date" means the date on which a Taxable Exchange is effected.

"Exchangeable Holder" is defined in the recitals.

"Federal Income Tax" means any tax imposed under Subtitle A of the Code or any other provision of U.S. Federal income tax law (including, without limitation, the taxes imposed by Sections 11, 55, 59A, 881, 882, 884 and 1201(a) of the Code), and any interest, additions to tax or penalties applicable or related to such tax.

"First Amended Agreement" is defined in the recitals.

"First Amended and Restated Tax Receivable Agreement" is defined in the recitals.

"Governmental Entity" means any federal, state, local, provincial or foreign government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, whether domestic or foreign.

"Hypothetical Pro Rata Escrow Amount" means, at any time of determination and with respect to any Schedule D Person and assuming the additional assumptions set forth in the second sentence of this definition were to apply, the amount that would be distributed to such Schedule D Person assuming the aggregate amount then in the Escrow Account were distributed to the Schedule D Persons pro rata in accordance with their respective percentages set forth on Schedule D. For the purposes of the foregoing, it shall additionally be assumed that: (i) in connection with any Lazard Purchases occurring prior to such time, such Trust Interests are not canceled or retired and Lazard Purchaser continues to hold such Trust Interests; (ii) the Trust Interests set forth on Schedule D were not reduced in connection with any Lazard Purchase occurring prior to such time and instead, Schedule D reflects the transfer to Lazard Purchaser of any Trust Interests sold, transferred or otherwise disposed in a Lazard Purchase occurring prior to such time; and (iii) the amount of any Tax Benefit Payment and any interest accrued thereon that would have otherwise been distributed from the Escrow Account in connection with any Lazard Escrow Release occurring prior to such time was not distributed and remains in the Escrow Account, except to the extent that the distribution of such Tax Benefit Payment and any interest accrued thereon would not constitute a Lazard Escrow Release.

"Hypothetical Tax Basis" means, with respect to any asset at any time, the tax basis that such asset would have at such time if no Basis Adjustment had been made as a result of the Redemption or an applicable Taxable Exchange, as the case may be.

"Hypothetical Tax Liability" means, with respect to any Covered Taxable Year, the liability for Covered Taxes of the Relevant Lazard Ltd Taxpayers using the same methods, elections, conventions and similar practices used on the actual Tax Returns of such Relevant Lazard Ltd Taxpayers, but using the Hypothetical Tax Basis instead of the actual tax basis of each relevant asset and excluding any deduction attributable to the Imputed Interest.

"Imputed Interest" shall mean any interest imputed under Section 1272, 1274 or 483 or other provision of the Code (or any successor U.S. Federal income tax statute) and the similar section of the applicable U.S. state or local income or franchise Tax law with respect to the Ltd Exchanging Subsidiaries' payment obligations under this Agreement.

"IPO Proceeds" means the aggregate proceeds from the sale of Lazard shares in Lazard's initial public offering, net of underwriters' discounts and commissions and directly allocated expenses.

"IRS" means the U.S. Internal Revenue Service.

"LAZ-MD" is defined in the recitals.

"Lazard" is defined in the preamble.

"Lazard Escrow Release" is defined in Section 3.04(d) of this Agreement.

"Lazard Purchase" means any sale, transfer or other direct or indirect disposition of any Trust Interests to Lazard Purchaser, whether through a negotiated transaction, offer to purchase or otherwise.

"Lazard Purchaser" has the meaning ascribed to the term "Lazard" in the Trust Agreement.

"LMDC" is defined in the preamble.

"LMDC Operating Agreement" means the Operating Agreement of LMDC dated as of May 10, 2005, as amended from time to time.

"Ltd Exchanging Subsidiary" is defined in the recitals.

"Ltd Exchanging Subsidiary Payment" is defined in Section 5.01 of this Agreement.

"Ltd Sub A" and "Ltd Sub B" are defined in Schedule A to this Agreement.

"LIBOR" means, for each month (or portion thereof) during any period, an interest rate per annum equal to the rate per annum reported, on the date two days prior to the first day of such month, on the Telerate Page 3750 (or if such screen shall cease to be publicly available, as reported on Reuters Screen page "LIBO" or by any other publicly available source of such market rate) for London interbank offered rates for U.S. dollar deposits for such month (or portion thereof).

"Ordinary Course Trust Expenses" has the meaning ascribed to such term in the Trust Agreement.

"Original Agreement" is defined in the recitals.

"Payment Percentage" means the percentage set forth on Schedule F to this Agreement, as updated from time to time in accordance with Section 3.04.

"Person" means and includes any individual, firm, corporation, partnership (including, without limitation, any limited, general or limited liability partnership), company, limited liability company, trust, joint venture, association, joint stock company, unincorporated organization or similar entity or Governmental Entity.

"Potential Reduction" is defined in Section 3.03(a) of this Agreement.

"Pro Rata Escrow Amount" means, at any time of determination and with respect to any Schedule D Person, the amount that would be distributed to such Schedule D Person assuming the aggregate amount then in the Escrow Account were distributed to the Schedule D Persons pro rata in accordance with their respective percentages set forth on Schedule D.

"Proceeding" is defined in Section 7.08 of this Agreement.

"Purchased Percentage" means, with respect to any Lazard Purchase, the fraction, expressed as a percentage, the numerator of which is the aggregate percentage, determined immediately prior to such Lazard Purchase, of all Trust Interests sold, transferred or otherwise disposed in such Lazard Purchase and the denominator of which is 100%.

"Realized Tax Benefit" means, for a Covered Taxable Year, the excess, if any, of the Hypothetical Tax Liability over the actual liability for Covered Taxes of the Relevant Lazard Ltd Taxpayers for such Covered Taxable Year, less the fees, charges and expenses of the Advisory Firm and the expert described in Section 7.09 related to this Agreement paid by the Relevant Lazard Ltd Taxpayers in the relevant Covered Taxable Year. For the avoidance of doubt, the "Realized Tax Benefit" shall take into account the difference, if any, in the ability of Ltd Sub B to use foreign tax credits to offset its U.S. Federal income tax liability in calculating its Hypothetical Tax Liability and its actual liability for Covered Taxes in the Covered Taxable Year. If all or a portion of the actual tax liability for Covered Taxes for the Covered Taxable Year arises as a result of an audit by a Taxing Authority of any Covered Taxable Year, such liability shall not be included in determining the Realized Tax Benefit or the Realized Tax Detriment unless and until there has been a Determination.

"Realized Tax Detriment" means, for a Covered Taxable Year, the excess, if any, of the actual liability for Covered Taxes of the Relevant Lazard Ltd Taxpayers over the Hypothetical Tax Liability for such Covered Taxable Year, plus the fees, charges and expenses of the Advisory Firm and the expert described in Section 7.09 related to this Agreement paid by the Relevant Lazard Ltd Taxpayers in the relevant Covered Taxable Year. For the avoidance of doubt, the "Realized Tax Detriment" shall take into account the difference, if any, in the ability of Ltd Sub B to use foreign tax credits to offset its U.S. Federal income tax liability in calculating its Hypothetical Tax Liability and its actual liability for Covered Taxes in the Covered Taxable Year. If all or a portion of the actual tax liability for Covered Taxes for the Covered Taxable Year arises as a result of an audit by a Taxing Authority of any Covered Taxable Year, such liability shall not be included in determining the Realized Tax Benefit or Realized Tax Detriment unless and until there has been a Determination.

"Reconciliation Procedures" shall mean those procedures set forth in Section 7.09 of this Agreement.

"Redemption" is defined in the recitals.

"Redemption Basis Schedule" is defined in Section 2.02 of this Agreement.

"Redemption Date" means the date on which the Redemption is effected.

"Relevant Lazard Ltd Taxpayer" means (i) Ltd Sub A (or its successors and assigns) or (ii) Ltd Sub B (or its successors and assigns) and (iii) any consolidated, combined or unitary group containing either Ltd Sub A or Ltd Sub B, as the case may be, or any of their respective successors and/or assigns.

"Sale" is defined in Section 2.01 of the Agreement.

"Schedule D Person" means any Person listed on Schedule D, as amended from time to time.

"Scheduled Termination Date" shall mean the date on which this Agreement would terminate in the absence of an Early Termination Notice.

