UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2019

OR

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

For the transition period from to

001-32975

(Commission File Number)

EVERCORE INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-4748747**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

55 East 52nd Street

New York, New York 10055

(Address of principal executive offices)

Registrant's telephone number: (212) 857-3100

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

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

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

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

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

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	EVR	New York Stock Exchange

The number of shares of the registrant's Class A common stock, par value $0.01 per share, outstanding as of July 24, 2019 was 39,871,985. The number of shares of the registrant's Class B common stock, par value $0.01 per share, outstanding as of July 24, 2019 was 87 (excluding 13 shares of Class B common stock held by a subsidiary of the registrant).

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In this report, references to "Evercore", the "Company", "we", "us", "our" refer to Evercore Inc., a Delaware corporation, and its consolidated subsidiaries. Unless the context otherwise requires, references to (1) "Evercore Inc." refer solely to Evercore Inc., and not to any of its consolidated subsidiaries and (2) "Evercore LP" refer solely to Evercore LP, a Delaware limited partnership, and not to any of its consolidated subsidiaries.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Financial Statements (Unaudited) **Page**

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)
(dollars in thousands, except share data)

	June 30, 2019	December 31, 2018
Assets		
Current Assets		
Cash and Cash Equivalents	$ 374,321	$ 790,590
Marketable Securities and Certificates of Deposit	217,049	304,627
Financial Instruments Owned and Pledged as Collateral at Fair Value	22,798	22,349
Securities Purchased Under Agreements to Resell	2,975	2,696
Accounts Receivable (net of allowances of $7,359 and $6,037 at June 30, 2019 and December 31, 2018, respectively)	316,878	309,075
Receivable from Employees and Related Parties	19,709	23,836
Other Current Assets	109,834	28,444
Total Current Assets	1,063,564	1,481,617
Investments	89,520	90,644
Deferred Tax Assets	272,140	241,092
Operating Lease Right-of-Use Assets	178,241	—
Furniture, Equipment and Leasehold Improvements (net of accumulated depreciation and amortization of $101,600 and $89,494 at June 30, 2019 and December 31, 2018, respectively)	103,510	81,069
Goodwill	131,600	131,387
Intangible Assets (net of accumulated amortization of $45,816 and $41,217 at June 30, 2019 and December 31, 2018, respectively)	5,779	10,378
Other Assets	95,395	89,480
Total Assets	$ 1,939,749	$ 2,125,667
Liabilities and Equity		
Current Liabilities		
Accrued Compensation and Benefits	$ 245,061	$ 602,122
Accounts Payable and Accrued Expenses	46,144	37,948
Securities Sold Under Agreements to Repurchase	25,781	25,075
Payable to Employees and Related Parties	45,651	31,894
Operating Lease Liabilities	33,360	—
Taxes Payable	3,918	33,621
Other Current Liabilities	12,056	19,031
Total Current Liabilities	411,971	749,691
Operating Lease Liabilities	184,553	—
Notes Payable	168,748	168,612
Amounts Due Pursuant to Tax Receivable Agreements	94,411	94,411
Other Long-term Liabilities	105,231	105,014
Total Liabilities	964,914	1,117,728
Commitments and Contingencies (Note 17)		
Equity		
Evercore Inc. Stockholders' Equity		
Common Stock		
Class A, par value $0.01 per share (1,000,000,000 shares authorized, 68,508,501 and 65,872,014 issued at June 30, 2019 and December 31, 2018, respectively, and 39,864,606 and 39,748,576 outstanding at June 30, 2019 and December 31, 2018, respectively)	685	659
Class B, par value $0.01 per share (1,000,000 shares authorized, 87 and 86 issued and outstanding at June 30, 2019 and December 31, 2018, respectively)	—	—
Additional Paid-In-Capital	1,916,503	1,818,100
Accumulated Other Comprehensive Income (Loss)	(31,988)	(30,434)
Retained Earnings	463,002	364,882
Treasury Stock at Cost (28,643,895 and 26,123,438 shares at June 30, 2019 and December 31, 2018, respectively)	(1,609,916)	(1,395,087)
Total Evercore Inc. Stockholders' Equity	738,286	758,120
Noncontrolling Interest	236,549	249,819
Total Equity	974,835	1,007,939
Total Liabilities and Equity	$ 1,939,749	$ 2,125,667

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(dollars and share amounts in thousands, except per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Investment Banking:				
Advisory Fees	$ 443,580	$ 362,995	$ 769,424	$ 741,310
Underwriting Fees	16,910	21,065	43,830	51,344
Commissions and Related Fees	48,660	51,076	90,597	94,110
Asset Management and Administration Fees	12,419	12,170	24,802	23,925
Other Revenue, Including Interest and Investments	13,640	6,239	25,975	10,768
Total Revenues	535,209	453,545	954,628	921,457
Interest Expense	4,163	5,068	8,255	9,417
Net Revenues	531,046	448,477	946,373	912,040
Expenses				
Employee Compensation and Benefits	314,323	265,591	561,955	541,085
Occupancy and Equipment Rental	18,062	14,478	34,279	27,882
Professional Fees	20,511	20,833	39,335	36,883
Travel and Related Expenses	19,397	17,622	37,061	33,978
Communications and Information Services	11,481	10,360	22,627	21,044
Depreciation and Amortization	7,666	6,746	14,704	13,394
Execution, Clearing and Custody Fees	3,199	1,560	6,218	4,750
Special Charges	1,029	—	2,058	1,897
Acquisition and Transition Costs	—	—	108	21
Other Operating Expenses	8,544	6,505	17,384	13,775
Total Expenses	404,212	343,695	735,729	694,709
Income Before Income from Equity Method Investments and Income Taxes	126,834	104,782	210,644	217,331
Income from Equity Method Investments	2,453	2,419	4,664	4,544
Income Before Income Taxes	129,287	107,201	215,308	221,875
Provision for Income Taxes	32,030	25,541	39,851	30,479
Net Income	97,257	81,660	175,457	191,396
Net Income Attributable to Noncontrolling Interest	15,515	12,729	26,483	26,922
Net Income Attributable to Evercore Inc.	$ 81,742	$ 68,931	$ 148,974	$ 164,474
Net Income Attributable to Evercore Inc. Common Shareholders	$ 81,742	$ 68,931	$ 148,974	$ 164,474
Weighted Average Shares of Class A Common Stock Outstanding				
Basic	40,546	40,889	40,522	40,653
Diluted	43,376	45,299	43,766	45,377
Net Income Per Share Attributable to Evercore Inc. Common Shareholders:				
Basic	$ 2.02	$ 1.69	$ 3.68	$ 4.05
Diluted	$ 1.88	$ 1.52	$ 3.40	$ 3.62

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(dollars in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Net Income	$ 97,257	$ 81,660	$ 175,457	$ 191,396
Other Comprehensive Income (Loss), net of tax:				
Unrealized Gain (Loss) on Marketable Securities and Investments, net	(63)	119	(670)	(422)
Foreign Currency Translation Adjustment Gain (Loss), net	(4,007)	(6,496)	(1,148)	(2,301)
Other Comprehensive Income (Loss)	(4,070)	(6,377)	(1,818)	(2,723)
Comprehensive Income	93,187	75,283	173,639	188,673
Comprehensive Income Attributable to Noncontrolling Interest	14,926	11,789	26,219	26,503
Comprehensive Income Attributable to Evercore Inc.	$ 78,261	$ 63,494	$ 147,420	$ 162,170

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)
(dollars in thousands, except share data)

	For the Three Months Ended June 30, 2019								
	Class A Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Retained	Treasury Stock		Noncontrolling	Total
	Shares	Dollars	Capital	Income (Loss)	Earnings	Shares	Dollars	Interest	Equity
Balance at March 31, 2019	68,441,333	$ 684	$ 1,890,069	$ (28,507)	$ 408,281	(27,372,948)	$ (1,502,780)	$ 238,211	$ 1,005,958
Net Income	—	—	—	—	81,742	—	—	15,515	97,257
Other Comprehensive Income (Loss)	—	—	—	(3,481)	—	—	—	(589)	(4,070)
Treasury Stock Purchases	—	—	—	—	—	(1,270,947)	(107,136)	—	(107,136)
Evercore LP Units Converted into Class A Common Stock	19,529	—	13,035	—	—	—	—	(754)	12,281
Equity-based Compensation Awards	47,639	1	54,881	—	—	—	—	6,610	61,492
Dividends	—	—	—	—	(27,021)	—	—	—	(27,021)
Noncontrolling Interest (Note 14)	—	—	(41,482)	—	—	—	—	(22,444)	(63,926)
Balance at June 30, 2019	68,508,501	$ 685	$ 1,916,503	$ (31,988)	$ 463,002	(28,643,895)	$ (1,609,916)	$ 236,549	$ 974,835

	For the Six Months Ended June 30, 2019								
	Class A Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Retained	Treasury Stock		Noncontrolling	Total
	Shares	Dollars	Capital	Income (Loss)	Earnings	Shares	Dollars	Interest	Equity
Balance at December 31, 2018	65,872,014	$ 659	$ 1,818,100	$ (30,434)	$ 364,882	(26,123,438)	$ (1,395,087)	$ 249,819	$ 1,007,939
Net Income	—	—	—	—	148,974	—	—	26,483	175,457
Other Comprehensive Income (Loss)	—	—	—	(1,554)	—	—	—	(264)	(1,818)
Treasury Stock Purchases	—	—	—	—	—	(2,520,457)	(214,829)	—	(214,829)
Evercore LP Units Converted into Class A Common Stock	256,896	2	29,327	—	—	—	—	(11,177)	18,152
Equity-based Compensation Awards	2,379,591	24	110,558	—	—	—	—	12,116	122,698
Dividends	—	—	—	—	(50,854)	—	—	—	(50,854)
Noncontrolling Interest (Note 14)	—	—	(41,482)	—	—	—	—	(40,428)	(81,910)
Balance at June 30, 2019	68,508,501	$ 685	$ 1,916,503	$ (31,988)	$ 463,002	(28,643,895)	$ (1,609,916)	$ 236,549	$ 974,835

	For the Three Months Ended June 30, 2018								
	Class A Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Retained	Treasury Stock		Noncontrolling	Total
	Shares	Dollars	Capital	Income (Loss)	Earnings	Shares	Dollars	Interest	Equity
Balance at March 31, 2018	65,391,119	$ 654	$ 1,666,292	$ (26,049)	$ 153,605	(24,439,399)	$ (1,244,642)	$ 224,473	$ 774,333
Net Income	—	—	—	—	68,931	—	—	12,729	81,660
Other Comprehensive Income (Loss)	—	—	—	(5,437)	—	—	—	(940)	(6,377)
Treasury Stock Purchases	—	—	—	—	—	(239,593)	(21,285)	—	(21,285)
Evercore LP Units Converted into Class A Common Stock	194,592	2	9,053	—	—	—	—	(7,229)	1,826
Equity-based Compensation Awards	37,643	—	46,554	—	—	—	—	4,875	51,429
Dividends	—	—	—	—	(23,721)	—	—	—	(23,721)
Noncontrolling Interest (Note 14)	—	—	(231)	—	—	—	—	(6,634)	(6,865)
Balance at June 30, 2018	65,623,354	$ 656	$ 1,721,668	$ (31,486)	$ 198,815	(24,678,992)	$ (1,265,927)	$ 227,274	$ 851,000

	For the Six Months Ended June 30, 2018								
	Class A Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Retained	Treasury Stock		Noncontrolling	Total
	Shares	Dollars	Capital	Income (Loss)	Earnings	Shares	Dollars	Interest	Equity
Balance at December 31, 2017	62,119,904	$ 621	$ 1,600,699	$ (31,411)	$ 79,461	(23,017,750)	$ (1,105,406)	$ 252,404	$ 796,368
Cumulative Effect of Accounting	—	—	—	2,229	(2,229)	—	—	—	—

Change(1)									
Net Income	—	—	—	—	164,474	—	—	26,922	191,396
Other Comprehensive Income (Loss)	—	—	—	(2,304)	—	—	—	(419)	(2,723)
Treasury Stock Purchases	—	—	—	—	—	(1,661,242)	(160,521)	—	(160,521)
Evercore LP Units Converted into Class A Common Stock	1,054,707	11	56,968	—	—	—	—	(41,565)	15,414
Equity-based Compensation Awards	2,448,743	24	89,459	—	—	—	—	9,997	99,480
Dividends	—	—	—	—	(42,891)	—	—	—	(42,891)
Noncontrolling Interest (Note 14)	—	—	(25,458)	—	—	—	—	(20,065)	(45,523)
Balance at June 30, 2018	65,623,354	$ 656	$ 1,721,668	$ (31,486)	$ 198,815	(24,678,992)	$ (1,265,927)	$ 227,274	$ 851,000

(1) The cumulative adjustment relates to the adoption of ASU No. 2016-01, *"Recognition and Measurement of Financial Assets and Financial Liabilities"* on January 1, 2018, for which the Company recorded an adjustment to Retained Earnings to reflect cumulative unrealized losses, net of tax, on available-for-sale equity securities previously recorded in Accumulated Other Comprehensive Income (Loss).

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(dollars in thousands)

	For the Six Months Ended June 30,	
	2019	**2018**
Cash Flows From Operating Activities		
Net Income	$ 175,457	$ 191,396
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:		
Net (Gains) Losses on Investments, Marketable Securities and Contingent Consideration	(9,985)	1,941
Equity Method Investments	3,402	3,673
Equity-Based and Other Deferred Compensation	192,286	141,225
Depreciation, Amortization and Accretion	28,214	13,523
Bad Debt Expense	1,750	1,622
Deferred Taxes	(12,427)	(1,576)
Decrease (Increase) in Operating Assets:		
Marketable Securities	(514)	36
Financial Instruments Owned and Pledged as Collateral at Fair Value	120	508
Securities Purchased Under Agreements to Resell	(210)	(50)
Accounts Receivable	(9,800)	(92,014)
Receivable from Employees and Related Parties	4,133	(4,075)
Other Assets	(87,498)	(4,401)
(Decrease) Increase in Operating Liabilities:		
Accrued Compensation and Benefits	(411,865)	(81,922)
Accounts Payable and Accrued Expenses	(176)	6,506
Securities Sold Under Agreements to Repurchase	68	(447)
Payables to Employees and Related Parties	13,757	13,415
Taxes Payable	(29,702)	(11,125)
Other Liabilities	7,911	(3,728)
Net Cash Provided by (Used in) Operating Activities	(135,079)	174,507
Cash Flows From Investing Activities		
Investments Purchased	(2,819)	(45)
Distributions of Private Equity Investments	364	1,578
Marketable Securities:		
Proceeds from Sales and Maturities	263,490	41,950
Purchases	(266,486)	(176,202)
Maturity of Certificates of Deposit	100,000	63,527
Purchase of Certificates of Deposit	—	(50,000)
Purchase of Furniture, Equipment and Leasehold Improvements	(26,282)	(7,178)
Net Cash Provided by (Used in) Investing Activities	68,267	(126,370)
Cash Flows From Financing Activities		
Issuance of Noncontrolling Interests	—	830
Distributions to Noncontrolling Interests	(31,696)	(20,584)
Short-Term Borrowings	30,000	30,000
Repayment of Short-Term Borrowings	(30,000)	(30,000)
Repayment of Subordinated Borrowings	—	(6,799)
Purchase of Treasury Stock and Noncontrolling Interests	(265,043)	(185,373)
Dividends	(50,797)	(37,019)
Net Cash Provided by (Used in) Financing Activities	(347,536)	(248,945)
Effect of Exchange Rate Changes on Cash	(1,133)	(1,576)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(415,481)	(202,384)
Cash, Cash Equivalents and Restricted Cash-Beginning of Period	800,096	617,385
Cash, Cash Equivalents and Restricted Cash-End of Period	$ 384,615	$ 415,001
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Payments for Interest	$ 8,400	$ 9,636
Payments for Income Taxes	$ 79,357	$ 32,796
Accrued Dividends	$ 7,125	$ 5,869
Purchase of Noncontrolling Interest	$ 2,701	$ —

See Notes to Unaudited Condensed Consolidated Financial Statements.

EVERCORE INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

Note 1 – Organization

Evercore Inc., together with its subsidiaries (the "Company"), is an investment banking and investment management firm, incorporated in Delaware and headquartered in New York, New York. The Company is a holding company which owns a controlling interest in, and is the sole general partner of, Evercore LP, a Delaware limited partnership ("Evercore LP"). The Company operates from its offices and through its affiliates in North America, Europe, the Middle East and Asia.

The Investment Banking segment includes the advisory business through which the Company provides advice to clients on significant mergers, acquisitions, divestitures, shareholder activism and other strategic corporate transactions, with a particular focus on advising prominent multinational corporations and substantial private equity firms on large, complex transactions. The Company also provides restructuring advice to companies in financial transition, as well as to creditors, shareholders and potential acquirers. In addition, the Company provides its clients with capital markets advice, underwrites securities offerings, raises funds for financial sponsors and provides advisory services focused on secondary transactions for private funds interests, as well as on primary and secondary transactions for real estate oriented financial sponsors and private equity interests. The Investment Banking business also includes the Evercore ISI business through which the Company offers macroeconomic, policy and fundamental equity research and agency-based equity securities trading for institutional investors.

The Investment Management segment includes the wealth management business through which the Company provides investment advisory, wealth management and fiduciary services for high net-worth individuals and associated entities, the institutional asset management business through which the Company, directly and through affiliates, manages financial assets for sophisticated institutional investors and the private equity business, which holds interests in private equity funds which are not managed by the Company.

Note 2 – Significant Accounting Policies

For a further discussion of the Company's accounting policies, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Basis of Presentation – The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q. As permitted by the rules and regulations of the United States Securities and Exchange Commission, the unaudited condensed consolidated financial statements contain certain condensed financial information and exclude certain footnote disclosures normally included in audited consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying condensed consolidated financial statements are unaudited and are prepared in accordance with U.S. GAAP. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, including normal recurring accruals, necessary to fairly present the accompanying unaudited condensed consolidated financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2018. The December 31, 2018 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. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2019.

The accompanying unaudited condensed consolidated financial statements of the Company are comprised of the consolidation of Evercore LP and Evercore LP's wholly-owned and majority-owned direct and indirect subsidiaries, including Evercore Group L.L.C. ("EGL"), a registered broker-dealer in the U.S. The Company's policy is to consolidate all subsidiaries in which it has a controlling financial interest, as well as any variable interest entities ("VIEs") where the Company is deemed to be the primary beneficiary, when it has the power to make the decisions that most significantly affect the economic performance of the VIE and has the obligation to absorb significant losses or the right to receive benefits that could potentially be significant to the VIE. The Company reviews factors, including the rights of the equity holders and obligations of equity holders to absorb losses or receive expected residual returns, to determine if the investment is a VIE. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the entity held either directly or indirectly by the Company. The consolidation analysis is generally performed qualitatively. This analysis, which requires judgment, is performed at each reporting date.

Evercore LP is a VIE and the Company is the primary beneficiary. Specifically, the Company has the majority economic interest in Evercore LP and has decision making authority that significantly affects the economic performance of the entity while the limited partners have no kick-out or substantive participating rights. The assets and liabilities of Evercore LP represent substantially all of the consolidated assets and liabilities of the Company with the exception of U.S. corporate taxes and related items, which are presented on the Company's (Parent Company Only) Condensed Statements of Financial Position in Note 24 to

the Company's consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Evercore ISI International Limited ("ISI U.K."), Evercore Partners International LLP ("Evercore U.K.") and Evercore (Japan) Ltd. ("Evercore Japan") are also VIEs, and the Company is the primary beneficiary of these VIEs. Specifically for ISI U.K. and Evercore Japan (as of January 1, 2019 for Evercore Japan), the Company provides financial support through transfer pricing agreements with these entities, which exposes the Company to losses that are potentially significant to these entities, and has decision making authority that significantly affects the economic performance of these entities. The Company has the majority economic interest in Evercore U.K. and has decision making authority that significantly affects the economic performance of this entity. The Company included in its Unaudited Condensed Consolidated Statements of Financial Condition ISI U.K., Evercore U.K. and Evercore Japan assets of $161,095 and liabilities of $101,937 at June 30, 2019 and ISI U.K. and Evercore U.K. assets of $190,223 and liabilities of $122,460 at December 31, 2018.

All intercompany balances and transactions with the Company's subsidiaries have been eliminated upon consolidation.

The Company adopted ASC 842, "*Leases*" ("ASC 842") on January 1, 2019, using the modified retrospective method of transition. The Company did not have a cumulative-effect adjustment as of the date of adoption. The Company elected to apply the package of practical expedients, which does not require reassessment of whether contracts are or contain leases, of lease classification and of initial direct costs. The Company also elected the transition option in Accounting Standards Update ("ASU") No. 2018-11, "*Leases (Topic 842): Targeted Improvements*," ("ASU 2018-11") to not apply the new lease standard in comparative periods presented in financial statements in the year of adoption. Following the adoption of ASC 842, the Company includes all leases, including short-term leases, on its Unaudited Condensed Consolidated Statements of Financial Condition. The Company does not separate lease and non-lease components of contracts for leases for the use of office equipment. Operating leases for office space generally contain payments for real estate taxes, common area maintenance and other operating expenses in addition to rent payments; the Company does not include these as part of the lease component.

Following the adoption of ASC 842, the present value of the Company's lease commitments are reflected as long-term assets, within Operating Lease Right-of-Use Assets, with corresponding liabilities classified as current and non-current, within Operating Lease Liabilities on the Company's Unaudited Condensed Consolidated Statement of Financial Condition. The Company determines if an arrangement is a lease at inception. Right-of-use assets represent the Company's right to use the underlying assets for their lease terms and lease liabilities represent the Company's obligation to make lease payments arising from these leases. Right-of-use assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. Right-of-use assets are subject to certain adjustments for lease incentives and initial direct costs. The lease terms include options to extend the lease when it is reasonably certain that the Company will exercise that option. The Company's lease agreements do not contain any residual value guarantees.

Operating lease expense is included in Occupancy and Equipment Rental on the Company's Unaudited Condensed Consolidated Statements of Operations (which did not change from the legacy U.S. GAAP presentation). See Notes 3 and 10 for further information.

Note 3 – Recent Accounting Pronouncements

ASU 2016-02 **–** In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, *"Leases (Topic 842)"* ("ASU 2016-02"). ASU 2016-02 supersedes ASC 840, *"Leases"* ("ASC 840") and includes requirements for the recognition of a right-of-use asset and lease liability on the balance sheet by lessees for those leases classified as operating leases under previous guidance. In July 2018, the FASB issued ASU 2018-11, which provides an additional transition method to initially apply the new lease standard at the adoption date and recognize a cumulative-effect adjustment to Retained Earnings for prior periods as of the beginning of the fiscal year of adoption. The amendments in these updates are effective using a modified retrospective approach as of the date of adoption, during interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company adopted ASU 2016-02 on January 1, 2019 using the modified retrospective approach. The adoption resulted in the present value of the Company's lease commitments being reflected on the Company's Unaudited Condensed Consolidated Statements of Financial Condition as a long-term asset with a corresponding liability, classified as current and non-current. Right-of-use assets are subject to certain adjustments for lease incentives and initial direct costs. The Company's lease commitments primarily relate to office space, as discussed in Note 10. The impact on the Company's earnings is not materially different from the prior expense related to leases as required under legacy U.S. GAAP, which is primarily reflected in Occupancy and Equipment Rental expense on the Unaudited Condensed Consolidated Statements of Operations, and there was no impact on the Company's cash flows. The Company recorded lease liabilities of $217,913 on its Unaudited Condensed Consolidated

Statements of Financial Condition as of June 30, 2019, along with associated right-of-use assets of $178,241, which reflect the lease liabilities recognized, subject to certain adjustments for lease incentives and initial direct costs.

ASU 2016-13 – In June 2016, the FASB issued ASU No. 2016-13, *"Measurement of Credit Losses on Financial Instruments"* ("ASU 2016-13"). ASU 2016-13 provides amendments to ASC 326, *"Financial Instruments - Credit Losses,"* which amend the guidance on the impairment of financial instruments and adds an impairment model (the current expected credit loss (CECL) model) that is based on expected losses rather than incurred losses. Entities will recognize an allowance for its estimate of expected credit losses as of the end of each reporting period. The amendments in this update are effective during interim and annual periods beginning after December 15, 2019, with early adoption permitted after December 15, 2018. The Company currently uses the specific identification method for establishing credit provisions and write-offs of its trade accounts receivable. The Company anticipates adopting ASU 2016-13 on January 1, 2020. The Company is currently assessing the impact of this update but does not anticipate a material difference between the current method and the CECL model.

ASU 2018-02 – In February 2018, the FASB issued ASU No. 2018-02, *"Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income"* ("ASU 2018-02"). ASU 2018-02 provides amendments to ASC 220, *"Income Statement - Reporting Comprehensive Income,"* which allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. The amendments in this update are effective either in the period of adoption or retrospectively, to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized, during interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company adopted ASU 2018-02 on January 1, 2019 and did not elect to reclassify the income tax effects of the Tax Cuts and Jobs Act from accumulated other comprehensive income to retained earnings. As such, there was no impact on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

ASU 2018-07 – In June 2018, the FASB issued ASU No. 2018-07, *"Improvements to Nonemployee Share-Based Payment Accounting"* ("ASU 2018-07"). ASU 2018-07 provides amendments to ASC 718, *"Compensation - Stock Compensation"* to align the accounting for share-based payment awards issued to employees and nonemployees, particularly surrounding the measurement date and impact of performance conditions. The amendments in this update are effective during interim and annual periods beginning after December 15, 2018, with early adoption permitted. The amendments in this update should be applied by means of a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption for liability-classified awards that have not been settled and equity-classified awards for which a measurement date has not been established by the date of adoption, and prospectively for all new awards granted after the date of adoption. The Company adopted ASU 2018-07 on January 1, 2019. The adoption of ASU 2018-07 did not have a material impact on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

ASU 2018-13 – In August 2018, the FASB issued ASU No. 2018-13, *"Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement"* ("ASU 2018-13"). ASU 2018-13 provides amendments to ASC 820, "*Fair Value Measurements and Disclosures"* ("ASC 820"), which remove the requirements surrounding the disclosure and policy of transfers between fair value levels and the valuation processes for recurring Level 3 fair value measurements. In addition, ASU 2018-13 adds disclosure requirements for changes in unrealized gains and losses for Level 3 measurements and the range and weighted average of significant unobservable inputs used in Level 3 fair value measurements. The amendments in this update are effective during interim and annual periods beginning after December 15, 2019, with early adoption permitted. The amendments on changes in unrealized gains and losses and unobservable inputs for Level 3 measurements should be applied prospectively, and all other amendments in this update should be applied retrospectively. The Company is currently assessing the impact of this update on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

ASU 2018-17 – In October 2018, the FASB issued ASU No. 2018-17, *"Consolidation (Topic 810) - Targeted Improvements to Related Party Guidance for Variable Interest Entities"* ("ASU 2018-17"). ASU 2018-17 provides amendments to ASC 810, "*Consolidation*" ("ASC 810"), which states that any indirect interest held through related parties in common control arrangements should be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests. The amendments in this update are effective during interim and annual periods beginning after December 15, 2019, with early adoption permitted. The amendments are required to be retrospectively applied with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented. The Company is currently assessing the impact of this update on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

Note 4 – Revenue

The following table presents revenue recognized by the Company for the three and six months ended June 30, 2019 and 2018:

EVERCORE INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Investment Banking:				
Advisory Fees	$ 443,580	$ 362,995	$ 769,424	$ 741,310
Underwriting Fees	16,910	21,065	43,830	51,344
Commissions and Related Fees	48,660	51,076	90,597	94,110
Total Investment Banking	$ 509,150	$ 435,136	$ 903,851	$ 886,764
Investment Management:				
Asset Management and Administration Fees:				
Wealth Management	$ 11,815	$ 11,297	$ 23,253	$ 22,266
Institutional Asset Management	604	873	1,549	1,659
Total Investment Management	$ 12,419	$ 12,170	$ 24,802	$ 23,925

Contract Balances

The change in the Company's contract assets and liabilities during the periods primarily reflects timing differences between the Company's performance and the client's payment. The Company's receivables, contract assets and deferred revenue (contract liabilities) for the six months ended June 30, 2019 and 2018 are as follows:

	For the Six Months Ended June 30, 2019					
	Receivables (Current)[1]	Receivables (Long-term)[2]	Contract Assets (Current)[3]	Contract Assets (Long-term)[4]	Deferred Revenue (Current Contract Liabilities)[5]	Deferred Revenue (Long-term Contract Liabilities)[6]
Balance at January 1, 2019	$ 309,075	$ 60,948	$ 2,833	$ 541	$ 4,016	$ 1,731
Increase (Decrease)	7,803	1,700	72,701	6,740	1,049	(812)
Balance at June 30, 2019	$ 316,878	$ 62,648	$ 75,534	$ 7,281	$ 5,065	$ 919

	For the Six Months Ended June 30, 2018					
	Receivables (Current)[1]	Receivables (Long-term)[2]	Contract Assets (Current)[3]	Contract Assets (Long-term)[4]	Deferred Revenue (Current Contract Liabilities)[5]	Deferred Revenue (Long-term Contract Liabilities)[6]
Balance at January 1, 2018	$ 184,993	$ 34,008	$ —	$ —	$ 3,147	$ 1,834
Increase (Decrease)	89,004	17,610	—	—	3,234	(103)
Balance at June 30, 2018	$ 273,997	$ 51,618	$ —	$ —	$ 6,381	$ 1,731

(1) Included in Accounts Receivable on the Unaudited Condensed Consolidated Statements of Financial Condition.
(2) Included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.
(3) Included in Other Current Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.
(4) Included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.
(5) Included in Other Current Liabilities on the Unaudited Condensed Consolidated Statements of Financial Condition.
(6) Included in Other Long-term Liabilities on the Unaudited Condensed Consolidated Statements of Financial Condition.

The Company recognized revenue of $5,027 and $7,493 on the Unaudited Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2019, respectively, and $2,402 and $5,244 for the three and six months ended June 30, 2018, respectively, that was previously included in deferred revenue on the Company's Unaudited Condensed Consolidated Statements of Financial Condition.

(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

Generally, performance obligations under client arrangements will be settled within one year; therefore, the Company has elected to apply the practical expedient in ASC 606-10-50-14.

Note 5 – Special Charges and Intangible Asset Amortization

Special Charges

The Company recognized $1,029 and $2,058 for the three and six months ended June 30, 2019, respectively, as Special Charges incurred related to the acceleration of depreciation expense for leasehold improvements in conjunction with the previously announced expansion of the Company's headquarters in New York. The Company recognized $1,897 for the six months ended June 30, 2018, as Special Charges incurred related to separation benefits and costs for the termination of certain contracts associated with closing the Company's agency trading platform in the U.K.

Intangible Asset Amortization

Expense associated with the amortization of intangible assets for Investment Banking was $2,190 for the three months ended June 30, 2019 and 2018 and $4,380 for the six months ended June 30, 2019 and 2018, included within Depreciation and Amortization expense on the Unaudited Condensed Consolidated Statements of Operations. Expense associated with the amortization of intangible assets for Investment Management was $109 and $219 for the three and six months ended June 30, 2019, respectively, and $109 and $218 for the three and six months ended June 30, 2018, respectively, included within Depreciation and Amortization expense on the Unaudited Condensed Consolidated Statements of Operations.

Note 6 – Related Parties

Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition includes the long-term portion of loans receivable from certain employees of $14,038 and $16,359 as of June 30, 2019 and December 31, 2018, respectively.

Note 7 – Marketable Securities and Certificates of Deposit

The amortized cost and estimated fair value of the Company's Marketable Securities as of June 30, 2019 and December 31, 2018 were as follows:

	June 30, 2019				December 31, 2018			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Investments - Debt Securities	$ 1,933	$ 35	$ —	$ 1,968	$ 1,622	$ 10	$ —	$ 1,632
Securities Investments - Equity Securities	666	—	218	448	666	—	410	256
Debt Securities Carried by EGL	148,179	1,538	—	149,717	147,009	954	—	147,963
Investment Funds	61,784	3,132	—	64,916	56,296	402	1,922	54,776
Total	$ 212,562	$ 4,705	$ 218	$ 217,049	$ 205,593	$ 1,366	$ 2,332	$ 204,627

Scheduled maturities of the Company's available-for-sale debt securities within the Securities Investments portfolio as of June 30, 2019 and December 31, 2018 were as follows:

	June 30, 2019		December 31, 2018	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	$ 618	$ 620	$ 391	$ 391
Due after one year through five years	1,315	1,348	1,231	1,241
Total	$ 1,933	$ 1,968	$ 1,622	$ 1,632

Since the Company has the ability and intent to hold available-for-sale securities until a recovery of fair value is equal to an amount approximating its amortized cost, which may be at maturity, and has not incurred credit losses on its securities, it does not consider such unrealized loss positions to be other-than-temporarily impaired at June 30, 2019.

Securities Investments - Debt Securities

Securities Investments - Debt Securities are classified as available-for-sale securities within Marketable Securities on the Unaudited Condensed Consolidated Statements of Financial Condition. These securities are stated at fair value with unrealized gains and losses included in Accumulated Other Comprehensive Income (Loss) and realized gains and losses included in earnings. The Company had net realized losses of ($3) and ($6) for the three and six months ended June 30, 2019, respectively, and ($22) and ($35) for the three and six months ended June 30, 2018, respectively.

Securities Investments - Equity Securities

Securities Investments - Equity Securities are carried at fair value with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. The Company had net realized and unrealized gains (losses) of $41 and $193 for the three and six months ended June 30, 2019, respectively, and ($54) and ($65) for the three and six months ended June 30, 2018, respectively.

Debt Securities Carried by EGL

EGL invests in a fixed income portfolio consisting primarily of U.S. Treasury bills and municipal bonds. These securities are carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations, as required for broker-dealers in securities. The Company had net realized and unrealized gains (losses) of $465 and $514 for the three and six months ended June 30, 2019, respectively, and ($136) and ($36) for the three and six months ended June 30, 2018, respectively.

Investment Funds

The Company invests in a portfolio of exchange-traded funds and mutual funds as an economic hedge against the Company's deferred cash compensation program. See Note 16 for further information. These securities are carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. The Company had net realized and unrealized gains of $2,112 and $8,699 for the three and six months ended June 30, 2019, respectively, and $1,304 and $1,116 for the three and six months ended June 30, 2018, respectively.

Futures

In April 2019, the Company entered into three month futures contracts on a stock index fund with a notional amount of $14,815 for $680, as an economic hedge against the Company's deferred cash compensation program. These contracts settled in June 2019. In accordance with ASC 815, *"Derivatives and Hedging,"* ("ASC 815") these contracts are carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. The Company had net realized gains of $59 for the three and six months ended June 30, 2019.

Certificates of Deposit

At December 31, 2018, the Company held certificates of deposit of $100,000 with certain banks with original maturities of six months or less when purchased. These certificates of deposit matured during the first quarter of 2019.