"Senior Obligations" is defined in Section 5.01 of this Agreement.

"Subsidiary" means any entity in which Lazard, directly or indirectly, possesses fifty percent (50%) or more of the total combined voting power of all classes of its stock, other than Lazard Group, Lazard Group Finance, LLC and their respective subsidiaries.

"Tax Benefit Payment" is defined in Section 3.01(b) of this Agreement.

"Tax Benefit Schedule" is defined in Section 2.05(a) of this Agreement.

"Taxable Exchange" is defined in the recitals.

"Taxable Year" means a taxable year as defined in Section 441(b) of the Code or comparable section of U.S. state or local income or franchise Tax law, as applicable, (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made).

"Taxes" means (i) all forms of taxation or duties imposed, or required to be collected or withheld, including, without limitation, charges, together with any related interest, penalties or other additional amounts, (ii) liability for the payment of any amount of the type described in the preceding clause (i) as a result of being a member of an affiliated, consolidated, combined or unitary group, and (iii) liability for the payment of any amounts as a result of being party to any tax sharing agreement (other than this Agreement) or as a result of any express or implied obligation to indemnify any other person with respect to the payment of any amount described in the immediately preceding clauses (i) or (ii) (other than an obligation to indemnify under this Agreement).

"Tax Return" means any return, filing, report, questionnaire, information statement or other document required to be filed, including, without limitation, amended returns that may be filed, for any taxable period with any Taxing Authority (whether or not a payment is required to be made with respect to such filing).

"Taxing Authority" means the IRS and any other state, local, foreign or other Governmental Entity responsible for the administration of Taxes.

"Treasury Regulations" means the final, temporary and proposed regulations under the Code promulgated from time to time (including, without limitation, corresponding provisions of succeeding provisions) as in effect for the relevant taxable period.

"Trust" is defined in the recitals.

"Trust Agreement" means the Trust Agreement of LTBP Trust dated as of June 16, 2015, as amended from time to time.

"Trust Interest Distribution" is defined in the recitals.

"Trust Interests" is defined in the recitals. Each Trust Interest shall be expressed as a percentage, and all Trust Interests outstanding at any time shall aggregate to 100%.

"Trustee" means the trustee or trustees, as applicable, of the Trust.

"Valuation Assumptions" shall mean, as of any Valuation Date, the assumptions described in Schedule B to this Agreement.

"Valuation Date" means the date of an Early Termination Notice for purposes of determining an Early Termination Payment or Change of Control Termination Payment.

ARTICLE II

Determination of Realized Tax Benefit or Realized Tax Detriment

SECTION 2.01. Redemption Date Basis Adjustment. Pursuant to the Buyout Agreement, Lazard Group and the Historical Partners agreed to treat the consideration paid to the Historical Partners in the Redemption (i) as a sale or exchange pursuant to Section 707(a)(2)(B) of the Code (the "Sale") to the extent such consideration originated from IPO Proceeds and (ii) as a distribution pursuant to Section 736(b)(1) and Section 731(b) of the Code (the "Distribution") to the extent the total Redemption consideration exceeded the IPO Proceeds. The Historical Partners of Lazard Group redeemed for cash in the Redemption recognized gain on the Redemption Date under Sections 741 and 731 of the Code, each Ltd Exchanging Subsidiary's share of the basis in the Original Assets was increased by the excess of the Sale proceeds over the Ltd Exchanging Subsidiary's proportionate share of the basis of the Original Assets on the Redemption Date and the basis in the Original Assets was increased by the amount of gain recognized by the Historical Partners of Lazard Group with respect to the Distribution. Such gain and Basis Adjustment shall be treated as occurring entirely on the Redemption Date unless there is a Determination to the contrary. For purposes of this Agreement, (i) the fair market value of the right to receive payments under this Agreement shall not be taken into account in determining the amount of Sale proceeds or the amount of gain recognized by the Historical Partners on the Redemption Date and (ii) any payments made under this Agreement with respect to the Redemption shall not be treated as resulting in a Basis Adjustment.

SECTION 2.02. (a) Redemption Basis Schedule. The Ltd Exchanging Subsidiaries delivered to LMDC a schedule (the "Redemption Basis Schedule") approved by the Audit Committee that showed, in reasonable detail, for purposes of Covered Taxes, (i) the actual tax basis as of the Redemption Date of the Original Assets, (ii) the Basis Adjustment with respect to the Original Assets as a result of the Sale and the Distribution and (iii) the period or periods, if any, over which the Original Assets are amortizable or depreciable for purposes of Covered Taxes. The Redemption Basis Schedule has become final and binding on the parties.

(b) Amended Redemption Basis Schedule. The Redemption Basis Schedule may be amended from time to time by the Ltd Exchanging Subsidiaries with the consent of the Audit Committee (i) in connection with a Determination or (ii) to correct inaccuracies to the original Redemption Basis Schedule identified after the Redemption Date as a result of the receipt of additional information relating to facts or circumstances on or prior to the Redemption Date. At the time the Ltd Exchanging Subsidiaries deliver such amended Redemption Basis Schedule to the Trust, they shall (x) deliver to the Trust schedules and work papers providing reasonable detail regarding the preparation of the amended Redemption Basis Schedule and an Advisory Firm Letter supporting such amended Redemption Basis Schedule and (y) allow the Trust reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedule. The amended Redemption Basis Schedule shall become final and binding on the parties unless the Trust, within 60 calendar days after receiving such amended Redemption Basis Schedule, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such amended Redemption Basis Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 120 calendar days after such amended Redemption Basis Schedule was delivered to the Trust, the Ltd Exchanging Subsidiaries and the Trust shall employ the Reconciliation Procedures.

SECTION 2.03. Basis Adjustment Attributable to a Taxable Exchange. Pursuant to a Taxable Exchange, (i) to the extent an Exchangeable Holder effected a Taxable Exchange and held its Lazard Group interests through LAZ-MD, LAZ-MD distributed to such Exchangeable Holder all or a portion of LAZ-MD's Lazard Group interests attributable to such Exchangeable Holder in redemption of all or a portion of the exchangeable interests of such Exchangeable Holder in LAZ-MD and (ii) the Exchangeable Holder transferred its interests in Lazard Group to the Ltd Exchanging Subsidiaries in exchange for shares of Lazard. The number of Lazard shares transferred by each Ltd Exchanging Subsidiary to an Exchangeable Holder pursuant to a Taxable Exchange was determined in proportion to each such subsidiary's respective interests in Lazard Group on the applicable Exchange Date. An Exchangeable Holder that effected a Taxable Exchange recognized gain, if any, for U.S. Federal income tax purposes on the Exchange Date under Section 741 of the Code in an amount equal to the excess of (i) the fair market value of the Lazard shares received in the Taxable Exchange over (ii) the Exchangeable Holder's basis in its Lazard Group interests transferred to the Ltd Exchanging Subsidiaries pursuant to the Taxable Exchange. For purposes of this Agreement, the fair market value of the Lazard shares received in the Taxable Exchange was the trading value of such shares at the close of business on the Exchange Date. With respect to each Taxable Exchange, each Ltd Exchanging Subsidiary's share of the basis in the Exchange Assets was increased by the excess, if any, of (i) the fair market value of the Lazard shares transferred to the Exchangeable Holder pursuant to the Taxable Exchange over (ii) the Ltd Exchanging Subsidiary's proportionate share of the basis of the Exchange Assets immediately after the Taxable Exchange attributable to the Lazard Group interests exchanged. The Ltd Exchanging Subsidiaries and the Exchangeable Holders, pursuant to the LMDC Operating Agreement, shall treat such gain and Basis Adjustment as occurring

entirely on the Exchange Date unless there is a Determination to the contrary. The Ltd Exchanging Subsidiaries and the Exchangeable Holders, pursuant to the LMDC Operating Agreement, agreed that, for U.S. Federal income tax purposes, this Agreement is treated as additional consideration paid to the Exchangeable Holders in the Exchange (and immediately assigned by the Exchangeable Holders to LMDC). By assigning this Agreement to LMDC, the Exchangeable Holders relinquished all rights, title and interest under this Agreement. Notwithstanding any other provision of this Agreement, (i) the fair market value of the right to receive payments under this Agreement shall not be taken into account in determining the Basis Adjustment resulting on any Exchange Date and (ii) the payments of principal under this Agreement related to any Taxable Exchange shall not be treated as resulting in a Basis Adjustment until such payments are made.

SECTION 2.04. (a) Exchange Basis Schedule. The Ltd Exchanging Subsidiaries delivered to LMDC a schedule (the "Exchange Basis Schedule") approved by the Audit Committee that showed, in reasonable detail, for purposes of Covered Taxes, (i) the actual tax basis as of the first applicable Exchange Date in such Covered Taxable Year of the Exchange Assets, (ii) the Basis Adjustment with respect to the Exchange Assets as a result of the Taxable Exchanges effected in such Covered Taxable Year, calculated in the aggregate, and (iii) the period or periods, if any, over which the Exchange Assets were amortizable or depreciable. The Exchange Basis Schedule has become final and binding on the parties.

(b) Amended Exchange Basis Schedule. The Exchange Basis Schedule may be amended from time to time by the Ltd Exchanging Subsidiaries with the consent of the Audit Committee (i) in connection with a Determination or (ii) to correct inaccuracies to the original Exchange Basis Schedule identified after the date of the Taxable Exchange as a result of the receipt of additional information. At the time the Ltd Exchanging Subsidiaries deliver such amended Exchange Basis Schedule to the Trust, they shall (x) deliver to the Trust schedules and work papers providing reasonable detail regarding the preparation of the amended Exchange Basis Schedule and an Advisory Firm Letter supporting such amended Exchange Basis Schedule and (y) allow the Trust reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedule. The amended Exchange Basis Schedule shall become final and binding on the parties unless the Trust, within 60 calendar days after receiving such amended Exchange Basis Schedule, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such amended Exchange Basis Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 120 calendar days after such amended Exchange Basis Schedule was delivered to the Trust, the Ltd Exchanging Subsidiaries and the Trust shall employ the Reconciliation Procedures.

SECTION 2.05. (a) Tax Benefit Schedule. Within 10 calendar days after filing the U.S. Federal Income Tax Return of the Relevant Lazard Ltd Taxpayers for the relevant Covered Taxable Year, each Ltd Exchanging Subsidiary shall provide to the Trust a schedule approved by the Audit Committee showing, in reasonable detail, the calculation of each Relevant Lazard Ltd Taxpayer's Realized Tax Benefit or Realized Tax Detriment for such Covered Taxable Year (the "Tax Benefit Schedule"). At the time the Ltd Exchanging Subsidiaries deliver the Tax Benefit Schedules to the Trust, they shall (i) deliver to the Trust schedules and work papers providing reasonable detail regarding the preparation of the Tax Benefit Schedules (including, without

limitation, information related to the amount of Ltd Sub A's "effectively connected income" with respect to the applicable Covered Taxable Year as determined for U.S. Federal income tax purposes) and an Advisory Firm Letter supporting such Tax Benefit Schedules and (ii) allow the Trust reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedules. The Tax Benefit Schedules shall become final and binding on the parties unless the Trust, within 60 calendar days after receiving such Tax Benefit Schedules, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such Tax Benefit Schedules made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 120 calendar days after such Tax Benefit Schedules were delivered to the Trust, the Ltd Exchanging Subsidiaries and the Trust shall employ the Reconciliation Procedures.

(b) Amended Tax Benefit Schedule. A Tax Benefit Schedule for any Covered Taxable Year may be amended from time to time by the applicable Ltd Exchanging Subsidiary with the consent of the Audit Committee (i) in connection with a Determination affecting such Tax Benefit Schedule, (ii) to correct inaccuracies in the original Tax Benefit Schedule identified as a result of the receipt of additional factual information relating to a Covered Taxable Year after the date the Tax Benefit Schedule was provided to the Trustee, (iii) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Covered Taxable Year attributable to a carryback or carryforward of a loss or other tax item to such Covered Taxable Year, (iv) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Covered Taxable Year attributable to an amended tax return filed for such Covered Taxable Year (provided, however, that such a change attributable to an audit of a Tax Return by an applicable Taxing Authority shall not be taken into account on an Amended Tax Benefit Schedule unless and until there has been a Determination with respect to such change) or (v) to comply with the expert's determination under the Reconciliation Procedures. At the time a Ltd Exchanging Subsidiary delivers such an amended Tax Benefit Schedule pursuant to this Section 2.05(b) (an "Amended Tax Benefit Schedule") to the Trust, it shall (x) deliver to the Trust schedules and work papers providing reasonable detail regarding the preparation of the Amended Tax Benefit Schedule and an Advisory Firm Letter supporting such Amended Tax Benefit Schedule and (y) allow the Trust reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such schedule. Such Amended Tax Benefit Schedule shall become final and binding on the parties unless the Trust, within 60 calendar days after receiving such Amended Tax Benefit Schedule, provides the applicable Ltd Exchanging Subsidiary with notice of a material objection to such Amended Tax Benefit Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 120 calendar days after such Amended Tax Benefit Schedule was delivered to the Trust, the Ltd Exchanging Subsidiary and the Trust shall employ the Reconciliation Procedures.

(c) Applicable Principles. The Realized Tax Benefit or Realized Tax Detriment for each Covered Taxable Year is intended to measure the decrease or increase in the actual Covered Tax liability of the Relevant Lazard Ltd Taxpayers for such Covered Taxable Year attributable to the Basis Adjustment and Imputed Interest, determined using a "with and without" methodology. Carryovers or carrybacks of any tax item attributable to the Basis Adjustment and Imputed Interest (determined using such "with and without" methodology) shall be considered to be subject to the rules of the Code (or any successor U.S. Federal income tax statute) and the

Treasury Regulations or the appropriate provisions of U.S. state and local income and franchise Tax law, as applicable, governing the use, limitation and expiration of carryovers or carrybacks of the relevant type. If a carryover or carryback of any tax item includes a portion that is attributable to the Basis Adjustment or Imputed Interest and another portion that is not, such portions shall be considered to be used in the order determined using such "with and without" methodology. Schedule C to this Agreement provides illustrative examples of the applicable principles described in this Section 2.05(c) of this Agreement.

ARTICLE III

Tax Benefit Payments

SECTION 3.01. Payments. (a) Except as provided in Section 3.03, within 3 calendar days of the delivery of the Tax Benefit Schedule to the Trust for any Covered Taxable Year the Ltd Exchanging Subsidiaries shall pay (i) to the Trust an amount equal to 80% of the Tax Benefit Payment (as defined below) for such Covered Taxable Year and (ii) to The Bank of New York Mellon, or its successors or assigns, or any other Person mutually agreeable to the Ltd Exchanging Subsidiaries, the Audit Committee and the Trust (the "Escrow Agent"), an amount equal to 20% of the Tax Benefit Payment (as defined below) for such Covered Taxable Year. The Escrow Agent shall hold each Tax Benefit Payment it receives in escrow pursuant to the Escrow Agreement until the expiration of the applicable statute of limitations attributable to the Covered Taxable Year to which such Tax Benefit Payment relates, and upon expiration of the applicable statute of limitations attributable to the Covered Taxable Year to which such Tax Benefit Payment relates, such Tax Benefit Payment remaining in escrow, and any interest accrued thereon, shall be distributed to the Trust, and the Ltd Exchanging Subsidiaries shall provide written instructions to the Escrow Agent in accordance with the Escrow Agreement that are necessary to cause the Escrow Agent to so distribute such Tax Benefit Payment, and any interest accrued thereon, to the Trust. Each Tax Benefit Payment shall be made by wire transfer of immediately available funds to the bank accounts of the Trust and the Escrow Agent previously designated by such parties to the Ltd Exchanging Subsidiaries. For the avoidance of doubt, no Tax Benefit Payment shall be made in respect of estimated tax payments, including, without limitation, estimated Federal Income Tax payments.