Note 8 – Financial Instruments Owned and Pledged as Collateral at Fair Value, Securities Purchased Under Agreements to Resell and Securities Sold Under Agreements to Repurchase

The Company, through Evercore Casa de Bolsa, S.A. de C.V. ("ECB"), enters into repurchase agreements with clients seeking overnight money market returns whereby ECB transfers to the clients Mexican government securities in exchange for cash and concurrently agrees to repurchase the securities at a future date for an amount equal to the cash exchanged plus a stipulated premium or interest factor. ECB deploys the cash received from, and acquires the securities deliverable to, clients under these repurchase arrangements by purchasing securities in the open market, which the Company reflects as Financial Instruments Owned and Pledged as Collateral at Fair Value on the Unaudited Condensed Consolidated Statements of Financial Condition, or by entering into reverse repurchase agreements with unrelated third parties. The Company accounts for these repurchase and reverse repurchase agreements as collateralized financing transactions, which are carried at their contract amounts, which approximate fair value given that the contracts mature the following business day. The Company records a liability on its Unaudited Condensed Consolidated Statements of Financial Condition in relation to repurchase transactions executed with clients as Securities Sold Under Agreements to Repurchase. The Company records as assets on its Unaudited Condensed Consolidated Statements of Financial Condition, Financial Instruments Owned and Pledged as Collateral at Fair Value (where the Company has acquired the

(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market) and Securities Purchased Under Agreements to Resell (where the Company has acquired the securities deliverable to clients under these repurchase agreements by entering into reverse repurchase agreements with unrelated third parties). These Mexican government securities had an estimated average time to maturity of approximately 1.5 years, as of June 30, 2019, and are pledged as collateral against repurchase agreements. Generally, collateral is posted equal to the contract value at inception and is subject to market changes. These repurchase agreements are primarily with institutional customer accounts managed by ECB and permit the counterparty to pledge the securities.

ECB has procedures in place to monitor the daily risk limits for positions taken, as well as the credit risk based on the collateral pledged under these agreements against their contract value from inception to maturity date. The daily risk measure is Value at Risk ("VaR"), which is a statistical measure, at a 98% confidence level, of the potential daily losses from adverse market movements in an ordinary market environment based on a historical simulation using the prior year's historical data. ECB's Risk Management Committee (the "Committee") has established a policy to maintain VaR at levels below 0.1% of the value of the portfolio. If at any point in time the threshold is exceeded, ECB personnel are alerted by an automated interface with ECB's trading systems and begin to make adjustments in the portfolio in order to mitigate the risk and bring the portfolio in compliance. Concurrently, ECB personnel must notify the Committee of the variance and the actions taken to reduce the exposure to loss.

In addition to monitoring VaR, ECB periodically performs discrete stress tests ("Stress Tests") to assure that the level of potential losses that would arise from extreme market movements that may not be anticipated by VaR measures are within acceptable levels.

As of June 30, 2019 and December 31, 2018, a summary of the Company's assets, liabilities and collateral received or pledged related to these transactions was as follows:

	June 30, 2019		December 31, 2018	
	Asset (Liability) Balance	Market Value of Collateral Received or (Pledged)	Asset (Liability) Balance	Market Value of Collateral Received or (Pledged)
Assets				
Financial Instruments Owned and Pledged as Collateral at Fair Value	$ 22,798		$ 22,349	
Securities Purchased Under Agreements to Resell	2,975	$ 2,974	2,696	$ 2,701
Total Assets	$ 25,773		$ 25,045	
Liabilities				
Securities Sold Under Agreements to Repurchase	$ (25,781)	$ (25,776)	$ (25,075)	$ (25,099)

Note 9 – Investments

The Company's investments reported on the Unaudited Condensed Consolidated Statements of Financial Condition consist of investments in unconsolidated affiliated companies, other investments in private equity partnerships, equity securities in private companies and investments in G5 Holdings S.A. ("G5"), Glisco Manager Holdings LP and Trilantic Capital Partners ("Trilantic"). The Company's investments are relatively high-risk and illiquid assets.

The Company's investments in ABS Investment Management Holdings, LP and ABS Investment Management GP LLC (collectively, "ABS"), Atalanta Sosnoff Capital, LLC ("Atalanta Sosnoff") and Luminis Partners ("Luminis") are in voting interest entities. The Company's share of earnings (losses) on these investments is included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

The Company also has investments in private equity partnerships which consist of investment interests in private equity funds which are voting interest entities. Realized and unrealized gains and losses on the private equity investments are included within Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations.

Equity Method Investments

A summary of the Company's investments accounted for under the equity method of accounting as of June 30, 2019 and December 31, 2018 was as follows:

(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

	June 30, 2019	December 31, 2018
ABS	$ 36,172	$ 38,699
Atalanta Sosnoff	12,726	13,291
Luminis	5,608	6,517
Total	$ 54,506	$ 58,507

ABS

On December 29, 2011, the Company made an investment accounted for under the equity method of accounting in ABS Investment Management, LLC. Effective as of September 1, 2018, ABS Investment Management, LLC underwent an internal reorganization pursuant to which the Company contributed its ownership interest in ABS Investment Management, LLC to ABS in exchange for ownership interests in ABS Investment Management Holdings LP and ABS Investment Management GP LLC. Taken together, the ownership interests in ABS Investment Management Holdings LP and ABS Investment Management GP LLC are substantially equivalent to the contributed ownership interests in ABS Investment Management, LLC. At June 30, 2019, the Company's economic ownership interest in ABS was 46%. This investment resulted in earnings of $1,921 and $3,652 for the three and six months ended June 30, 2019, respectively, and $1,891 and $3,763 for the three and six months ended June 30, 2018, respectively, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

Atalanta Sosnoff

On December 31, 2015, the Company amended the Operating Agreement with Atalanta Sosnoff and deconsolidated its assets and liabilities, accounting for its interest under the equity method of accounting from that date forward. At June 30, 2019, the Company's economic ownership interest in Atalanta Sosnoff was 49%. This investment resulted in earnings of $313 and $538 for the three and six months ended June 30, 2019, respectively, and $231 and $484 for the three and six months ended June 30, 2018, respectively, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

Luminis

On January 1, 2017, the Company acquired an interest in Luminis and accounted for its interest under the equity method of accounting. At June 30, 2019, the Company's ownership interest in Luminis was 20%. This investment resulted in earnings of $219 and $474 for the three and six months ended June 30, 2019, respectively, and $297 for the three and six months ended June 30, 2018, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

Other

The Company allocates the purchase price of its equity method investments, in part, to the inherent finite-lived identifiable intangible assets of the investees. The Company's share of the earnings of the investees has been reduced by the amortization of these identifiable intangible assets of $171 and $342 for the three and six months ended June 30, 2019, respectively, and $223 and $445 for the three and six months ended June 30, 2018, respectively.

The Company assesses its equity method investments for impairment annually, or more frequently if circumstances indicate impairment may have occurred.

Debt Security Investment

On December 31, 2017, the Company exchanged all of its outstanding equity interests in G5 for debentures of G5. The Company records its investment in G5 as a held-to-maturity debt security within Investments on the Unaudited Condensed Consolidated Statements of Financial Condition. The securities are mandatorily redeemable on December 31, 2027, or earlier, subject to the occurrence of certain events. The Company is accreting its investment to its redemption value ratably, or on an accelerated basis if certain revenue thresholds are met by G5, from December 31, 2017 to December 31, 2027. This investment is subject to currency translation from Brazilian real to the U.S. dollar, included in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations. This investment had a balance of $9,509 and $9,717 as of June 30, 2019 and December 31, 2018, respectively.

(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

Investments in Private Equity

Private Equity Funds

The Company's investments related to private equity partnerships and associated entities include investments in Evercore Capital Partners II, L.P. ("ECP II"), Glisco Partners II, L.P. ("Glisco II"), Glisco Partners III, L.P. ("Glisco III"), Glisco Capital Partners IV ("Glisco IV"), Trilantic Capital Partners Associates IV, L.P. ("Trilantic IV"), Trilantic Capital Partners V, L.P. ("Trilantic V") and Trilantic Capital Partners VI (North America), L.P. ("Trilantic VI"). Portfolio holdings of the private equity funds are carried at fair value. Accordingly, the Company reflects its pro rata share of unrealized gains and losses occurring from changes in fair value. Additionally, the Company reflects its pro rata share of realized gains, losses and carried interest associated with any investment realizations.

During the six months ended June 30, 2019, the Company made an investment of $2,642 in Trilantic VI.

On December 31, 2014, ECP II was terminated. The Company's investment at June 30, 2019 of $765 is comprised of its remaining interest in the general partner, comprised in cash.

A summary of the Company's investments in the private equity funds as of June 30, 2019 and December 31, 2018 was as follows:

	June 30, 2019	December 31, 2018
ECP II	$ 765	$ 795
Glisco II, Glisco III and Glisco IV	3,919	3,880
Trilantic IV, Trilantic V and Trilantic VI	10,412	5,125
Total Private Equity Funds	$ 15,096	$ 9,800

Net realized and unrealized gains (losses) on private equity fund investments were ($123) and ($127) for the three and six months ended June 30, 2019, respectively, and ($204) and $142 for the three and six months ended June 30, 2018, respectively. In the event the funds perform poorly, the Company may be obligated to repay certain carried interest previously distributed. As of June 30, 2019, there was no previously distributed carried interest received from the funds that was subject to repayment.

General Partners of Private Equity Funds which are VIEs

The Company has concluded that Evercore Partners II, L.L.C. ("EP II L.L.C."), the former general partner of ECP II, is a VIE pursuant to ASC 810. The Company owned 8%-9% of the carried interest earned by the general partner of ECP II. The Company's assessment of the design of EP II L.L.C. resulted in the determination that the Company is not acting as an agent for other members of the general partner and is a passive holder of interests in the fund, evidenced by the fact that the Company is a non-voting, non-managing member of the general partner and, therefore, has no authority in directing the management operations of the general partner. Furthermore, the Company does not have the obligation to absorb significant losses or the right to receive benefits that could potentially have a significant impact to EP II L.L.C. Accordingly, the Company has concluded that it is not the primary beneficiary of EP II L.L.C. and has not consolidated EP II L.L.C. in the Company's unaudited condensed consolidated financial statements.

Following the Glisco transaction, the Company concluded that Glisco Capital Partners II, Glisco Capital Partners III and Glisco Manager Holdings LP are VIEs and that the Company is not the primary beneficiary of these VIEs. The Company's assessment of the primary beneficiary of these entities included assessing which parties have the power to significantly impact the economic performance of these entities and the obligation to absorb losses, which could be potentially significant to the entities, or the right to receive benefits from the entities that could be potentially significant. Neither the Company nor its related parties will have the ability to make decisions that significantly impact the economic performance of these entities. Further, as a limited partner in these entities, the Company does not possess substantive participating rights. The Company had assets of $5,108 and $5,445 included in its Unaudited Condensed Consolidated Statements of Financial Condition at June 30, 2019 and December 31, 2018, respectively, related to these unconsolidated VIEs, representing the carrying value of the Company's investments in the entities. The Company's exposure to the obligations of these VIEs is generally limited to its investments in these entities. The Company's maximum exposure to loss as of June 30, 2019 and December 31, 2018 was $7,672 and $8,048, respectively, which represents the carrying value of the Company's investments in these VIEs, as well as any unfunded commitments to the current and future funds.

Investment in Trilantic Capital Partners

In 2010, the Company made a limited partnership investment in Trilantic in exchange for 500 Class A limited partnership units of Evercore LP ("Class A LP Units") having a fair value of $16,090. This investment gave the Company the right to invest in Trilantic's current and future private equity funds, beginning with Trilantic Fund IV. The Company accounts for this investment at its cost minus impairment, if any, plus or minus changes resulting from observable price changes. The Company allocates the cost of this investment to its investments in current and future Trilantic funds as the Company satisfies the capital calls of these funds. The Company bases this allocation on its expectation of Trilantic's future fundraising ability and performance. During the six months ended June 30, 2019, $147 and $2,642 of this investment was allocated to Trilantic Fund V and VI, respectively. From 2010 to 2018, $4,980 and $1,178 of this investment was allocated to Trilantic Fund V and IV, respectively. This investment had a balance of $7,143 and $9,932 as of June 30, 2019 and December 31, 2018, respectively. The Company has a $5,000 commitment to invest in Trilantic Fund V, of which $436 was unfunded at June 30, 2019. The Company also has a $12,000 commitment to invest in Trilantic Fund VI, of which $9,358 was unfunded at June 30, 2019. The Company funded $2,642 of this commitment during the six months ended June 30, 2019.

Other Investments

In 2015, the Company received an equity security in a private company in exchange for advisory services. This investment is accounted for at its cost minus impairment, if any, plus or minus changes resulting from observable price changes and had a balance of $1,079 as of June 30, 2019 and December 31, 2018.

In May 2019, the Company received preferred equity securities in a private company in exchange for advisory services. This investment is accounted for at its cost minus impairment, if any, plus or minus changes resulting from observable price changes and had a balance of $934 as of June 30, 2019.

Following the Glisco transaction in 2016, the Company recorded an investment in Glisco Manager Holdings LP representing the fair value of the deferred consideration resulting from this transaction. This investment is accounted for at its cost minus impairment, if any, plus or minus changes resulting from observable price changes. The Company amortizes the balance of its investment as distributions are received related to the deferred consideration. This investment had a balance of $1,253 and $1,609 as of June 30, 2019 and December 31, 2018, respectively.

Note 10 – Leases

Operating Leases – The Company leases office space under non-cancelable lease agreements, which expire on various dates through 2034. The Company reflects lease expense over the lease terms on a straight-line basis. Occupancy lease agreements, in addition to base rentals, generally are subject to escalation provisions based on certain costs incurred by the landlord. The Company does not have any leases with variable lease payments. Occupancy and Equipment Rental on the Unaudited Condensed Consolidated Statements of Operations includes occupancy rental expense relating to operating leases of $12,221 and $23,256 for the three and six months ended June 30, 2019, respectively, and $10,454 and $20,571 for the three and six months ended June 30, 2018, respectively.

In conjunction with the lease of office space, the Company has entered into letters of credit in the amounts of approximately $5,518 and $5,502, which are secured by cash that is included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition as of June 30, 2019 and December 31, 2018, respectively.

The Company has entered into various operating leases for the use of office equipment (primarily computers, printers, copiers and other IT related equipment). Rental expense for office equipment totaled $1,004 and $1,927 for the three and six months ended June 30, 2019, respectively, and $799 and $1,259 for the three and six months ended June 30, 2018, respectively. Rental expense for office equipment is included in Occupancy and Equipment Rental on the Unaudited Condensed Consolidated Statements of Operations.

The Company uses its secured incremental borrowing rate to determine the present value of its right-of-use assets and lease liabilities. The determination of an appropriate incremental borrowing rate requires significant assumptions and judgment. The Company's incremental borrowing rate was calculated based on the Company's recent debt issuances and current market conditions. The Company scales the rates appropriately depending on the life of the leases.

The Company incurred net operating cash outflows of $8,485 for the six months ended June 30, 2019 related to its operating leases, which were net of cash received from lease incentives of $10,062.

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Upon adoption of ASC 842 on January 1, 2019, the Company recorded Right-of-Use Assets on its statement of financial condition of $180,935. Other information as it relates to the Company's operating leases is as follows:

	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2019
New Right-of-Use Assets obtained in exchange for new operating lease liabilities	$ 1,418	$ 15,997

	June 30, 2019
Weighted-average remaining lease term - operating leases	9.0 years
Weighted-average discount rate - operating leases	5.57%

As of June 30, 2019, the maturities of the undiscounted operating lease liabilities for which the Company has commenced use are as follows:

2019	$ 19,093
2020	40,389
2021	42,534
2022	36,282
2023	22,224
Thereafter	165,763
Total minimum lease payments	326,285
Less: Tenant Improvement Allowances	(23,678)
Less: Imputed Interest	(84,694)
Present value of lease liabilities	217,913
Less: Current lease liabilities	(33,360)
Long-term lease liabilities	$ 184,553

In conjunction with the lease agreement to expand its headquarters at 55 East 52nd St., New York, New York, and lease agreements at certain other locations, the Company entered into leases for office space which have not yet commenced and thus are not yet included in the Company's Unaudited Condensed Consolidated Statements of Financial Condition as right-of-use assets and lease liabilities. The Company anticipates that it will take possession of these spaces between 2019 and 2023 with lease terms of 7 to 15 years. The additional minimum future payments under these arrangements are $252,274 as of June 30, 2019.

As of December 31, 2018, the approximate aggregate minimum future payments required on the operating leases, net of rent abatement and certain other rent credits, under legacy U.S. GAAP (ASC 840), were as follows:

2019	$ 36,537
2020	39,059
2021	39,561
2022	39,585
2023	27,564
Thereafter	403,450
Total	$ 585,756

Note 11 – Fair Value Measurements

ASC 820 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily-available active quoted prices or for which

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fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities, listed derivatives and treasury bills. As required by ASC 820, the Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The estimated fair values of the Corporate Bonds, Municipal Bonds, Other Debt Securities and Securities Investments held at June 30, 2019 and December 31, 2018 are based on prices provided by external pricing services.

Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The following table presents the categorization of investments and certain other financial assets measured at fair value on a recurring basis as of June 30, 2019 and December 31, 2018:

	June 30, 2019			
	Level I	Level II	Level III	Total
Corporate Bonds, Municipal Bonds and Other Debt Securities[1]	$ 106,378	$ 68,652	$ —	$ 175,030
Securities Investments[2]	6,424	2,113	—	8,537
Investment Funds	64,916	—	—	64,916
Financial Instruments Owned and Pledged as Collateral at Fair Value	22,798	—	—	22,798
Total Assets Measured At Fair Value	$ 200,516	$ 70,765	$ —	$ 271,281

	December 31, 2018			
	Level I	Level II	Level III	Total
Corporate Bonds, Municipal Bonds and Other Debt Securities[1]	$ 109,577	$ 62,801	$ —	$ 172,378
Securities Investments[2]	6,232	1,982	—	8,214
Investment Funds	54,776	—	—	54,776
Financial Instruments Owned and Pledged as Collateral at Fair Value	22,349	—	—	22,349
Total Assets Measured At Fair Value	$ 192,934	$ 64,783	$ —	$ 257,717

(1) Includes $25,313 and $24,415 of treasury bills, municipal bonds and commercial paper classified within Cash and Cash Equivalents on the Unaudited Condensed Consolidated Statements of Financial Condition as of June 30, 2019 and December 31, 2018, respectively.

(2) Includes $6,121 and $6,326 of treasury bills and notes and municipal bonds classified within Cash and Cash Equivalents on the Unaudited Condensed Consolidated Statements of Financial Condition as of June 30, 2019 and December 31, 2018, respectively.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Company had no transfers between fair value levels during the six months ended June 30, 2019 or the year ended December 31, 2018.

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The carrying amount and estimated fair value of the Company's financial instrument assets and liabilities, which are not measured at fair value on the Unaudited Condensed Consolidated Statements of Financial Condition, are listed in the tables below.

		June 30, 2019			
	Carrying	Estimated Fair Value			
	Amount	Level I	Level II	Level III	Total
Financial Assets:					
Cash and Cash Equivalents	$ 342,887	$ 342,887	$ —	$ —	$ 342,887
Debt Security Investment	9,509	—	—	9,509	9,509
Securities Purchased Under Agreements to Resell	2,975	—	2,975	—	2,975
Receivables[1]	379,526	—	376,785	—	376,785
Contract Assets[2]	82,815	—	81,989	—	81,989
Receivable from Employees and Related Parties	19,709	—	19,709	—	19,709
Closely-held Equity Securities	2,013	—	—	2,013	2,013
Financial Liabilities:					
Accounts Payable and Accrued Expenses	$ 46,144	$ —	$ 46,144	$ —	$ 46,144
Securities Sold Under Agreements to Repurchase	25,781	—	25,781	—	25,781
Payable to Employees and Related Parties	45,651	—	45,651	—	45,651
Notes Payable	168,748	—	174,673	—	174,673

		December 31, 2018			
	Carrying	Estimated Fair Value			
	Amount	Level I	Level II	Level III	Total
Financial Assets:					
Cash and Cash Equivalents	$ 759,849	$ 759,849	$ —	$ —	$ 759,849
Certificates of Deposit	100,000	—	100,000	—	100,000
Debt Security Investment	9,717	—	—	9,717	9,717
Securities Purchased Under Agreements to Resell	2,696	—	2,696	—	2,696
Receivables[1]	370,023	—	369,636	—	369,636
Contract Assets[2]	3,374	—	3,348	—	3,348
Receivable from Employees and Related Parties	23,836	—	23,836	—	23,836
Closely-held Equity Security	1,079	—	—	1,079	1,079
Financial Liabilities:					
Accounts Payable and Accrued Expenses	$ 37,948	$ —	$ 37,948	$ —	$ 37,948
Securities Sold Under Agreements to Repurchase	25,075	—	25,075	—	25,075
Payable to Employees and Related Parties	31,894	—	31,894	—	31,894
Notes Payable	168,612	—	166,555	—	166,555

(1) Includes Accounts Receivable and Long-term receivables included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.
(2) Includes current and long-term contract assets included in Other Current Assets and Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition.

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Note 12 – Notes Payable

On March 30, 2016, the Company issued an aggregate of $170,000 of senior notes, including: $38,000 aggregate principal amount of its 4.88% Series A senior notes due 2021 (the "Series A Notes"), $67,000 aggregate principal amount of its 5.23% Series B senior notes due 2023 (the "Series B Notes"), $48,000 aggregate principal amount of its 5.48% Series C senior notes due 2026 (the "Series C Notes") and $17,000 aggregate principal amount of its 5.58% Series D senior notes due 2028 (the "Series D Notes" and together with the Series A Notes, the Series B Notes and the Series C Notes, the "2016 Private Placement Notes"), pursuant to a note purchase agreement (the "2016 Note Purchase Agreement") dated as of March 30, 2016, among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

Interest on the 2016 Private Placement Notes is payable semi-annually and the 2016 Private Placement Notes are guaranteed by certain of the Company's domestic subsidiaries. The Company may, at its option, prepay all, or from time to time any part of, the 2016 Private Placement Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the 2016 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2016 Private Placement Notes will have the right to require the Company to prepay the entire unpaid principal amounts held by each holder of the 2016 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2016 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio, a minimum tangible net worth and a minimum interest coverage ratio, and customary events of default. As of June 30, 2019, the Company was in compliance with all of these covenants.

Notes Payable is comprised of the following as of June 30, 2019 and December 31, 2018:

			Carrying Value[(a)]	
Note	Maturity Date	Effective Annual Interest Rate	June 30, 2019	December 31, 2018
Evercore Inc. 4.88% Series A Senior Notes	3/30/2021	5.16%	$ 37,823	$ 37,776
Evercore Inc. 5.23% Series B Senior Notes	3/30/2023	5.44%	66,522	66,466
Evercore Inc. 5.48% Series C Senior Notes	3/30/2026	5.64%	47,568	47,542
Evercore Inc. 5.58% Series D Senior Notes	3/30/2028	5.72%	16,835	16,828
Total			$ 168,748	$ 168,612

(a) Carrying value has been adjusted to reflect the presentation of debt issuance costs as a direct reduction from the related liability.

On August 1, 2019, the Company issued $175,000 and £25,000 of senior unsecured notes through private placement. These notes reflect a weighted average life of 12 years and a weighted average stated interest rate of 4.26%. These notes include: $75,000 aggregate principal amount of its 4.34% Series E senior notes due 2029, $60,000 aggregate principal amount of its 4.44% Series F senior notes due 2031, $40,000 aggregate principal amount of its 4.54% Series G senior notes due 2033 and £25,000 aggregate principal amount of its 3.33% Series H senior notes due 2033 (collectively, the "2019 Private Placement Notes"), each of which were issued pursuant to a note purchase agreement dated as of August 1, 2019 (the "2019 Note Purchase Agreement"), among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

Interest on the 2019 Private Placement Notes is payable semi-annually and the 2019 Private Placement Notes are guaranteed by certain of the Company's domestic subsidiaries. The Company may, at its option, prepay all, or from time to time any part of, the 2019 Private Placement Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the 2019 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2019 Private Placement Notes will have the right to require the Company to prepay the entire unpaid principal amounts held by each holder of the 2019 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2019 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio and a minimum tangible net worth, and customary events of default.

The Company intends to use the proceeds from the 2019 Private Placement Notes to fund investments in its business, including facilities and technology, and for other general corporate purposes.

Note 13 – Evercore Inc. Stockholders' Equity

Dividends – The Company's Board of Directors declared on July 23, 2019, a quarterly cash dividend of $0.58 per share, to the holders of record of shares of Class A common stock ("Class A Shares") as of August 30, 2019, which will be paid on September 13, 2019. During the three and six months ended June 30, 2019, the Company declared and paid dividends of $0.58 and $1.08 per share, respectively, totaling $23,232 and $43,729, respectively, and accrued deferred cash dividends on unvested restricted stock units ("RSUs"), totaling $3,789 and $7,125, respectively. The Company also paid deferred cash dividends of $99 and $7,068 during the three and six months ended June 30, 2019, respectively. During the three and six months ended June 30, 2018, the Company declared and paid dividends of $0.50 and $0.90 per share, respectively, totaling $20,483 and $37,022, respectively, and accrued deferred cash dividends on unvested RSUs, totaling $3,238 and $5,869, respectively.

Treasury Stock – During the three months ended June 30, 2019, the Company purchased 19 Class A Shares primarily from employees at market values ranging from $77.84 to $96.22 per share (at an average cost per share of $90.79), primarily for the net settlement of stock-based compensation awards, and 1,252 Class A Shares at market values ranging from $77.86 to $92.33 per share (at an average cost per share of $84.20) pursuant to the Company's share repurchase program. The aggregate 1,271 Class A Shares were purchased at an average cost per share of $84.30, and the result of these purchases was an increase in Treasury Stock of $107,136 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2019.

During the six months ended June 30, 2019, the Company purchased 998 Class A Shares primarily from employees at market values ranging from $71.11 to $96.22 per share (at an average cost per share of $89.55), primarily for the net settlement of stock-based compensation awards, and 1,522 Class A Shares at market values ranging from $73.18 to $92.33 per share (at an average cost per share of $82.40) pursuant to the Company's share repurchase program. The aggregate 2,520 Class A Shares were purchased at an average cost per share of $85.23, and the result of these purchases was an increase in Treasury Stock of $214,829 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2019.

LP Units – During the three and six months ended June 30, 2019, 20 and 257 Evercore LP partnership units ("LP Units"), respectively, were exchanged for Class A Shares. This resulted in increases to Common Stock of $2 for the six months ended June 30, 2019 and Additional Paid-In-Capital of $754 and $11,177 for the three and six months ended June 30, 2019, respectively, on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2019.

Accumulated Other Comprehensive Income (Loss) – As of June 30, 2019, Accumulated Other Comprehensive Income (Loss) on the Company's Unaudited Condensed Consolidated Statement of Financial Condition includes an accumulated Unrealized Gain (Loss) on Marketable Securities and Investments, net, and Foreign Currency Translation Adjustment Gain (Loss), net, of ($4,097) and ($27,891), respectively.

The application of ASU No. 2016-01, *"Recognition and Measurement of Financial Assets and Financial Liabilities"* resulted in the reclassification of $2,229 of cumulative unrealized losses, net of tax, on Marketable Securities in Accumulated Other Comprehensive Income (Loss) to Retained Earnings on the Unaudited Condensed Consolidated Statement of Financial Condition as of January 1, 2018.

Note 14 – Noncontrolling Interest

Noncontrolling Interest recorded in the unaudited condensed consolidated financial statements of the Company relates to the following approximate interests in certain consolidated subsidiaries, which are not owned by the Company. In circumstances where the governing documents of the entity to which the noncontrolling interest relates require special allocations of profits or losses to the controlling and noncontrolling interest holders, then the net income or loss of these entities is allocated based on these special allocations.

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	June 30,	
	2019	2018
Subsidiary:		
Evercore LP	12%	11%
Evercore Wealth Management ("EWM")[1]	33%	44%
Private Capital Advisory ("PCA")[2]	—%	10%
Real Estate Capital Advisory ("RECA")[3]	38%	38%

(1) Noncontrolling Interests represent a blended rate for multiple classes of interests.
(2) Noncontrolling Interests represent the Common Interests of Private Capital Advisory L.P.
(3) Noncontrolling Interests represent the Class R Interests of Private Capital Advisory L.P.

The Noncontrolling Interests for Evercore LP, EWM and RECA have rights, in certain circumstances, to convert into Class A Shares.

Changes in Noncontrolling Interest for the three and six months ended June 30, 2019 and 2018 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Beginning balance	$ 238,211	$ 224,473	$ 249,819	$ 252,404
Comprehensive Income:				
Net Income Attributable to Noncontrolling Interest	15,515	12,729	26,483	26,922
Other Comprehensive Income (Loss)	(589)	(940)	(264)	(419)
Total Comprehensive Income	14,926	11,789	26,219	26,503
Evercore LP Units Converted into Class A Shares	(754)	(7,229)	(11,177)	(41,565)
Amortization and Vesting of LP Units	6,610	4,875	12,116	9,997
Other Items:				
Distributions to Noncontrolling Interests	(13,712)	(7,391)	(31,696)	(20,584)
Issuance of Noncontrolling Interest	2,701	770	2,701	830
Purchase of Noncontrolling Interest	(11,433)	(13)	(11,433)	(311)
Total Other Items	(22,444)	(6,634)	(40,428)	(20,065)
Ending balance	$ 236,549	$ 227,274	$ 236,549	$ 227,274

Other Comprehensive Income – Other Comprehensive Income attributed to Noncontrolling Interest includes Unrealized Gain (Loss) on Marketable Securities and Investments, net, of ($9) and ($98) for the three and six months ended June 30, 2019, respectively, and $17 and ($64) for the three and six months ended June 30, 2018, respectively, and Foreign Currency Translation Adjustment Gain (Loss), net, of ($580) and ($166) for the three and six months ended June 30, 2019, respectively, and ($957) and ($355) for the three and six months ended June 30, 2018, respectively.

Interests Issued – During the second quarter of 2018, in conjunction with the establishment of the RECA business, certain employees of that business purchased Class R Interests, at fair value, in Private Capital Advisory L.P., resulting in an increase to Noncontrolling Interest of $770 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2018.

Interests Purchased – On May 31, 2019, the Company purchased, at fair value, the remaining 10% of the Private Capital Advisory L.P. Common Interests for $28,382. This purchase resulted in a decrease to Noncontrolling Interest of $6,674 and a

decrease to Additional Paid-In-Capital of $21,708, on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2019.

On May 31, 2019, the Company also purchased, at fair value, an additional 17% of the EWM Class A Units for $24,533 (in cash of $21,832 and the issuance of 31 Class A LP Units having a fair value of $2,701). This purchase resulted in a net decrease to Noncontrolling Interest of $4,759 and a decrease to Additional Paid-In-Capital of $19,774, on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2019.

On March 29, 2018, the Company purchased, at fair value, an additional 15% of the Private Capital Advisory L.P. Common Interests for $25,525. This purchase resulted in a decrease to Noncontrolling Interest of $298 and a decrease to Additional Paid-In-Capital of $25,227, on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2018.

Note 15 – Net Income Per Share Attributable to Evercore Inc. Common Shareholders

The calculations of basic and diluted net income per share attributable to Evercore Inc. common shareholders for the three and six months ended June 30, 2019 and 2018 are described and presented below.

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	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Basic Net Income Per Share Attributable to Evercore Inc. Common Shareholders				
Numerator:				
Net income attributable to Evercore Inc. common shareholders	$ 81,742	$ 68,931	$ 148,974	$ 164,474
Denominator:				
Weighted average Class A Shares outstanding, including vested RSUs	40,546	40,889	40,522	40,653
Basic net income per share attributable to Evercore Inc. common shareholders	$ 2.02	$ 1.69	$ 3.68	$ 4.05
Diluted Net Income Per Share Attributable to Evercore Inc. Common Shareholders				
Numerator:				
Net income attributable to Evercore Inc. common shareholders	$ 81,742	$ 68,931	$ 148,974	$ 164,474
Noncontrolling interest related to the assumed exchange of LP Units for Class A Shares	(b)	(b)	(b)	(b)
Associated corporate taxes related to the assumed elimination of Noncontrolling Interest described above	(b)	(b)	(b)	(b)
Diluted net income attributable to Evercore Inc. common shareholders	$ 81,742	$ 68,931	$ 148,974	$ 164,474
Denominator:				
Weighted average Class A Shares outstanding, including vested RSUs	40,546	40,889	40,522	40,653
Assumed exchange of LP Units for Class A Shares[a] [b]	648	1,297	810	1,459
Additional shares of the Company's common stock assumed to be issued pursuant to non-vested RSUs and deferred consideration, as calculated using the Treasury Stock Method	1,782	2,713	2,034	2,865
Shares that are contingently issuable[c]	400	400	400	400
Diluted weighted average Class A Shares outstanding	43,376	45,299	43,766	45,377
Diluted net income per share attributable to Evercore Inc. common shareholders	$ 1.88	$ 1.52	$ 3.40	$ 3.62

(a) The Company has outstanding Class J limited partnership units of Evercore LP ("Class J LP Units"), which convert into Class E limited partnership units of Evercore LP ("Class E LP Units") and ultimately become exchangeable into Class A Shares on a one-for-one basis. During the three and six months ended June 30, 2019 and 2018, the Class J LP Units were dilutive and consequently the effect of their exchange into Class A Shares has been included in the calculation of diluted net income per share attributable to Evercore Inc. common shareholders under the if-converted method. In computing this adjustment, the Company assumes that all Class J LP Units are converted into Class A Shares.

(b) The Company also has outstanding Class A and E LP Units in Evercore LP, which give the holders the right to receive Class A Shares upon exchange on a one-for-one basis. During the three and six months ended June 30, 2019 and 2018, the Class A and E LP Units were antidilutive and consequently the effect of their exchange into Class A Shares has been excluded from the calculation of diluted net income per share attributable to Evercore Inc. common shareholders. The units that would have been included in the denominator of the computation of diluted net income per share attributable to Evercore Inc. common

shareholders if the effect would have been dilutive were 5,312 and 5,201 for the three and six months ended June 30, 2019, respectively, and 5,132 and 5,179 for the three and six months ended June 30, 2018, respectively. The adjustment to the numerator, diluted net income attributable to Class A common shareholders, if the effect would have been dilutive, would have been $11,021 and $19,191 for the three and six months ended June 30, 2019, respectively, and $9,114 and $20,459 for the three and six months ended June 30, 2018, respectively. In computing this adjustment, the Company assumes that all vested Class A LP Units and all Class E LP Units are converted into Class A Shares, that all earnings attributable to those shares are attributed to Evercore Inc. and that the Company is subject to the statutory tax rates of a C-Corporation under a conventional corporate tax structure in the U.S. at prevailing corporate tax rates. The Company does not anticipate that the Class A and E LP Units will result in a dilutive computation in future periods.