(b) A "Tax Benefit Payment" shall equal, with respect to each Ltd Exchanging Subsidiary, the Payment Percentage of the applicable Ltd Exchanging Subsidiary's Realized Tax Benefit, if any, for a Covered Taxable Year,

increased by:

(1) interest calculated at the Agreed Rate from the due date (without extensions) for filing the Tax Return with respect to Covered Taxes for such Covered Taxable Year);

(2) the amount of the excess Realized Tax Benefit reflected on an Amended Tax Benefit Schedule for a previous Covered Taxable Year over the Realized Tax Benefit (or Realized Tax Detriment) reflected on the Tax Benefit Schedule for such previous Covered Taxable Year; and

(3) an amount, if any, equal to the excess of (i) the aggregate amount that the holders of Trust Interests would have been entitled to receive pursuant to Section 3.01(a) for a Covered Taxable Year assuming that no Lazard Purchases had been consummated over (ii) the aggregate amount that holders of the Trust Interests are entitled to receive pursuant to Section 3.01(a) for such Covered Taxable Year, in each case calculated without regard to this clause (3) and assuming that the holders of Trust Interests would be entitled to receive their pro rata portion of all amounts paid to the Escrow Agent pursuant to Section 3.01(a) for such Covered Taxable Year;

and decreased by:

(4) an amount equal to the Ltd Exchanging Subsidiary's Realized Tax Detriment (if any) for any previous Covered Taxable Year;

(5) the amount of the excess Realized Tax Benefit reflected on the Tax Benefit Schedule for a previous Covered Taxable Year over the Realized Tax Benefit (or Realized Tax Detriment) reflected on the Amended Tax Benefit Schedule for such previous Covered Taxable Year;

provided, however, that the amounts described in Sections 3.01(b)(2), (4) and (5) shall not be taken into account in determining a Tax Benefit Payment attributable to any Covered Taxable Year to the extent of such amounts taken into account in determining any Tax Benefit Payment in a preceding Covered Taxable Year. The amount described in Section 3.01(b)(3) shall be calculated and determined by the Ltd Exchanging Subsidiary using such assumptions, methodologies and procedures (including any such assumptions, methodologies and procedures that are adopted for administrative ease) that the Ltd Exchanging Subsidiary determines, in its sole discretion, are appropriate for such calculation, and the determination of any such amount by the Ltd Exchanging Subsidiary shall be conclusive on all parties hereto and shall not be subject to challenge, except in the case of bad faith, willful misconduct or fraud on the part of the Ltd Exchanging Subsidiary.

(c) Within 3 days of receiving any Tax Benefit Payment, the Trust shall distribute such Tax Benefit Payment in accordance with Section 3.1 of the Trust Agreement and subject to the terms of Section 3.4 and 3.5 of the Trust Agreement.

SECTION 3.02. No Duplicative Payments. No duplicative payment of any amount (including, without limitation, interest) will be required under this Agreement.

SECTION 3.03. Suspension of Tax Benefit Payments Following Change Notice.

(a) If Lazard, its Subsidiaries or Lazard Group receives a 30-day letter, a final audit report, a statutory notice of deficiency or similar written notice from any Taxing Authority with respect to the Tax treatment of the Redemption or any Taxable Exchange (a "Change Notice"), which, if sustained, would result in (i) a reduction in the amount of Realized Tax Benefit (or the increase in the amount of Realized Tax Detriment) with respect to a Covered Taxable Year preceding the taxable year in which the Change Notice is received or (ii) a reduction in the amount of Tax Benefit Payments the Ltd Exchanging Subsidiaries will be required to pay to the Trust with respect to Covered Taxable Years after and including the taxable year in which the Change Notice is received (collectively, the "Potential Reduction"), prompt written notice shall be given to the Trust.

(b) From and after the date such Change Notice is received until there is a final Determination with respect to the adjustments proposed therein, 100% of any Tax Benefit Payments required to be made by the Ltd Exchanging Subsidiaries shall be paid by the Ltd Exchanging Subsidiaries to the Escrow Agent until such time as the amounts paid to the Escrow Agent under Section 3.01(a)(ii) with respect to the Covered Taxable Year at issue in the Change Notice and this Section 3.03(b), in the aggregate, equal the amount of the Potential Reduction (or, if earlier, until a final Determination is received with respect to the Change Notice).

(c) If a final Determination with respect to the Change Notice results in no adjustment to any Tax Benefit Payment, then 80% of the amounts paid to the Escrow Agent pursuant to this Section 3.03 (along with interest earned on such funds) shall be distributed to the Trust in accordance with this Agreement and the Escrow Agreement. If the final Determination results in an adjustment to any Tax Benefit Payment, then the lesser of (i) the amounts paid to the Escrow Agent pursuant to this Section 3.03 and (ii) the amount of the adjustment to the Tax Benefit Payment, in each case, along with interest earned on such funds, shall be distributed to the Ltd Exchanging Subsidiaries in accordance with this Agreement and the Escrow Agreement.

SECTION 3.04. Lazard Purchases; Adjustments to the Payment Percentage.

(a) From time to time following the consummation of the Trust Interest Distribution, Lazard Purchaser may, but shall have no obligation to, effect one or more Lazard Purchases, and the Ltd Exchanging Subsidiaries and the Trust each agree to perform such further administrative acts as may be reasonably required to effect any such Lazard Purchase. Any Trust Interests purchased by Lazard Purchaser shall, without any action on the part of the Trust, the holder of such Trust Interests, Lazard Purchaser, be canceled, retired and shall cease to exist. For the avoidance of doubt, except for a Transferor Owner (as defined in the Trust Agreement) pursuant to Section 7.4 of the Trust Agreement, no owner of the Trust Interests will be required to enter into a Lazard Purchase.

(b) Following the consummation of any Lazard Purchase, the percentage set forth on Schedule F shall automatically be reduced by the percentage equal to the product of (i) the percentage set forth on Schedule F immediately prior to such Lazard Purchase and (ii) the Purchased Percentage. Any reduction to the percentage set forth on Schedule F in accordance with this Section 3.04 and any changes made to Schedule F to reflect such reduction shall not be deemed an amendment to this Agreement. Any reference in this Agreement to Schedule F shall be deemed to be a reference to Schedule F, as amended or revised and in effect from time to time.

(c) Following the consummation of any Lazard Purchase, the Ltd Exchanging Subsidiaries shall deliver to the Trust a schedule providing reasonable detail regarding the calculation of the automatic reduction to the percentage set forth on Schedule F.

(d) Following the consummation of any Lazard Purchase, an amount equal to the product of (i) the Purchased Percentage and (ii) all Tax Benefit Payments then held in the Escrow Account at the time of the relevant Lazard Purchase, along with interest earned on such funds (a "Lazard Escrow Release"), shall be distributed to the Ltd Exchanging Subsidiaries in accordance with this Agreement and the Escrow Agreement; provided, however, if any quantified Ordinary Course Trust Expenses that are accrued but unpaid are then owed by the Trust to the Trustees, a portion of such Lazard Escrow Release shall be withheld from the distribution to the Ltd Exchanging Subsidiaries in an amount equal to the lesser of the following: (x) the amount of the Lazard Escrow Release and (y) Lazard's portion of such Ordinary Course Trust Expenses (as determined and calculated in accordance with Section 4.6 of the Trust Agreement). Following the consummation of any Lazard Purchase, any amounts of a related Lazard Escrow Release withheld from the Ltd Exchanging Subsidiaries pursuant to the immediately preceding sentence shall be distributed to the Trust in accordance with this Agreement and the Escrow Agreement, and, for the purposes of this Agreement, any such amount withheld shall be deemed a Lazard Escrow Release for the purposes of Section 3.04(e) and the definition of Hypothetical Pro Rata Escrow Amount. In the event the amount set forth in clause (x) above is less than the amount calculated pursuant to clause (y) above, the Ltd Exchanging Subsidiaries shall pay the difference to the Trust concurrently with the consummation of the related Lazard Purchase. In connection with the consummation of any Lazard Purchase, the Ltd Exchanging Subsidiaries shall deliver to the Trust a schedule providing reasonable detail regarding the calculation of the amounts described in this Section 3.04(d).