(c) The Company has outstanding Class I-P units of Evercore LP ("Class I-P Units") which are contingently exchangeable into Class I limited partnership units of Evercore LP ("Class I LP Units"), and ultimately Class A Shares, and outstanding Class K-P units of Evercore LP ("Class K-P Units") which are contingently exchangeable into Class K limited partnership units of Evercore LP ("Class K LP Units"), and ultimately Class A Shares, as they are subject to certain performance thresholds being achieved. For the purposes of calculating diluted net income per share attributable to Evercore Inc. common shareholders, the Company's Class I-P and Class K-P Units are included in diluted weighted average Class A Shares outstanding as of the beginning of the period in which all necessary performance conditions have been satisfied. If all necessary performance conditions have not been satisfied by the end of the period, the number of shares that are included in diluted weighted average Class A Shares outstanding is based on the number of shares that would be issuable if the end of the reporting period were the end of the performance period. The Units that were assumed to be converted to an equal number of Class A Shares for purposes of computing diluted net income per share attributable to Evercore Inc. common shareholders were 400 for the three and six months ended June 30, 2019 and 2018.

The shares of Class B common stock have no right to receive dividends or a distribution on liquidation or winding up of the Company. The shares of Class B common stock do not share in the earnings of the Company and no earnings are allocable to such class. Accordingly, basic and diluted net income per share of Class B common stock have not been presented.

Note 16 – Share-Based and Other Deferred Compensation

LP Units

Equities business - In conjunction with the acquisition of the operating businesses of International Strategy & Investment ("ISI") in 2014, the Company issued Evercore LP units and interests which have been treated as compensation.

In July 2017, the Company exchanged all of the previously outstanding 4,148 Class H limited partnership interests of Evercore LP ("Class H LP Interests") for 1,012 vested (963 of which were subject to certain liquidated damages and continued employment provisions) and 938 unvested Class J LP Units. These units convert into an equal amount of Class E LP Units, and become exchangeable into Class A Shares of the Company, ratably on February 15, 2018, 2019 and 2020. These Class J LP Units have the same vesting and delivery schedule, acceleration and forfeiture triggers, and distribution rights as the Class H LP Interests. In connection with this exchange, one share of Class B common stock has been issued to each holder of Class J LP Units, which entitles each holder to one vote on all matters submitted generally to holders of Class A and Class B common stock for each Class E LP Unit and Class J LP Unit held. As the number of Class J LP Units exchanged was within the number of Class H LP Interests that the Company determined were probable of being exchanged on the date of modification, the Company is expensing the previously unrecognized grant date fair value of the Class H LP Interests ratably over the remaining vesting period of the Class J LP Units. Compensation expense related to the Class J LP Units was $3,700 and $7,749 for the three and six months ended June 30, 2019, respectively, and $3,700 and $7,572 for the three and six months ended June 30, 2018, respectively.

On February 15, 2019, 632 Class J LP Units vested and were converted to an equal amount of Class E LP Units.

Other Performance-based Awards - In November 2016, the Company issued 400 Class I-P Units in conjunction with the appointment of the Executive Chairman. These Class I-P Units convert into a specified number of Class I LP Units, which are exchangeable on a one-for-one basis to Class A Shares, contingent on the achievement of certain market and service conditions, subject to vesting upon specified termination events (including retirement, upon satisfying certain eligibility criteria, on or following January 15, 2022, subject to a one year prior written notice requirement) or a change in control. These Class I-P Units are segregated into two groups of 200 units each, with share price threshold vesting conditions which are required to exceed a certain level for 20 consecutive trading days (which were met as of March 31, 2017). The Company determined the fair value of the award to be $24,412 and is expensing the award ratably over the implied service period, which ends on March 1, 2022. As the award contains market-based conditions, the entire expense will be recognized if the award does not vest for any reason other than the service

conditions. Compensation expense related to this award was $1,152 and $2,291 for the three and six months ended June 30, 2019 and 2018, respectively.

In November 2017, the Company issued 64 Class K-P Units to an employee of the Company. These Class K-P Units convert into a specified number of Class K LP Units, which are exchangeable on a one-for-one basis to Class A Shares, contingent upon the achievement of certain defined benchmark results and continued service through December 31, 2021. An additional 16 Class K-P Units may be issued contingent upon the achievement of certain defined benchmark results and continued service through December 31, 2021. The Company determined the fair value of the award probable to vest as of June 30, 2019 to be $5,000 and records expense for these units over the service period.

In June 2019, the Company issued 220 Class K-P Units to an employee of the Company. These Class K-P Units convert into a number of Class K LP Units, which are exchangeable on a one-for-one basis to Class A Shares, contingent and based upon the achievement of certain defined benchmark results and continued service through February 4, 2023 for the first tranche, which consists of 120 Class K-P Units convertible into a number of Class K LP Units, and February 4, 2028 for the second tranche, which consists of 100 Class K-P Units convertible into a number of Class K LP Units. The Company determined the fair value of the award probable to vest as of June 30, 2019 to be $5,771 and records expense for these units over the service period.

Compensation expense related to the Class K-P Units was $338 and $634 for the three and six months ended June 30, 2019, respectively, and $299 and $595 for the three and six months ended June 30, 2018, respectively.

Stock Incentive Plan

During 2016, the Company's stockholders approved the Amended and Restated 2016 Evercore Inc. Stock Incentive Plan (the "2016 Plan"). The 2016 Plan, among other things, authorizes an additional 10,000 shares of the Company's Class A Shares. The 2016 Plan permits the Company to grant to key employees, directors and consultants incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, RSUs and other awards based on the Company's Class A Shares. The Company intends to use newly-issued Class A Shares to satisfy any awards under the 2016 Plan and its predecessor plan. Class A Shares underlying any award granted under the 2016 Plan that expire, terminate or are canceled or satisfied for any reason without being settled in stock again become available for awards under the plans. The total shares available to be granted in the future under the 2016 Plan was 2,872 and 5,399 as of June 30, 2019 and 2018, respectively.

The Company also grants, at its discretion, dividend equivalents, in the form of unvested RSU awards, or deferred cash dividends, concurrently with the payment of dividends to the holders of Class A Shares, on all unvested RSU grants awarded in conjunction with annual bonuses, as well as new hire awards. The dividend equivalents have the same vesting and delivery terms as the underlying RSU award.

The Company estimates forfeitures in the aggregate compensation cost to be amortized over the requisite service period of its awards. The Company periodically monitors its estimated forfeiture rate and adjusts its assumptions to the actual occurrence of forfeited awards. A change in estimated forfeitures is recognized through a cumulative adjustment in the period of the change.

Equity Grants

During the six months ended June 30, 2019, pursuant to the 2016 Plan, the Company granted employees 2,526 RSUs that are Service-based Awards. Service-based Awards granted during the six months ended June 30, 2019 had grant date fair values of $72.11 to $96.22 per share, with an average value of $91.34 per share. During the six months ended June 30, 2019, 2,346 Service-based Awards vested and 49 Service-based Awards were forfeited. Compensation expense related to Service-based Awards, including RSUs granted to the Executive Chairman in November 2016, was $56,526 and $112,144 for the three and six months ended June 30, 2019, respectively, and $46,375 and $89,106 for the three and six months ended June 30, 2018, respectively.

Deferred Cash

The Company's deferred cash compensation program provides participants the ability to elect to receive a portion of their deferred compensation in cash, which is indexed to notional investment portfolios selected by the participant and vests ratably over four years and requires payment upon vesting. The Company granted $93,366 of deferred cash awards pursuant to the deferred cash compensation program during the first quarter of 2019.

In November 2016, the Company granted a restricted cash award in conjunction with the appointment of the Executive Chairman with a target payment amount of $35,000, of which $11,000 vested on March 1, 2019 and $6,000 is scheduled to vest on each of the first four anniversaries of March 1, 2019, provided that the Executive Chairman continues to remain employed

through each such vesting date, subject to vesting upon specified termination events (including retirement, upon satisfying certain eligibility criteria, on or following May 1, 2019, subject to a six month prior written notice requirement) or a change in control. The Company has the discretion to increase (by an amount up to $35,000) or decrease (by an amount up to $8,750) the total amount payable under this award.

In 2017, the Company granted deferred cash awards of $29,500 to certain employees. These awards vest in five equal installments over the period ending June 30, 2022, subject to continued employment. The Company records expense for these awards ratably over the vesting period.

Compensation expense related to deferred cash awards was $25,375 and $52,768 for the three and six months ended June 30, 2019, respectively, and $15,750 and $28,341 for the three and six months ended June 30, 2018, respectively.

Long-term Incentive Plan

The Company's Long-term Incentive Plan provides for incentive compensation awards to Advisory Senior Managing Directors, excluding executive officers of the Company, who exceed defined benchmark results over four-year performance periods beginning January 1, 2013 (the "2013 Long-term Incentive Plan") and January 1, 2017 (the "2017 Long-term Incentive Plan"). The 2013 Long-term Incentive Plan was paid in cash in installments in 2017, 2018 and the first quarter of 2019. The 2017 Long-term Incentive Plan, which aggregates $82,021 of long-term liabilities on the Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2019, is due to be paid, in cash or Class A Shares, at the Company's discretion, in three equal installments in the first quarter of 2021, 2022 and 2023, subject to employment at the time of payment. These awards are subject to retirement eligibility requirements. The Company periodically assesses the probability of the benchmarks being achieved and expenses the probable payout over the requisite service period of the award. The compensation expense related to these awards was $8,216 and $16,626 for the three and six months ended June 30, 2019, respectively, and $6,948 and $14,075 for the three and six months ended June 30, 2018, respectively. In conjunction with this plan, the Company distributed cash payments of $19,516 and $4,532 for the six months ended June 30, 2019 and 2018, respectively.

As of June 30, 2019, for the 2017 Long-term Incentive Plan, based on the Company's current assessment of the probability of the level of benchmarks being achieved, the total remaining expense to be accrued for this plan over the future vesting period ending March 15, 2023 is $77,933.

Employee Loans Receivable

Periodically, the Company provides new and existing employees with cash payments in the form of loans and/or other cash awards which are subject to ratable vesting terms with service requirements ranging from one to five years and in certain circumstances, subject to the achievement of performance requirements. Generally, the terms of these awards include a requirement of either full or partial repayment of these awards based on the terms of their employment agreements with the Company. In circumstances where the employee meets the Company's minimum credit standards, the Company amortizes these awards to compensation expense over the relevant service period which is generally the period they are subject to forfeiture. Compensation expense related to these awards was $5,741 and $9,346 for the three and six months ended June 30, 2019, respectively, and $4,787 and $8,109 for the three and six months ended June 30, 2018, respectively. The remaining unamortized amount of these awards was $32,582 as of June 30, 2019.

Separation and Transition Benefits

The Company granted separation benefits to certain employees, resulting in expense included in Employee Compensation and Benefits of approximately $1,538 and $4,813 for the three and six months ended June 30, 2019, respectively, and $3,066 and $6,484 for the three and six months ended June 30, 2018, respectively. In conjunction with these arrangements, the Company distributed cash payments of $1,533 and $3,257 for the three and six months ended June 30, 2019, respectively, and $2,997 and $5,873 for the three and six months ended June 30, 2018, respectively.

Note 17 – Commitments and Contingencies

For a further discussion of the Company's commitments, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Private Equity – As of June 30, 2019, the Company had unfunded commitments for capital contributions of $12,418 to private equity funds. These commitments will be funded as required through the end of each private equity fund's investment

(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

period, subject to certain conditions. Such commitments are satisfied in cash and are generally required to be made as investment opportunities are consummated by the private equity funds.

Lines of Credit – On June 24, 2016, Evercore Partners Services East L.L.C. ("East") entered into a loan agreement with PNC Bank, National Association ("PNC") for a revolving credit facility in an aggregate principal amount of up to $30,000, to be used for working capital and other corporate activities. This facility is secured by East's accounts receivable and the proceeds therefrom, as well as certain assets of EGL, including certain of EGL's accounts receivable. In addition, the agreement contains certain reporting covenants, as well as certain debt covenants that prohibit East and the Company from incurring other indebtedness, subject to specified exceptions. The Company and its consolidated subsidiaries were in compliance with these covenants as of June 30, 2019. Drawings under this facility bear interest at the prime rate. On January 2, 2018, East drew down $30,000 on this facility, which was repaid on March 2, 2018. On March 11, 2019, East drew down $30,000 on this facility, which was repaid on May 3, 2019. On June 21, 2019, East amended this facility with PNC such that, among other things, the interest rate provisions were modified to LIBOR plus 125 basis points and the maturity date was extended to October 31, 2020 (as amended, the "Existing PNC Facility").

On July 26, 2019, East entered into an additional loan agreement with PNC for a revolving credit facility in an aggregate principal amount of up to $20,000, to be used for working capital and other corporate activities. The facility is unsecured and matures on October 31, 2020, subject to an extension agreed to between East and PNC. In addition, the agreement contains certain reporting requirements and debt covenants consistent with the Existing PNC Facility. Drawings under this facility bear interest at LIBOR plus 150 basis points. East is only permitted to borrow under this facility if there is no undrawn availability under the Existing PNC Facility and must repay indebtedness under this facility prior to repaying indebtedness under the Existing PNC Facility.

ECB maintains a line of credit with BBVA Bancomer to fund its trading activities on an intra-day and overnight basis. The facility has a maximum aggregate principal amount of approximately $7,800 and is secured by trading securities. No interest is charged on the intra-day facility. The overnight facility is charged the Inter-Bank Balance Interest Rate plus 10 basis points. There have been no significant draw downs on ECB's line of credit since August 10, 2006. The line of credit is renewable annually.

Other Commitments – In addition, the Company enters into commitments to pay contingent consideration related to certain of its acquisitions. The Company paid $2,008 of its commitment for contingent consideration related to its acquisition of Kuna & Co, KG during the six months ended June 30, 2019. At June 30, 2019, the Company had a remaining commitment of $313 for contingent consideration related to its acquisition of Kuna & Co. KG.

The Company also had a commitment at June 30, 2019 for contingent consideration related to an arrangement with the former employer of certain RECA employees, which provides for contingent consideration to be paid to the former employer of up to $4,463, based on the completion of certain client engagements. The Company recognized expenses of $1,033 for the three and six months ended June 30, 2018 in Professional Fees on the Company's Unaudited Condensed Consolidated Statements of Operations pursuant to this arrangement.

Restricted Cash – The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of amounts shown in the Unaudited Condensed Consolidated Statements of Cash Flows:

	June 30,	
	2019	2018
Cash and Cash Equivalents	$ 374,321	$ 403,929
Restricted Cash included in Other Assets	10,294	11,072
Total Cash, Cash Equivalents and Restricted Cash shown in the Statement of Cash Flows	$ 384,615	$ 415,001

Restricted Cash included in Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition primarily represents letters of credit which are secured by cash as collateral for the lease of office space and security deposits for certain equipment. The restrictions will lapse when the leases end.

Foreign Exchange – On occasion, the Company enters into foreign currency exchange forward contracts as an economic hedge against exchange rate risk for foreign currency denominated accounts receivable in EGL.

The Company entered into foreign currency exchange forward contracts to sell 3.8 billion Japanese yen for $35,598 during the first quarter of 2019 as an economic hedge against the exchange rate risk for Japanese yen denominated accounts receivable in EGL. These contracts settled in April 2019.

Contingencies

In the normal course of business, from time to time, the Company and its affiliates are involved in judicial or regulatory proceedings, arbitration or mediation concerning matters arising in connection with the conduct of its businesses, including contractual and employment matters. In addition, Mexican, United Kingdom, Hong Kong, Singapore, Canadian, Dubai and United States government agencies and self-regulatory organizations, as well as state securities commissions in the United States, conduct periodic examinations and initiate administrative proceedings regarding the Company's business, including, among other matters, accounting and operational matters, that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer, investment advisor, or its directors, officers or employees. In view of the inherent difficulty of determining whether any loss in connection with such matters is probable and whether the amount of such loss can be reasonably estimated, particularly in cases where claimants seek substantial or indeterminate damages or where investigations and proceedings are in the early stages, the Company cannot estimate the amount of such loss or range of loss, if any, related to such matters, how or if such matters will be resolved, when they will ultimately be resolved, or what the eventual settlement, fine, penalty or other relief, if any, might be. Subject to the foregoing, the Company believes, based on current knowledge and after consultation with counsel, that it is not currently party to any material pending proceedings (including the matter described below), individually or in the aggregate, the resolution of which would have a material effect on the Company. Provisions for losses are established in accordance with ASC 450, "*Contingencies*" ("ASC 450") when warranted. Once established, such provisions are adjusted when there is more information available or when an event occurs requiring a change.

Beginning on or about November 16, 2016, several putative securities class action complaints were filed against Adeptus Health Inc. ("Adeptus") and certain others, including EGL as underwriter, in connection with Adeptus' June 2014 initial public offering and May 2015, July 2015 and June 2016 secondary public offerings. The cases were consolidated in the U.S. District Court for the Eastern District of Texas where a consolidated complaint was filed asserting, in part, that the offering materials issued in connection with the four public offerings violated the U.S. Securities Act of 1933 by containing alleged misstatements and omissions. On April 19, 2017, Adeptus filed for Chapter 11 bankruptcy and was subsequently removed as a defendant. On November 21, 2017, the plaintiffs filed a consolidated complaint, and the defendants filed motions to dismiss on February 5, 2018. On September 12, 2018, the defendants' motions to dismiss were granted as to the claims relating to the initial public offering and the May 2015 secondary public offering, but denied as to the claims relating to the July 2015 and June 2016 secondary public offerings. EGL underwrote approximately 293 shares of common stock in the July 2015 secondary public offering, representing an aggregate offering price of approximately $30.8 million, but did not underwrite any shares in the June 2016 secondary public offering. On September 25, 2018, the plaintiffs filed an amended complaint relating only to the July 2015 and June 2016 secondary public offerings. On December 7, 2018, the plaintiffs filed a motion for class certification, and the defendants filed briefs in opposition. On February 16, 2019, the plaintiffs filed a second amended complaint after having been granted leave to amend by the court. On March 4, 2019, the defendants filed a motion to dismiss as to the second amended complaint.

Note 18 – Regulatory Authorities

EGL is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Under the Alternative Net Capital Requirement, EGL's minimum net capital requirement is $250. EGL's regulatory net capital as of June 30, 2019 and December 31, 2018 was $228,797 and $331,097, respectively, which exceeded the minimum net capital requirement by $228,547 and $330,847, respectively.

Certain other non-U.S. subsidiaries are subject to various securities and banking regulations and capital adequacy requirements promulgated by the regulatory and exchange authorities of the countries in which they operate. These subsidiaries are in excess of their local capital adequacy requirements at June 30, 2019.

Evercore Trust Company, N.A. ("ETC"), which is limited to fiduciary activities, is regulated by the Office of the Comptroller of the Currency ("OCC") and is a member bank of the Federal Reserve System. The Company, Evercore LP and ETC are subject to written agreements with the OCC that, among other things, require the Company and Evercore LP to maintain at least $5,000 in Tier 1 capital in ETC (or such other amount as the OCC may require) and maintain liquid assets in ETC in an amount at least equal to the greater of $3,500 or 180 days coverage of ETC's operating expenses. The Company was in compliance with the aforementioned agreements as of June 30, 2019.

Note 19 – Income Taxes

The Company's Provision for Income Taxes was $32,030 and $39,851 for the three and six months ended June 30, 2019, respectively, and $25,541 and $30,479 for the three and six months ended June 30, 2018, respectively. The effective tax rate was 25% and 19% for the three and six months ended June 30, 2019, respectively, and 24% and 14% for the three and six months ended June 30, 2018, respectively. The effective tax rate reflects net excess tax benefits associated with the appreciation or depreciation in the Company's share price upon vesting of employee share-based awards above or below the original grant price of $12,130 and $22,222 being recognized in the Company's Provision for Income Taxes for the six months ended June 30, 2019 and 2018, respectively, and resulted in a reduction in the effective tax rate of 6 and 10 percentage points for the six months ended June 30, 2019 and 2018, respectively. The effective tax rate for 2019 and 2018 also reflects the effect of certain nondeductible expenses, including expenses related to Class E and J LP Units and Class I-P and K-P LP Units, as well as the noncontrolling interest associated with LP Units and other adjustments.

Additionally, the Company expects to recognize the income tax effects associated with the new global intangible low-taxed income ("GILTI") provisions in the period incurred. For the three and six months ended June 30, 2019, no additional income tax expense associated with the GILTI provisions has been reported and it is not expected to be material to the Company’s effective tax rate for the year.

The Company reported an increase in deferred tax assets of $205 associated with changes in Unrealized Gain (Loss) on Marketable Securities and an increase of $262 associated with changes in Foreign Currency Translation Adjustment Gain (Loss), in Accumulated Other Comprehensive Income (Loss) for the six months ended June 30, 2019. The Company reported an increase in deferred tax assets of $130 associated with changes in Unrealized Gain (Loss) on Marketable Securities and an increase of $1,108 associated with changes in Foreign Currency Translation Adjustment Gain (Loss), in Accumulated Other Comprehensive Income (Loss) for the six months ended June 30, 2018.

As of June 30, 2019, there was $615 of unrecognized tax benefits that, if recognized, $501 would affect the effective tax rate. The Company anticipates approximately $122 of unrecognized tax benefits may be recognized within the year, as a result of the lapse in the statute of limitations.

The Company classifies interest relating to tax matters and tax penalties as a component of income tax expense in its Unaudited Condensed Consolidated Statements of Operations. Related to the unrecognized tax benefits, the Company accrued interest and penalties of $184 and $11, respectively, during the three months ended June 30, 2019. The Company expects to reverse interest and penalty charges of $38 and $3 as a lapse in the statute of limitations within the year.

Note 20 – Segment Operating Results

Business Segments – The Company's business results are categorized into the following two segments: Investment Banking and Investment Management. Investment Banking includes providing advice to clients on significant mergers, acquisitions, divestitures and other strategic corporate transactions, as well as services related to securities underwriting, private placement services and commissions for agency-based equity trading services and equity research. Investment Management includes advising third-party investors in Institutional Asset Management and Wealth Management and interests in private equity funds which are not managed by the Company.

The Company's segment information for the three and six months ended June 30, 2019 and 2018 is prepared using the following methodology:

- Revenue, expenses and income (loss) from equity method investments directly associated with each segment are included in determining pre-tax income.
- Expenses not directly associated with specific segments are allocated based on the most relevant measures applicable, including headcount, square footage and other performance and time-based factors.
- Segment assets are based on those directly associated with each segment, or for certain assets shared across segments, those assets are allocated based on the most relevant measures applicable, including headcount and other factors.
- Investment gains and losses, interest income and interest expense are allocated between the segments based on the segment in which the underlying asset or liability is held.

Other Revenue, net, included in each segment's Net Revenues includes income (losses) earned on marketable securities, including our investment funds which are used as an economic hedge against our deferred cash compensation program, certificates of deposit, cash and cash equivalents and on the Company’s debt security investment in G5, as well as adjustments to amounts

due pursuant to the Company's tax receivable agreement, subsequent to its initial establishment related to changes in enacted tax rates, and gains (losses) resulting from foreign currency fluctuations, principal trading and realized and unrealized gains and losses on interests in Private Equity funds which are not managed by the Company. Other Revenue, net, also includes interest expense associated with the Company's Notes Payable, subordinated borrowings and lines of credit, as well as revenue and expenses associated with repurchase or resale transactions.

Each segment's Operating Expenses include: a) employee compensation and benefits expenses that are incurred directly in support of the segment and b) non-compensation expenses, which include expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, execution, clearing and custody fees, equipment and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, legal, technology, human capital, facilities management and senior management activities.

Other Expenses include the following:

- *Amortization of LP Units and Certain Other Awards* – Includes amortization costs associated with the vesting of Class J LP Units issued in conjunction with the acquisition of ISI and certain other related awards.
- *Special Charges* – Includes expenses in 2019 related to the acceleration of depreciation expense for leasehold improvements in conjunction with the previously announced expansion of the Company's headquarters in New York. Includes expenses in 2018 related to separation benefits and costs for the termination of certain contracts associated with closing the Company's agency trading platform in the U.K.
- *Acquisition and Transition Costs* – Includes costs incurred in connection with acquisitions, divestitures and other ongoing business development initiatives, primarily comprised of professional fees for legal and other services.
- *Intangible Asset and Other Amortization* – Includes amortization of intangible assets and other purchase accounting-related amortization associated with certain acquisitions.

The Company evaluates segment results based on net revenues and pre-tax income, both including and excluding the impact of the Other Expenses.

No client accounted for more than 10% of the Company's Consolidated Net Revenues for the three and six months ended June 30, 2019.

The following information presents each segment's contribution.

EVERCORE INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Investment Banking				
Net Revenues[1]	$ 516,386	$ 435,675	$ 917,574	$ 885,875
Operating Expenses	385,378	327,137	697,288	658,820
Other Expenses[2]	6,909	5,880	14,167	13,917
Operating Income	124,099	102,658	206,119	213,138
Income from Equity Method Investments	219	297	474	297
Pre-Tax Income	$ 124,318	$ 102,955	$ 206,593	$ 213,435
Identifiable Segment Assets	$ 1,749,339	$ 1,354,810	$ 1,749,339	$ 1,354,810
Investment Management				
Net Revenues[1]	$ 14,660	$ 12,802	$ 28,799	$ 26,165
Operating Expenses	11,925	10,678	24,166	21,951
Other Expenses[2]	—	—	108	21
Operating Income	2,735	2,124	4,525	4,193
Income from Equity Method Investments	2,234	2,122	4,190	4,247
Pre-Tax Income	$ 4,969	$ 4,246	$ 8,715	$ 8,440
Identifiable Segment Assets	$ 190,410	$ 257,714	$ 190,410	$ 257,714
Total				
Net Revenues[1]	$ 531,046	$ 448,477	$ 946,373	$ 912,040
Operating Expenses	397,303	337,815	721,454	680,771
Other Expenses[2]	6,909	5,880	14,275	13,938
Operating Income	126,834	104,782	210,644	217,331
Income from Equity Method Investments	2,453	2,419	4,664	4,544
Pre-Tax Income	$ 129,287	$ 107,201	$ 215,308	$ 221,875
Identifiable Segment Assets	$ 1,939,749	$ 1,612,524	$ 1,939,749	$ 1,612,524

EVERCORE INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and share / unit amounts in thousands, except per share amounts, unless otherwise noted)

(1) Net revenues include Other Revenue, net, allocated to the segments as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Investment Banking[(A)]	$ 7,236	$ 539	$ 13,723	$ (889)
Investment Management	2,241	632	3,997	2,240
Total Other Revenue, net	$ 9,477	$ 1,171	$ 17,720	$ 1,351

(A) Investment Banking Other Revenue, net, includes interest expense on the Notes Payable, subordinated borrowings and lines of credit of $2,304 and $4,568 for the three and six months ended June 30, 2019, respectively, and $2,300 and $4,561 for the three and six months ended June 30, 2018, respectively.

(2) Other Expenses are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Investment Banking				
Amortization of LP Units and Certain Other Awards	$ 3,723	$ 3,723	$ 7,795	$ 7,706
Special Charges	1,029	—	2,058	1,897
Intangible Asset and Other Amortization	2,157	2,157	4,314	4,314
Total Investment Banking	6,909	5,880	14,167	13,917
Investment Management				
Acquisition and Transition Costs	—	—	108	21
Total Investment Management	—	—	108	21
Total Other Expenses	$ 6,909	$ 5,880	$ 14,275	$ 13,938

Geographic Information – The Company manages its business based on the profitability of the enterprise as a whole.

The Company's revenues were derived from clients located and managed in the following geographical areas:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Net Revenues:[(1)]				
United States	$ 386,545	$ 346,225	$ 660,667	$ 732,742
Europe and Other	130,144	91,933	259,428	157,163
Latin America	4,880	9,148	8,558	20,784
Total	$ 521,569	$ 447,306	$ 928,653	$ 910,689

(1) Excludes Other Revenue, Including Interest and Investments, and Interest Expense.

The Company's total assets are located in the following geographical areas:

	June 30, 2019	December 31, 2018
Total Assets:		
United States	$ 1,592,362	$ 1,757,589
Europe and Other	281,959	298,917
Latin America	65,428	69,161
Total	$ 1,939,749	$ 2,125,667

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

The following discussion should be read in conjunction with Evercore Inc.'s unaudited condensed consolidated financial statements and the related notes included elsewhere in this Form 10-Q.

Forward-Looking Statements

This report contains, or incorporates by reference, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Exchange Act, which reflect our current views with respect to, among other things, our operations and financial performance. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "backlog," "believes," "expects," "potential," "probable," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties.

Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. All statements other than statements of historical fact are forward-looking statements and, based on various underlying assumptions and expectations, are subject to known and unknown risks, uncertainties and assumptions and may include projections of our future financial performance based on our growth strategies and anticipated trends in Evercore's business. We believe these factors include, but are not limited to, those described under "Risk Factors" discussed in the Annual Report on Form 10-K for the year ended December 31, 2018. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included or incorporated by reference in this report. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise except as required by law.

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.

Key Financial Measures

Revenue

Total revenues reflect revenues from our Investment Banking and Investment Management business segments that include fees for services, transaction-related client reimbursements plus other revenue. Net revenues reflect total revenues less interest expense.

Investment Banking. Our Investment Banking business earns fees from our clients for providing advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings, activism and defense and similar corporate finance matters, and from underwriting and private placement activities, as well as commissions and fees from research and our sales and trading activities. The amount and timing of the fees paid vary by the type of engagement or services provided. In general, advisory fees are paid at the time we sign an engagement letter, during the course of the engagement or when an engagement is completed. The majority of our investment banking revenue consists of advisory fees for which realizations are dependent on the successful completion of transactions. A transaction can fail to be completed for many reasons which are outside of our control, including failure of parties to agree upon final terms with the counterparty, to secure necessary board or shareholder approvals, to secure necessary financing or to achieve necessary regulatory approvals, or due to adverse market conditions. In the case of bankruptcy engagements, fees are subject to approval of the court. Underwriting fees are recognized when the offering has been deemed to be completed and placement fees are generally recognized at the time of the client's acceptance of capital or capital commitments. Commissions and Related Fees includes commissions, which are recorded on a trade-date basis or, in the case of payments under commission sharing arrangements, on the date earned. Commissions and Related Fees also include subscription fees for the sales of research. Cash received before the subscription period ends is initially recorded as deferred revenue (a contract liability) and recognized as revenue over the remaining subscription period.

Revenue trends in our advisory business generally are correlated to the volume of merger and acquisition ("M&A") activity and/or restructuring activity, which tends to be counter-cyclical to M&A. However, deviations from this trend can occur in any given year or quarter for a number of reasons. For example, changes in our market share or the ability of our clients to close certain large transactions can cause our revenue results to diverge from the level of overall M&A or restructuring activity. Revenue trends in our equities business are correlated to market volumes, which generally decrease in periods of low market volatility or unfavorable

market or economic conditions. Revenue trends in our equities business may also be impacted by new regulation, such as the Markets in Financial Instruments Directive II ("MiFID II"), which could impact the demand for our research and trading services from EU investors, as well as the manner in which institutional clients pay for research, including paying for research in cash rather than through trading commissions.

Investment Management. Our Investment Management business includes operations related to the management of the Wealth Management and Institutional Asset Management businesses and interests in private equity funds which we do not manage. Revenue sources primarily include management fees, which include fees earned from portfolio companies, fiduciary fees, performance fees (including carried interest) and gains (or losses) on our investments.

Management fees for third party clients generally represent a percentage of assets under management ("AUM"). Fiduciary fees, which are generally a function of the size and complexity of each engagement, are individually negotiated. We record performance fees upon the earlier of the termination of the investment fund or when the likelihood of clawback is mathematically improbable. Portfolio company fees include monitoring, director and transaction fees associated with services provided to the portfolio companies of the private equity funds we hold interests in. Gains and losses include both realized and unrealized gains and losses on principal investments, including those arising from our equity interest in investment partnerships.

Transaction-Related Client Reimbursements. In both our Investment Banking and Investment Management segments, we incur various transaction-related expenditures, such as travel and professional fees, in the course of performing our services. Pursuant to the engagement letters with our advisory clients, these expenditures may be reimbursable. We define these expenses, which are associated with revenue activities earned over time, as transaction-related expenses and record such expenditures as incurred and record revenue when it is determined that clients have an obligation to reimburse us for such transaction-related expenses. Client expense reimbursements are recorded as revenue on the Unaudited Condensed Consolidated Statements of Operations on the later of the date an engagement letter is executed or the date we pay or accrue the expense.

Other Revenue and Interest Expense. Other Revenue and Interest Expense is derived from investing customer funds in financing transactions. These transactions are principally repurchases and resales of Mexican government and government agency securities. Revenue and expenses associated with these transactions are recognized over the term of the repurchase or resale transaction.

Other Revenue also includes income (losses) earned on marketable securities, including our investment funds which are used as an economic hedge against our deferred cash compensation program, certificates of deposit, cash and cash equivalents and on our debt security investment in G5, as well as adjustments to amounts due pursuant to our tax receivable agreement, subsequent to its initial establishment related to changes in enacted tax rates, and gains (losses) resulting from foreign currency fluctuations, principal trading and realized and unrealized gains and losses on interests in private equity funds which we do not manage.

Interest Expense also includes interest expense associated with our Notes Payable, subordinated borrowings and lines of credit.

Operating Expenses

Employee Compensation and Benefits Expense. We include all payments for services rendered by our employees, as well as profits interests in our businesses that have been accounted for as compensation, in employee compensation and benefits expense.

We maintain compensation programs, including base salary, cash, deferred cash and equity bonus awards and benefits programs and manage compensation to estimates of competitive levels based on market conditions and performance. Our level of compensation, including deferred compensation, reflects our plan to maintain competitive compensation levels to retain key personnel, and it reflects the impact of newly-hired senior professionals, including related grants of equity awards which are generally valued at their grant date.

Increasing the number of high-caliber, experienced senior level employees is critical to our growth efforts. In our advisory businesses, these hires generally do not begin to generate significant revenue in the year they are hired.

Our annual compensation program includes share-based compensation awards and deferred cash awards as a component of the annual bonus awards for certain employees. These awards are generally subject to annual vesting requirements over a four-year period beginning at the date of grant, which occurs in the first quarter of each year; accordingly, the expense is generally amortized over the stated vesting period, subject to retirement eligibility. With respect to annual awards, our retirement eligibility criteria stipulates that if an employee has at least five years of continuous service, is at least 55 years of age and has a combined

age and years of service of at least 65 years, the employee is eligible for retirement. Beginning in 2019, we implemented additional retirement eligibility qualifying criteria, for awards issued in 2019 and after, that stipulates if an employee has at least 10 years of continuous service and is at least 60 years of age, the employee is also eligible for retirement. Retirement eligibility allows for continued vesting of awards after employees depart from the Company, provided they give the minimum advance notice, which is generally six months to one year.

We estimate forfeitures in the aggregate compensation cost to be amortized over the requisite service period of its awards. We periodically monitor our estimated forfeiture rate and adjust our assumptions to the actual occurrence of forfeited awards. A change in estimated forfeitures is recognized through a cumulative adjustment in the period of the change.

Our Long-term Incentive Plan provides for incentive compensation awards to Advisory Senior Managing Directors, excluding executive officers, who exceed defined benchmark results over four-year performance periods beginning January 1, 2013 and January 1, 2017. These awards were paid, and are due to be paid, in cash or Class A Shares, at our discretion, in three equal installments in the first quarter of 2017, 2018 and 2019 (for the performance period beginning on January 1, 2013) and in the first quarter of 2021, 2022 and 2023 (for the performance period beginning on January 1, 2017), subject to employment at the time of payment. These awards are subject to retirement eligibility requirements.

From time to time, we also grant performance awards to certain individuals which include both performance and service based vesting requirements. See Note 16 to our unaudited condensed consolidated financial statements for further information.

Non-Compensation Expenses. The balance of our operating expenses includes costs for occupancy and equipment rental, professional fees, travel and related expenses, communications and information technology services, depreciation and amortization, execution, clearing and custody fees, acquisition and transition costs and other operating expenses. We refer to all of these expenses as non-compensation expenses.

Other Expenses

Other Expenses include the following:

- *Amortization of LP Units and Certain Other Awards* – Includes amortization costs associated with the vesting of Class J LP Units issued in conjunction with the acquisition of ISI and certain other related awards.
- *Special Charges* – Includes expenses in 2019 related to the acceleration of depreciation expense for leasehold improvements in conjunction with the previously announced expansion of our headquarters in New York. Includes expenses in 2018 related to separation benefits and costs for the termination of certain contracts associated with closing our agency trading platform in the U.K.
- *Acquisition and Transition Costs* – Includes costs incurred in connection with acquisitions, divestitures and other ongoing business development initiatives, primarily comprised of professional fees for legal and other services.
- *Intangible Asset and Other Amortization* – Includes amortization of intangible assets and other purchase accounting-related amortization associated with certain acquisitions.

Income from Equity Method Investments

Our share of the income (loss) from our equity interests in ABS, Atalanta Sosnoff and Luminis are included within Income from Equity Method Investments, as a component of Income Before Income Taxes, on the Unaudited Condensed Consolidated Statements of Operations.

Provision for Income Taxes

We account for income taxes in accordance with ASC 740, *"Income Taxes"* which requires the recognition of tax benefits or expenses on temporary differences between the financial reporting and tax basis of our assets and liabilities. Excess tax benefits and deficiencies associated with the appreciation or depreciation in our share price upon vesting of employee share-based awards above or below the original grant price are recognized in our Provision for Income Taxes. In addition, net deferred tax assets are impacted by changes to statutory tax rates in the period of enactment.

Noncontrolling Interest

We record noncontrolling interest relating to the ownership interests of certain of our current and former Senior Managing Directors and other officers and their estate planning vehicles in Evercore LP, as well as the portions of our operating subsidiaries

not owned by Evercore. As described in Note 14 to our unaudited condensed consolidated financial statements herein, Evercore Inc. is the sole general partner of Evercore LP and has a majority economic interest in Evercore LP. As a result, Evercore Inc. consolidates Evercore LP and records a noncontrolling interest for the economic interest in Evercore LP held by the limited partners.

We generally allocate net income or loss to participating noncontrolling interests held at Evercore LP and at the operating entity level, where required, by multiplying the relative ownership interest of the noncontrolling interest holders for the period by the net income or loss of the entity to which the noncontrolling interest relates. In circumstances where the governing documents of the entity to which the noncontrolling interest relates require special allocations of profits or losses to the controlling and noncontrolling interest holders, then the net income or loss of these entities is allocated based on these special allocations.

Results of Operations

The following is a discussion of our results of operations for the three and six months ended June 30, 2019 and 2018. For a more detailed discussion of the factors that affected the revenue and operating expenses of our Investment Banking and Investment Management business segments in these periods, see the discussion in "Business Segments" below.

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
	(dollars in thousands, except per share data)					
Revenues						
Investment Banking:						
Advisory Fees	$ 443,580	$ 362,995	22%	$ 769,424	$ 741,310	4%
Underwriting Fees	16,910	21,065	(20%)	43,830	51,344	(15%)
Commissions and Related Fees	48,660	51,076	(5%)	90,597	94,110	(4%)
Asset Management and Administration Fees	12,419	12,170	2%	24,802	23,925	4%
Other Revenue, Including Interest and Investments	13,640	6,239	119%	25,975	10,768	141%
Total Revenues	535,209	453,545	18%	954,628	921,457	4%
Interest Expense	4,163	5,068	(18%)	8,255	9,417	(12%)
Net Revenues	531,046	448,477	18%	946,373	912,040	4%
Expenses						
Operating Expenses	397,303	337,815	18%	721,454	680,771	6%
Other Expenses	6,909	5,880	18%	14,275	13,938	2%
Total Expenses	404,212	343,695	18%	735,729	694,709	6%
Income Before Income from Equity Method Investments and Income Taxes	126,834	104,782	21%	210,644	217,331	(3%)
Income from Equity Method Investments	2,453	2,419	1%	4,664	4,544	3%
Income Before Income Taxes	129,287	107,201	21%	215,308	221,875	(3%)
Provision for Income Taxes	32,030	25,541	25%	39,851	30,479	31%
Net Income	97,257	81,660	19%	175,457	191,396	(8%)
Net Income Attributable to Noncontrolling Interest	15,515	12,729	22%	26,483	26,922	(2%)
Net Income Attributable to Evercore Inc.	$ 81,742	$ 68,931	19%	$ 148,974	$ 164,474	(9%)
Diluted Net Income Per Share Attributable to Evercore Inc. Common Shareholders	$ 1.88	$ 1.52	24%	$ 3.40	$ 3.62	(6%)

As of June 30, 2019 and 2018, we employed approximately 1,800 and 1,650 people, respectively, worldwide.

Three Months Ended June 30, 2019 versus June 30, 2018

Net Revenues were $531.0 million for the three months ended June 30, 2019, an increase of $82.6 million, or 18%, versus Net Revenues of $448.5 million for the three months ended June 30, 2018. Advisory Fees increased 22%, Underwriting Fees decreased 20% and Commissions and Related Fees decreased 5% compared to the three months ended June 30, 2018. Asset Management and Administration Fees increased 2% compared to the three months ended June 30, 2018. Other Revenue, Including Interest and Investments, for the three months ended June 30, 2019 was 119% higher than for the three months ended June 30, 2018, which was primarily attributable to gains on the investment funds portfolio, which is used as an economic hedge against our deferred cash compensation program.

Total Operating Expenses were $397.3 million for the three months ended June 30, 2019, as compared to $337.8 million for the three months ended June 30, 2018, an increase of $59.5 million, or 18%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $310.6 million for the three months ended June 30, 2019, an increase of $48.7 million,

or 19%, versus expense of $261.9 million for the three months ended June 30, 2018. The increase was primarily due to increased compensation costs resulting from the expansion of our businesses, including costs associated with new senior hires and increased compensation costs from share-based and other deferred compensation arrangements, as well as increased annual incentive compensation related to the 18% increase in Net Revenues. Headcount increased 9% from June 30, 2018 to June 30, 2019. Non-compensation expenses, as a component of Operating Expenses, were $86.7 million for the three months ended June 30, 2019, an increase of $10.8 million, or 14%, versus $75.9 million for the three months ended June 30, 2018. Non-compensation operating expenses increased compared to the three months ended June 30, 2018, primarily driven by increased headcount, increased occupancy costs, principally related to higher expenses associated with the expansion of our headquarters in New York, and increased costs related to technology initiatives.

Total Other Expenses of $6.9 million for the three months ended June 30, 2019 included compensation costs of $3.7 million associated with the vesting of Class J LP Units and certain other awards granted in conjunction with the acquisition of ISI, Special Charges of $1.0 million related to the acceleration of depreciation expense for leasehold improvements in conjunction with the expansion of our headquarters in New York and intangible asset and other amortization of $2.2 million. Total Other Expenses of $5.9 million for the three months ended June 30, 2018 included compensation costs of $3.7 million associated with the vesting of Class J LP Units and certain other awards granted in conjunction with the acquisition of ISI and intangible asset and other amortization of $2.2 million.

As a result of the factors noted above, Employee Compensation and Benefits Expense as a percentage of Net Revenues was 59% for the three months ended June 30, 2019, flat compared to the three months ended June 30, 2018.

Income from Equity Method Investments was $2.5 million for the three months ended June 30, 2019, as compared to $2.4 million for the three months ended June 30, 2018. The increase was primarily a result of an increase in earnings from ABS and Atalanta Sosnoff during the three months ended June 30, 2019.

The provision for income taxes for the three months ended June 30, 2019 was $32.0 million, which reflected an effective tax rate of 25%. The provision for income taxes for the three months ended June 30, 2018 was $25.5 million, which reflected an effective tax rate of 24%. The provision for income taxes for the three months ended June 30, 2019, reflects an additional tax expense of $0.03 million and for the three months ended June 30, 2018 an additional deduction of $0.4 million due to the impact associated with the appreciation or depreciation in the Company's share price upon vesting of employee share-based awards above or below the original grant price, the effect of certain nondeductible expenses, including expenses related to Class E and J LP Units and Class I-P and K-P Units, as well as the noncontrolling interest associated with LP Units and other adjustments.

Net Income Attributable to Noncontrolling Interest was $15.5 million for the three months ended June 30, 2019 compared to $12.7 million for the three months ended June 30, 2018. The increase in Net Income Attributable to Noncontrolling Interest primarily reflects higher income allocated to Evercore LP during the three months ended June 30, 2019.

Six Months Ended June 30, 2019 versus June 30, 2018

Net Revenues were $946.4 million for the six months ended June 30, 2019, an increase of $34.3 million, or 4%, versus Net Revenues of $912.0 million for the six months ended June 30, 2018. Advisory Fees increased 4%, Underwriting Fees decreased 15% and Commissions and Related Fees decreased 4% compared to the six months ended June 30, 2018. Asset Management and Administration Fees increased 4% compared to the six months ended June 30, 2018. Other Revenue, Including Interest and Investments, for the six months ended June 30, 2019 was 141% higher than for the six months ended June 30, 2018, which was primarily attributable to gains on the investment funds portfolio, which is used as an economic hedge against our deferred cash compensation program.

Total Operating Expenses were $721.5 million for the six months ended June 30, 2019, as compared to $680.8 million for the six months ended June 30, 2018, an increase of $40.7 million, or 6%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $554.2 million for the six months ended June 30, 2019, an increase of $20.8 million, or 4%, versus expense of $533.4 million for the six months ended June 30, 2018. The increase was primarily due to increased compensation costs resulting from the expansion of our businesses, including costs associated with new senior hires and increased compensation costs from share-based and other deferred compensation arrangements. Non-compensation expenses as a component of Operating Expenses were $167.3 million for the six months ended June 30, 2019, an increase of $19.9 million, or 14%, versus $147.4 million for the six months ended June 30, 2018. Non-compensation operating expenses increased compared to the six months ended June 30, 2018, primarily driven by increased headcount, increased occupancy costs, principally related to higher expenses associated with the expansion of our headquarters in New York, increased costs related to technology initiatives and

increased professional fees. In addition, the increase in Non-compensation expenses versus last year also reflects an increase in client related expenses which are subject to reimbursement from clients currently and in future periods.

Total Other Expenses of $14.3 million for the six months ended June 30, 2019 included compensation costs of $7.8 million associated with the vesting of Class J LP Units and certain other awards, Special Charges of $2.1 million related to the acceleration of depreciation expense for leasehold improvements in conjunction with the expansion of our headquarters in New York, Acquisition and Transition Costs of $0.1 million and intangible asset and other amortization of $4.3 million. Total Other Expenses of $13.9 million for the six months ended June 30, 2018 included compensation costs of $7.7 million associated with the vesting of Class J LP Units and certain other awards, Special Charges of $1.9 million primarily related to separation benefits and costs of terminating certain contracts associated with closing the agency trading platform in the U.K., Acquisition and Transition Costs of $0.02 million and intangible asset and other amortization of $4.3 million.

As a result of the factors noted above, Employee Compensation and Benefits Expense as a percentage of Net Revenues was 59% for the six months ended June 30, 2019, flat compared to the six months ended June 30, 2018.

Income from Equity Method Investments was $4.7 million for the six months ended June 30, 2019, as compared to $4.5 million for the six months ended June 30, 2018. The increase was primarily a result of an increase in earnings from Luminis and Atalanta Sosnoff during the six months ended June 30, 2019.

The provision for income taxes for the six months ended June 30, 2019 was $39.9 million, which reflected an effective tax rate of 19%. The provision for income taxes for the six months ended June 30, 2018 was $30.5 million, which reflected an effective tax rate of 14%. The provision for income taxes for the six months ended June 30, 2019 and 2018 reflects the net impact of the deduction associated with the appreciation or depreciation in the Company's share price upon vesting of employee share-based awards above or below the original grant price of $12.1 million and $22.2 million, respectively, the effect of certain nondeductible expenses, including expenses related to Class E and J LP Units and Class I-P and K-P Units, as well as the noncontrolling interest associated with LP Units and other adjustments.

Net Income Attributable to Noncontrolling Interest was $26.5 million for the six months ended June 30, 2019 compared to $26.9 million for the six months ended June 30, 2018. The decrease in Net Income Attributable to Noncontrolling Interest primarily reflects lower income allocated to Private Capital Advisory L.P. during the six months ended June 30, 2019.

Business Segments

The following data presents revenue, expenses and contributions from our equity method investments by business segment.

Investment Banking

The following table summarizes the operating results of the Investment Banking segment.

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
	(dollars in thousands)					
Revenues						
Investment Banking:						
Advisory Fees[1]	$ 443,580	$ 362,995	22%	$ 769,424	$ 741,310	4%
Underwriting Fees[2]	16,910	21,065	(20%)	43,830	51,344	(15%)
Commissions and Related Fees	48,660	51,076	(5%)	90,597	94,110	(4%)
Other Revenue, net[3]	7,236	539	NM	13,723	(889)	NM
Net Revenues	516,386	435,675	19%	917,574	885,875	4%
Expenses						
Operating Expenses	385,378	327,137	18%	697,288	658,820	6%
Other Expenses	6,909	5,880	18%	14,167	13,917	2%
Total Expenses	392,287	333,017	18%	711,455	672,737	6%
Operating Income[4]	124,099	102,658	21%	206,119	213,138	(3%)
Income from Equity Method Investments[5]	219	297	(26%)	474	297	60%
Pre-Tax Income	$ 124,318	$ 102,955	21%	$ 206,593	$ 213,435	(3%)

(1) Includes client related expenses of $7.1 million and $14.6 million for the three and six months ended June 30, 2019, respectively, and $8.0 million and $13.3 million for the three and six months ended June 30, 2018, respectively.

(2) Includes client related expenses of $0.8 million and $3.3 million for the three and six months ended June 30, 2019, respectively, and $1.7 million and $3.8 million for the three and six months ended June 30, 2018, respectively.

(3) Includes interest expense on the Notes Payable, subordinated borrowings and lines of credit of $2.3 million and $4.6 million for the three and six months ended June 30, 2019 and 2018, respectively.

(4) Includes Noncontrolling Interest of $0.1 million and $0.5 million for the three and six months ended June 30, 2019, respectively, and $0.5 million and $0.6 million for the three and six months ended June 30, 2018, respectively.

(5) Equity in Luminis is classified as Income from Equity Method Investments.

For the three months ended June 30, 2019, the dollar value of North American announced and completed M&A activity increased 29% and decreased 37%, respectively, compared to the three months ended June 30, 2018. For the three months ended June 30, 2019, the dollar value of Global announced and completed M&A activity decreased 7% and 28%, respectively, compared to the three months ended June 30, 2018. For the three months ended June 30, 2019, the dollar value of North American and Global announced M&A activity between $1 - $5 billion decreased 37% and 33%, respectively, compared to the three months ended June 30, 2018. For the six months ended June 30, 2019, the dollar value of North American announced and completed M&A activity increased 22% and decreased 6%, respectively, compared to the six months ended June 30, 2018. For the six months ended June 30, 2019, the dollar value of Global announced and completed M&A activity decreased 11% and 9%, respectively, compared to the six months ended June 30, 2018. For the six months ended June 30, 2019, the dollar value of North American and Global announced M&A activity between $1 - $5 billion decreased 33% and 30%, respectively, compared to the six months ended June 30, 2018:

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Industry Statistics ($ in billions) *						
Value of North American M&A Deals Announced	$ 622	$ 483	29%	$ 1,161	$ 953	22%
Value of North American M&A Deals Announced between $1 - $5 billion	$ 100	$ 158	(37%)	$ 170	$ 253	(33%)
Value of North American M&A Deals Completed	$ 302	$ 476	(37%)	$ 723	$ 772	(6%)
Value of Global M&A Deals Announced	$ 1,042	$ 1,119	(7%)	$ 2,000	$ 2,251	(11%)
Value of Global M&A Deals Announced between $1 - $5 billion	$ 223	$ 331	(33%)	$ 401	$ 572	(30%)
Value of Global M&A Deals Completed	$ 648	$ 905	(28%)	$ 1,443	$ 1,585	(9%)
Evercore Statistics **						
Total Number of Fees From Advisory Client Transactions	225	216	4%	362	355	2%
Investment Banking Fees of at Least $1 million from Advisory Client Transactions	81	85	(5%)	149	146	2%

* Source: Thomson Reuters July 11, 2019
** Includes revenue generating clients only from Advisory and Underwriting transactions

Investment Banking Results of Operations

Three Months Ended June 30, 2019 versus June 30, 2018

Net Investment Banking Revenues were $516.4 million for the three months ended June 30, 2019, compared to $435.7 million for the three months ended June 30, 2018, which represented an increase of 19%. We earned 225 fees from Advisory clients for the three months ended June 30, 2019, compared to 216 for the three months ended June 30, 2018, representing a 4% increase. We had 81 fees earned in excess of $1.0 million for the three months ended June 30, 2019, compared to 85 for the three months ended June 30, 2018, representing a 5% decrease. The increase in revenues from the three months ended June 30, 2018 primarily reflects an increase of $80.6 million, or 22%, in Advisory Fees, reflecting an increase in the number and size of Advisory fees. Underwriting Fees decreased $4.2 million, or 20%, compared to the three months ended June 30, 2018. The decrease in Underwriting Fees from the three months ended June 30, 2018 primarily reflects a decrease in the size of certain transactions versus the prior year. We participated in 16 underwriting transactions for the three months ended June 30, 2019 (compared to 11 for the three months ended June 30, 2018), 10 of which were as a bookrunner (compared to 8 for the three months ended June 30, 2018). Commissions and Related Fees decreased $2.4 million, or 5%, principally driven by the trend of institutional clients adjusting the level of payments for research services. Other Revenue, net, for the three months ended June 30, 2019 was higher than the three months ended June 30, 2018, primarily reflecting gains on the investment funds portfolio, which is used as an economic hedge against our deferred cash compensation program.

Operating Expenses were $385.4 million for the three months ended June 30, 2019, compared to $327.1 million for the three months ended June 30, 2018, an increase of $58.2 million, or 18%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $302.2 million for the three months ended June 30, 2019, as compared to $254.4 million for the three

months ended June 30, 2018, an increase of $47.8 million, or 19%. The increase was primarily due to increased compensation costs resulting from the expansion of our businesses, including costs associated with new senior hires and increased compensation costs from share-based and other deferred and incentive compensation arrangements, as well as increased annual incentive compensation related to the 19% increase in Net Revenues. Non-compensation expenses, as a component of Operating Expenses, were $83.2 million for the three months ended June 30, 2019, as compared to $72.7 million for the three months ended June 30, 2018, an increase of $10.5 million, or 14%. Non-compensation operating expenses increased from the prior year primarily driven by increased headcount within the business, increased occupancy costs, principally related to higher expenses associated with the expansion of our headquarters in New York, and increased costs related to technology initiatives.

Other Expenses of $6.9 million for the three months ended June 30, 2019 included compensation costs of $3.7 million associated with the vesting of Class J LP Units and certain other awards granted in conjunction with the acquisition of ISI, Special Charges of $1.0 million related to the acceleration of depreciation expense for leasehold improvements in conjunction with the expansion of our headquarters in New York and intangible asset and other amortization of $2.2 million. Other Expenses of $5.9 million for the three months ended June 30, 2018 included compensation costs of $3.7 million associated with the vesting of Class J LP Units and certain other awards granted in conjunction with the acquisition of ISI and intangible asset and other amortization of $2.2 million.

Six Months Ended June 30, 2019 versus June 30, 2018

Net Investment Banking Revenues were $917.6 million for the six months ended June 30, 2019, compared to $885.9 million for the six months ended June 30, 2018, which represented an increase of 4%. We earned 362 fees from Advisory clients for the six months ended June 30, 2019, compared to 355 for the six months ended June 30, 2018, representing a 2% increase. We had 149 fees earned in excess of $1.0 million for the six months ended June 30, 2019, compared to 146 for the six months ended June 30, 2018, representing a 2% increase. The increase in revenues from the six months ended June 30, 2018 primarily reflects an increase of $28.1 million, or 4%, in Advisory Fees, reflecting an increase in the number and size of Advisory fees. Underwriting Fees decreased $7.5 million, or 15%, compared to the six months ended June 30, 2018. The decrease in Underwriting Fees from the six months ended June 30, 2018 primarily reflects a decrease in the size of certain transactions versus the prior year. We participated in 39 underwriting transactions for the six months ended June 30, 2019 (compared to 31 in 2018), 27 of which were as a bookrunner (compared to 25 in 2018). Commissions and Related Fees decreased $3.5 million, or 4%, principally driven by the trend of institutional clients adjusting the level of payments for research services. Other Revenue, net, for the six months ended June 30, 2019, was higher than the six months ended June 30, 2018, primarily reflecting gains on the investment funds portfolio, which is used as an economic hedge against our deferred cash compensation program.

Operating Expenses were $697.3 million for the six months ended June 30, 2019, compared to $658.8 million for the six months ended June 30, 2018, an increase of $38.5 million, or 6%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $537.2 million for the six months ended June 30, 2019, as compared to $518.0 million for the six months ended June 30, 2018, an increase of $19.2 million, or 4%. The increase was primarily due to increased compensation costs resulting from the expansion of our businesses, including costs associated with new senior hires and increased compensation costs from share-based and other deferred and incentive compensation arrangements. Non-compensation expenses, as a component of Operating Expenses, were $160.1 million for the six months ended June 30, 2019, as compared to $140.8 million for the six months ended June 30, 2018, an increase of $19.3 million, or 14%. Non-compensation operating expenses increased from the prior year primarily driven by increased headcount within the business, increased occupancy costs, principally related to higher expenses associated with the expansion of our headquarters in New York, increased costs related to technology initiatives and increased professional fees. In addition, the increase in Non-compensation expenses versus last year also reflects an increase in client related expenses which are subject to reimbursement from clients currently and in future periods.

Other Expenses of $14.2 million for the six months ended June 30, 2019 included compensation costs of $7.8 million associated with the vesting of Class J LP Units and certain other awards granted in conjunction with the acquisition of ISI, Special Charges of $2.1 million related to the acceleration of depreciation expense for leasehold improvements in conjunction with the expansion of our headquarters in New York and intangible asset and other amortization of $4.3 million. Other Expenses of $13.9 million for the six months ended June 30, 2018 included compensation costs of $7.7 million associated with the vesting of Class J LP Units and certain other awards granted in conjunction with the acquisition of ISI, Special Charges of $1.9 million related to separation benefits and costs of terminating certain contracts associated with closing the agency trading platform in the U.K. and intangible asset and other amortization of $4.3 million.

Investment Management

The following table summarizes the operating results of the Investment Management segment.

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
	(dollars in thousands)					
Revenues						
Asset Management and Administration Fees:						
Wealth Management	$ 11,815	$ 11,297	5%	$ 23,253	$ 22,266	4%
Institutional Asset Management	604	873	(31%)	1,549	1,659	(7%)
Asset Management and Administration Fees	12,419	12,170	2%	24,802	23,925	4%
Other Revenue, net	2,241	632	255%	3,997	2,240	78%
Net Revenues	14,660	12,802	15%	28,799	26,165	10%
Expenses						
Operating Expenses	11,925	10,678	12%	24,166	21,951	10%
Other Expenses	—	—	NM	108	21	414%
Total Expenses	11,925	10,678	12%	24,274	21,972	10%
Operating Income[(1)]	2,735	2,124	29%	4,525	4,193	8%
Income from Equity Method Investments[(2)]	2,234	2,122	5%	4,190	4,247	(1%)
Pre-Tax Income	$ 4,969	$ 4,246	17%	$ 8,715	$ 8,440	3%

(1) Includes Noncontrolling Interest of $0.8 million and $1.7 million for the three and six months ended June 30, 2019, respectively, and $1.1 million and $2.3 million for the three and six months ended June 30, 2018, respectively.

(2) Equity in ABS and Atalanta Sosnoff is classified as Income from Equity Method Investments.

Investment Management Results of Operations

Our Investment Management segment includes the following activities:

- Wealth Management – conducted through EWM and ETC. Fee-based revenues from EWM are primarily earned on a percentage of AUM, while ETC primarily earns fees from negotiated trust services.
- Institutional Asset Management – conducted through ECB. Fee-based revenues from ECB are primarily earned on a percentage of AUM.
- Private Equity – conducted through our investment interests in private equity funds. We maintain a limited partner's interest in Glisco II, Glisco III and Glisco IV, as well as Glisco Manager Holdings LP and the general partners of the Glisco Funds. We receive our portion of the management fees earned by Glisco Partners Inc. ("Glisco") from Glisco Manager Holdings LP. We are passive investors and do not participate in the management of any Glisco sponsored funds. We are also passive investors in Trilantic IV, Trilantic V and Trilantic VI. In the event the private equity funds perform below certain thresholds we may be obligated to repay certain carried interest previously distributed. As of June 30, 2019, there was no previously distributed carried interest received from the funds that was subject to repayment.
- We also hold interests in ABS and Atalanta Sosnoff that are accounted for under the equity method of accounting. The results of these investments are included within Income from Equity Method Investments.

Assets Under Management

AUM for our Investment Management businesses of $10.1 billion at June 30, 2019 increased compared to $9.1 billion at December 31, 2018. The amounts of AUM presented in the table below reflect the assets for which we charge a management fee. These assets reflect the fair value of assets managed on behalf of Institutional Asset Management and Wealth Management clients. As defined in ASC 820, valuations performed for Level I investments are based on quoted prices obtained from active markets generated by third parties and Level II investments are valued through the use of models based on either direct or indirect observable inputs in the use of models or other valuation methodologies performed by third parties to determine fair value. For both the Level I and Level II investments, we obtain both active quotes from nationally recognized exchanges and third-party pricing services to determine market or fair value quotes, respectively. For Level III investments, pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair

value require significant management judgment or estimation. Wealth Management maintained 68% and 63% of Level I investments, 28% and 32% of Level II investments and 4% and 5% of Level III investments as of June 30, 2019 and December 31, 2018, respectively. Institutional Asset Management maintained 80% and 82% of Level I investments and 20% and 18% of Level II investments as of June 30, 2019 and December 31, 2018, respectively.

The fees that we receive for providing investment advisory and management services are primarily driven by the level and composition of AUM. Accordingly, client flows, market movements, foreign currency fluctuations and changes in our product mix will impact the level of management fees we receive from our investment management businesses. Fees vary with the type of assets managed and the channel 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. Clients will increase or reduce the aggregate amount of AUM that we manage for a number of reasons, including changes in the level of assets that they have available for investment purposes, their overall asset allocation strategy, our relative performance versus competitors offering similar investment products and the quality of our service. The fees we earn are also impacted by our investment performance, as the appreciation or depreciation in the value of the assets that we manage directly impacts our fees.

The following table summarizes AUM activity for the six months ended June 30, 2019:

	Wealth Management	Institutional Asset Management	Total
	(dollars in millions)		
Balance at December 31, 2018	$ 7,560	$ 1,575	$ 9,135
Inflows	414	544	958
Outflows	(369)	(518)	(887)
Market Appreciation	738	131	869
Balance at June 30, 2019	$ 8,343	$ 1,732	$ 10,075
Unconsolidated Affiliates - Balance at June 30, 2019:			
Atalanta Sosnoff	$ —	$ 6,391	$ 6,391
ABS	$ —	$ 5,616	$ 5,616

The following table represents the composition of our AUM for Wealth Management and Institutional Asset Management as of June 30, 2019:

	Wealth Management	Institutional Asset Management
Equities	58%	31%
Fixed Income	27%	69%
Liquidity[(1)]	10%	—%
Alternatives	5%	—%
Total	100%	100%

(1) Includes cash, cash equivalents and U.S. Treasury securities.

Our Wealth Management business serves individuals, families and related institutions delivering customized investment management, financial planning, and trust and custody services. Investment portfolios are tailored to meet the investment objectives of individual clients and reflect a blend of equity, fixed income and other products. Fees charged to clients reflect the composition of the assets managed and the services provided. Investment performance in the Wealth Management businesses is measured against appropriate indices based on the AUM, most frequently the S&P 500 and a composite fixed income index principally reflecting BarCap and MSCI indices.

For the six months ended June 30, 2019, AUM for Wealth Management increased 10%, primarily reflecting an increase due to market appreciation. Wealth Management lagged the S&P 500 on a 1 year basis by approximately 3% and outperformed the S&P 500 on a 3 year basis by approximately 2% during the period. Wealth Management lagged the fixed income composite on a 1 and 3 year basis by approximately 50 basis points and 20 basis points, respectively. For the period, the S&P 500 was up approximately 19% and the fixed income composite was up approximately 4%.

Our Institutional Asset Management business reflects assets managed by ECB, which primarily manages Mexican Government and corporate fixed income securities, as well as equity products. ECB utilizes the IPC Index, which is a capitalization weighted index of leading equities traded on the Mexican Stock Exchange and the Cetes 28 Index, which is an index of Treasury Bills issued by the Mexican Government, as benchmarks in reviewing their performance and managing their investment decisions.

For the six months ended June 30, 2019, AUM for Institutional Asset Management increased 10%, reflecting an 8% increase due to market appreciation and a 2% increase due to flows. ECB's AUM market appreciation reflects favorable market volatility, as well as the impact of the fluctuation of foreign currency. ECB outperformed the fixed income index on two of their three portfolios and lagged the equities index for the six months ended June 30, 2019.

AUM from our unconsolidated affiliates increased 10% compared to December 31, 2018, related to positive performance in Atalanta Sosnoff and ABS.

Three Months Ended June 30, 2019 versus June 30, 2018

Net Investment Management Revenues were $14.7 million for the three months ended June 30, 2019, compared to $12.8 million for the three months ended June 30, 2018, which represented an increase of 15%. Asset Management and Administration Fees earned from the management of client portfolios increased 2% from the three months ended June 30, 2018, primarily driven by an increase of $0.5 million in fees from Wealth Management clients, as associated AUM increased. Fee-based revenues included $0.01 million of revenues from performance fees for the three months ended June 30, 2019. Income from Equity Method Investments increased from the three months ended June 30, 2018, primarily as a result of an increase in earnings from our investments in Atalanta Sosnoff and ABS.

Operating Expenses were $11.9 million for the three months ended June 30, 2019, as compared to $10.7 million for the three months ended June 30, 2018, an increase of $1.2 million, or 12%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $8.4 million for the three months ended June 30, 2019, as compared to $7.5 million for the three months ended June 30, 2018, an increase of $0.9 million, or 12%. Non-compensation expenses, as a component of Operating Expenses, were $3.5 million for the three months ended June 30, 2019, as compared to $3.2 million for the three months ended June 30, 2018, an increase of $0.3 million, or 9%.

Six Months Ended June 30, 2019 versus June 30, 2018

Net Investment Management Revenues were $28.8 million for the six months ended June 30, 2019, compared to $26.2 million for the six months ended June 30, 2018, which represented an increase of 10%. Asset Management and Administration Fees earned from the management of client portfolios increased 4% from the six months ended June 30, 2018, primarily driven by an increase of $1.0 million in fees from Wealth Management clients, as associated AUM increased. Fee-based revenues included $0.01 million of revenues from performance fees during the six months ended June 30, 2019 and 2018. Income from Equity Method Investments decreased from the six months ended June 30, 2018, primarily as a result of a decrease in earnings from our investment in ABS in 2019.

Operating Expenses were $24.2 million for the six months ended June 30, 2019, as compared to $22.0 million for the six months ended June 30, 2018, an increase of $2.2 million, or 10%. Employee Compensation and Benefits Expense, as a component of Operating Expenses, was $17.0 million for the six months ended June 30, 2019, as compared to $15.5 million for the six months ended June 30, 2018, an increase of $1.5 million, or 10%. Non-compensation expenses, as a component of Operating Expenses, were $7.2 million for the six months ended June 30, 2019, as compared to $6.5 million for the six months ended June 30, 2018, an increase of $0.7 million, or 11%.

Other Expenses of $0.1 million and $0.02 million for the six months ended June 30, 2019 and 2018, respectively, included Acquisition and Transition Costs.

Cash Flows

Our operating cash flows are primarily influenced by the timing and receipt of investment banking and investment management fees, and the payment of operating expenses, including incentive compensation to our employees and interest expense on our repurchase agreements, Notes Payable, subordinated borrowings and lines of credit, and the payment of income taxes. Investment Banking advisory fees are generally collected within 90 days of billing. However, placement fees may be collected within 180 days of billing, with fees related to private funds capital raising being collected in a period exceeding one year. Commissions earned from our agency trading activities are generally received from our clearing broker within 11 days. Fees from our Wealth Management and Institutional Asset Management businesses are generally billed and collected within 90 days. We traditionally pay a substantial portion of incentive compensation to personnel in the Investment Banking business and to executive officers during the first three months of each calendar year with respect to the prior year's results. Likewise, payments to fund investments related to hedging our deferred cash compensation plans are funded in the first three months of each calendar year. Our investing and financing cash flows are primarily influenced by activities to deploy capital to fund investments and acquisitions, raise capital through the issuance of stock or debt, repurchase of outstanding Class A Shares, and/or noncontrolling interest in Evercore LP, as well as our other subsidiaries, payment of dividends and other periodic distributions to our stakeholders. We generally make dividend payments and other distributions on a quarterly basis. We periodically draw down on our lines of credit to balance the timing of our operating, investing and financing cash flow needs. A summary of our operating, investing and financing cash flows is as follows:

	For the Six Months Ended June 30,	
	2019	2018
	(dollars in thousands)	
Cash Provided By (Used In)		
Operating activities:		
Net income	$ 175,457	$ 191,396
Non-cash charges	203,240	160,408
Other operating activities	(513,776)	(177,297)
Operating activities	(135,079)	174,507
Investing activities	68,267	(126,370)
Financing activities	(347,536)	(248,945)
Effect of exchange rate changes	(1,133)	(1,576)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(415,481)	(202,384)
Cash, Cash Equivalents and Restricted Cash		
Beginning of Period	800,096	617,385
End of Period	$ 384,615	$ 415,001

Six Months Ended June 30, 2019. Cash, Cash Equivalents and Restricted Cash were $384.6 million at June 30, 2019, a decrease of $415.5 million versus Cash, Cash Equivalents and Restricted Cash of $800.1 million at December 31, 2018. Operating activities resulted in a net outflow of $135.1 million, primarily related to the payment of 2018 incentive compensation, partially offset by earnings. Cash of $68.3 million was provided by investing activities primarily related to the maturity of certificates of deposit, partially offset by purchases of furniture, equipment and leasehold improvements, primarily related to the expansion of our headquarters in New York. Financing activities during the period used cash of $347.5 million, primarily for purchases of treasury stock and noncontrolling interests, the payment of dividends and distributions to noncontrolling interest holders.