(e) Notwithstanding anything to the contrary in this Agreement, if, at any time following the first occurrence of any Lazard Purchase and related Lazard Escrow Release, there is required to be distributed to the Ltd Exchanging Subsidiaries any amount from the Escrow Account (other than in respect of a Lazard Escrow Release), then the amount to be distributed to the Ltd Exchanging Subsidiaries shall be reduced so that, immediately following such distribution and with respect to each Schedule D Person, the Pro Rata Escrow Amount of such Schedule D Person is equal to the Hypothetical Pro Rata Escrow Amount of such Schedule D Person. In connection with any required distribution in respect of an adjustment pursuant to this Section 3.04(e), the Ltd Exchanging Subsidiaries shall deliver to the Trust a schedule providing reasonable detail regarding the calculation of the amounts described in this Section 3.04(e).

SECTION 3.05. Potential Modifications to Schedule D of this Agreement. Notwithstanding anything to the contrary in this Agreement, the names, addresses and Trust Interests set forth on Schedule D shall be automatically amended from time to time to reflect the consummation of any Transfers in accordance with Article VII of the Trust Agreement. In the event of any Lazard Purchase, (i) first, each Trust Interest set forth on Schedule D automatically shall be reduced to the extent such Trust Interest is sold, transferred or otherwise disposed in such Lazard Purchase (e.g., a sale of 45% of a Trust Interest shall reduce the percentage associated with such Trust Interest by 45%) and (ii) second, each Trust Interest (after giving effect to the adjustments specified in clause (i) above) shall be increased by a factor equal to (A) one plus (B) the quotient obtained by dividing (x) the Purchased Percentage by (y) one minus the Purchased Percentage.

ARTICLE IV

Termination

SECTION 4.01. Early Termination of Agreement. At any time, the Ltd Exchanging Subsidiaries may terminate this Agreement with the consent of the Audit Committee by paying to the Trust the Early Termination Payment as of the date of the Early Termination Notice (as defined below). The Ltd Exchanging Subsidiaries may terminate this Agreement upon the occurrence of a Change of Control Event by paying to the Trust the Change of Control Termination Payment as of the date of the Early Termination Notice. Upon payment of the Early Termination Payment or the Change of Control Termination Payment by the Ltd Exchanging Subsidiaries, the Ltd Exchanging Subsidiaries shall have no further payment obligations under this Agreement, other than for any (a) Tax Benefit Payment agreed to by the Ltd Exchanging Subsidiaries and the Trust as due and payable but unpaid as of the Early Termination Notice and (b) any Tax Benefit Payment due for the Covered Taxable Year ending with or including the date of the Early Termination Notice (except to the extent that the amount described in clause (a) or (b) is included in the Early Termination Payment or the Change of Control Termination Payment, as the case may be).

SECTION 4.02. Early Termination Notice. If the Ltd Exchanging Subsidiaries choose to exercise their right of early termination under Section 4.01 above, the Ltd Exchanging Subsidiaries shall deliver to the Trust a notice (the "Early Termination Notice") specifying the Ltd Exchanging Subsidiaries' intention to exercise such right and showing in reasonable detail the calculation of the Early Termination Payment or the Change of Control Termination Payment, as the case may be. At the time the Ltd Exchanging Subsidiaries deliver the Early Termination Notice to the Trust, the Ltd Exchanging Subsidiaries shall (i) deliver to the Trust schedules and work papers providing reasonable detail regarding the calculation of the Early Termination Payment or the Change of Control Termination Payment, as the case may be, in a manner consistent with the guidelines set forth in Section 4.03 of this Agreement and an Advisory Firm Letter supporting such calculation and (ii) allow the Trust reasonable access to the appropriate representatives at Lazard and its Subsidiaries, Lazard Group and the Advisory Firm in connection with its review of such calculation. The calculation contained in such Early Termination Notice shall become final and binding on the parties unless the Trust, within 60 calendar days after receiving such calculation, provides the Ltd Exchanging Subsidiaries with notice of a material objection to such calculation made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such calculation within 120 calendar days after such calculation was delivered to the Trust, the Ltd Exchanging Subsidiaries and the Trust shall employ the Reconciliation Procedures.

SECTION 4.03. Payment upon Early Termination. (a) Within 3 calendar days of the delivery to the Trust of the Early Termination Notice or any amendment to the Early Termination Notice, the Ltd Exchanging Subsidiaries shall pay to the Trust an amount equal to the Early Termination Payment or the Change of Control Termination Payment, as the case may be. Such payment shall be made by wire transfer of immediately available funds to a bank account designated by the Trust.

(b) The Early Termination Payment as of the Valuation Date shall equal the present value, discounted at the Early Termination Rate, of all Tax Benefit Payments that would be required to be paid by the Ltd Exchanging Subsidiaries to the Trust during the period from the date of the Early Termination Notice through the Scheduled Termination Date assuming the Valuation Assumptions are applied.

(c) The Change of Control Termination Payment as of the Valuation Date shall equal the Early Termination Payment as of such date multiplied by 80%.

SECTION 4.04. No Other Right of Early Termination. For the avoidance of doubt, the Trust shall not be entitled to cause an early termination of this Agreement.

ARTICLE V

Subordination and Late Payments

SECTION 5.01. Subordination. Notwithstanding any other provision of this Agreement to the contrary, any Tax Benefit Payment, Early Termination Payment or Change of Control Termination Payment required to be made by the Ltd Exchanging Subsidiaries to the Trust under this Agreement (a "Ltd Exchanging Subsidiary Payment") shall rank subordinate and junior in right of payment to any principal, interest or other amounts due and payable in respect of any debt of the Ltd Exchanging Subsidiaries ("Senior Obligations") and shall rank pari passu with all current or future unsecured obligations of the Ltd Exchanging Subsidiaries that are not Senior Obligations.

SECTION 5.02. Late Payments by the Ltd Exchanging Subsidiaries. The amount of all or any portion of a Ltd Exchanging Subsidiary Payment not made to the Trust when due under the terms of this Agreement shall be payable together with any interest thereon, computed at the Agreed Rate and commencing from the date on which such Ltd Exchanging Subsidiary Payment was due and payable.

ARTICLE VI

No Disputes; Consistency; Cooperation; Assignment; Distribution; Tax Treatment

SECTION 6.01. The Trust Participation In Ltd Exchanging Subsidiary Tax Matters. Except as otherwise provided herein, the Ltd Exchanging Subsidiaries shall have full responsibility for, and sole discretion over, all Tax matters concerning any Relevant Lazard Ltd Taxpayer, including, without limitation, the preparation, filing or amending of any Tax Return and defending, contesting or settling any issue pertaining to Taxes. Notwithstanding the foregoing, the Ltd Exchanging Subsidiaries shall notify the Trust of, and keep the Trust reasonably informed with respect to, and the Trust shall have the right to participate in and monitor (but, for the avoidance of doubt, not to control) the portion of any audit of the Relevant Lazard Ltd Taxpayers by a Taxing Authority the outcome of which is reasonably expected to affect the Trust's rights under this Agreement. The Ltd Exchanging Subsidiaries shall provide to the Trust reasonable opportunity to provide information and other input to the Ltd Exchanging Subsidiaries and its advisors concerning the conduct of any such portion of such audits. No

Relevant Lazard Ltd Taxpayer shall settle or otherwise resolve any audit or other challenge by a Taxing Authority relating to the Basis Adjustment or the deduction of Imputed Interest without the consent of the Audit Committee and the Trust, which consent the Trust shall not unreasonably withhold, condition or delay.

SECTION 6.02. Consistency. Unless there is a Determination to the contrary, the Relevant Lazard Ltd Taxpayers, the Trust and the Exchangeable Holders, on their own behalf and on behalf of each of their affiliates, agree to report and cause to be reported for all U.S. purposes, including, without limitation, U.S. Federal, state and local income and franchise Tax purposes and U.S. financial reporting purposes, all Tax-related items relating to this Agreement (including, without limitation, the Basis Adjustment and each Tax Benefit Payment) in a manner consistent with that specified by the Ltd Exchanging Subsidiaries in any schedule, letter or certificate required to be provided by or on behalf of the Ltd Exchanging Subsidiaries under this Agreement. In the event that an Advisory Firm is replaced with another firm acceptable to the Audit Committee, such replacement Advisory Firm shall be required to perform its services under this Agreement using procedures and methodologies consistent with the previous Advisory Firm, unless otherwise required by law or the Ltd Exchanging Subsidiaries, the Audit Committee and the Trust agree to the use of other procedures and methodologies.