Six Months Ended June 30, 2018. Cash, Cash Equivalents and Restricted Cash were $415.0 million at June 30, 2018, a decrease of $202.4 million versus Cash, Cash Equivalents and Restricted Cash of $617.4 million at December 31, 2017. Operating activities resulted in a net inflow of $174.5 million, primarily related to earnings, partially offset by an increase in accounts receivable and a decrease in accrued compensation and benefits. Cash of $126.4 million was used in investing activities primarily related to net purchases of marketable securities and purchases of certificates of deposit, which were partially offset by the maturity of certificates of deposit. Financing activities during the period used cash of $248.9 million, primarily for purchases of treasury stock and noncontrolling interests, the payment of dividends, distributions to noncontrolling interest holders and the repayment of outstanding subordinated borrowings.

Liquidity and Capital Resources

General

Our current assets include Cash and Cash Equivalents, Marketable Securities and Certificates of Deposit, Accounts Receivable and contract assets, included in Other Current Assets, relating to Investment Banking and Investment Management revenues. Our current liabilities include accrued expenses, accrued liabilities related to improvements in our leased facilities, accrued employee compensation and short-term borrowings. We traditionally have made payments for employee bonus awards and year-end distributions to partners in the first quarter of the year with respect to the prior year's results. In addition, payments in respect of deferred cash compensation arrangements and related investments are also made in the first quarter. From time to time, advances and/or commitments may also be granted to new employees at or near the date they begin employment, or to existing employees for the purpose of incentive or retention. Cash distributions related to partnership tax allocations are made to the partners of Evercore LP and certain other entities in accordance with our corporate estimated payment calendar; these payments are made prior to the end of each calendar quarter. In addition, dividends on Class A Shares, and related distributions to partners of Evercore LP, are paid when and if declared by the Board of Directors, which is generally quarterly.

We regularly monitor our liquidity position, including cash, other significant working capital, current assets and liabilities, long-term liabilities, lease commitments and related fixed assets, principal investment commitments related to our Investment Management business, dividends on Class A Shares, partnership distributions and other capital transactions, as well as other matters relating to liquidity and compliance with regulatory requirements. Our liquidity is highly dependent on our revenue stream from our operations, principally from our Investment Banking business, which is a function of closing advisory transactions and earning success fees, the timing and realization of which is irregular and dependent upon factors that are not subject to our control. Our revenue stream funds the payment of our expenses, including annual bonus payments, a portion of which are guaranteed, deferred compensation arrangements, interest expense on our repurchase agreements, Notes Payable, lines of credit and other financing arrangements and income taxes. Payments made for income taxes may be reduced by deductions taken for the increase in tax basis of our investment in Evercore LP. Certain of these tax deductions, when realized, require payment under our long-term liability, Amounts Due Pursuant to Tax Receivable Agreements. We intend to fund these payments from cash and cash equivalents on hand, principally derived from cash flows from operations. These tax deductions, when realized, will result in cash otherwise required to satisfy tax obligations becoming available for other purposes. Our Management Committee meets regularly to monitor our liquidity and cash positions against our short and long-term obligations, as well as our capital requirements and commitments. The result of this review contributes to management's recommendation to the Board of Directors as to the level of quarterly dividend payments, if any.

As a financial services firm, our businesses are materially affected by conditions in the global financial markets and economic conditions throughout the world. Revenue generated by our advisory activities is related to the number and value of the transactions in which we are involved. In addition, revenue related to our equities business is driven by market volumes and institutional investor trends, such as the trend to passive investment strategies. During periods of unfavorable market or economic conditions, the number and value of M&A transactions, as well as market volumes in equities, generally decrease, and they generally increase during periods of favorable market or economic conditions. Restructuring activity generally is counter-cyclical to M&A activity. In addition, during periods of unfavorable market conditions our Investment Management business may be impacted by reduced equity valuations and generate relatively lower revenue because fees we receive, either directly or through our affiliates, typically are in part based on the market value of underlying publicly-traded securities. Our profitability may also be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs within a time frame and in an amount sufficient to match any decreases in revenue relating to changes in market and economic conditions. Likewise, our liquidity may be adversely impacted by our contractual obligations, including lease obligations. Reduced equity valuations resulting from future adverse economic events and/or market conditions may impact our performance and may result in future net redemptions of AUM from our clients, which would generally result in lower revenues and cash flows. These adverse conditions could also have an impact on our goodwill impairment assessment, which is done annually, as of November 30th, or more frequently if circumstances indicate impairment may have occurred.

Changes in regulation, market structure or business activity arising from the ongoing discussions over the U.K.'s implementation of its separation from the European Union may have a negative impact on our business operations in the U.K., and globally, over the intermediate term. We will continue to monitor and manage the potential implications of the separation, including assessing opportunities that may arise, as the potential impact on the U.K. and European economy becomes more evident.

We assess our equity method investments for impairment annually, or more frequently if circumstances indicate impairment may have occurred. These circumstances could include unfavorable market conditions or the loss of key personnel of the investee.

For a further discussion of risks related to our business, refer to "Risk Factors" in our Form 10-K for the year ended December 31, 2018.

Treasury and Noncontrolling Interest Repurchases

We periodically repurchase Class A Shares and/or LP Units into Treasury in order to offset the dilutive effect of equity awards granted as compensation (see Note 16 to our unaudited condensed consolidated financial statements for further information). The amount of cash required for these share repurchases is a function of the mix of equity and deferred cash compensation awarded for the annual bonus awards (see further discussion on deferred compensation under *Other Commitments* below). In addition, we may from time to time, purchase noncontrolling interests in subsidiaries.

On October 23, 2017, our Board of Directors authorized (in addition to the net settlement of equity awards) the repurchase of Class A Shares and/or LP Units so that from that date forward, we are able to repurchase an aggregate of the lesser of $750.0 million worth of Class A Shares and/or LP Units and 8.5 million Class A Shares and/or LP Units. Under this share repurchase program, shares may be repurchased from time to time in open market transactions, in privately-negotiated transactions or otherwise. The timing and the actual amount of shares repurchased will depend on a variety of factors, including legal requirements, price, economic and market conditions and the objective to reduce the dilutive effect of equity awards granted as compensation to employees. This program may be suspended or discontinued at any time and does not have a specified expiration date. During the six months ended June 30, 2019, we repurchased 1,522,139 Class A Shares, at an average cost per share of $82.40, for $125.4 million pursuant to our repurchase program.

In addition, periodically, we buy shares into treasury from our employees in order to allow them to satisfy their minimum tax requirements for share deliveries under our share equity plan. During the six months ended June 30, 2019, we repurchased 998,318 Class A Shares, at an average cost per share of $89.55 for $89.4 million primarily related to minimum tax withholding requirements of share deliveries.

The aggregate 2,520,457 Class A Shares repurchased during the six months ended June 30, 2019, were acquired for aggregate purchase consideration of $214.8 million, at an average cost per share of $85.23.

On May 31, 2019, we purchased, at fair value, the remaining 10% of the Private Capital Advisory L.P. Common Interests for $28.4 million. On May 31, 2019, we purchased, at fair value, an additional 17% of the EWM Class A Units for $24.5 million (in cash of $21.8 million and the issuance of 31,383 Class A LP Units having a fair value of $2.7 million). On March 29, 2018, we purchased, at fair value, an additional 15% of Private Capital Advisory L.P. for $25.5 million.

Private Placement

On March 30, 2016, we issued an aggregate $170.0 million of senior notes, including: $38.0 million aggregate principal amount of our 4.88% Series A Notes, $67.0 million aggregate principal amount of our 5.23% Series B Notes, $48.0 million aggregate principal amount of our 5.48% Series C Notes and $17.0 million aggregate principal amount of our 5.58% Series D Notes pursuant to the 2016 Note Purchase Agreement dated as of March 30, 2016, among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

Interest on the 2016 Private Placement Notes is payable semi-annually and the 2016 Private Placement Notes are guaranteed by certain of our domestic subsidiaries. We may, at our option, prepay all, or from time to time any part of, the 2016 Private Placement Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the 2016 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2016 Private Placement Notes will have the right to require us to prepay the entire unpaid principal amounts held by each holder of the 2016 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2016 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio, a minimum tangible net worth and a minimum interest coverage ratio, and customary events of default. As of June 30, 2019, we were in compliance with all of these covenants.

On August 1, 2019, we issued $175.0 million and £25.0 million of senior unsecured notes through private placement. These notes reflect a weighted average life of 12 years and a weighted average stated interest rate of 4.26%. These notes include: $75.0 million aggregate principal amount of our 4.34% Series E senior notes due 2029, $60.0 million aggregate principal amount of our 4.44% Series F senior notes due 2031, $40.0 million aggregate principal amount of our 4.54% Series G senior notes due 2033 and £25.0 million aggregate principal amount of our 3.33% Series H senior notes due 2033, each of which were issued pursuant to the 2019 Note Purchase Agreement, among the Company and the purchasers party thereto in a private placement exempt from registration under the Securities Act of 1933.

Interest on the 2019 Private Placement Notes is payable semi-annually and the 2019 Private Placement Notes are guaranteed by certain of our domestic subsidiaries. We may, at our option, prepay all, or from time to time any part of, the 2019 Private Placement Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the 2019 Private Placement Notes then outstanding at 100% of the principal amount thereof plus an applicable "make-whole amount." Upon the occurrence of a change of control, the holders of the 2019 Private Placement Notes will have the right to require us to prepay the entire unpaid principal amounts held by each holder of the 2019 Private Placement Notes plus accrued and unpaid interest to the prepayment date. The 2019 Note Purchase Agreement contains customary covenants, including financial covenants requiring compliance with a maximum leverage ratio and a minimum tangible net worth, and customary events of default.

We intend to use the proceeds from the 2019 Private Placement Notes to fund investments in our business, including facilities and technology, and for other general corporate purposes.

Lines of Credit

On June 24, 2016, East entered into a loan agreement with PNC for a revolving credit facility in an aggregate principal amount of up to $30.0 million, to be used for working capital and other corporate activities. This facility is secured by East's accounts receivable and the proceeds therefrom, as well as certain assets of EGL, including certain of EGL's accounts receivable. In addition, the agreement contains certain reporting covenants, as well as certain debt covenants that prohibit East and us from incurring other indebtedness, subject to specified exceptions. We and our consolidated subsidiaries were in compliance with these covenants as of June 30, 2019. Drawings under this facility bear interest at the prime rate. On January 2, 2018, East drew down $30.0 million on this facility, which was repaid on March 2, 2018. On March 11, 2019, East drew down $30.0 million on this facility, which was repaid on May 3, 2019. On June 21, 2019, East amended this facility with PNC such that, among other things, the interest rate provisions were modified to LIBOR plus 125 basis points and the maturity date was extended to October 31, 2020.

On July 26, 2019, East entered into an additional loan agreement with PNC for a revolving credit facility in an aggregate principal amount of up to $20.0 million, to be used for working capital and other corporate activities. The facility is unsecured and matures on October 31, 2020, subject to an extension agreed to between East and PNC. In addition, the agreement contains certain reporting requirements and debt covenants consistent with the Existing PNC Facility. Drawings under this facility bear interest at LIBOR plus 150 basis points. East is only permitted to borrow under this facility if there is no undrawn availability under the Existing PNC Facility and must repay indebtedness under this facility prior to repaying indebtedness under the Existing PNC Facility.

ECB maintains a line of credit with BBVA Bancomer to fund its trading activities on an intra-day and overnight basis. The facility has a maximum aggregate principal amount of approximately $7.8 million and is secured by trading securities. No interest is charged on the intra-day facility. The overnight facility is charged the Inter-Bank Balance Interest Rate plus 10 basis points. There have been no significant draw downs on ECB's line of credit since August 10, 2006. The line of credit is renewable annually.

Other Commitments

We have a long-term liability, Amounts Due Pursuant to Tax Receivable Agreements, which requires payments to certain Senior Managing Directors. This liability was re-measured following the decrease in income tax rates in the U.S. in 2018 and future years in conjunction with the enactment of the Tax Cuts and Jobs Act on December 22, 2017.

We have made certain capital commitments with respect to our investment activities, as well as commitments related to contingent consideration from our acquisitions, which are included in the Contractual Obligations section below.

We had a commitment at June 30, 2019 for contingent consideration related to an arrangement with the former employer of certain RECA employees. For further information see Note 17 to our unaudited condensed consolidated financial statements.

Pursuant to deferred compensation and deferred consideration arrangements, we are obligated to make cash payments in future periods. Further, we make investments to hedge the economic risk of the return on deferred compensation. For further information see Notes 7 and 16 to our unaudited condensed consolidated financial statements.

Certain of our subsidiaries are regulated entities and are subject to capital requirements. For further information see Note 18 to our unaudited condensed consolidated financial statements.

On July 1, 2018, we entered into a new lease agreement for office space at our headquarters at 55 East 52nd St., New York, New York. We expect to spend approximately $31 million, net of a tenant improvement allowance, to improve the premises under

this lease over the next twelve months. For further information see Note 10 to our unaudited condensed consolidated financial statements.

Collateralized Financing Activity at ECB

ECB enters into repurchase agreements with clients seeking overnight money market returns whereby ECB transfers to the clients Mexican government securities in exchange for cash and concurrently agrees to repurchase the securities at a future date for an amount equal to the cash exchanged plus a stipulated premium or interest factor. ECB deploys the cash received from, and acquires the securities deliverable to, clients under these repurchase arrangements by purchasing securities in the open market or by entering into reverse repurchase agreements with unrelated third parties. We account for these repurchase and reverse repurchase agreements as collateralized financing transactions. We record a liability on our Unaudited Condensed Consolidated Statements of Financial Condition in relation to repurchase transactions executed with clients as Securities Sold Under Agreements to Repurchase. We record as assets on our Unaudited Condensed Consolidated Statements of Financial Condition, Financial Instruments Owned and Pledged as Collateral at Fair Value (where we have acquired the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market) and Securities Purchased Under Agreements to Resell (where we have acquired the securities deliverable to clients under these repurchase agreements by entering into reverse repurchase agreements with unrelated third parties). These Mexican government securities included in Financial Instruments Owned and Pledged as Collateral at Fair Value on the Unaudited Condensed Consolidated Statements of Financial Condition have an estimated average time to maturity of approximately 1.5 years, as of June 30, 2019, and are pledged as collateral against repurchase agreements, which are collateralized financing agreements. Generally, collateral is posted equal to the contract value at inception and is subject to market changes. These repurchase agreements are primarily with institutional customer accounts managed by ECB, generally mature within one business day and permit the counterparty to pledge the securities. Increases and decreases in asset and liability levels related to these transactions are a function of growth in ECB's AUM, as well as clients' investment allocations requiring positioning in repurchase transactions.

ECB has procedures in place to monitor the daily risk limits for positions taken, as well as the credit risk based on the collateral pledged under these agreements against their contract value from inception to maturity date. The daily risk measure is VaR, which is a statistical measure, at a 98% confidence level, of the potential daily losses from adverse market movements in an ordinary market environment based on a historical simulation using the prior year's historical data. The Committee has established a policy to maintain VaR at levels below 0.1% of the value of the portfolio. If at any point in time the threshold is exceeded, ECB personnel are alerted by an automated interface with ECB's trading systems and begin to make adjustments in the portfolio in order to mitigate the risk and bring the portfolio in compliance. Concurrently, ECB personnel must notify the Committee of the variance and the actions taken to reduce the exposure to loss.

In addition to monitoring VaR, ECB periodically performs discrete Stress Tests to assure that the level of potential losses that would arise from extreme market movements that may not be anticipated by VaR measures are within acceptable levels. The table below includes a key stress test monitored by the Committee, noted as the sensitivity to a 100 basis point change in interest rates. This analysis assists ECB in understanding the impact of an extreme move in rates, assuring the Collateralized Financing portfolio is structured to maintain risk at an acceptable level, even in extreme circumstances.

The Committee meets monthly to analyze the overall market risk exposure based on positions taken, as well as the credit risk, based on the collateral pledged under these agreements against the contract value from inception to maturity date. In these meetings the Committee evaluates risk from an operating perspective, VaR, and an exceptional perspective, Stress Tests, to determine the appropriate level of risk limits in the current environment.

We periodically assess the collectability or credit quality related to securities purchased under agreements to resell.

As of June 30, 2019 and December 31, 2018, a summary of ECB's assets, liabilities and risk measures related to its collateralized financing activities is as follows:

	June 30, 2019		December 31, 2018	
	Amount	Market Value of Collateral Received or (Pledged)	Amount	Market Value of Collateral Received or (Pledged)
	(dollars in thousands)			
Assets				
Financial Instruments Owned and Pledged as Collateral at Fair Value	$ 22,798		$ 22,349	
Securities Purchased Under Agreements to Resell	2,975	$ 2,974	2,696	$ 2,701
Total Assets	$ 25,773		$ 25,045	
Liabilities				
Securities Sold Under Agreements to Repurchase	$ (25,781)	$ (25,776)	$ (25,075)	$ (25,099)
Net Liabilities	$ (8)		$ (30)	
Risk Measures				
VaR	$ 1		$ 6	
Stress Test:				
Portfolio sensitivity to a 100 basis point increase in the interest rate	$ (20)		$ (1)	
Portfolio sensitivity to a 100 basis point decrease in the interest rate	$ 20		$ 1	

Contractual Obligations

For a further discussion of our contractual obligations, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

We had total commitments (not reflected on our Unaudited Condensed Consolidated Statements of Financial Condition) relating to future capital contributions to private equity funds of $12.4 million and $15.2 million as of June 30, 2019 and December 31, 2018, respectively. We expect to fund these commitments with cash flows from operations. We may be required to fund these commitments at any time through June 2028, depending on the timing and level of investments by our private equity funds.

Off-Balance Sheet Arrangements

We do not invest in any off-balance sheet vehicles that provide liquidity, capital resources, market or credit risk support, or engage in any leasing activities that expose us to any liability that is not reflected in our unaudited condensed consolidated financial statements.

Market Risk and Credit Risk

We, in general, are not a capital-intensive organization and as such, are not subject to significant market or credit risks. Nevertheless, we have established procedures to assess both the market and credit risk, as well as specific investment risk, exchange rate risk and credit risk related to receivables.

Market and Investment Risk

We hold equity securities and invest in exchange-traded funds and mutual funds, principally as an economic hedge against our deferred compensation program. As of June 30, 2019, the fair value of our investments with these products, based on closing prices, was $65.4 million.

We estimate that a hypothetical 10% adverse change in the market value of the investments would have resulted in a decrease in pre-tax income of approximately $6.5 million for the three months ended June 30, 2019.

See "-Liquidity and Capital Resources" above for a discussion of collateralized financing transactions at ECB.

Private Equity Funds

Through our principal investments in private equity funds and our ability to earn carried interest from these funds, we face exposure to changes in the estimated fair value of the companies in which these funds invest. Valuations and analysis regarding our investments in Trilantic and Glisco are performed by their respective professionals, and thus we are not involved in determining the fair value for the portfolio companies of such funds.

We estimate that a hypothetical 10% adverse change in the value of the private equity funds would have resulted in a decrease in pre-tax income of approximately $0.9 million for the three months ended June 30, 2019.

Exchange Rate Risk

We have foreign operations, through our subsidiaries and affiliates, primarily in the United Kingdom and Mexico, as well as provide services to clients in other jurisdictions, which creates foreign exchange rate risk. We have not entered into any transactions to hedge our exposure to foreign exchange fluctuations in these subsidiaries through the use of derivative instruments or otherwise. An appreciation or depreciation of any of these currencies relative to the U.S. dollar would result in an adverse or beneficial impact to our financial results. A significant portion of our Latin American revenues has been, and will continue to be, derived from contracts denominated in Mexican pesos and Brazilian real and our European revenue and expenses are denominated primarily in British pounds sterling and euro. Historically, the value of these foreign currencies has fluctuated relative to the U.S. dollar. For the six months ended June 30, 2019, the net impact of the fluctuation of foreign currencies recorded in Other Comprehensive Income within the Unaudited Condensed Consolidated Statement of Comprehensive Income was ($1.1) million. It is generally not our intention to hedge our foreign currency exposure in these subsidiaries, and we will reevaluate this policy from time to time.

In April 2019, we entered into three month futures contracts on a stock index fund with a notional amount of $14.8 million for $0.7 million, as an economic hedge against our deferred cash compensation program. These contracts settled in June 2019. In accordance with ASC 815, these contracts are carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest and Investments, on the Unaudited Condensed Consolidated Statements of Operations.

Credit Risks

We maintain cash and cash equivalents with financial institutions with high credit ratings. At times, we may maintain deposits in federally insured financial institutions in excess of federally insured ("FDIC") limits or enter into sweep arrangements where banks will periodically transfer a portion of our excess cash position to a money market fund. However, we believe that we are not exposed to significant credit risk due to the financial position of the depository institutions or investment vehicles in which those deposits are held.

Accounts Receivable consists primarily of advisory fees and expense reimbursements billed to our clients. Other Assets includes long-term receivables from fees related to private funds capital raising. Receivables are reported net of any allowance for doubtful accounts. We maintain an allowance for doubtful accounts to provide coverage for probable losses from our customer receivables and derive the estimate through specific identification for the allowance for doubtful accounts and an assessment of the client's creditworthiness. The Investment Banking and Investment Management receivables collection periods generally are within 90 days of invoice, with the exception of placement fees, which are generally collected within 180 days of invoice, and fees related to private funds capital raising, which are collected in a period exceeding one year. The collection period for restructuring transaction receivables may exceed 90 days. We recorded minimal bad debt expense for each of the six months ended June 30, 2019 and 2018. As of June 30, 2019 and December 31, 2018, total receivables recorded in Accounts Receivable amounted to $316.9 million and $309.1 million, respectively, net of an allowance for doubtful accounts, and total receivables recorded in Other Assets amounted to $62.6 million and $60.9 million, respectively.

Other Current Assets and Other Assets include arrangements in which an estimate of variable consideration has been included in the transaction price and thereby recognized as revenue that precedes the contractual due date (contract assets). As of June 30, 2019, total contract assets recorded in Other Current Assets amounted to $75.5 million, and total contract assets recorded in Other Assets amounted to $7.3 million. As of December 31, 2018, total contract assets recorded in Other Current Assets and Other Assets amounted to $2.8 million and $0.5 million, respectively.

With respect to our Marketable Securities portfolio, which is comprised primarily of highly-rated corporate and municipal bonds, treasury bills, exchange-traded funds, mutual funds and securities investments, we manage our credit risk exposure by limiting concentration risk and maintaining investment grade credit quality. As of June 30, 2019, we had Marketable Securities of

$217.0 million, of which 70% were corporate and municipal securities and treasury bills and notes, primarily with S&P ratings ranging from AAA to BB+.

Critical Accounting Policies and Estimates

The unaudited condensed consolidated financial statements included in this report are prepared in conformity with U.S. GAAP, which requires management to make estimates and assumptions regarding future events that affect the amounts reported in our consolidated financial statements and their notes, including reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. We base these estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ materially from those estimates. For a discussion of our critical accounting policies and estimates, refer to our Annual Report on Form 10-K for the year ended December 31, 2018.

We adopted ASC 842 on January 1, 2019, which requires the recognition of a right-of-use asset and lease liability on the balance sheet by lessees for those leases classified as operating leases under previous guidance. See Notes 2 and 3 to our unaudited condensed consolidated financial statements for further information.

Recently Issued Accounting Standards

For a discussion of other recently issued accounting standards and their impact or potential impact on our consolidated financial statements, see Note 3 to our unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk and Credit Risk." We do not believe we face any material interest rate risk, foreign currency exchange risk, equity price risk or other market risk except as disclosed in Item 2 " – Market Risk and Credit Risk" above.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based upon that evaluation and subject to the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Controls over Financial Reporting

We have not made any changes during the three months ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act).

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the normal course of business, from time to time, the Company and its affiliates are involved in judicial or regulatory proceedings, arbitration or mediation concerning matters arising in connection with the conduct of its businesses, including contractual and employment matters. In addition, Mexican, United Kingdom, Hong Kong, Singapore, Canadian, Dubai and United States government agencies and self-regulatory organizations, as well as state securities commissions in the United States, conduct periodic examinations and initiate administrative proceedings regarding the Company's business, including, among other matters, accounting and operational matters, that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer, investment advisor, or its directors, officers or employees. In view of the inherent difficulty of determining whether any loss in connection with such matters is probable and whether the amount of such loss can be reasonably estimated, particularly in cases where claimants seek substantial or indeterminate damages or where investigations and proceedings are in the early stages, the Company cannot estimate the amount of such loss or range of loss, if any, related to such matters, how or if such matters will be resolved, when they will ultimately be resolved, or what the eventual settlement, fine, penalty or other relief, if any, might be. Subject to the foregoing, the Company believes, based on current knowledge and after consultation with counsel, that it is not currently party to any material pending proceedings (including the matter described below), individually or in the aggregate, the resolution of which would have a material effect on the Company. Provisions for losses are established in accordance with ASC 450 when warranted. Once established, such provisions are adjusted when there is more information available or when an event occurs requiring a change.

Beginning on or about November 16, 2016, several putative securities class action complaints were filed against Adeptus and certain others, including EGL as underwriter, in connection with Adeptus’ June 2014 initial public offering and May 2015, July 2015, and June 2016 secondary public offerings. The cases were consolidated in the U.S. District Court for the Eastern District of Texas where a consolidated complaint was filed asserting, in part, that the offering materials issued in connection with the four public offerings violated the U.S. Securities Act of 1933 by containing alleged misstatements and omissions. On April 19, 2017, Adeptus filed for Chapter 11 bankruptcy and was subsequently removed as a defendant. On November 21, 2017, the plaintiffs filed a consolidated complaint, and the defendants filed motions to dismiss on February 5, 2018. On September 12, 2018, the defendants' motions to dismiss were granted as to the claims relating to the initial public offering and the May 2015 secondary public offering, but denied as to the claims relating to the July 2015 and June 2016 secondary public offerings. EGL underwrote approximately 293,250 shares of common stock in the July 2015 secondary public offering, representing an aggregate offering price of approximately $30.8 million, but did not underwrite any shares in the June 2016 secondary public offering. On September 25, 2018, the plaintiffs filed an amended complaint relating only to the July 2015 and June 2016 secondary public offerings. On December 7, 2018, the plaintiffs filed a motion for class certification, and the defendants filed briefs in opposition. On February 16, 2019, the plaintiffs filed a second amended complaint after having been granted leave to amend by the court. On March 4, 2019, the defendants filed a motion to dismiss as to the second amended complaint.

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

Issuer Purchases of Equity Securities

2019	Total Number of Shares (or Units) Purchased(1)	Average Price Paid Per Share	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs(2)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs(2)
January 1 to January 31	272,004	$ 74.05	270,030	6,209,388
February 1 to February 28	912,817	89.29	—	6,209,388
March 1 to March 31	64,689	93.53	—	6,209,388
Total January 1 to March 31	1,249,510	$ 86.19	270,030	6,209,388
April 1 to April 30	17,782	$ 91.31	11,600	6,197,788
May 1 to May 31	1,070,004	85.12	1,061,586	5,136,202
June 1 to June 30	183,161	78.83	178,923	4,957,279
Total April 1 to June 30	1,270,947	$ 84.30	1,252,109	4,957,279
Total January 1 to June 30	2,520,457	$ 85.23	1,522,139	4,957,279

(1) Includes the repurchase of 979,480 and 18,838 shares in treasury transactions arising from net settlement of equity awards to satisfy minimum tax obligations during the three months ended March 31, 2019 and June 30, 2019, respectively.

(2) On October 23, 2017, our Board of Directors authorized (in addition to the net settlement of equity awards) the repurchase of Class A Shares and/or LP Units so that from that date forward, Evercore is able to repurchase an aggregate of the lesser of $750.0 million worth of Class A Shares and/or LP Units and 8.5 million Class A Shares and/or LP Units. Under this share repurchase program, shares may be repurchased from time to time in open market transactions, in privately-negotiated transactions or otherwise. The timing and the actual amount of shares repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. This program may be suspended or discontinued at any time and does not have a specified expiration date.

Item 6. Exhibits and Financial Statement Schedules

Exhibit Number	Description
4.1	Form of 4.34% Series E senior notes due 2029 (included in Exhibit 10.1)
4.2	Form of 4.44% Series F senior notes due 2031 (included in Exhibit 10.1)
4.3	Form of 4.54% Series G senior notes due 2033 (included in Exhibit 10.1)
4.4	Form of 3.33% Series H senior notes due 2033 (included in Exhibit 10.1)
10.1	Form of Note Purchase Agreement, dated as of August 1, 2019 (filed herewith)
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) (filed herewith)
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) (filed herewith)
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	XBRL Instance Document - The instance document does not appear in the Interactive Data File because iXBRL tags are embedded within the Inline XBRL document.
101.SCH	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

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

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

Date: August 1, 2019

Evercore Inc.

By:	/s/ RALPH SCHLOSSTEIN
Name:	**Ralph Schlosstein**
Title:	**Chief Executive Officer and Director**

By:	/s/ ROBERT B. WALSH
Name:	**Robert B. Walsh**
Title:	**Chief Financial Officer**

Exhibit 10.1

EVERCORE INC.

$75,000,000 4.34% Series E Senior Notes due August 1, 2029

$60,000,000 4.44% Series F Senior Notes due August 1, 2031

$40,000,000 Series G Senior Notes due August 1, 2033

£25,000,000 3.33% Series H Senior Notes due August 1, 2033

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NOTE PURCHASE AGREEMENT

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Dated August 1, 2019

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Schedule 1(d)	-	Form of Series H Note
Schedule 2.2	-	Form of Subsidiary Guaranty
Schedule 4.4(a)	-	Form of Opinion of Special Counsel for the Company and the Subsidiary Guarantors
Schedule 4.4(b)	-	Form of Opinion of Special Counsel for the Purchasers
Schedule 5.3	-	Disclosure Materials
Schedule 5.4	-	Subsidiaries of the Company and Ownership of Subsidiary Stock
Schedule 5.5	-	Financial Statements
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Schedule B	-	Information Relating to Purchasers

Evercore Inc.
55 E 52nd Street
New York, New York 10055

$75,000,000 4.34% Series E Senior Notes due August 1, 2029
$60,000,000 4.44% Series F Senior Notes due August 1, 2031
$40,000,000 4.54% Series G Senior Notes due August 1, 2033
£25,000,000 3.33% Series H Senior Notes due August 1, 2033

August 1, 2019

To Each of the Purchasers Listed in
Schedule B Hereto:

Ladies and Gentlemen:

Evercore Inc., a Delaware corporation (together with any successor thereto that becomes a party hereto pursuant to Section 10.2, the "**Company**"), agrees with each of the Purchasers as follows:

SECTION 1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale of:

(a) $75,000,000 aggregate principal amount of its 4.34% Series E Senior Notes due August 1, 2029 (as amended, restated or otherwise modified from time to time pursuant to Section 17 and including any such notes issued in substitution therefor pursuant to Section 13, the "**Series E Notes**"),

(b) $60,000,000 aggregate principal amount of its 4.44% Series F Senior Notes due August 1, 2031 (as amended, restated or otherwise modified from time to time pursuant to Section 17 and including any such notes issued in substitution therefor pursuant to Section 13, the "**Series F Notes**"),

(c) $40,000,000 aggregate principal amount of its 4.54% Series G Senior Notes due August 1, 2033 (as amended, restated or otherwise modified from time to time pursuant to Section 17 and including any such notes issued in substitution therefor pursuant to Section 13, the "**Series G Notes**"),

(d) £25,000,000 aggregate principal amount of its 3.33% Series H Senior Notes due August 1, 2033 (as amended, restated or otherwise modified from time to time pursuant to Section 17 and including any such notes issued in substitution therefor pursuant to Section 13, the "**Series H Notes**").

The Series E Notes, the Series F Notes, the Series G Notes and the Series H Notes are referred to herein, collectively, as the "**Notes**". The Series E Notes, the Series F Notes, the Series G Notes and the Series H Notes shall be substantially in the forms set out in Schedule 1(a), Schedule 1(b), Schedule 1(c) and Schedule 1(d), respectively. Certain capitalized and other terms used in this

Agreement are defined in Schedule B. References to a "Schedule" are references to a Schedule attached to this Agreement unless otherwise specified. References to a "Section" are references to a Section of this Agreement unless otherwise specified.

SECTION 2. SALE AND PURCHASE OF NOTES; SUBSIDIARY GUARANTIES.

Section 2.1 Sale and Purchase of Notes.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the principal amount and of the Series specified opposite such Purchaser's name in Schedule B at the purchase price of 100% of the principal amount thereof. The Purchasers' obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

Section 2.2 Subsidiary Guaranties.

Payment by the Company of all amounts due with respect to the Notes and performance by the Company of its obligations under this Agreement will also be guaranteed by the Subsidiary Guarantors and may, from time to time, be guaranteed by other direct or indirect Subsidiaries of the Company, in each case pursuant to a guaranty agreement substantially in the form of Schedule 2.2 or such other form as is in form and substance reasonably satisfactory to the Required Holders (each, as amended, restated or otherwise modified from time to time, a "**Subsidiary Guaranty**").

SECTION 3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178-0060, at 9:00 a.m., New York City local time, at a closing (the "**Closing**") on August 1, 2019. At the Closing the Company will deliver to each Purchaser the Notes of each Series to be purchased by such Purchaser in the form of a single Note for each Series to be purchased (or such greater number of Notes in denominations of at least $100,000 for the US Dollar Notes and £100,000 for the Sterling Notes as such Purchaser may request) dated the date of the Closing and registered in such Purchaser's name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company as follows [ ].

If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of any of the conditions specified in Section 4 not having been fulfilled to such Purchaser's satisfaction or such failure by the Company to tender such Notes.

SECTION 4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

Section 4.1 Representations and Warranties.

(a) The representations and warranties of the Company in this Agreement shall be correct when made and at the Closing.

(b) The representations and warranties of the Subsidiary Guarantors in their respective Subsidiary Guaranties shall be correct when made and at the Closing.

Section 4.2 Performance; No Default.

(a) The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing. Before and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Section 10 had such Section applied since such date.

(b) Each Subsidiary Guarantor shall have performed and complied with all agreements and conditions contained in its Subsidiary Guaranty required to be performed or complied with by it prior to or at the Closing.

Section 4.3 Compliance Certificates.

(a) *Officer's Certificate*. The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) Secretary's Certificates.