SECTION 6.03. Cooperation. The Trust shall (a) furnish to the Ltd Exchanging Subsidiaries in a timely manner such information, documents and other materials as the Ltd Exchanging Subsidiaries may reasonably request for purposes of making any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (b) make its employees available to the Ltd Exchanging Subsidiaries and its representatives to provide explanations of documents and materials and such other information as the Ltd Exchanging Subsidiaries or its representative may reasonably request in connection with any of the matters described in clause (a) above, and (c) reasonably cooperate in connection with any such matter.

SECTION 6.04. [RESERVED]

SECTION 6.05. [RESERVED]

SECTION 6.06. Tax Treatment. The parties agree that, for U.S. Federal income tax purposes, (i) the Trust is a grantor trust pursuant to Section 671-679 of the Code and (ii) the Trust Interest Distribution is a distribution described in Section 732 of the Code in which no gain or loss is recognized. The parties shall not take any position that is inconsistent with this treatment.

ARTICLE VII

General Provisions

SECTION 7.01. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given and received (a) on the date of delivery if delivered personally, or by facsimile upon confirmation of transmission

by the sender's fax machine if sent on a Business Day (or otherwise on the next Business Day) or (b) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service. All notices hereunder shall be delivered as set forth in Schedule E, or pursuant to such other instructions as may be designated in writing by the party to receive such notice. Any party may change its address or fax number by giving the other party written notice of its new address or fax number in the manner set forth above.

SECTION 7.02. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

SECTION 7.03. Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 7.04. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflict of laws.

SECTION 7.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

SECTION 7.06. Successors; Assignment; Amendments. The Trust may not assign this Agreement to any person without the prior written consent of the Ltd Exchanging Subsidiaries and the Audit Committee, which consent shall not be unreasonably withheld, conditioned or delayed. The Ltd Exchanging Subsidiaries may not assign any of their rights, interests or entitlements under this Agreement without the consent of the Trust, not to be unreasonably withheld or delayed. Subject to each of the two immediately preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by, the parties and their respective successors and assigns including, without limitation, any acquirer of all or substantially all of the assets of Lazard. Lazard shall cause the Ltd Exchanging Subsidiaries to be the legal and beneficial owners of all of the direct or indirect interests held by Lazard or any of its Subsidiaries in Lazard Group. In the event that Lazard ceases to be the owner of the Ltd Exchanging Subsidiaries, the successor to Lazard shall assume all of Lazard's rights and obligations under this Agreement.

No amendment to this Agreement shall be effective unless it is (i) in writing, (ii) signed by the Ltd Exchanging Subsidiaries and the Trust and (iii) approved by the Audit Committee.

SECTION 7.07. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

SECTION 7.08. Submission to Jurisdiction; Waivers. With respect to any suit, action or proceeding relating to this Agreement (collectively, a "Proceeding"), each party to this Agreement irrevocably (a) consents and submits to the exclusive jurisdiction of the courts of the States of New York and Delaware and any court of the U.S. located in the Borough of Manhattan in New York City or the State of Delaware; (b) waives any objection which such party may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceeding has been brought in an inconvenient forum and further waives the right to object, with respect to such Proceeding, that such court does not have jurisdiction over such party; (c) consents to the service of process at the address set forth for notices in Section 7.01 herein; provided, however, that such manner of service of process shall not preclude the service of process in any other manner permitted under applicable law; and (d) waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any Proceeding.

SECTION 7.09. Reconciliation. In the event that the Ltd Exchanging Subsidiaries and the Trust are unable to resolve a disagreement within the relevant period designated in this Agreement, the matter shall be submitted for determination to a nationally recognized expert in the particular area of disagreement employed by a nationally recognized accounting firm or a law firm (other than the Advisory Firm), which expert is mutually acceptable to all parties and the Audit Committee. If the matter is not resolved before any payment that is the subject of a disagreement is due or any Tax Return reflecting the subject of a disagreement is due, such payment shall be made on the date prescribed by this Agreement and such Tax Return may be filed as prepared by the Ltd Exchanging Subsidiaries, subject to adjustment or amendment upon resolution. The determinations of the expert pursuant to this Section 7.09 shall be binding on Lazard and its Subsidiaries, Lazard Group and the Trust absent manifest error.

SECTION 7.10. Withholding. The Ltd Exchanging Subsidiaries and the Escrow Agent shall be entitled to deduct and withhold from any payment payable pursuant to this Agreement such amounts as the Ltd Exchanging Subsidiaries and the Escrow Agent are required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate taxing authority by the Ltd Exchanging Subsidiaries or the Escrow Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Trust.

SECTION 7.11. [RESERVED]

SECTION 7.12. Limitation of Liability of Trustee. The Trust is a Delaware statutory trust and a separate legal entity under the Delaware Statutory Trust Act and pursuant to such act a trustee, when acting in such capacity, is not personally liable to any person (other than the statutory trust or any beneficial owner thereof) for any act, omission or obligation of a statutory trust. In furtherance thereof, the parties hereto are put on notice and hereby acknowledge and agree that (a) this Agreement is executed and delivered by The Bank of New York Mellon ("Bank"), not individually or personally but solely as Trustee of the Trust, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Trust is made and intended not as personal representations, undertakings and agreements by Bank but is made and intended for the purpose of binding only the Trust, (c) nothing herein contained shall be construed as creating any liability on Bank, individually or personally, to perform any covenant either expressed or implied contained herein of the Trust, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto, (d) Bank has made no investigation as to the accuracy or completeness of any recitals, representations and warranties or statements made by the Trust in this Agreement and (e) under no circumstances shall Bank be personally liable for the payment of any indebtedness or expenses of the Trust or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Trust under this Agreement or any other related documents. Further, any actions the Trustee takes with respect to the Trust will be taken only to the extent appropriate authorization or direction is provided to the Trustee pursuant to the terms of the Trust Agreement of the Trust and absent appropriate direction the Trustee will have the express right to take no action on behalf of the Trust regardless of consequences.

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

LTD SUB A

By /s/ Matthieu Bucaille
Name: Matthieu Bucaille
Title: Manager

LTD SUB B

By /s/ Scott D. Hoffman
Name: Scott D. Hoffman
Title: Secretary

LTBP TRUST

By: The Bank of New York Mellon, not in its individual capacity but solely as trustee

By /s/ Stacey B. Poindexter
Name: Stacey B. Poindexter
Title: Vice President

Exhibit 10.27

Execution Version

$150,000,000

AMENDED AND RESTATED CREDIT AGREEMENT

among

LAZARD GROUP LLC,
as Borrower,

The Several Banks from Time to Time Parties Hereto,

and

CITIBANK, N.A.,
as Administrative Agent

Dated as of September 25, 2015

CITIGROUP GLOBAL MARKETS INC.,
as Lead Arranger and Bookrunner

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AMENDED AND RESTATED CREDIT AGREEMENT, dated as of September 25, 2015, among LAZARD GROUP LLC, a Delaware limited liability company (the "Company"), the several Banks, financial institutions, or other entities from time to time parties hereto, and CITIBANK, N.A., a national banking association ("Citibank"), as administrative agent for the Banks hereunder.

W I T N E S S E T H :

WHEREAS, the Company entered into that certain Credit Agreement, dated as of September 25, 2012, between the Company, the Administrative Agent and the several banks from time to time parties thereto (the "Existing Lenders") (as amended, supplemented or modified from time to time prior to the date hereof, the "Original Credit Agreement"); and

WHEREAS, subject to and on the terms and conditions set forth herein, the parties thereto wish to amend and restate the Original Credit Agreement in its entirety upon the terms and conditions set forth herein, with the Original 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 Original 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.

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

"Affiliate": any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Company. For purposes of this definition, a Person shall be deemed to be "controlled by" the Company if the Company possesses, directly or indirectly, power 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".

"Banks": Citibank, State Street Bank and Trust Company, The Bank of New York Mellon, HSBC Bank USA, N.A., and The Northern Trust Company, 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 Fed 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 Eurodollar Rate 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.

"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.

"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; provided, that when such term is used to describe a day on which a borrowing, payment or interest rate determination is to be made in respect of a Eurodollar Loan, or the first day or last day of an Interest Period in respect of a Eurodollar Loan, a Business Day must also be a day on which commercial banks are open for dealings in U.S. Dollar deposits in London.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP. Notwithstanding the foregoing, all leases of any Person that are treated as operating leases for purposes of GAAP on the Restatement Effective Date shall continue to be accounted for as operating leases (and not as capital leases) for purposes of this Agreement regardless of any change to GAAP following the Restatement Effective Date 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 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 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.

"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": means 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 or similar proceeding, or has had a receiver, conservator, trustee, administrator, intervenor, sequestrator, 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 or similar proceeding, or has had a receiver, conservator, trustee, administrator, intervenor, sequestrator, 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": means 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.

"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.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on the Reuters Screen LIBOR01 Page as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on the Reuters Screen LIBOR01 Page (or otherwise on such screen), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein; *provided* that if such rate shall be less than zero, such rate shall be deemed to be zero.

"Eurodollar Loan": a Loan the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{\text{1.00 - Eurocurrency Reserve Requirements}}$$

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

"Exchange": the New York Stock Exchange, Inc.

"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.

"Fed Rate": for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it; 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 September 24, 2015, among the Lead Arranger, the Administrative Agent and the Company.

"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.

"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 Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, and (c) as to any Eurodollar Loan having an Interest Period longer than three months each day which is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period.

"Interest Period": with respect to any Eurodollar Loan:

(1) initially, the period commencing on the Borrowing Date or date of conversion pursuant to Section 2.7, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six (or, if available to all relevant Banks, twelve) 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 Eurodollar Loan and ending one, two, three or six (or, if available to all relevant Banks, twelve) months thereafter, as selected by the Company by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

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

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

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

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

"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": Citigroup Global Markets Inc.

"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 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.

"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").

"Original Credit Agreement": as defined in the Preamble.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Paris 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 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).

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

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

(a) senior management or the Board of Directors of the Company shall have determined in good faith that such Permitted Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the 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 (or, if applicable, equivalent ratings by a rating agency set forth on Schedule 1.1B)	Applicable Margin		
	Eurodollar Loans	Base Rate Loans	Commitment Fee
≥ A	100.0 bps	0 bps	12.5 bps
≥ A- but < A	112.5 bps	12.5 bps	15.0 bps
≥ BBB+ but < A-	125.0 bps	25.0 bps	17.5 bps
≥ BBB but < BBB+	150.0 bps	50.0 bps	22.5 bps
≥ BBB- but < BBB	175.0 bps	75.0 bps	27.5 bps
< BBB-	200.0 bps	100.0 bps	35.0 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": means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Permitted Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Chief Financial Officer of the Company (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary of the Company, (ii) is recourse to or obligates the Company or any other Subsidiary of the Company in any way (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.

"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.

"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 sanction (transaction prohibition or asset-freeze) issued, administered or enforced by the United States Government (including OFAC), the European Union, Her Majesty'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 designated for comprehensive economic sanctions under OFAC Regulations that broadly restrict trade and investment with that country.

"Sanctioned Person": (a) any Person named on OFAC's List of Specially Designated Nationals and Blocked Persons, the U.S. Department of State's Sanctioned Entity List, and other similar sanctions lists maintained by the United Nations Security Council (to the extent that it has jurisdiction over the Company or any of its Subsidiaries), the European Union or Her Majesty's Treasury of the United Kingdom; (b) any Person organized or resident in a Sanctioned Country or (c) any Person majority-owned by any such Person referred to in clauses (a) or (b) above.

"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 August 31, 2015.

"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 and the Sixth Supplemental Indenture dated as of February 13, 2015, 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 Group Finance LLC and 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.

"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.

"Swap Agreement": any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

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

"Type": as to any Loan, its nature as a Base Rate Loan or a Eurodollar Loan.

"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.

"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.

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.

(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.

SECTION 2. AMOUNT AND TERMS OF LOAN COMMITMENTS

2.1 Loans. (a) Subject to the terms and conditions hereof, each Bank severally agrees to make revolving credit loans (individually, a "Loan"; collectively, the "Loans") to the Company from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding not to exceed the amount 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) Eurodollar 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 Eurodollar Loan after the day that is one month prior to the Maturity Date.

2.2 Notes. Each Bank may request that the Loans made by such Bank pursuant hereto shall be evidenced by a promissory note of the Company, substantially in the form of Exhibit A hereto, with appropriate insertions as to date and principal amount (individually a "Note"; collectively, the "Notes"), payable to 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 Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each 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 Eurodollar 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 Eurodollar Rate 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 prior to 1:00 P.M., New York City time, (a) three Business Days prior to the requested Borrowing Date, if all or any part of the requested Loans are to be initially Eurodollar Loans or (b) one Business Day prior to the requested Borrowing Date, otherwise), specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be of Eurodollar Loans, Base Rate Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the amount of such Type of Loan and the length of the initial Interest Periods therefor. Each borrowing of Loans pursuant to the Commitments shall be in an aggregate principal amount equal to the lesser of (i) $5,000,000 or a whole multiple thereof, and (ii) the Available Commitments. 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 Eurodollar 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 Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Bank thereof. All or any part of outstanding Eurodollar Loans and Base Rate Loans may be converted as provided herein, provided that (i) no Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent has or the Banks have determined and notified the Company that such a conversion is not appropriate and (ii) no Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Maturity Date.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Company giving notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Administrative Agent has or the Banks have determined 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 Eurodollar 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 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 Eurodollar 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 Eurodollar Loans after the Company has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Company in making any prepayment of or conversion from a Eurodollar Loan after the Company has given a notice thereof in accordance with the provisions of Section 2.9 or (c) the making of a prepayment or conversion of Eurodollar Loans on a day which is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, prepaid, converted or continued, for the period from the date of such prepayment or of such failure to borrow, prepay, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable Eurodollar Rate (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. If prior to the first day of any Interest Period the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Company) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period the Administrative Agent shall give telecopy notice thereof to the Company and the Banks as soon as practicable thereafter. If such notice is given (a) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (b) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be converted to or continued as Base Rate Loans and (c) any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to Base Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Company have the right to convert Loans to Eurodollar Loans.

2.15 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof (including under Basel III or Dodd-Frank) shall make it unlawful for any Bank to make or maintain Eurodollar Loans as contemplated by this Agreement, then, such Bank shall give written notice thereof to the Company and to the Administrative Agent and (a) the commitment of such Bank hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Base Rate Loans to Eurodollar Loans shall forthwith be suspended for the duration of such unlawfulness and (b) the Bank and the Company shall promptly enter into negotiations in good faith to agree to a solution to such illegality, limitation or impracticability; provided however, that if such an agreement has not been reached by the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law, such Bank's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to 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 which is not otherwise included in the determination of the Eurodollar Rate hereunder; 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 Eurodollar Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the amount of interest payable by the Company to such Bank on the Interest Payment Date in respect of each Interest Period shall be increased by such amount (as determined in good faith by such Bank in accordance with its practice applicable 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 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 in lieu of net income 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 such Bank becomes a party to this Agreement, except to the extent that such Bank's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Company with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, the Company shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Company (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, 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 before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation) 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 Lender 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. 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) For purposes of determining withholding taxes imposed under FATCA, from and after the Restatement Effective Date, the Company and the Administrative Agent shall treat (and the Banks hereby authorize the Administrative Agent to treat) the Loans as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(h) 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 Day's 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 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 Lenders. (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.

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 consolidated balance sheets of the Company and its consolidated Subsidiaries as at December 31, 2012, December 31, 2013 and December 31, 2014, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from Deloitte & Touche LLP, present fairly the consolidated financial condition of the Company and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein).

4.2 No Material Adverse Effect. Except as disclosed in the SEC Filings, since December 31, 2014, 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 of the Code or Section 303 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 of the Code or Section 305 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 Accuracy of Information, etc. No statement or information contained in 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.

4.15 Use of Proceeds. (a) The proceeds of the Loans shall be used by the Company to refinance any outstanding amounts under the Original Credit Agreement and for general corporate purposes.