(i) The Company shall have delivered to such Purchaser a certificate of its Secretary or Assistant Secretary, dated the date of the Closing, certifying as to (i) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement, (ii) the Company's organizational documents as then in effect, and (iii) copies of the PNC Loan Documents.

(ii) Each Subsidiary Guarantor shall have delivered to such Purchaser a certificate of its Secretary, Assistant Secretary or other authorized person, dated the date of the Closing, certifying as to (i) the resolutions attached thereto and

other corporate proceedings relating to the authorization, execution and delivery of its Subsidiary Guaranty and (ii) such Subsidiary Guarantor's organizational documents as then in effect.

Section 4.4 Opinions of Counsel

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a) from Simpson Thacher & Bartlett LLP, counsel for the Company and the Subsidiary Guarantors, substantially in the form set forth in Schedule 4.4(a) (and the Company hereby instructs its counsel to deliver such opinion to the Purchasers) and (b) from Morgan, Lewis & Bockius LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Schedule 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

Section 4.5 Purchase Permitted By Applicable Law, Etc

On the date of the Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.6 Sale of Other Notes

Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in Schedule B.

Section 4.7 Payment of Special Counsel Fees

Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

Section 4.8 Private Placement Numbers

Private Placement Numbers issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each Series of the Notes.

Section 4.9 Changes in Corporate Structure

Neither the Company nor any Subsidiary Guarantor shall have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

Section 4.10 Funding Instructions

At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Notes is to be deposited.

Section 4.11 Subsidiary Guaranties

Each Subsidiary Guarantor shall have duly executed and delivered to the Purchasers a Subsidiary Guaranty substantially in the form of Schedule 2.2 and each such Subsidiary Guaranty shall be in full force and effect.

Section 4.12 Proceedings and Documents

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

Section 5.1 Organization; Power and Authority

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof.

(b) Each Subsidiary Guarantor is a limited partnership or limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign limited partnership or limited liability company and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be

so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Subsidiary Guarantor has the power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver its Subsidiary Guaranty and to perform the provisions thereof.

Section 5.2 Authorization, Etc.

(a) This Agreement and the Notes have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) The Subsidiary Guaranty of each Subsidiary Guarantor has been duly authorized by all necessary action on the part of such Subsidiary Guarantor, and such Subsidiary Guaranty constitutes a legal, valid and binding obligation of such Subsidiary Guarantor enforceable against such Subsidiary Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3 Disclosure

The Company, through its agents, J.P. Morgan Securities LLC and PNC Capital Markets LLC, has delivered to each Purchaser a copy of a Confidential Private Placement Memorandum, dated June 26, 2019 (the "**Memorandum**"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. This Agreement, the Memorandum, the financial statements listed in Schedule 5.5 and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company prior to July 17, 2019 in connection with the transactions contemplated hereby and identified in Schedule 5.3 (this Agreement, the Memorandum and such documents, certificates or other writings and such financial statements delivered to each Purchaser being referred to, collectively, as the **"Disclosure Documents"**), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made; *provided* that with respect to any statements, estimates or projections with respect to future performance included in the Disclosure Documents, the Company represents only that such statements, estimates or projections have been prepared in good faith based upon assumptions believed by the Company to be reasonable on the date any such statements, estimates or projections were prepared and furnished. Except as disclosed in the Disclosure Documents, since December 31, 2018, there has been no change in the financial condition, operations, business, properties or prospects of the Company or any

Subsidiary except changes that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that could, in the Company's good faith opinion, reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

Section 5.4 Organization and Ownership of Shares of Subsidiaries; Affiliates

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists of (i) the Company's Subsidiaries, showing, as to each Subsidiary, the name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, (ii) the Company's Affiliates, other than Subsidiaries, and (iii) the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and non-assessable and are owned by the Company or another Subsidiary free and clear of any Lien that is prohibited by this Agreement.

(c) Each Subsidiary is a corporation or other legal entity duly organized, validly existing and, where applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and, where applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is subject to any legal, regulatory, contractual or other restriction (other than as set forth on Schedule 5.4 and customary limitations imposed by corporate law or similar statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

Section 5.5 Financial Statements; Material Liabilities

The Company has delivered to each Purchaser copies of the financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All of such financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Company and its

Subsidiaries do not have any Material liabilities that are not disclosed in the Disclosure Documents.

Section 5.6 Compliance with Laws, Other Instruments, Etc

The execution, delivery and performance by the Company of this Agreement and the Notes, and the execution, delivery and performance by each Subsidiary Guarantor of its Subsidiary Guaranty, will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, shareholders agreement or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

Section 5.7 Governmental Authorizations, Etc

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes, or in connection with the execution, delivery or performance by any Subsidiary Guarantor of its Subsidiary Guaranty, including without limitation, any action required in connection with the obtaining of Dollars or Sterling to make payments under this Agreement or the Notes.

Section 5.8 Litigation; Observance of Agreements, Statutes and Orders

(a) There are no actions, suits, investigations or proceedings pending or, to the best knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is (i) in default under any agreement or instrument to which it is a party or by which it is bound, (ii) in violation of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or (iii) in violation of any applicable law, ordinance, rule or regulation of any Governmental Authority (including, without limitation, Environmental Laws, the USA PATRIOT Act or any of the other laws and regulations that are referred to in Section 5.16), which default or violation could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.9 Taxes

The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any filings or payments related to taxes and assessments (i) which, individually or in the aggregate, is not Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of U.S. federal, state or other taxes for all fiscal periods are adequate. The U.S. federal income tax liabilities of the Company and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended December 31, 2015.

Section 5.10 Title to Property; Leases

The Company and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after such date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

Section 5.11 Licenses, Permits, Etc.

(a) The Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others.

(b) To the best knowledge of the Company, no product or service of the Company or any of its Subsidiaries infringes in any material respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person.

(c) To the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any of its Subsidiaries with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries.

Section 5.12 Compliance with ERISA

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not, individually or in the aggregate,

reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA (other than liability to the PBGC for timely paid premiums under section 4007 of ERISA) or the penalty or excise tax provisions of the Code relating to its Plans or any Multiemployer Plan, and no event, transaction or condition has occurred or exists that could, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to section 430(k) of the Code or to any such penalty or excise tax provisions under the Code relating to any Plan or section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not be individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. (For the avoidance of doubt, the reference in the immediately preceding sentence to any event, transaction or condition has occurred or exists and that could result in a penalty or excise tax under the Code or federal law does not apply to any Multiemployer Plans and/or any penalties or excise taxes relating to potential prohibited transactions in connection with the execution and delivery of this Agreement, which are separately covered in Section 5.12(e) below.)

(b) To the extent applicable, the present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "**benefit liabilities**" has the meaning specified in section 4001 of ERISA and the terms "**current value**" and "**present value**" have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are reasonably expected to result in a Material Adverse Effect.

(d) To the extent applicable, the expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 715-60, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement, the execution and delivery of the Subsidiary Guaranties of the Subsidiary Guarantors, and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406(a) of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company to each Purchaser in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of such Purchaser's representation in Section 6.2 as to the sources of the

funds to be used to pay the purchase price of the Notes to be purchased by such Purchaser.

Section 5.13 Private Offering by the Company

Neither the Company nor anyone acting on its behalf has offered the Notes or any similar Securities for sale to, or solicited any offer to buy the Notes or any similar Securities from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 50 other Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

Section 5.14 Use of Proceeds; Margin Regulations

The Company will use the proceeds of the sale of the Notes hereunder for general corporate purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any Securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 15% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 15% of the value of such assets. As used in this Section, the terms **"margin stock"** and **"purpose of buying or carrying"** shall have the meanings assigned to them in said Regulation U.

Section 5.15 Existing Indebtedness; Future Liens

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Company and its Subsidiaries as of August 1, 2019 (including descriptions of the obligors and obligees, principal amounts outstanding, any collateral therefor and any Guaranties thereof), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Company or such Subsidiary and no event or condition exists with respect to any Indebtedness of the Company or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Subsidiary has agreed or consented to cause or permit any of its property, whether now owned or hereafter acquired, to be subject to a Lien that secures Indebtedness or to cause

or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien that secures Indebtedness.

(c) Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or any other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Company, except as disclosed in Schedule 5.15.

Section 5.16 Foreign Assets Control Regulations, Etc.

(a) Neither the Company nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury ("**OFAC**") (an "**OFAC Listed Person**") (ii) an agent, department, or instrumentality of, or is otherwise beneficially majority owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is target of any OFAC Sanctions Program, or (iii) otherwise blocked, targeted by sanctions under or engaged in any activity in violation of other United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act ("**CISADA**") or any similar applicable law or regulation administered or enforced by OFAC, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, "**U.S. Economic Sanctions**") (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (i), clause (ii) or clause (iii), a "**Blocked Person**"). Neither the Company nor any Controlled Entity has been notified in writing that its name appears or is expected in the future to appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is the target of U.S. Economic Sanctions.

(b) No part of the proceeds from the sale of the Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (i) in connection with any investment in, or any transactions or dealings with, any Blocked Person, or (ii) otherwise in violation of U.S. Economic Sanctions.

(c) Neither the Company nor any Controlled Entity (i) has been found in violation of, charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the USA PATRIOT Act or any other United States law or regulation governing such activities (collectively, "**Anti-Money Laundering Laws**") or any U.S. Economic Sanctions violations, (ii) to the Company's actual knowledge after making due inquiry, is

under investigation by any Governmental Authority for possible violation of Anti-Money Laundering Laws or any U.S. Economic Sanctions violations, (iii) has been assessed civil penalties under any Anti-Money Laundering Laws or any U.S. Economic Sanctions, or (iv) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws and U.S. Economic Sanctions.

(d)

(i) Neither the Company nor any Controlled Entity (A) has been charged with, or convicted of bribery or any other anti-corruption related activity under any applicable law or regulation in a U.S. or any non-U.S. country or jurisdiction in which the Company or any Controlled Entity conducts business, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, "**Anti-Corruption Laws**"), (B) to the Company's actual knowledge after making due inquiry, is under investigation by any U.S. or non-U.S. Governmental Authority for possible violation of Anti-Corruption Laws, (C) has been assessed civil or criminal penalties under any Anti-Corruption Laws or (D) has been or is the target of sanctions imposed by the United Nations or the European Union;

(ii) To the Company's actual knowledge after making due inquiry, neither the Company nor any Controlled Entity has, within the last five years, directly or indirectly offered, promised, given, paid or authorized the offer, promise, giving or payment of anything of value to a Governmental Official or a commercial counterparty for the purposes of: (A) improperly influencing any act, decision or failure to act by such Governmental Official in his or her official capacity or such commercial counterparty, (B) inducing a Governmental Official to do or omit to do any act in violation of the Governmental Official's lawful duty, or (C) inducing a Governmental Official or a commercial counterparty to use his or her influence improperly with a government or instrumentality to affect any act or decision of such government or entity; in each case in order to obtain, retain or direct business or to otherwise secure an improper advantage in violation of any applicable law or regulation or which would cause any holder to be in violation of any law or regulation applicable to such holder; and

(iii) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable current and future Anti-Corruption Laws.

Section 5.17 Status under Certain Statutes

Neither the Company nor any Subsidiary is required to register as an investment company under the Investment Company Act of 1940, as amended, or subject to regulation under the Federal Power Act, as amended.

Section 5.18 Environmental Matters

(a) Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim and no proceeding has been instituted asserting any claim against the Company or any of its Subsidiaries or any of their respective real properties or other assets now or formerly owned, leased or operated by any of them, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them in a manner which is contrary to any Environmental Law that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(d) Neither the Company nor any Subsidiary has disposed of any Hazardous Materials in a manner which is contrary to any Environmental Law that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(e) All buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 6. REPRESENTATIONS OF THE PURCHASERS.

Section 6.1 Purchase for Investment

(a) Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, *provided* that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if

registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

(b) Each Purchaser further severally represents to the Company that it is (i) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act or (ii) an Institutional Accredited Investor (as defined below) and is purchasing the Notes in the ordinary course of its business solely for its own account or for accounts of investors who are institutional accredited investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act (each, an "**Institutional Accredited Investor**") for whom such Purchaser acts as a duly authorized fiduciary or agent and as to which account such Purchaser exercises sole investment discretion, in each case for the purpose of investment, without a view to the distribution or resale of such Notes, but subject, nevertheless, to the disposition of the Notes being at all times within such Purchaser's control.

(c) Each Purchaser acknowledges that the Company is entering into this Agreement and the Subsidiary Guarantors are entering into the Subsidiary Guaranties in reliance upon the representations, warranties and acknowledgements of the Purchasers in this Section 6.

(d) Each Purchaser severally represents to the Company that such Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of a purchase of Notes for itself or, to the extent such Purchaser is purchasing the Notes other than for its own account, for each person for whose account such Purchaser is acquiring any Notes, and each Purchaser has determined that the Notes are a suitable investment for itself or, to the extent such Purchaser is purchasing the Notes other than for its own account, for each person for whose account such Purchaser is acquiring any Notes, both in the nature and the principal amount of the Notes being acquired. Each Purchaser acknowledges that it has received such information concerning the Company, the Subsidiary Guarantors, the Notes and the Subsidiary Guaranties and has been given the opportunity to ask such questions of and receive answers from representatives of the Company as it deems sufficient, based on information provided by the Company to such Purchaser, to make an informed investment decision with respect to the Notes.

Section 6.2 Source of Funds

Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a "**Source**") to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an "insurance company general account" (as the term is defined in the United States Department of Labor's Prohibited Transaction Exemption ("**PTE**") 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the **"NAIC Annual**

Statement”)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser’s fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c) and identified in writing as a Source described in this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an “investment fund” (within the meaning of Part VI of PTE 84-14 (the **“QPAM Exemption”**)) managed by a “qualified professional asset manager” or “QPAM” (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan’s assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be “related” within the meaning of Part VI(h) of the QPAM Exemption and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d) and identified in such writing as a Source described in this clause (d); or

(e) the Source constitutes assets of a “plan(s)” (within the meaning of Part IV(h) of PTE 96-23 (the **“INHAM Exemption”**)) managed by an “in-house asset manager” or “INHAM” (within the meaning of Part IV(a) of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the

INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e) and identified in such writing as a Source described in this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g) and identified in such writing as a Source described in this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms **"employee benefit plan," "governmental plan,"** and **"separate account"** shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 7. INFORMATION AS TO COMPANY.

Section 7.1 Financial and Business Information

The Company shall deliver to each holder of a Note that is an Institutional Investor:

(a) *Quarterly Statements* - within 45 days (or such shorter period as is the earlier of (x) 15 days greater than the period applicable to the filing of the Company's Quarterly Report on Form 10-Q (the "**Form 10-Q**") with the SEC regardless of whether the Company is subject to the filing requirements thereof and (y) the date by which such financial statements are required to be delivered under any Material Credit Facility or the date on which such corresponding financial statements are delivered under any Material Credit Facility if such delivery occurs earlier than such required delivery date) after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of:

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial

Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, *provided* that delivery within the time period specified above of copies of the Company's Form 10-Q prepared in compliance with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) *Annual Statements* - within 90 days (or such shorter period as is the earlier of (x) 15 days greater than the period applicable to the filing of the Company's Annual Report on Form 10-K (the "**Form 10-K**") with the SEC regardless of whether the Company is subject to the filing requirements thereof and (y) the date by which such financial statements are required to be delivered under any Material Credit Facility or the date on which such corresponding financial statements are delivered under any Material Credit Facility if such delivery occurs earlier than such required delivery date) after the end of each fiscal year of the Company, duplicate copies of:

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon (without a "going concern" or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based) of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that the delivery within the time period specified above of the Company's Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Securities Exchange Act of 1934) prepared in accordance with the requirements therefor and filed with the SEC, shall be deemed to satisfy the requirements of this Section 7.1(b);

(c) *SEC and Other Reports* - promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to its public Securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such Purchaser or holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary

with the SEC and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material;

(d) *Notice of Default or Event of Default* - promptly, and in any event within 15 days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) *ERISA Matters* - promptly, and in any event within 15 days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect;

(f) *Notices from Governmental Authority* - promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect; and

(g) *Requested Information* - with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries (including, but without limitation, actual copies of the Company's Form 10-Q and Form 10-K) or relating to the ability of

the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of a Note.

Section 7.2 Officer's Certificate

Each set of financial statements delivered to a holder of a Note pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer:

(a) *Covenant Compliance* - setting forth the information from such financial statements that is required in order to establish whether the Company was in compliance with the requirements of Section 10 during the quarterly or annual period covered by the statements then being furnished (including with respect to each such provision that involves mathematical calculations, the information from such financial statements that is required to perform such calculations) and detailed calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Section, and the calculation of the amount, ratio or percentage then in existence. In the event that the Company or any Subsidiary has made an election to measure any financial liability using fair value (which election is being disregarded for purposes of determining compliance with this Agreement pursuant to Section 22.2(a)) as to the period covered by any such financial statement, such Senior Financial Officer's certificate as to such period shall include a reconciliation from GAAP with respect to such election;

(b) *Event of Default* - certifying that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the financial statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto; and

(c) *Subsidiary Guarantors* - setting forth a list of any Subsidiaries that were Subsidiary Guarantors during the quarterly or annual period covered by the financial statements then being furnished and, if any such Subsidiary was not a Subsidiary Guarantor during the entire quarterly or annual period, setting forth the dates on which such Subsidiary was a Subsidiary Guarantor.

Section 7.3 Visitation

The Company shall permit the representatives of each holder of a Note that is an Institutional Investor:

(a) *No Default* - if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the

Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* - if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested; *provided* that no holder of Notes shall be entitled to examine or make copies or abstracts of, or otherwise obtain information with respect to, the Company's records relating to pending or threatened litigation if (i) the Company determines after consultation with counsel qualified to advise on such matters that, notwithstanding the confidentiality requirements of Section 20, it would be prohibited from disclosing such information by applicable law or regulations without making public disclosure thereof, or (ii) notwithstanding the confidentiality requirements of Section 20, the Company is prohibited from disclosing such information by the terms of an obligation of confidentiality contained in any agreement with any non-Affiliate binding upon the Company and not entered into in contemplation of this proviso, provided further that, with respect to this clause (ii), (x) the Company shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality was made to permit the disclosure of the relevant information and (y) the Company has received a written opinion of counsel confirming that disclosure of such information without consent from such other contractual party would constitute a breach of such agreement. Promptly after determining that the Company is not permitted to disclose any information as a result of the limitations described in the first proviso to this clause (b), the Company will provide each of the holders with an Officer's Certificate describing generally the requested information that the Company is prohibited from disclosing pursuant to such proviso and the circumstances under which the Company is not permitted to disclose such information. Promptly after a request therefor from any holder of Notes that is an Institutional Investor, the Company will provide such holder with a written opinion of counsel (which may be addressed to the Company) relied upon as to such information that the Company is prohibited from disclosing to such holder under circumstances described in the first proviso to this clause (b).

Section 7.4 Electronic Delivery

Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to Sections 7.1(a), (b) or (c) and Section 7.2 shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(i) such financial statements satisfying the requirements of Section 7.1(a) or (b) and related Officer's Certificate satisfying the requirements of Section 7.2 are delivered to each holder of a Note by e-mail;

(ii) the Company shall have timely filed such Form 10-Q or Form 10-K, satisfying the requirements of Section 7.1(a) or Section 7.1(b), as the case may be, with the SEC on EDGAR and shall have made such form and the related Officer's Certificate satisfying the requirements of Section 7.2 available on its home page on the internet, which is located at http://www.evercore.com as of the date of this Agreement;

(iii) such financial statements satisfying the requirements of Section 7.1(a) or Section 7.1(b) and related Officer's Certificate(s) satisfying the requirements of Section 7.2 are timely posted by or on behalf of the Company on IntraLinks or on any other similar website to which each holder of Notes has free access; or

(iv) the Company shall have filed any of the items referred to in Section 7.1(c) with the SEC on EDGAR and shall have made such items available on its home page on the internet or on IntraLinks or on any other similar website to which each holder of Notes has free access;

provided however, that in the case of any of clauses (ii), (iii) or (iv), the Company shall have given each holder of a Note prior written notice, which may be by e-mail or in accordance with Section 18, of such posting or filing in connection with each delivery, *provided further,* that upon request of any holder to receive paper copies of such forms, financial statements and Officer's Certificates or to receive them by e-mail, the Company will promptly e-mail them or deliver such paper copies, as the case may be, to such holder.

SECTION 8. PAYMENT AND PREPAYMENT OF THE NOTES.

Section 8.1 Maturity

As provided therein, the entire unpaid principal balance of each Note shall be due and payable on the Maturity Date thereof.

Section 8.2 Optional Prepayments with Make-Whole Amount

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes (without regard to Series), in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than ten days and not more than 60 days prior to the date fixed for such prepayment unless the Company and the Required Holders agree to another time period pursuant to Section 17. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such

holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

Section 8.3 Allocation of Partial Prepayments

In the case of each partial prepayment of the Notes pursuant to Section 8.2, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding (without regard to Series) in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

Section 8.4 Maturity; Surrender, Etc

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.5 Purchase of Notes

The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except (a) upon the payment or prepayment of the Notes in accordance with this Agreement and the Notes or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro rata to the holders of all Notes at the time outstanding upon the same terms and conditions. Any such offer shall provide each holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least ten Business Days. If the holders of more than 50% of the principal amount of the Notes then outstanding accept such offer, the Company shall promptly notify the remaining holders of such fact and the expiration date for the acceptance by holders of Notes of such offer shall be extended by the number of days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.6 Make-Whole Amount

"Make-Whole Amount" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to

the Called Principal of such Note over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero. All payments of Make-Whole Amount made in respect of US Dollar Notes shall be made in Dollars. All payments of Make-Whole Amount made in respect of Sterling Notes shall be made in Sterling. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"Discounted Value" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes of such Series is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means,

(i) with respect to the Called Principal of any US Dollar Note, 0.50% over the yield to maturity implied by the yield(s) reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities ("**Reported**") having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the yields Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then "**Reinvestment Yield**" means, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury

constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

(ii) with respect to with respect to the Called Principal of any Sterling Note, the sum of the 0.50% over the yield to maturity implied by the yield(s) reported as of 10:00 a.m. (London time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PXUK" (or such other display as may replace Page PXUK) on Bloomberg Financial Markets for the then most actively traded on the run UK Gilt securities (the "**Reference Stock**") having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If such yields are not reported as of such time or the calculation on Page PXUK (or such other display as may replace Page PXUK) ceases to be in keeping with the Formulae for the Calculation of Redemption Yields indicated in the United Kingdom Debt Management Office notice entitled "Formulae for Calculating Gilt Prices from Yields", page 4, Section One: Price/Yield Formulae "Conventional Gilts: Double-dated and Undated Gilts with assumed (or Actual) Redemption on a Quasi-Coupon Date" published on 8 June 1998, as supplemented, amended or replaced from time to time (the "**Formulae**"), then such implied yield to maturity will be the gross redemption yield calculated on the basis of the arithmetic mean (to three decimal places where 0.0005 shall be rounded down) of the mid-market price for the Reference Stock on a dealing basis by three authorized leading market makers in the gilt-edged market as at or about 11:00 a.m. London time on the second Business Day preceding the Settlement Date according to the Formulae. Such implied yield will be determined, if necessary, by (i) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between (1) the Reference Stock with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the Reference Stock with the maturity closest to and less than the Remaining Average Life of such Called Principal.

"Remaining Average Life" means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year composed of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.4 or Section 12.1.

"Settlement Date" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

Section 8.7 Change of Control Prepayment

(a) Within 10 Business Days following the date of any Change of Control, the Company shall give written notice of such Change of Control (a "**Change of Control Notice**") to each holder of a Note, which shall contain and constitute an offer to prepay (the "**Change of Control Offer**") the entire unpaid principal amount of Notes issued by it that are held by such holder, together with any accrued and unpaid interest thereon (without any Make-Whole Amount) on a date specified in such Change of Control Notice, which date shall be a Business Day not less than 30 days and not more than 60 days after the date of such Change of Control Notice (the "**Change of Control Prepayment Date**") (if such date shall not be specified in such Change of Control Notice, the Change of Control Prepayment Date shall be the first Business Day after the 45th Business Day after the date of such Change of Control Notice). The Change of Control Notice shall (i) describe the facts and circumstances of such Change of Control in reasonable detail, (ii) refer to this Section 8.7 and the rights of the holders hereunder, (iii) contain the Change of Control Offer, (iv) state the amount of interest that would be paid on such Change of Control Prepayment Date with respect to such holder's Notes, and (v) request that such holder notify the Company in writing by a stated date (the "**Change of Control Acceptance Notification Date**"), which date shall not be less than 20 days after such holder's receipt of such Change of Control Notice, if such holder wishes its Notes to be so prepaid.

(b) To accept an offer of prepayment set forth in a Change of Control Notice, a holder of a Note shall cause a written notice of such acceptance to be delivered to the Company on or before the Change of Control Acceptance Notification Date. If a holder does not notify the Company on or before the Change of Control Acceptance Notification Date of such holder's acceptance or rejection of the prepayment offer contained in the Change of Control Notice, then the holder shall be deemed to have rejected the prepayment offer.

(c) On the Change of Control Prepayment Date, the entire outstanding principal amount of the Notes held by each holder of a Note that has accepted such prepayment offer, together with any interest accrued thereon to the Change of Control Prepayment Date, shall become due and payable.

(d) Nothing in this Section 8.7 shall be construed to limit the rights or remedies of the holders following a Default or Event of Default.

Section 8.8 Disposition of Assets Prepayment

(a) In the event the Company makes an offer of prepayment of the Notes pursuant to Section 10.7(g)(ii), the Company shall give written notice thereof (an "**Asset Disposition Prepayment Notice**") to each holder of a Note, which notice shall contain

and constitute an offer to prepay (the "**Asset Disposition Prepayment Offer**") a stated portion of the outstanding principal amount of the Notes issued by it that are held by such holder in an aggregate amount equal to such holder's Pro Rata Amount of the Net Proceeds of such Disposition being applied in accordance with Section 10.7(g)(ii), together with any accrued and unpaid interest thereon (without any Make-Whole Amount) on a date specified in such Asset Disposition Prepayment Notice, which date shall be a Business Day not less than 30 days and not more than 60 days after the date of such Asset Disposition Prepayment Notice (the "**Asset Disposition Prepayment Date**") (if such date shall not be specified in such Asset Disposition Prepayment Notice, the Asset Disposition Prepayment Date shall be the first Business Day after the 45th Business Day after the date of such Asset Disposition Prepayment Notice). The Asset Disposition Prepayment Notice shall (i) describe the nature of the relevant Disposition in reasonable detail, (ii) refer to this Section 8.8 and the rights of the holders hereunder, (iii) state the amount of the Net Proceeds of such Disposition and the aggregate principal amount of Indebtedness being prepaid and/or offered to be prepaid pursuant to Section 10.7(g)(ii), (iv) contain the Asset Disposition Prepayment Offer, (v) state the amount of interest that would be paid on such Asset Disposition Prepayment Date with respect to such holder's Notes and (vi) request that such holder notify the Company in writing by a stated date (the "**Asset Disposition Acceptance Notification Date**"), which date shall be not less than 20 days after such holder's receipt of such Asset Disposition Prepayment Notice, if such holder wishes its Notes to be so prepaid.

(b) To accept an offer of prepayment set forth in an Asset Disposition Prepayment Notice, a holder of a Note shall cause a written notice of such acceptance to be delivered to the Company on or before the Asset Disposition Acceptance Notification Date. If a holder does not notify the Company on or before the Asset Disposition Acceptance Notification Date of such holder's acceptance or rejection of the prepayment offer contained in the Asset Disposition Prepayment Notice, then the holder shall be deemed to have rejected the prepayment offer.

(c) On the Asset Disposition Prepayment Date, the appropriate outstanding principal amount of the Notes held by each holder of Notes that has accepted such prepayment offer (equal to such holder's Pro Rata Amount of the Net Proceeds of the relevant Disposition being applied pursuant to Section 10.7(g)(ii)), together with any interest accrued thereon to the Asset Disposition Prepayment Date, shall become due and payable.

(d) Nothing in this Section 8.8 shall be construed to limit the rights or remedies of the holders following a Default or Event of Default.

Section 8.9 Payments Due on Non-Business Days

Anything in this Agreement or the Notes to the contrary notwithstanding, (x) subject to clause (y), any payment of interest on any Note that is due on a date that is not a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; and (y) any payment of principal of or Make-Whole Amount on any Note (including principal due on the

Maturity Date of such Note) that is due on a date that is not a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

SECTION 9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

Section 9.1 Compliance with Laws

Without limiting Section 10.4, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA (assuming the representations in Section 6.2 made or deemed made by each Purchaser or transferee of a Note are true), Environmental Laws, the USA PATRIOT Act and the other laws and regulations that are referred to in Section 5.16, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2 Insurance

The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

Section 9.3 Maintenance of Properties

The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, *provided* that this Section shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.4 Payment of Taxes and Claims

The Company will, and will cause each of its Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them

or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent, and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, *provided* that neither the Company nor any Subsidiary need file any such return or pay any such tax, assessment, charge, levy or claim if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (ii) the failure to file such returns or the nonpayment of all such taxes, assessments, charges, levies and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.5 Corporate Existence, Etc

Subject to Section 10.2, the Company will at all times preserve and keep its corporate existence in full force and effect. Subject to Sections 10.2 and 10.7, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) and all rights and franchises of the Company and its Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

Section 9.6 Books and Records

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be. The Company will, and will cause each of its Consolidated Subsidiaries to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets. The Company and its Consolidated Subsidiaries have devised a system of internal accounting controls sufficient to provide reasonable assurances that their respective books, records and accounts accurately reflect all transactions and dispositions of assets and the Company will, and will cause each of its Consolidated Subsidiaries to, continue to maintain such system.

Section 9.7 Subsidiary Guarantors

(a) The Company will cause each of its Subsidiaries that guarantees or otherwise becomes liable at any time, whether as a borrower or an additional or co-borrower or otherwise, for or in respect of any Indebtedness under any Material Credit Facility or the PNC Loan Documents, to concurrently therewith:

(i) enter into and deliver to each holder of a Note a Subsidiary Guaranty; and

(ii) deliver the following to each holder of a Note:

(A) a certificate signed by an authorized responsible officer of such Subsidiary containing representations and warranties on behalf of such Subsidiary to the same effect, *mutatis mutandis*, as those contained in Sections 5.1, 5.2, 5.6 and 5.7 of this Agreement (but with respect to such Subsidiary and such Subsidiary Guaranty rather than the Company or a Subsidiary Guarantor);

(B) all documents as may be reasonably requested by the Required Holders to evidence the due organization, continuing existence and good standing of such Subsidiary and the due authorization by all requisite action on the part of such Subsidiary of the execution and delivery of such Subsidiary Guaranty and the performance by such Subsidiary of its obligations thereunder;

(C) an opinion of counsel reasonably satisfactory to the Required Holders covering such matters relating to such Subsidiary and such Subsidiary Guaranty as the Required Holders may reasonably request; and

(D) if such Subsidiary is organized under the laws of a jurisdiction outside the United States, evidence of the acceptance by a process agent that is reasonably satisfactory to the Required Holders of the appointment and designation provided for by such Subsidiary Guaranty, as such Subsidiary's agent to receive, for it and on its behalf, service of process, for the period from the date of such Subsidiary Guaranty to August 1, 2034 (and the payment in full of all fees in respect thereof).

(b) Subject to Section 9.7(a), the Company may, at its election, at any time, cause any Subsidiary which is not then a Subsidiary Guarantor to become a Subsidiary Guarantor by delivering each of the documents and satisfying each of the other conditions specified in clauses (i) and (ii) of Section 9.7(a) with respect to such Subsidiary.

(c) At the election of the Company and by written notice to each holder of Notes, any Subsidiary Guarantor (other than each of Evercore LP, Evercore Group Holdings L.P. and Evercore Partners Services East L.L.C.) may be discharged from all of its obligations and liabilities under its Subsidiary Guaranty and shall be automatically released from its obligations thereunder without the need for the execution or delivery of any other document by the holders, provided that (i) if such Subsidiary Guarantor is a guarantor or is otherwise liable, whether as a borrower or an additional or co-borrower or otherwise, for or in respect of any Indebtedness under any PNC Loan Document or any Material Credit Facility, then such Subsidiary Guarantor shall have been released and discharged (or will be released and discharged concurrently with the release of such Subsidiary Guarantor under its Subsidiary Guaranty) under such PNC Loan Document or such Material Credit Facility, (ii) at the time of, and after giving effect to, such release and discharge, no Default or Event of Default shall be existing, (iii) no amount is then due and payable under such Subsidiary Guaranty, (iv) if in connection with such

Subsidiary Guarantor being released and discharged under any PNC Loan Document or any Material Credit Facility, any fee or other form of consideration is given to any holder of Indebtedness under such PNC Loan Documents or such Material Credit Facility for such release, the holders of the Notes shall receive equivalent consideration substantially concurrently therewith and (v) each holder shall have received a certificate of a Responsible Officer certifying as to the matters set forth in clauses (i) through (iv). In the event of any such release, for purposes of Section 10.6, all Indebtedness of such Subsidiary shall be deemed to have been incurred concurrently with such release.

SECTION 10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

Section 10.1 Transactions with Affiliates

The Company will not and will not permit any Subsidiary to enter into directly or indirectly any transaction or group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

Section 10.2 Merger, Consolidation, Etc

. The Company will not, and will not permit any Subsidiary Guarantor to, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person unless:

(a) in the case of any such transaction involving the Company, the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Company as an entirety, as the case may be, shall be a solvent corporation, partnership or limited liability company organized and existing under the laws of the United States or any state thereof (including the District of Columbia), and, if the Company is not such corporation, partnership or limited liability company, (i) such corporation, partnership or limited liability company shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes and (ii) such corporation, partnership or limited liability company shall have caused to be delivered to each holder of any Notes an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof;

(b) in the case of any such transaction involving a Subsidiary Guarantor, the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of such

Subsidiary Guarantor as an entirety, as the case may be, shall be (i) the Company, such Subsidiary Guarantor or another Subsidiary Guarantor; or (ii) a solvent corporation, partnership or limited liability company (other than the Company or another Subsidiary Guarantor) that is organized and existing under the laws of the United States or any state thereof (including the District of Columbia) or the jurisdiction of organization of such Subsidiary Guarantor and, if such Subsidiary Guarantor is not such corporation, partnership or limited liability company, (A) such corporation, partnership or limited liability company shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of the Subsidiary Guaranty of such Subsidiary Guarantor, (B) the Company shall have caused to be delivered to each holder of Notes an opinion of nationally recognized independent counsel in the appropriate jurisdiction(s), or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof and (C) if such corporation, partnership or limited liability company is organized under the laws of a jurisdiction outside the United States, it shall have provided to the holders evidence of the acceptance by a process agent that is reasonably satisfactory to the Required Holders of the appointment and designation provided for by such Subsidiary Guaranty for the period of time from the date of such transaction to August 1, 2034 (and the payment in full of all fees in respect thereof);

(c) each Subsidiary Guarantor under any Subsidiary Guaranty that is outstanding at the time such transaction or each transaction in such a series of transactions occurs reaffirms its obligations under such Subsidiary Guaranty in writing at such time pursuant to documentation that is reasonably acceptable to the Required Holders; and

(d) immediately before and immediately after giving effect to such transaction or each transaction in any such series of transactions, no Default or Event of Default shall have occurred and be continuing.

No such conveyance, transfer or lease of substantially all of the assets of the Company or any Subsidiary Guarantor shall have the effect of releasing the Company or such Subsidiary Guarantor, as the case may be, or any successor corporation or limited liability company that shall theretofore have become such in the manner prescribed in this Section 10.2, from its liability under (x) this Agreement or the Notes (in the case of the Company) or (y) the Subsidiary Guaranty (in the case of any Subsidiary Guarantor).

Section 10.3 Line of Business

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date of this Agreement as described in the Memorandum or any businesses, services or activities that are related, incidental or complementary thereto or extensions or developments thereof.

Section 10.4 Terrorism Sanctions Regulations

The Company will not and will not permit any Controlled Entity (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would cause any holder to be in violation of any law or regulation applicable to such holder, or (ii) is prohibited by U.S. Economic Sanctions, or (c) to engage, nor shall any Affiliate of either engage, in any activity that could subject such Person or any holder to sanctions under CISADA or otherwise result in violation of U.S. Economic Sanctions.

Section 10.5 Liens

The Company will not and will not permit any of its Subsidiaries to directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Company or any such Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive income or profits, except:

(a) Liens existing on the date of this Agreement (other than Liens securing obligations arising under the PNC Loan Documents or the BBVA Trade Financing) and listed on Schedule 10.5 and any renewals, extensions or refundings thereof, provided that (i) the property covered thereby is not changed (other than after-acquired property that is affixed or incorporated into the property covered by such Lien and proceeds and products thereof), (ii) the amount secured or benefited thereby is not increased, and (iii) the direct or any contingent obligor with respect thereto is not changed;

(b) Liens for taxes, assessments or other governmental charges which are not yet due and payable 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 or the applicable Subsidiary, as the case may be, in accordance with GAAP;

(c) Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which secure amounts not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the Company or the applicable Subsidiary, as the case may be, in conformity with GAAP;

(d) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;

(e) rights of setoff, banker's lien, netting agreements and other similar Liens arising by operation of law or by of the terms of documents of banks or other financial institutions in relation to the maintenance or administration of deposit accounts, securities

accounts or cash management arrangements and for the purpose of netting debit and credit balances;

(f) Liens arising from precautionary Uniform Commercial Code financing statements or any similar filings made in respect of operating leases;

(g) Liens on property created contemporaneously with its acquisition or within 120 days of the acquisition or completion of construction or development thereof to secure or provide for all or a portion of the purchase price or cost of the acquisition, construction or development of such property after the date of the Closing, *provided* that (i) such Liens do not extend to additional property of the Company or any Subsidiary (other than property that is an improvement to or is acquired for specific use in connection with the subject property) and (ii) the aggregate principal amount of Indebtedness secured by each such Lien does not exceed the fair market value of the property subject thereto;

(h) Liens over or affecting any asset acquired by the Company or a Subsidiary after the date of this Agreement if:

(i) the Lien existed at the time of acquisition of that asset by the Company or the applicable Subsidiary, as the case may be, and was not created in contemplation of the acquisition of such asset;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of such asset; and

(iii) the Lien is removed or discharged within 365 days of the date of acquisition of such asset;

(i) Liens over or affecting any asset of any entity which becomes a Subsidiary after the date of this Agreement if:

(i) the Lien existed at the time such entity became a Subsidiary, and was not created in contemplation of the acquisition of such entity;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of such entity; and

(iii) the Lien is removed or discharged within 365 days of such entity becoming a Subsidiary;

(j) Liens on trading securities of Evercore Casa de Bolsa, S.A. de C.V. securing Indebtedness of Evercore Casa de Bolsa, S.A. de C.V. arising under the BBVA Trade Financing in an aggregate principal amount not to exceed Mexican Pesos 250,000,000;

(k) Liens related to repurchase agreements, intraday and overnight borrowings and similar activities in the ordinary course of the Company’s or a Subsidiary’s business;

(l) Liens on deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; and

(m) other Liens securing Indebtedness of the Company or any Subsidiary not otherwise permitted by clauses (a) through (l) above, *provided* that the sum of (i) the aggregate principal amount of all Indebtedness that has the benefit of a Lien under this clause (m) *plus* (without duplication) (ii) the aggregate principal amount of all Indebtedness outstanding pursuant to clause (f) of Section 10.6, shall not at any time exceed an amount equal to 15% of Consolidated Total Assets (as measured on the last day of the then most recently ended fiscal year of the Company with respect to which financial statements have been delivered to the holders), *provided, further,* that notwithstanding the foregoing, the Company shall not, and shall not permit any of its Subsidiaries to, secure pursuant to this Section 10.5(m) any Indebtedness outstanding under or pursuant to any Material Credit Facility unless and until the Notes (and any guaranty delivered in connection therewith) shall concurrently be secured equally and ratably with such Indebtedness pursuant to documentation reasonably acceptable to the Required Holders in substance and in form, including, without limitation, an intercreditor agreement and opinions of counsel to the Company and/or any such Subsidiary, as the case may be, from counsel that is reasonably acceptable to the Required Holders.

Section 10.6 Subsidiary Indebtedness

. The Company will not permit any of its Subsidiaries to create, assume, incur, guarantee or otherwise be or become liable in respect of any Indebtedness except:

(a) Indebtedness of any Subsidiary that is a Subsidiary Guarantor at the time of determination, provided that the Company shall have complied at the time of determination with the provisions of Section 9.7 with respect to such Subsidiary Guarantor;

(b) Indebtedness of a Subsidiary outstanding on the date of this Agreement and listed on Schedule 5.15 (other than Indebtedness arising under the PNC Loan Documents, the BBVA Trade Financing or the 2016 Note Purchase Agreement) and any renewals, extensions or refundings thereof, provided that (i) the principal amount thereof outstanding after giving effect to such renewal, extension or refunding does not exceed the principal amount of such Indebtedness outstanding on the date of this Agreement and (ii) the direct or any contingent obligor with respect thereto is not changed;

(c) Indebtedness owing to the Company or a Subsidiary Guarantor;

(d) Indebtedness of a Subsidiary outstanding at the time such Subsidiary becomes a Subsidiary and any renewals, extensions or refundings of such Indebtedness, provided that (i) such Indebtedness shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary, (ii) the principal amount of such Indebtedness outstanding immediately after giving effect to any extension, renewal or refunding

thereof does not exceed the principal amount of such Indebtedness outstanding at the time such Subsidiary became a Subsidiary and (iii) such Indebtedness remains outstanding for a period of not more than 365 days from the date such Subsidiary becomes a Subsidiary;

(e) Indebtedness of Evercore Casa de Bolsa, S.A. de C.V. arising under the BBVA Trade Financing in an aggregate principal amount not to exceed Mexican Pesos 250,000,000; and

(f) Indebtedness not otherwise permitted by clauses (a) through (e) above, *provided* that the sum of (i) the aggregate principal amount of all Indebtedness outstanding pursuant to this clause (f) *plus* (without duplication) (ii) the aggregate principal amount of all Indebtedness that has the benefit of a Lien under clause (m) of Section 10.5, shall not at any time exceed an amount equal to 15% of Consolidated Total Assets (as measured on the last day of the then most recently ended fiscal year of the Company with respect to which financial statements have been delivered to the holders).

Section 10.7 Disposition of Assets

The Company will not and will not permit any of its Subsidiaries to make any Disposition except:

(a) Dispositions by the Company to a Wholly-Owned Subsidiary;

(b) Dispositions by a Wholly-Owned Subsidiary to the Company or another Wholly-Owned Subsidiary;

(c) Dispositions by a non-Wholly-Owned Subsidiary to the Company or any Subsidiary;

(d) the Disposition of obsolete or worn out property in the ordinary course of business;

(e) the licensing or sub-licensing of intellectual property or other general intangibles in the ordinary course of business;

(f) leases, subleases, licenses, or sublicenses, in each case in the ordinary course of business, which are not sale-leaseback transactions and which do not materially interfere with the business of the Company and its Subsidiaries, taken as a whole;

(g) Dispositions for at least fair market value (as determined in good faith by a Responsible Officer of the Company) to the extent that Net Proceeds of such Disposition (or an equal amount) are applied within 365 days after the date of such Disposition to either or both (without duplication) of:

(i) the purchase of current assets of a similar nature to those Disposed of, or the purchase, acquisition, development, redevelopment or construction of non-current assets (including, for the avoidance of doubt, to the extent permitted

by the other terms of this Agreement, capital expenditures, acquisitions of shares or any other form of interest in a company or other entity, acquisitions of assets, and other investments (including signing payments, retention payments or other payments to anticipated Affiliates or employees, but excluding any such payments made by virtue of a repurchase of equity interests or a dividend on equity interests)) which are to be used or useful in the business of the Company or a Subsidiary, and/or

(ii) the permanent repayment or prepayment of unsubordinated Indebtedness of the Company or a Subsidiary (other than Indebtedness owing to the Company, any Subsidiary or any Affiliate), *provided* that the Company has offered to prepay the outstanding Notes held by each holder in accordance with Section 8.8 in an aggregate principal amount equal to such holder's Pro Rata Amount of the portion of the Net Proceeds of such Disposition being applied or offered to be applied pursuant to this clause (g)(ii); and

(h) other Dispositions not otherwise permitted by clauses (a) through (g) above, to the extent the higher of the Net Proceeds of such Disposition and the Disposition Value of the property Disposed of in such Disposition, when aggregated with the higher of the Net Proceeds and the Disposition Value with respect to all other Dispositions made by the Company and its Subsidiaries pursuant to this clause (h) in the same fiscal year of the Company in which such Disposition is made, does not exceed an amount equal to 10% of Consolidated Total Assets (as measured on the last day of the then most recently ended fiscal year of the Company with respect to which financial statements have been delivered to the holders),

provided that, in the event that some, but not all, of the Net Proceeds of a Disposition are applied in accordance with clause (g) above, only the portion of the Net Proceeds that are not so applied in accordance with such clause (g) (or, if higher, a proportionate amount of the Disposition Value of the property Disposed of in such Disposition) shall be counted towards and included in the calculation set forth in clause (h) above,

provided further that, in each case, immediately after giving effect to such Disposition, no Default or Event of Default would exist (including under Sections 10.5, 10.6 and 10.8 as of the end of the most recently ended quarterly or annual fiscal period as if such Disposition occurred on such date).

Section 10.8 Financial Covenants

(a) Maximum Consolidated Leverage Ratio. The Company will not permit the Consolidated Leverage Ratio as of the last day of any period of four consecutive fiscal quarters of the Company to be greater than 2.0:1.0.

(b) Minimum Consolidated Tangible Net Worth. The Company will not permit Consolidated Tangible Net Worth to be less than $325,000,000 as of the last day of any fiscal quarter of the Company.

SECTION 11. EVENTS OF DEFAULT.

An "**Event of Default**" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 7.1(d) or Section 10.8; or

(d) the Company or any Subsidiary Guarantor defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)) or in any Subsidiary Guaranty and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 11(d)); or

(e) (i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement or any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) any representation or warranty made in writing by or on behalf of any Subsidiary Guarantor or by any officer of such Subsidiary Guarantor in any Subsidiary Guaranty or any writing furnished in connection with such Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least $25,000,000 (or its equivalent in other currencies) beyond any period of grace provided with respect thereto, or (ii) the Company or any Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least $25,000,000 (or its equivalent in other currencies) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time, the right of the holder of Indebtedness to convert such Indebtedness into equity interests, any voluntary call or voluntary prepayment of such Indebtedness, or solely as a result of a Change of Control Offer or an Asset Disposition Prepayment Offer), (x) the Company or any Subsidiary has become obligated to purchase or repay Indebtedness before its regular

maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least $25,000,000 (or its equivalent in other currencies), or (y) one or more Persons have the right to require the Company or any Subsidiary so to purchase or repay such Indebtedness; or

(g) the Company or any Significant Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or other Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Significant Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Significant Subsidiaries, or any such petition shall be filed against the Company or any of its Significant Subsidiaries and such petition shall not be dismissed within 60 days; or

(i) one or more final judgments or orders for the payment of money aggregating in excess of $25,000,000 (or its equivalent in other currencies), including, without limitation, any such final order enforcing a binding arbitration decision, are rendered against one or more of the Company and its Subsidiaries and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(j) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate “amount of unfunded benefit liabilities” (within the meaning of section 4001(a)(18) of ERISA) under all Plans and/or, in case of a Multiemployer Plan, the amount of such liabilities that would be payable by the Company and its ERISA Affiliates in the event of the termination of the Multiemployer Plan, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise

tax provisions of the Code relating to Plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect. As used in this Section 11(j), the term "**employee welfare benefit plan**" shall have the meaning assigned to such term in section 3 of ERISA; or

(k) any Subsidiary Guaranty shall cease to be in full force and effect (other than in accordance with Section 9.7(c)), any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall contest in any manner the validity, binding nature or enforceability of any Subsidiary Guaranty, or the obligations of any Subsidiary Guarantor under any Subsidiary Guaranty are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Subsidiary Guaranty.

SECTION 12. REMEDIES ON DEFAULT, ETC.

Section 12.1 Acceleration

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(a) If an Event of Default with respect to the Company described in Section 11(g) or (h) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Default Rate) and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are

prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2 Other Remedies

. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or Subsidiary Guaranty, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3 Rescission

. At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4 No Waivers or Election of Remedies, Expenses, Etc

. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder’s rights, powers or remedies. No right, power or remedy conferred by this Agreement, any Subsidiary Guaranty or any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys’ fees, expenses and disbursements.

SECTION 13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

Section 13.1 Registration of Notes

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes,

each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then (a) the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person(s) in whose name any Note(s) shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 13.2 Transfer and Exchange of Notes

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) of the same Series in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Schedule 1(a), in the case of a Series E Note, Schedule 1(b), in the case of a Series F Note, Schedule 1(c), in the case of a Series G Note and Schedule 1(d), in the case of a Series H Note. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $100,000 in the case of any US Dollar Notes or £100,000 in the case of any Sterling Notes, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes of any Series, one Note of such Series may be in a denomination of less than $100,000 in the case of any US Dollar Notes and £100,000 in the case of any Sterling Notes. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Section 6.1 and Section 6.2.

Section 13.3 Replacement of Notes

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least $50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same Series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

Section 13.4 Legend

Upon issuance of the Notes and until such time, if any, as the same is no longer required under applicable securities laws, the Notes shall bear the following legend:

> THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE OFFERED, TRANSFERRED, PLEDGED, SOLD OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SUCH SECURITIES ACT AND ANY SUCH APPLICABLE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

Any holder of a Note may, upon surrender of its Notes to Holdings together with an opinion of counsel (which counsel may be internal counsel to such holder) to the effect that the foregoing legend is no longer required under applicable securities laws, obtain a like Note in exchange for its Note without such legend.

SECTION 14. PAYMENTS ON NOTES.

Section 14.1 Place of Payment

Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of the Company in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Home Office Payment. So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, interest and all other amounts becoming due hereunder by the method and at the address specified for such purpose below such Purchaser's name in

Schedule B, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes of the same Series pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 14.2.

SECTION 15. EXPENSES, ETC.

Section 15.1 Transaction Expenses

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, any Subsidiary Guaranty or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, any Subsidiary Guaranty or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, any Subsidiary Guaranty or the Notes, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes and any Subsidiary Guaranty and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO *provided,* that such costs and expenses under this clause (c) shall not exceed $9,950. The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, (i) all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes) and (ii) any and all wire transfer fees that any bank deducts from any payment under such Note to such holder or otherwise charges to a holder of a Note with respect to a payment under such Note.

Section 15.2 Survival

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, any Subsidiary Guaranty or the Notes, and the termination of this Agreement.

SECTION 16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement, the Notes and any Subsidiary Guaranties embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 17. AMENDMENT AND WAIVER.

Section 17.1 Requirements

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), only with the written consent of the Company and the Required Holders, except that:

(a) no amendment or waiver of any of the provisions of Sections 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser (prior to the Closing) or holder of a Note (after the Closing) unless consented to by such Purchaser or holder in writing; and

(b) no amendment or waiver may, without the written consent of each Purchaser (prior to the Closing) and each holder of a Note at the time outstanding (after the Closing), (i) subject to Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of (x) interest on the Notes or (y) the Make-Whole Amount, (ii) change the percentage of the principal amount of the Notes the Purchasers or holders of which are required to consent to any amendment or waiver, (iii) amend any of Sections 8 (except as set forth in the second sentence of Section 8.2), 11(a), 11(b), 12, 17 or 20, or (iv) release any Subsidiary Guarantor from its obligations under its Subsidiary Guaranty or reduce the scope of any Subsidiary Guaranty other than in accordance with the terms hereof.

Section 17.2 Solicitation of Holders of Notes

(a) *Solicitation.* The Company will provide each holder of a Note with sufficient information, sufficiently far in advance of the date a decision is required, to

enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes or any Subsidiary Guaranty. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 or any Subsidiary Guaranty to each holder of a Note promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of a Note as consideration for or as an inducement to the entering into by such holder of any waiver or amendment of any of the terms and provisions hereof or of any Subsidiary Guaranty or any Note unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of a Note even if such holder did not consent to such waiver or amendment.

(c) *Consent in Contemplation of Transfer*. Any consent given pursuant to this Section 17 or any Subsidiary Guaranty by a holder of a Note that has transferred or has agreed to transfer its Note to (i) the Company, (ii) any Subsidiary or any other Affiliate or (iii) any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Company and/or any of its Affiliates, in each case in connection with such consent, shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

Section 17.3 Binding Effect, etc

Any amendment or waiver consented to as provided in this Section 17 or any Subsidiary Guaranty applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and any holder of a Note and no delay in exercising any rights hereunder or under any Note or Subsidiary Guaranty shall operate as a waiver of any rights of any holder of such Note.

Section 17.4 Notes Held by Company, etc

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, any Subsidiary Guaranty or the Notes, or have directed the taking of any action provided herein or in any Subsidiary Guaranty or the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate

principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

SECTION 18. NOTICES.

Except to the extent otherwise provided in Section 7.4, all notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by an internationally recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by an internationally recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address (whether email or physical) specified for such communications in Schedule B, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address (whether email or physical) as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of Robert B. Walsh, Chief Financial Officer, or at walshb@evercore.com and Nancy Bryson, Treasurer, or at Bryson@Evercore.com, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

SECTION 19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, **"Confidential Information"** means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), *provided* they are informed of and agree to abide by the confidential nature of the Confidential Information and the provisions of this Section 20, (ii) its auditors, financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 20), (v) any Person from which it offers to purchase any Security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes, this Agreement or any Subsidiary Guaranty. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 20, this Section 20 shall not be

amended thereby and, as between such Purchaser or such holder and the Company, this Section 20 shall supersede any such other confidentiality undertaking.

SECTION 21. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates or another Purchaser or any one of such other Purchaser's Affiliates (a **"Substitute Purchaser"**) as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Substitute Purchaser, shall contain such Substitute Purchaser's agreement to be bound by this Agreement and shall contain a confirmation by such Substitute Purchaser of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 21), shall be deemed to refer to such Substitute Purchaser in lieu of such original Purchaser. In the event that such Substitute Purchaser is so substituted as a Purchaser hereunder and such Substitute Purchaser thereafter transfers to such original Purchaser all of the Notes then held by such Substitute Purchaser, upon receipt by the Company of notice of such transfer, any reference to such Substitute Purchaser as a "Purchaser" in this Agreement (other than in this Section 21), shall no longer be deemed to refer to such Substitute Purchaser, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

SECTION 22. MISCELLANEOUS.

Section 22.1 Successors and Assigns

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

Section 22.2 Accounting Terms

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(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP. For purposes of determining compliance with this Agreement (including, without limitation, Section 9, Section 10 and the definition of "Indebtedness"), any election by the Company to measure any financial liability using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification Topic No. 825-10-25 - *Fair Value Option*, International Accounting Standard 39 - *Financial Instruments: Recognition and Measurement* or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made. For the avoidance of doubt, notwithstanding any changes in GAAP after March 30, 2016 that would require lease obligations that would be treated as operating leases as of the date of this Agreement to be classified and accounted for as Capital Lease Obligations or otherwise

reflected on the consolidated balance sheet of the Company and its Subsidiaries, such obligations shall continue to be excluded from the definition of Indebtedness.

(b) Each of the holders of the Notes by its acceptance thereof understands and agrees with the Company that if in the reasonable opinion of the Company or the Required Holders a change in GAAP occurs which causes a change in any of the calculations contemplated by this Agreement, including, without limitation, calculations with regard to the covenants contained in Section 10 hereof, then and in such event, if the Company or the Required Holders so request, such holders and the Company shall undertake in good faith to amend any affected provisions of this Agreement so as to have an effect comparable to that as of March 30, 2016 and to accommodate such change in GAAP and to enter into an amendment hereof to reflect the same, such amendment to be in form and substance satisfactory to the Company and the Required Holders; *provided* that, until such provision is amended in a manner satisfactory to the Company and the Required Holders, the Company's compliance with such provision shall be determined on the basis of GAAP as in effect and applied immediately before the relevant change became effective. In the event that such a change in GAAP causes the Company to violate any of the covenants contained in Section 10 hereof or otherwise causes a Default or Event of Default to occur at a time when no other Default or Event of Default exists, then and in such event, anything in this Agreement to the contrary notwithstanding, no Default or Event of Default will be caused by such change in GAAP for a period of 90 days following the event which would otherwise be treated as a Default or Event of Default and the Company shall, notwithstanding anything in Section 11 to the contrary, have 90 days from and after the date of the occurrence of such event within which to enter into an amendment with the Required Holders as herein below contemplated.

The procedure for amending this Agreement pursuant to this Section 22.2(b) shall be as follows:

(i) the Company and the Required Holders may, at any time following any such change in GAAP, and the Company shall, within 15 days of the occurrence of the event which would otherwise be treated as a Default or an Event of Default due to a change in GAAP, prepare and deliver to each holder of the Notes and to their special counsel (in the case of an amendment requested by the Company) and to the Company (in the case of an amendment requested by the Required Holders) a proposed form of amendment;

(ii) the holders of the Notes (in the case of an amendment requested by the Company) or the Company (in the case of an amendment requested by the Required Holders) shall, within 30 days of receipt of the proposed form of amendment, deliver to the Company (in the case of an amendment requested by the Company) or to the holders of the Notes (in the case of an amendment requested by the Required Holders) their collective or its, as the case may be, response to the proposed amendment;

(iii) in the case of the occurrence of an event which would otherwise be treated as a Default or an Event of Default due to a change in GAAP, the parties

shall negotiate in good faith toward the execution of the amendment contemplated by this Section 22.2(b) until the 90th day following the occurrence of such event; in any other case in which the Company or the Required Holders requests an amendment pursuant to this Section 22.2(b), the parties shall negotiate in good faith toward the execution of the amendment contemplated by this Section 22.2(b) until the 90th day following delivery of the proposed form of amendment;

(iv) in the event the parties are unable to come to an agreement on the form and substance of the amendment during any such 90-day period, the Company's compliance with such provision shall be determined on the basis of GAAP as in effect and applied immediately before the relevant change became effective, until such provision is amended in a manner satisfactory to the Company and the Required Holders; and

(v) until such provision is amended in a manner satisfactory to the Company and the Required Holders in accordance with this Section 22.2(b), each set of financial statements delivered to holders of Notes pursuant to Section 7.1(a) or (b) shall include detailed reconciliations reasonably satisfactory to the Required Holders as to the effect of such change in GAAP on the calculation of the covenants contained in Section 10 hereof.

Section 22.3 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 22.4 Construction, etc

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Section 22.5 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 22.6 Governing Law

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Section 22.7 Jurisdiction and Process; Waiver of Jury Trial

(a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 22.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 18 or at such other address of which such holder shall then have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 22.7 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Notes or any other document executed in connection herewith or therewith.

Section 22.8 Obligations to Make Payment in Dollars or Sterling.

(a) Any payment on account of an amount that is payable hereunder or under the Notes in Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligation of the Company under this Agreement or the Notes only to the

extent of the amount of Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term "London Banking Day" shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

(b) Any payment on account of an amount that is payable hereunder or under the Notes in Sterling which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligation of the Company under this Agreement or the Notes only to the extent of the amount of Sterling which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Sterling that could be so purchased is less than the amount of Sterling originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order.

Section 22.9 Exchange Rate

During any time that both US Dollar Notes and Sterling Notes are outstanding, for the purpose of (a) allocating any partial prepayment of the Notes pursuant to Section 8.2, (b) allocating any offer with respect to any partial prepayment of the Notes pursuant to Section 8.5 or 8.8, (c) determining the percentage ownership of Notes under the definition of "Required Holders" or (d) determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified

percentage of the aggregate principal amount of Notes then outstanding, the principal amount of any outstanding Sterling Notes shall be deemed to be the equivalent amount in Dollars calculated on the basis of an exchange rate of 1.00 Sterling to 1.24 Dollars.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,

EVERCORE INC.

By: _____
Name:
Title:

This Agreement is hereby
accepted and agreed to as
of the date hereof.

[Add Purchaser Signature Blocks]

Defined Terms

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"**2016 Note Purchase Agreement**" means that certain Note Purchase Agreement, dated as of March 30, 2016, among the Company and the purchasers party thereto, as the same may be amended, supplemented or modified from time to time.

"Affiliate" means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, **"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"Agreement" means this Agreement, including all Schedules attached to this Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Anti-Corruption Laws" is defined in Section 5.16(d)(i).

"Anti-Money Laundering Laws" is defined in Section 5.16(c).

"**Asset Disposition Prepayment Date**" is defined in Section 8.8(a).

"**Asset Disposition Prepayment Notice**" is defined in Section 8.8(a).

"**Asset Disposition Prepayment Offer**" is defined in Section 8.8(a).

"**Asset Disposition Acceptance Notification Date**" is defined in Section 8.8(a).

"**BBVA Trade Financing**" means Evercore Casa de Bolsa, S.A. de C.V.'s financing with BBVA Bancomer S.A. used to finance trading securities repurchase operations, provided pursuant to that certain *Contrato de Apertura de Crédito en Cuenta Corriente que se Ejercerá Mediante Operaciones de Reporto* between BBVA Bancomer, S.A. and Evercore Casa de Bolsa S.A., de C.V. (formerly known as Protego Casa de Bolsa S.A., de C.V.), dated as of March 14, 2005, as amended, amended and restated, supplemented or otherwise modified.

"**Blocked Person**" is defined in Section 5.16(a).

"Business Day" means (a) for the purposes of Section 8.6 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed.

"Capital Lease" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP. For the avoidance of doubt, "Capital Lease" shall not include any lease which would have been classified and accounted for as an operating lease under GAAP as existing on March 30, 2016.

"**Capital Lease Obligations**" means, with respect to any Person for any period, all rental obligations of such Person which, under GAAP, are required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with such principles. For the avoidance of doubt, "Capital Lease Obligations" shall not include obligations or liabilities of any 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 would have been required to be classified and accounted for as an operating lease under GAAP as existing on March 30, 2016.

"**Change of Control**" means an event or series of events by which any person (as such term is used in section 13(d) and section 14(d)(2) of the Exchange Act as in effect on the date of this Agreement) or related persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act as in effect on the date of this Agreement), other than individuals who are and have been executive-level employees of the Company for a period of not less than one (1) year determined at such time, become the "beneficial owners" (as such term is used in Rule 13d-3 under the Exchange Act as in effect on the date of this Agreement), directly or indirectly, of more than 50% of the total voting power of all classes then outstanding of the Company's voting stock.

"**Change of Control Acceptance Notice Date**" is defined in Section 8.7(a).

"**Change of Control Notice**" is defined in Section 8.7(a).

"**Change of Control Offer**" is defined in Section 8.7(a).

"**Change of Control Prepayment Date**" is defined in Section 8.7(a).

"CISADA" means the Comprehensive Iran Sanctions, Accountability and Divestment Act.

"Closing" is defined in Section 3.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"Company" is defined in the first paragraph of this Agreement.

"Confidential Information" is defined in Section 20.

"**Consolidated**" refers to the consolidation of accounts in accordance with GAAP.

"**Consolidated Adjusted EBITDA**" means, for any period, Consolidated Net Income *plus* (a) depreciation expense and amortization expense, (b) interest expense (other than interest expense attributable to obligations in respect of repurchase agreements, intraday and overnight borrowings and similar activities in the ordinary course of the Company's or any Subsidiary's business), (c) non-cash employee compensation, and (d) in an amount not to exceed $30,000,000 (or its equivalent in other currencies) in the aggregate in any period of four consecutive fiscal quarters, other non-cash or non-recurring charges, in each case determined in accordance with GAAP for such period.

"**Consolidated Leverage Ratio**" means, as of the last day of each fiscal quarter of the Company, the ratio of (a) Consolidated Total Debt as of such date to (b) Consolidated Adjusted EBITDA for the period of four consecutive fiscal quarters then ended.

"**Consolidated Net Income**" means, in respect of any period, the net income (or loss) of the Company and its Consolidated Subsidiaries determined on a Consolidated basis for such period (as reported on the Company's financial statements), *provided* that, without duplication:

(a) the cumulative effect of a change in accounting principles shall be excluded; and

(b) the amount of provision for income taxes, as included on the Company's Consolidated income statement for the relevant period shall be added back.

"**Consolidated Tangible Net Worth**" means, as of any date of determination, the result of (a) "Total Equity" of the Company and its Consolidated Subsidiaries on such date, as such amount would be shown on a Consolidated balance sheet of the Company and its Subsidiaries as of such date prepared in accordance with GAAP, *minus* (b) to the extent reflected in such "Total Equity", the amount of Consolidated intangible assets of the Company and its Consolidated Subsidiaries on such date.

"**Consolidated Total Assets**" means, at any time, the total assets of the Company and its Subsidiaries which would be shown as assets on a Consolidated balance sheet of the Company and its Consolidated Subsidiaries as of such time prepared in accordance with GAAP.

"**Consolidated Total Debt**" means, as of any date of determination, the total amount of Indebtedness of the Company and its Consolidated Subsidiaries outstanding on such date determined on a Consolidated basis in accordance with GAAP, including in any event any Indebtedness of or Guaranties by the Company or a Subsidiary and any outstanding amounts under the 2016 Note Purchase Agreement, the PNC Loan Documents and the BBVA Trade Financing, and excluding: (a) any Indebtedness that is subordinated to the obligations arising under this Agreement, the Notes and the Subsidiary Guaranties on terms and conditions, and pursuant to documentation, reasonably satisfactory to the Required Holders, (b) any Indebtedness owing by the Company or a Subsidiary to the Company or a Subsidiary, and any Guaranties of such Indebtedness, that is in the nature of a payable in the ordinary course of

business (and not obligations of the type set forth in clause (a) or (b) of the definition of Indebtedness, or Guaranties of such obligations), and (c) any Indebtedness in respect of repurchase agreements to the extent otherwise permitted under this Agreement.

"Controlled Entity" means (a) any of the Subsidiaries of the Company and any of their or the Company's respective Controlled Affiliates and (b) if the Company has a parent company, such parent company and its Controlled Affiliates. As used in this definition, **"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Default" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" means that rate of interest that is the greater of (a) 2% per annum above the rate of interest stated in clause (a) of the first paragraph of the Notes or (b)(i) in the case of any US Dollar Note, 2% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. in New York, New York as its "base" or "prime" rate and (ii) in the case of any Sterling Note, 2% over the rate of interest publicly announced by Barclays PLC in London, England as its "base" or "prime" rate.

"Disclosure Documents" is defined in Section 5.3.

"**Disposition**" means the sale, assignment, transfer, license or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposition, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith. The terms "**Dispose**" and "**Disposed of**" shall have correlative meanings. For the avoidance of doubt, the terms "Disposition," "Dispose" and "Disposed of" do not refer to the issuance and sale of equity securities by the Company or its Subsidiaries.

"**Disposition Value**" means, at any time, with respect to any property:

(a) in the case of property that does not constitute Subsidiary Stock, the book value thereof, valued at the time of such disposition in good faith by the Company, and

(b) in the case of property that constitutes Subsidiary Stock, an amount equal to that percentage of book value of the assets of the Subsidiary that issued such stock as is equal to the percentage that the book value of such Subsidiary Stock represents of the book value of all of the outstanding capital stock of such Subsidiary (assuming, in making such calculations, that all Securities convertible into such capital stock are so converted and giving full effect to all transactions that would occur or be required in connection with such conversion) determined at the time of the disposition thereof, in good faith by the Company.

As used herein, "**Subsidiary Stock**" means, with respect to any Person, the stock (or any options or warrants to purchase stock or other Securities exchangeable for or convertible into stock) of any Subsidiary of such Person.

"Dollars" and **"$"** means lawful money of the United States of America.

"EDGAR" means the SEC's Electronic Data Gathering, Analysis and Retrieval System or any successor SEC electronic filing system for such purposes.

"Environmental Laws" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"Event of Default" is defined in Section 11.

"**Evercore East**" means Evercore Partners Services East L.L.C., a Delaware limited liability company.

"Form 10-K" is defined in Section 7.1(b).

"Form 10-Q" is defined in Section 7.1(a).

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

"Governmental Authority" means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Governmental Official" means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

"Guaranty" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"Hazardous Materials" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"holder" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1, *provided*, *however*, that if such Person is a nominee, then for the purposes of Sections 7, 12, 17.2 and 18 and any related definitions in this Schedule B, "holder" shall mean the beneficial owner of such Note whose name and address appears in such register.

"INHAM Exemption" is defined in Section 6.2(e).

"**Indebtedness**" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding obligations for consideration to be paid in the form of equity securities, other than mandatorily redeemable

Preferred Stock), (e) all obligations for borrowed money secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (f) all Capital Lease Obligations of such Person, (g) the aggregate Swap Termination Value of all Swap Contracts of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) all redemption obligations in respect of mandatorily redeemable Preferred Stock, and (k) all Guaranties by such Person with respect to obligations of a type described in any of clauses (a) through (j) hereof; *provided*, that "Indebtedness" shall not include (i) trade and other accounts payable arising and compensation expenses accrued in the ordinary course of business and (ii) obligations in respect of repurchase agreements, intraday and overnight borrowings and similar activities in the ordinary course of the business of the Company or any of its Subsidiaries; it being understood and agreed that any accrued liability under any tax receivables agreement the Company is or in the future may be a party to from time to time shall not constitute Indebtedness. 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 liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Institutional Investor" means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

"Lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"London Banking Day" is defined in Section 22.8.

"Make-Whole Amount" is defined in Section 8.6.

"Material" means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement and the Notes, (c) the ability of any Subsidiary Guarantor to perform its obligations under its Subsidiary Guaranty, or (d) the validity or enforceability of this Agreement, the Notes or any Subsidiary Guaranty.