(b) The Company will not use the proceeds of the Loans (i) for the purpose of furthering an offer, payment, promise to pay, or authorization of the payment of money, to any Person in violation of applicable OFAC Regulations; (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with a Sanctioned Person or in a Sanctioned Country, in violation of any applicable Sanctions; or (iii) for any other purpose that would violate any applicable anti-corruption laws of jurisdictions that have jurisdiction over the Company or any of its Subsidiaries or that would violate any Sanctions.

4.16 Sanctions, OFAC and Patriot Act. (a) None of the Company, any of its Subsidiaries, or any of the Company's directors or officers, nor, to the knowledge of the Company, any of its employees and agents or any directors, officers, employees and agents of any of its Subsidiaries, 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 is 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) Original 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 (i) an opinion of Cravath, Swaine & Moore LLP, special counsel to the Company, substantially in the form of Exhibit B-1, and (ii) an opinion of Scott D. Hoffman, Managing Director and the General Counsel to the Company, substantially in the form of Exhibit B-2, and (iii) and an opinion of Wilmer Cutler Pickering Hale and Dorr LLP, substantially in the form of Exhibit B-3, each 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.

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 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, 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 each Bank, upon written request, full information as to the insurance carried.

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;

(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 of the Code or Section 303 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 of the Code or Section 305 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, Reorganization or Insolvency of, any Single Employer Plan or Multiemployer Plan or determination that any such Single Employer Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that any Multiemployer Plan is, or is expected to be, in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 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 September 30, 2015, to be greater than 3.25 to 1.00.

(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 September 30, 2015, 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 $25,000,000 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; 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.

7.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except:

(a) Liens created, incurred or assumed by any Subsidiary of the Company which is a registered broker-dealer upon assets owned by such Subsidiary or held for such Subsidiary's account to secure Trade Debt;

(b) Liens for taxes, assessments, governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company in accordance with GAAP;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's, or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings;

(d) (i) pledges or deposits in connection with workmen's compensation, unemployment insurance and other social security legislation, (ii) licenses, sublicenses, leases or subleases granted in the ordinary course of business not interfering in any material respect with the business of the Company or any of its Subsidiaries, (iii) Liens arising from UCC financing statements regarding operating leases and (iv) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents;

(e) 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) any Lien securing Indebtedness permitted under Sections 7.2(b) (only to the extent required under Requirements of Law), 7.2(e) and 7.2(k);

(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 of the Code or Section 303 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 of the Code or Section 305 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 undismissed 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), 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. 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.

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 10020
Attention: Chief Financial Officer
Facsimile: (212) 632-6670
E-mail Address: matthieu.bucaille@lazard.com

With a copy to:

Lazard Group LLC
30 Rockefeller Plaza
New York, New York 10020
Attention: Group Treasurer
Facsimile: (212) 632-6670
E-mail Address: james.hansford@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.
1615 Brett Road
New Castle, Delaware 19720
Attention: Agency Operations
Facsimile: (646) 274-5080 Telephone: (302) 894-6010
E-mail Address: Robert.Ross@citigroup.com
Copy to: GLAgentOfficeOps@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 and Taxes. 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 and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents, and (d) to pay, indemnify, and hold each Bank, 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 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 and (e) 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 Lender; 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"). 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.

(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, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Company, as the case may be at its address set forth in Section 12.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

12.11 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Company and the Administrative Agent.

12.12 **Governing Law. This Agreement and the Notes and the rights and obligations of the parties under this Agreement and the Notes shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.**

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 Original Credit Agreement. All references made to the Original 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 Original Credit Agreement and the other "Credit Documents" under the Original Credit Agreement shall terminate and have no further force and effect (other than those obligations and liabilities that expressly survive the termination of the Original Credit Agreement) and (ii) the Original Credit Agreement shall be amended and restated in the form of this Agreement and the Original Credit Agreement and the other "Credit Documents" thereunder shall be replaced in full by this Agreement and the other Credit Documents.

[*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: /s/ Matthieu Bucaille
Name: Matthieu Bucaille
Title: Chief Financial Officer

CITIBANK, N.A.,
as Administrative Agent and as a Bank

By: /s/ Richard Rivera
Name: Richard Rivera
Title: Vice President

[*Signature Page to Credit Agreement*]

State Street Bank and Trust Company,
as Bank

By: /s/ Mary H. Carey
Name: Mary H. Carey
Title: Vice President

[*Signature Page to Credit Agreement*]

The Bank of New York Mellon,
as Bank

By: /s/ Diane L. Demmler
Name: Diane L. Demmler
Title: Vice President

[*Signature Page to Credit Agreement*]

HSBC Bank USA, N.A.,
as Bank

By: /s/ John Lindon
Name: John Lindon
Title: Managing Director

[*Signature Page to Credit Agreement*]

The Northern Trust Company,
as Bank

By: /s/ Nathalie A. Houde
Name: Nathalie A. Houde
Title: Senior Vice President

[*Signature Page to Credit Agreement*]

Exhibit 12.1

LAZARD LTD

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (a)

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

	Nine Months Ended September 30, 2015	Year Ended December 31,				
		2014	2013	2012	2011	2010
		(dollars in thousands)				
Operating income (loss)	$ (155,969)	$ 519,465	$ 216,807	$ 123,885	$ 235,499	$ 243,650
Add—Fixed charges	57,358	86,066	103,668	106,470	110,919	117,119
Operating income (loss) before fixed charges	$ (98,611)	$ 605,531	$ 320,475	$ 230,355	$ 346,418	$ 360,769
Fixed Charges:						
Interest (b)	$ 39,431	$ 62,570	$ 79,381	$ 81,565	$ 90,126	$ 97,709
Other (c)	17,927	23,496	24,287	24,905	20,793	19,410
Total fixed charges	$ 57,358	$ 86,066	$ 103,668	$ 106,470	$ 110,919	$ 117,119
Ratio of earnings to fixed charges	–(d)	7.04	3.09(e)	2.16(f)	3.12	3.08(g)
Deficiency in the coverage of operating income (loss) before fixed charges to total fixed charges	$ 155,969					

Notes (dollars in thousands):

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

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

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

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

(d) Operating income for the nine month period ended September 30, 2015 is presented after giving effect to a charge of (i) $60,219 associated with the redemption of $450 million of the 2017 Notes, (ii) $2,655 excess interest expense due to the overlap between the issuance of the 2025 Notes and the settlement of the redemption of the 2017 Notes, (iii) $12,203 relating to a private equity revenue adjustment and, (iv) $541,915 relating to the provision (benefit) pursuant to the tax receivable agreement. Excluding the impact of such items, the ratio of earnings to fixed charges would have been 8.98.

(e) Operating income for the year ended December 31, 2013 is presented after giving effect to a charge of (i) $64,703 associated with the cost saving initiatives announced by the Company in October 2012, (ii) $54,087 pertaining to the refinancing of the 2015 Notes and the issuance of the 2020 Notes and (iii) $12,203 relating to private equity incentive compensation. Excluding the impact of such charge, the ratio of earnings to fixed charges would have been 4.35.

(f) Operating income for the year ended December 31, 2012 is presented after giving effect to (i) a charge in the first quarter of $24,659 relating to severance costs and benefit payments associated with staff reductions, including the acceleration of unrecognized amortization expense of deferred incentive compensation previously granted to individuals being terminated and (ii) a charge in the fourth quarter of $102,576 associated with the cost saving initiatives announced by the Company in October 2012. Excluding the impact of such items, the ratio of earnings to fixed charges would have been 3.36.

(g) Operating income for the year ended December 31, 2010 is presented after giving effect to (i) a restructuring charge of $87,108, (ii) a charge of $24,860 relating to the amendment of Lazard's retirement policy with respect to RSU awards and (iii) benefits pursuant to the tax receivable agreement of $8,834 relating to the aforementioned items. Excluding the impact of such items, the ratio of earnings to fixed charges would have been 3.96.

EXHIBIT 31.1

I, Kenneth M. Jacobs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 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: October 27, 2015

/s/ Kenneth M. Jacobs

Kenneth M. Jacobs
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Matthieu Bucaille, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 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: October 27, 2015

/s/ Matthieu Bucaille

Matthieu Bucaille
Chief Financial Officer

EXHIBIT 32.1

October 27, 2015
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 September 30, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

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

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

October 27, 2015
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 September 30, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Matthieu Bucaille
Matthieu Bucaille
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.