"Material Credit Facility" means, as to the Company and its Subsidiaries, any agreement(s) creating or evidencing indebtedness for borrowed money, or in respect of which the Company or any Subsidiary is an obligor or otherwise provides a guarantee or other credit support, in a principal amount outstanding or available for borrowing greater than $75,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency).

"Maturity Date" is defined in the first paragraph of each Note.

"Memorandum" is defined in Section 5.3.

"Multiemployer Plan" means any "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA) to which the Company or any ERISA Affiliates contribute, are required to contribute to, or within the preceding five years were required to contribute to, or with respect to which the Company or any ERISA Affiliate may have any liability.

"NAIC" means the National Association of Insurance Commissioners or any successor thereto.

"**Net Proceeds**" means, with respect to any Disposition, the aggregate amount of consideration (valued at the fair market value of such consideration at the time of the consummation of such Disposition) received by the Company or any Subsidiary in respect of such Disposition, net of all reasonable fees and out-of-pocket expenses paid by the Company and its Subsidiaries to third parties (other than Affiliates) in connection with such Disposition.

"Notes" is defined in Section 1.

"OFAC" is defined in Section 5.16(a).

"OFAC Listed Person" is defined in Section 5.16(a).

"OFAC Sanctions Program" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.goc/resources-center/sanctions/Programs/Pages/Programs.aspx.

"Officer's Certificate" means a certificate of a Responsible Officer.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

"Plan" means an "employee benefit plan" (as defined in section 3(3) of ERISA) but not including any Multiemployer Plans, subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"**PNC L/C Note**" means that certain Amended and Restated Committed Line of Credit Note, dated as of June 21, 2019, by Evercore East in favor of PNC Bank, National Association, as amended, amended and restated, supplemented or otherwise modified.

"**PNC Loan Agreement**" means that certain Loan Agreement, dated as of June 24, 2016, between Evercore East and PNC Bank, National Association, as amended by the Amendment to the Loan Documents dated as of June 21, 2019 and as further amended, amended and restated, supplemented or otherwise modified.

"**PNC Loan Documents**" means (a) the PNC Loan Agreement, (b) the PNC L/C Note, (c) that certain Borrowing Base Rider dated as of June 24, 2016, between Evercore East and PNC Bank, National Association, (d) any other security or pledge agreement securing obligations arising under the PNC Loan Agreement and the PNC L/C Note, (e) any other documents which constitute "Loan Documents" as such term is defined in the PNC Loan Agreement as in effect on the date of this Agreement (other than certified resolutions, closing certificates and compliance certificates), and (f) any amendments, amendments and restatements, supplements or other modifications of any of the documents described in the foregoing clauses (a) through (f).

"Preferred Stock" means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interests) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

"**Pro Rata Amount**" means, in respect of any holder of Notes and any Disposition by the Company or any Subsidiary, an amount equal to the product of:

(a) the portion of the Net Proceeds (or an equal amount) being applied or offered to be applied to the payment of Indebtedness pursuant to Section 10.7(g)(ii), multiplied by

(b) a fraction, the numerator of which is the outstanding principal amount of Notes held by such holder, and the denominator of which is the aggregate outstanding principal amount of all unsubordinated Indebtedness of the Company or any Subsidiary (other than Indebtedness owing to the Company, any Subsidiary or any Affiliate) being prepaid or offered to be prepaid pursuant to Section 10.7(g)(ii) in connection with such Disposition.

"property" or **"properties"** means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"PTE" is defined in Section 6.2(a).

"Purchaser" or **"Purchasers"** means each of the purchasers that has executed and delivered this Agreement to the Company and such Purchaser's successors and assigns (so long as any such assignment complies with Section 13.2), *provided, however*, that any Purchaser of a Note that ceases to be the registered holder or a beneficial owner (through a nominee) of such Note as the result of a transfer thereof pursuant to Section 13.2 shall cease to be included within the meaning of "Purchaser" of such Note for the purposes of this Agreement upon such transfer.

"Qualified Institutional Buyer" means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

"QPAM Exemption" is defined in Section 6.2(d).

"Related Fund" means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"Required Holders" means at any time on or after the Closing, the holders of more than 50% of the aggregate principal amount of the Notes (without regard to Series) at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

"Responsible Officer" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

"Securities" or **"Security"** shall have the meaning specified in section 2(1) of the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"Senior Financial Officer" means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

"**Series**" means the Series E Notes, the Series F Notes, the Series G Notes or the Series H Notes, as the context may require.

"Series E Notes" is defined in Section 1.

"Series F Notes" is defined in Section 1.

"Series G Notes" is defined in Section 1.

"**Series H Notes**" is defined in Section 1.

"Significant Subsidiary" means any Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC as of the date hereof.

"Source" is defined in Section 6.2.

"Sterling" and **"£"** means the lawful currency of the United Kingdom.

"Sterling Notes" means the Series H Notes.

"Subsidiary" means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"Subsidiary Guarantors" means (a) each of Evercore LP, a Delaware limited partnership, Evercore Group Holdings L.P., a Delaware limited partnership or Evercore East and (b) each Subsidiary that has executed and delivered a Subsidiary Guaranty, so long as such Subsidiary Guaranty is in full force and effect.

"Subsidiary Guaranty" is defined in Section 2.2.

"Substitute Purchaser" is defined in Section 21.

"SVO" means the Securities Valuation Office of the NAIC or any successor to such Office.

"Swap Contract" means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

"US Dollar Notes" means, collectively, the Series E Notes, the Series F Notes and the Series G Notes.

"USA PATRIOT Act" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct

Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"U.S. Economic Sanctions" is defined in Section 5.16(a).

"Wholly-Owned Subsidiary" means, at any time, any Subsidiary all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Subsidiaries at such time.

[Form of Series E Note]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE OFFERED, TRANSFERRED, PLEDGED, SOLD OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SUCH SECURITIES ACT AND ANY SUCH APPLICABLE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

EVERCORE INC.

4.34% SERIES E SENIOR NOTE DUE August 1, 2029

No. [_____] **[Date]**
$[_____] PPN: [•]

FOR VALUE RECEIVED, the undersigned, **EVERCORE INC.** (herein called the **"Company"**), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____], or registered assigns, the principal sum of [_____] DOLLARS (or so much thereof as shall not have been prepaid) on August 1, 2029 (the **"Maturity Date"**), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 4.34% per annum from the date hereof, payable semiannually, on April 30 and October 30 in each year, commencing [with the April 30 or October 30 next succeeding the date hereof][on April 30, 2020], and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the Company's offices at 55 E 52nd Street, New York, New York 10055 or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the **"Notes"**) issued pursuant to the Note Purchase Agreement, dated as of August 1, 2019 (as from time to time amended, amended and restated, supplemented or otherwise modified, the **"Note Purchase Agreement"**), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representation set forth in Section 6.2 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer

duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

EVERCORE INC.

By: _____
Name:
Title:

[Form of Series F Note]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE OFFERED, TRANSFERRED, PLEDGED, SOLD OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SUCH SECURITIES ACT AND ANY SUCH APPLICABLE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

EVERCORE INC.

4.44% SERIES F SENIOR NOTE DUE August 1, 2031

No. [_____] **[Date]**
$ [_____] PPN: [•]

FOR VALUE RECEIVED, the undersigned, **EVERCORE INC.** (herein called the **"Company"**), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____], or registered assigns, the principal sum of [_____] DOLLARS (or so much thereof as shall not have been prepaid) on August 1, 2031 (the **"Maturity Date"**), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 4.44% per annum from the date hereof, payable semiannually, on April 30 and October 30 in each year, commencing [with the April 30 or October 30 next succeeding the date hereof][on April 30, 2020], and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the Company's offices at 55 E 52nd Street, New York, New York 10055 or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the **"Notes"**) issued pursuant to the Note Purchase Agreement, dated as of August 1, 2019 (as from time to time amended, amended and restated, supplemented or otherwise modified, the **"Note Purchase Agreement"**), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representation set forth in Section 6.2 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

EVERCORE INC.

By: _____
Name:
Title:

[Form of Series G Note]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE OFFERED, TRANSFERRED, PLEDGED, SOLD OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SUCH SECURITIES ACT AND ANY SUCH APPLICABLE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

EVERCORE INC.

4.54% SERIES G SENIOR NOTE DUE August 1, 2033

No. [_____] **[Date]**
$ [_____] PPN: [•]

FOR VALUE RECEIVED, the undersigned, **EVERCORE INC.** (herein called the **"Company"**), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____], or registered assigns, the principal sum of [_____] DOLLARS (or so much thereof as shall not have been prepaid) on August 1, 2033 (the **"Maturity Date"**), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 4.54% per annum from the date hereof, payable semiannually, on April 30 and October 30 in each year, commencing [with the April 30 or October 30 next succeeding the date hereof][on April 30, 2020], and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the Company's offices at 55 E 52nd Street, New York, New York 10055 or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the **"Notes"**) issued pursuant to the Note Purchase Agreement, dated as of August 1, 2019 (as from time to time amended, amended and restated, supplemented or otherwise modified, the **"Note Purchase Agreement"**), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representation set forth in Section 6.2 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

EVERCORE INC.

By: _____
Name:
Title:

[Form of Series H Note]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE OFFERED, TRANSFERRED, PLEDGED, SOLD OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SUCH SECURITIES ACT AND ANY SUCH APPLICABLE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

EVERCORE INC.

3.33% SERIES H SENIOR NOTE DUE August 1, 2033

No. [_____] **[Date]**
£ [_____] PPN: [•]

FOR VALUE RECEIVED, the undersigned, **EVERCORE INC.** (herein called the **"Company"**), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____], or registered assigns, the principal sum of [_____] STERLING (or so much thereof as shall not have been prepaid) on August 1, 2033 (the **"Maturity Date"**), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 3.33% per annum from the date hereof, payable semiannually, on April 30 and October 30 in each year, commencing [with the April 30 or October 30 next succeeding the date hereof][on April 30, 2020], and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the Company's offices at 55 E 52nd Street, New York, New York 10055 or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the **"Notes"**) issued pursuant to the Note Purchase Agreement, dated as of August 1, 2019 (as from time to time amended, amended and restated, supplemented or otherwise modified, the **"Note Purchase Agreement"**), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representation set forth in Section 6.2 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

EVERCORE INC.

By: _____
Name:
Title:

[Form of Subsidiary Guaranty]

(Attached)

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of [_____] (this "**Guaranty Agreement**"), is made by [_____], a [_____] (the "**Guarantor**") in favor of the Purchasers (as defined below) and the other holders from time to time of the Notes (as defined below). The Purchasers and such other holders are herein collectively called the "**holders**" and individually a "**holder**."

PRELIMINARY STATEMENTS:

I. Evercore Inc., a Delaware corporation (the "**Company**"), [is entering / has entered] into a Note Purchase Agreement dated as of August 1, 2019 (as amended, modified, supplemented or restated from time to time, the "**Note Agreement**") with the Persons listed on the signature pages thereto (the "**Purchasers**") [simultaneously with the delivery of this Guaranty Agreement]. Capitalized terms used herein have the meanings specified in the Note Agreement unless otherwise defined herein.

II. [The Company has authorized the issuance of and,] pursuant to the Note Agreement, the Company [proposes to issue and sell / has issued and sold], (a) an aggregate principal amount of $75,000,000 of the Company's 4.34% Series E Senior Notes due August 1, 2029, (b) an aggregate principal amount of $60,000,000 of the Company's 4.44% Series F Senior Notes due August 1, 2031, (c) an aggregate principal amount of $40,000,000 of the Company's 4.54% Series G Senior Notes due August 1, 2033 and (d) an aggregate principal amount of £25,000,000 of the Company's 3.33% Series H Senior Notes due August 1, 2033 (collectively, the "**Initial Notes**"). The Initial Notes and any other Notes that may from time to time be issued pursuant to the Note Agreement (including any notes issued in substitution for any of the Notes) are herein collectively called the "**Notes**" and individually a "**Note**".

III. [It is a condition to the agreement of the Purchasers to purchase the Notes that this Guaranty Agreement shall have been executed and delivered by the Guarantor and shall be in full force and effect / In order to induce the Purchasers to purchase the Notes, the Company has agreed pursuant to the Note Agreement to cause the Guarantor to deliver this Guaranty Agreement to the holders.]

IV. The Guarantor will receive direct and indirect benefits from the financing arrangements contemplated by the Note Agreement. The [Board of Directors] of the Guarantor has determined that the incurrence of such obligations is in the best interests of the Guarantor.

NOW THEREFORE, in [order to induce / compliance with the Note Agreement], and in consideration of, the execution and delivery of the Note Agreement and the purchase of the Notes by each of the Purchasers, the Guarantor hereby covenants and agrees with, and represents and warrants to each of the holders as follows:

GUARANTY.

The Guarantor hereby irrevocably and unconditionally guarantees to each holder, the due and punctual payment in full of (a) the principal of, Make-Whole Amount, if any, and interest on (including, without limitation, interest accruing after the filing of any petition in bankruptcy, or

the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), and any other amounts due under, the Notes when and as the same shall become due and payable (whether at stated maturity or by required or optional prepayment or by acceleration or otherwise) and (b) any other sums which may become due under the terms and provisions of the Notes, the Note Agreement or any other instrument referred to therein (all such obligations described in clauses (a) and (b) above are herein called the "**Guaranteed Obligations**"). The guaranty in the preceding sentence is an absolute, present and continuing guaranty of payment and not of collectibility and is in no way conditional or contingent upon any attempt to collect from the Company or any other guarantor of the Notes or upon any other action, occurrence or circumstance whatsoever. In the event that the Company shall fail so to pay any of such Guaranteed Obligations, the Guarantor agrees to pay the same when due to the holders entitled thereto, without demand, presentment, protest or notice of any kind, in lawful money of the United States of America, pursuant to the requirements for payment specified in the Notes and the Note Agreement. Each default in payment of any of the Guaranteed Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises. The Guarantor agrees that the Notes issued in connection with the Note Agreement may (but need not) make reference to this Guaranty Agreement.

The Guarantor agrees to pay and to indemnify and save each holder harmless from and against any damage, loss, cost or expense (including attorneys' fees) which such holder may incur or be subject to as a consequence, direct or indirect, of (x) any breach by the Guarantor or by the Company of any warranty, covenant, term or condition in, or the occurrence of any default under, this Guaranty Agreement, the Notes, the Note Agreement or any other instrument referred to therein, together with all expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default, (y) any legal action commenced to challenge the validity or enforceability of this Guaranty Agreement, the Notes, the Note Agreement or any other instrument referred to therein and (z) enforcing or defending (or determining whether or how to enforce or defend) the provisions of this Guaranty Agreement.

The Guarantor hereby acknowledges and agrees that the Guarantor's liability hereunder is joint and several with any other Person(s) who may guarantee the obligations and Indebtedness under and in respect of the Notes and the Note Agreement.

Notwithstanding the foregoing provisions or any other provision of this Guaranty Agreement, the Purchasers (on behalf of themselves and their successors and assigns) and the Guarantor hereby agree that if at any time the Guaranteed Obligations exceed the Maximum Guaranteed Amount determined as of such time with regard to the Guarantor, then this Guaranty Agreement shall be automatically amended to reduce the Guaranteed Obligations to the Maximum Guaranteed Amount. Such amendment shall not require the written consent of the Guarantor or any holder and shall be deemed to have been automatically consented to by the Guarantor and each holder. The Guarantor agrees that the Guaranteed Obligations may at any time exceed the Maximum Guaranteed Amount without affecting or impairing the obligation of the Guarantor. "**Maximum Guaranteed Amount**" means as of the date of determination with respect to the Guarantor, the lesser of (a) the amount of the Guaranteed Obligations outstanding on such date and (b) the maximum amount that would not render the Guarantor's liability under

this Guaranty Agreement subject to avoidance under Section 548 of the United States Bankruptcy Code (or any successor provision) or any comparable provision of applicable state law.[1]

OBLIGATIONS ABSOLUTE.

The obligations of the Guarantor hereunder shall be primary, absolute, irrevocable and unconditional, irrespective of the validity or enforceability of the Notes, the Note Agreement or any other instrument referred to therein, shall not be subject to any counterclaim, setoff, deduction or defense based upon any claim the Guarantor may have against the Company or any holder or otherwise, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not the Guarantor shall have any knowledge or notice thereof), including, without limitation: (a) any amendment to, modification of, supplement to or restatement of the Notes, the Note Agreement or any other instrument referred to therein (it being agreed that the obligations of the Guarantor hereunder shall apply to the Notes, the Note Agreement or any such other instrument as so amended, modified, supplemented or restated) or any assignment or transfer of any thereof or of any interest therein, or any furnishing, acceptance or release of any security for the Notes or the addition, substitution or release of any other Subsidiary Guarantor or any other Person primarily or secondarily liable in respect of the Guaranteed Obligations; (b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of the Notes, the Note Agreement or any other instrument referred to therein; (c) any bankruptcy, insolvency, arrangement, reorganization, readjustment, composition, liquidation or similar proceeding with respect to the Company or its property; (d) any merger, amalgamation or consolidation of the Guarantor or of the Company into or with any other Person or any sale, lease or transfer of any or all of the assets of the Guarantor or of the Company to any Person; (e) any failure on the part of the Company for any reason to comply with or perform any of the terms of any other agreement with the Guarantor; (f) any failure on the part of any holder to obtain, maintain, register or otherwise perfect any security; or (g) any other event or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (whether or not similar to the foregoing), and in any event however material or prejudicial it may be to the Guarantor or to any subrogation, contribution or reimbursement rights the Guarantor may otherwise have. The Guarantor covenants that its obligations hereunder will not be discharged except [(x)] by payment in full in cash of all of the Guaranteed Obligations and all other obligations hereunder [or (y) in accordance with Section 9.7(c) of the Note Agreement][2].

WAIVER.

The Guarantor unconditionally waives to the fullest extent permitted by law, (a) notice of acceptance hereof, of any action taken or omitted in reliance hereon and of any default by the Company in the payment of any amounts due under the Notes, the Note Agreement or any other instrument referred to therein, and of any of the matters referred to in Section 2 hereof, (b) all notices which may be required by statute, rule of law or otherwise to preserve any of the rights of

[1] If the Guarantor is domiciled in a non-U.S. jurisdiction, this paragraph is to be revised as agreed among the Company, the Guarantor and the holders to reflect local law.

[2] The bracketed text should not be included for the guaranties by Evercore LP, Evercore Group Holdings L.P. or Evercore Partners Services East L.L.C.

any holder against the Guarantor, including, without limitation, presentment to or demand for payment from the Company or the Guarantor with respect to any Note, notice to the Company or to the Guarantor of default or protest for nonpayment or dishonor and the filing of claims with a court in the event of the bankruptcy of the Company, (c) any right to require any holder to enforce, assert or exercise any right, power or remedy including, without limitation, any right, power or remedy conferred in the Note Agreement or the Notes, (d) any requirement for diligence on the part of any holder and (e) any other act or omission or thing or delay in doing any other act or thing which might in any manner or to any extent vary the risk of the Guarantor or otherwise operate as a discharge of the Guarantor or in any manner lessen the obligations of the Guarantor hereunder.

OBLIGATIONS UNIMPAIRED.

The Guarantor authorizes the holders, without notice or demand to the Guarantor and without affecting its obligations hereunder, from time to time: (a) to renew, compromise, extend, accelerate or otherwise change the time for payment of, all or any part of the Notes, the Note Agreement or any other instrument referred to therein; (b) to change any of the representations, covenants, events of default or any other terms or conditions of or pertaining to the Notes, the Note Agreement or any other instrument referred to therein, including, without limitation, decreases or increases in amounts of principal, rates of interest, the Make-Whole Amount or any other obligation; (c) to take and hold security for the payment of the Notes, the Note Agreement or any other instrument referred to therein, for the performance of this Guaranty Agreement or otherwise for the Indebtedness guaranteed hereby and to exchange, enforce, waive, subordinate and release any such security; (d) to apply any such security and to direct the order or manner of sale thereof as the holders in their sole discretion may determine; (e) to obtain additional or substitute endorsers or guarantors or release any other Subsidiary Guarantor or any other Person primarily or secondarily liable in respect of the Guaranteed Obligations; (f) to exercise or refrain from exercising any rights against the Company or any other Person; and (g) to apply any sums, by whomsoever paid or however realized, to the payment of the Guaranteed Obligations and all other obligations owed hereunder. The holders shall have no obligation to proceed against any additional or substitute endorsers or guarantors or to pursue or exhaust any security provided by the Company, the Guarantor or any other Person or to pursue any other remedy available to the holders.

If an event permitting the acceleration of the maturity of the principal amount of any Notes shall exist and such acceleration shall at such time be prevented or the right of any holder to receive any payment on account of the Guaranteed Obligations shall at such time be delayed or otherwise affected by reason of the pendency against the Company, the Guarantor or any other guarantors of a case or proceeding under a bankruptcy or insolvency law, the Guarantor agrees that, for purposes of this Guaranty Agreement and its obligations hereunder, the maturity of such principal amount shall be deemed to have been accelerated with the same effect as if the holder thereof had accelerated the same in accordance with the terms of the Note Agreement, and the Guarantor shall forthwith pay such accelerated Guaranteed Obligations.

SUBROGATION AND SUBORDINATION.

The Guarantor will not exercise any rights which it may have acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights, or any rights of reimbursement, contribution or indemnity or any rights or recourse to any security for the Notes or this Guaranty Agreement unless and until all of the Guaranteed Obligations shall have been paid in full in cash.

The Guarantor hereby subordinates the payment of all Indebtedness and other obligations of the Company or any other guarantor of the Guaranteed Obligations owing to the Guarantor, whether now existing or hereafter arising, including, without limitation, all rights and claims described in clause (a) of this Section 5, to the payment in full in cash of all of the Guaranteed Obligations. If the Required Holders so request, any such Indebtedness or other obligations shall be enforced and performance received by the Guarantor as trustee for the holders and the proceeds thereof shall be paid over to the holders promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Guarantor under this Guaranty Agreement.

If any amount or other payment is made to or accepted by the Guarantor in violation of any of the preceding clauses (a) and (b) of this Section 5, such amount shall be deemed to have been paid to the Guarantor for the benefit of, and held in trust for the benefit of, the holders and shall be paid over to the holders promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Guarantor under this Guaranty Agreement.

The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Note Agreement and that its agreements set forth in this Guaranty Agreement (including this Section 5) are knowingly made in contemplation of such benefits.

REINSTATEMENT OF GUARANTY.

This Guaranty Agreement shall continue to be effective, or be reinstated, as the case may be, if and to the extent at any time payment, in whole or in part, of any of the sums due to any holder on account of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by a holder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any other guarantors, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or any other guarantors or any part of its or their property, or otherwise, all as though such payments had not been made.

RANK OF GUARANTY.

The Guarantor will ensure that its payment obligations under this Guaranty Agreement will at all times rank at least *pari passu*, without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Guarantor now or hereafter existing.

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR.

The Guarantor represents and warrants to each holder as follows:

Organization; Power and Authority. The Guarantor is a [_____], duly organized, validly existing and in good standing under the laws of its jurisdiction of [_____], and is duly qualified as a foreign [_____] and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Guarantor has the [_____] power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Guaranty Agreement and to perform the provisions hereof.

Authorization, etc. This Guaranty Agreement has been duly authorized by all necessary [_____] action on the part of the Guarantor, and this Guaranty Agreement constitutes a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by the Guarantor of this Guaranty Agreement will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Guarantor or any of its Subsidiaries under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, organizational documents, or any other agreement or instrument to which the Guarantor or any of its Subsidiaries is bound or by which the Guarantor or any of its Subsidiaries or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Guarantor or any of its Subsidiaries or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Guarantor or any of its Subsidiaries.

Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Guarantor of this Guaranty Agreement.

Information Regarding the Company. The Guarantor now has and will continue to have independent means of obtaining information concerning the affairs, financial condition and business of the Company. No holder shall have any duty or responsibility to provide the Guarantor with any credit or other information concerning the affairs, financial condition or business of the Company which may come into possession of the holders.

Solvency. Upon the execution and delivery hereof, the Guarantor will be solvent, will be able to pay its debts as they mature, and will have capital sufficient to carry on its business.

Additional Representations and Warranties. The Guarantor hereby makes, as of the date hereof and only as to itself, each of the representations and warranties set forth in Section 5 of the Note Agreement that is applicable to the Guarantor.

[TAX INDEMNIFICATION.[3]

All payments whatsoever under this Guaranty Agreement will be made by the Guarantor free and clear of, and without liability for withholding or deduction for or on account of, any present or future tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding (a "**Tax**") of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States (or any political subdivision or taxing authority of or in such jurisdiction) (a "**Taxing Jurisdiction**"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Guarantor under this Guaranty Agreement, the Guarantor will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of this Guaranty Agreement after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of this Guaranty Agreement before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note or the receipt of payments thereunder or in respect thereof, including, without limitation, such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Guarantor, after the date of this Guaranty Agreement, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of this Guaranty Agreement are made to, the Taxing Jurisdiction imposing the relevant Tax;

any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Guarantor) in the filing with the Guarantor or the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to

[3] To be included if the Guarantor is domiciled in a non-U.S. jurisdiction.

avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and provided further that such holder shall be deemed to have satisfied the requirements of this clause (b) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Guarantor no later than 60 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any, all in the English language or with an English translation thereof);

any Tax that would not have been so imposed but for the presentation of a Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or after the date on which payment thereof is duly provided for, whichever is later; or

any combination of clauses (a), (b) and (c) above;

and provided further that in no event shall the Guarantor be obligated to pay such additional amounts (i) to any holder not resident in the United States of America or any other jurisdiction in which a holder is resident for tax purposes on the date of this Guaranty Agreement in excess of the amounts that the Guarantor would be obligated to pay if such holder had been a resident of the United States of America or such other jurisdiction, as applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America or such other jurisdiction and the relevant Taxing Jurisdiction or (ii) to any holder of a Note registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and the Guarantor shall have given timely notice of such law or interpretation to such holder.

By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (b) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Guarantor all such forms, certificates, documents and returns provided to such holder by the Guarantor (collectively, together with instructions for completing the same, "**Forms**") required to be filed by or on behalf of such holder in order to avoid or reduce any Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of a tax treaty between the United States and such Taxing Jurisdiction and (y) provide the Guarantor with such information with respect to such holder as the Guarantor may reasonably request in order to complete any such Forms, provided that nothing in this Section 9 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided, further, that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Guarantor or mailed to the appropriate taxing authority (which in the case of any Form which requires that it

be submitted to the United States Internal Revenue Service as a condition to its effectiveness in the Taxing Jurisdiction shall be deemed to occur when such Form is submitted to the United States Internal Revenue Service in accordance with instructions contained in such Form), whichever is applicable, within 60 days following a written request of the Guarantor (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

On or before the date of this Guaranty Agreement the Guarantor shall have furnished each Purchaser with copies of the appropriate Form (and English translation if required as aforesaid) currently required to be filed in [_____] pursuant to clause (b) of the second paragraph of this Section 9, if any, and in connection with the transfer of any Note the Guarantor will furnish the transferee of such Note with copies of any Form and English translation then required.

If any payment is made by the Guarantor to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by the Guarantor pursuant to this Section 9, then, if such holder at its sole discretion determines that it has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Guarantor such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (b) above) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

The Guarantor will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Guarantor of any Tax in respect of any amounts paid under this Guaranty Agreement, the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of the Guarantor, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

If the Guarantor is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Guarantor would be required to pay any additional amount under this Section 9, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Guarantor will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Guarantor) upon demand by

such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If the Guarantor makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Guarantor (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Guarantor, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Guarantor under this Section 9 shall survive the payment or transfer of any Note and the provisions of this Section 9 shall also apply to successive transferees of the Notes.]

TERM OF GUARANTY AGREEMENT.

This Guaranty Agreement and all guarantees, covenants and agreements of the Guarantor contained herein shall continue in full force and effect and[, subject to Section 9.7(c) of the Note Agreement,][4] shall not be discharged until such time as all of the Guaranteed Obligations and all other obligations hereunder shall be paid in full in cash and shall be subject to reinstatement pursuant to Section 6.

SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Guaranty Agreement and may be relied upon by any subsequent holder, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder. All statements contained in any certificate or other instrument delivered by or on behalf of the Guarantor pursuant to this Guaranty Agreement shall be deemed representations and warranties of the Guarantor under this Guaranty Agreement. Subject to the preceding sentence, this Guaranty Agreement embodies the entire agreement and understanding between each holder and the Guarantor and supersedes all prior agreements and understandings relating to the subject matter hereof.

AMENDMENT AND WAIVER.

[4] The bracketed text should not be included for the guaranties by Evercore LP, Evercore Group Holdings L.P. or Evercore Partners Services East L.L.C.

Requirements. Except as otherwise provided in the fourth paragraph of Section 1 of this Guaranty Agreement, this Guaranty Agreement may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of the Guarantor and the Required Holders, except that no amendment or waiver (a) of any of the first three paragraphs of Section 1 or any of the provisions of Section 2, 3, 4, 5, 6, 7, [9], 10[,] [or] 12 [or 14.7] Section references to be updated if the Tax Indemnification section is not included. hereof, or any defined term (as it is used therein), or (b) which results in the limitation of the liability of the Guarantor hereunder (except to the extent provided in the fourth paragraph of Section 1 of this Guaranty Agreement) or in the release of the Guarantor from its obligations hereunder or in a reduction of the scope of this Guaranty Agreement, will be effective as to any holder unless consented to by such holder in writing.

Solicitation of Holders of Notes.

Solicitation. The Guarantor will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof. The Guarantor will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 12.2 to each holder promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

Payment. The Guarantor will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder as consideration for or as an inducement to the entering into by any holder of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder even if such holder did not consent to such waiver or amendment.

Consent in Contemplation of Transfer. Any consent given pursuant to this Section 12 by a holder that has transferred or has agreed to transfer its Note to (i) the Company, (ii) any Subsidiary or any other Affiliate (including the Guarantor) of the Company or (iii) any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Company and/or any of its Affiliates, in each case in connection with such consent, shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

Binding Effect. Any amendment or waiver consented to as provided in this Section 12 applies equally to all holders and is binding upon them and upon each future holder and upon the Guarantor without regard to whether any Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant or

[5] Section references to be updated if the Tax Indemnification section is not included.

agreement not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Guarantor and the holder nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder. As used herein, the term "**this Guaranty Agreement**" and references thereto shall mean this Guaranty Agreement as it may be amended, modified, supplemented or restated from time to time.

Notes Held by Company, etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Guaranty Agreement, or have directed the taking of any action provided herein to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Guarantor, the Company or any of their respective Affiliates shall be deemed not to be outstanding.

NOTICES[; ENGLISH LANGUAGE].

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

if to the Guarantor, to [_____], or such other address as the Guarantor shall have specified to the holders in writing, or

if to any holder, to such holder at the addresses specified for such communications set forth in Schedule B to the Note Agreement, or such other address as such holder shall have specified to the Guarantor in writing.

[Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Guaranty Agreement shall be in English or accompanied by an English translation thereof.

This Guaranty Agreement has been prepared and signed in English and the Guarantor agrees that the English version hereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in [____] or any other jurisdiction in respect hereof or thereof.][6]

MISCELLANEOUS.

Successors and Assigns. All covenants and other agreements contained in this Guaranty Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns whether so expressed or not.

[6] To be included if the Guarantor is domiciled in a jurisdiction in which English is not the official or primary language.

Severability. Any provision of this Guaranty Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law), not invalidate or render unenforceable such provision in any other jurisdiction.

Construction. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such express contrary provision) be deemed to excuse compliance with any other covenant. Whether any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

The section and subsection headings in this Guaranty Agreement are for convenience of reference only and shall neither be deemed to be a part of this Guaranty Agreement nor modify, define, expand or limit any of the terms or provisions hereof. All references herein to numbered sections, unless otherwise indicated, are to sections of this Guaranty Agreement. Words and definitions in the singular shall be read and construed as though in the plural and *vice versa*, and words in the masculine, neuter or feminine gender shall be read and construed as though in either of the other genders where the context so requires.

Further Assurances. The Guarantor agrees to execute and deliver all such instruments and take all such action as the Required Holders may from time to time reasonably request in order to effectuate fully the purposes of this Guaranty Agreement.

Governing Law. This Guaranty Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York, excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Jurisdiction and Process; Waiver of Jury Trial.

The Guarantor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Guaranty Agreement. To the fullest extent permitted by applicable law, the Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

The Guarantor consents to process being served by or on behalf of any holder in any suit, action or proceeding of the nature referred to in Section 14.6(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, [to it at its address specified in Section 13 or at such other address of which such holder shall then have been notified pursuant to Section 13 / or delivering a copy thereof in the manner for delivery of notices specified in Section 13, to [_____] (the "**Process**

Agent"), as its agent for the purpose of accepting service of any process in the United States].[7] The Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

Nothing in this Section 14.6 shall affect the right of any holder to serve process in any manner permitted by law, or limit any right that the holders may have to bring proceedings against the Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

[The Guarantor hereby irrevocably appoints the Process Agent to receive for it, and on its behalf, service of process in the United States.][8]

THE GUARANTOR AND THE HOLDERS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS GUARANTY AGREEMENT OR OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH.

Obligation to Make Payment in United States Dollars.

(a) Any payment on account of an amount that is payable hereunder in Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Guarantor, shall constitute a discharge of the obligation of the Guarantor under this Guaranty Agreement only to the extent of the amount of Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to such holder, the Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Guaranty Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder under any judgment or order. As used herein the term "London Banking Day"

[7] Use process agent references if Guarantor is a non-U.S. entity.
[8] To be included if Guarantor is a non-U.S. entity.

shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

(b) Any payment on account of an amount that is payable hereunder in Sterling which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Guarantor, shall constitute a discharge of the obligation of the Guarantor under this Guaranty Agreement only to the extent of the amount of Sterling which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Sterling that could be so purchased is less than the amount of Sterling originally due to such holder, the Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Guaranty Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Reproduction of Documents; Execution. This Guaranty Agreement may be reproduced by any holder by any photographic, photostatic, electronic, digital, or other similar process and such holder may destroy any original document so reproduced. The Guarantor agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such holder in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 14.8 shall not prohibit the Guarantor or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction. A facsimile or electronic transmission of the signature page of the Guarantor shall be as effective as delivery of a manually executed counterpart hereof and shall be admissible into evidence for all purposes.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty Agreement to be duly executed and delivered as of the date and year first above written.

[NAME OF GUARANTOR]

By: _____
Name:
Title:

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Ralph Schlosstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Evercore Inc. (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.

Dated: August 1, 2019

/ s / RALPH SCHLOSSTEIN

Ralph Schlosstein
Chief Executive Officer and Director

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Robert B. Walsh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Evercore Inc. (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.

Dated: August 1, 2019

/ s / ROBERT B. WALSH

Robert B. Walsh
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Evercore Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ralph Schlosstein, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 1, 2019

/ s / RALPH SCHLOSSTEIN

Ralph Schlosstein
Chief Executive Officer and Director

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Evercore Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert B. Walsh, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 1, 2019

/ s / ROBERT B. WALSH

Robert B. Walsh
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.