

CORPORATE GOVERNANCE GUIDELINES OF LAZARD LTD

1. Director Qualifications and Board Composition

Independence and Qualifications. The Board will have a majority of Directors who meet the criteria for independence required by the New York Stock Exchange. The Nominating & Governance Committee is responsible for reviewing the qualifications and independence of the members of the Board and its various committees on a periodic basis as well as the composition of the Board as a whole. This assessment will include members' qualification as independent, as well as consideration of diversity, skills, and experience in the context of the needs of the Board. Nominees for Directorship will be recommended to the Board by the Nominating & Governance Committee in accordance with the policies and principles in its charter. The invitation to join the Board may be extended by the Board itself, by the Chairman of the Nominating & Governance Committee or the Chairman of the Board, following Board approval.

Size of the Board. The Board presently has ten members, eight of whom satisfy the independence standards established by the applicable rules of the SEC and the NYSE. Although the Board considers its present size to be appropriate, it may consider expanding its size to accommodate an outstanding candidate or candidates or reducing its size if the Board determines that a smaller Board would be more appropriate. The Nominating & Governance Committee shall periodically review the size of the Board and recommend any proposed changes to the Board.

Lead Director. Unless the Chairman of the Board is an independent Director, the Board shall appoint a Lead Director whose responsibilities shall include: (i) presiding at meetings of the Board in the absence of the Chairman, including the executive sessions of the non-management members of the Board, and providing feedback to the CEO, other senior executives and key managing directors, as appropriate, from such executive sessions of the non-management directors; (ii) for the purpose of facilitating timely communication, serving as a liaison between (1) the non-management directors (including committee chairpersons) and (2) the CEO, other senior executives and, in consultation with the CEO, key managing directors regarding significant matters (without impeding or replacing direct communication between the CEO and other directors or between or among other directors); (iii) with input from the other non-management directors, (1) reviewing and approving Board meeting schedules and the agendas for such meetings and (2) calling meetings of the non-management directors and setting the agendas in connection with such meetings; (iv) reviewing and approving information to be sent to the Board in advance of Board meetings; (v) together with the Board, providing oversight and advice to the CEO regarding corporate strategy, direction and implementation of initiatives; (vi) in consultation with the CEO, identifying and supporting talented individuals within the Company; (vii) being available for consultation or direct communication with significant shareholders; (viii) together with the Compensation Committee, conducting periodic performance appraisals of the CEO; (ix) coordinating the activities of the chairpersons of Board committees; and (x) performing such other duties as the Board may from time to time delegate to the Lead Director.

Change of Status. Any individual Director who undertakes or assumes a new principal occupation, position or responsibility from that which he or she held when he or she was elected to the Board should volunteer to resign from the Board. The Board does not believe that in every instance that Directors who undertake or assume a new occupation, position or responsibility from that which they held when they joined the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, through the Nominating & Governance Committee, to review the continued appropriateness of Board membership under the circumstances.

Other Directorships. Directors should advise the Chairman of the Board and the Chairman of the Nominating & Governance Committee in advance of accepting an invitation to serve on another public company board. There should be an opportunity for the Board, through the Nominating & Governance Committee, to review the Director's availability to fulfill his or her responsibilities as a Director if he or she serves on more than three other public company boards.

Term Limits. The Board does not have term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they carry the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, to provide an increasing contribution to the Board and the Company.

2. Director Responsibilities

Business Judgment; Indemnification. The basic responsibility of the Directors is to exercise their business judgment in good faith, to act in what they reasonably believe to be the best interests of the Company. In discharging that obligation, Directors shall be entitled to rely on the honesty and integrity of their fellow Directors and of the Company's senior executives, outside advisors and outside auditors. The Directors shall also be entitled to have the Company purchase reasonable Directors' and officers' liability insurance on their behalf, and to the benefits of indemnification to the fullest extent permitted by law, the Company's articles of association and any indemnification agreements.

Meetings. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting will generally be distributed in writing to the Directors before the meeting, and Directors should review these materials in advance of the meeting.

Matters to be Considered. The Chairman will establish, and the Lead Director will review and approve, the agenda for each Board meeting. At the beginning of the year, the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the

principal issues that the Company will face in the future during at least one Board meeting each year.

Meetings of Outside Directors. The non-management Directors will meet periodically in executive session. If the non-management directors include any directors who are not “independent” pursuant to the Board’s standards for determining independence, at least one executive session will include only independent Directors. Unless the Chairman of the Board is an independent Director, the Lead Director will preside at these meetings.

Communications. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members will do this only with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

3. Board Committees

Committees and Members. The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating & Governance Committee. All of the members of these committees will be independent Directors under the criteria established by the New York Stock Exchange and, in the case of the Audit Committee and the Compensation Committee, Section 10A(m)(3) and Section 10C(a)(3), respectively, of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. In general, committee members will be appointed by the Board with consideration of the desires and preferences of individual Directors. Due consideration will be given to rotating committee members periodically, but rotation will not be mandated as a policy and the emphasis will instead be based on expertise, past performance and director preference.

Committee Charters. Each committee will have its own charter. The charters will set forth the purposes, goals, responsibilities and authority (consistent with any applicable bylaws or resolutions of the Board) of the committees, as well as certain specific qualifications for committee membership and procedures for committee member appointment; in addition, the charters will address committee reporting to the Board. The charters will also provide that each committee will annually evaluate its own performance and report the results of this evaluation to the Board.

Committee Meetings. The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee’s charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee’s agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all Directors.

Independent Advisors. The Board shall have the power to hire at the expense of the Company independent legal, financial or other advisors as it may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

Additional Committees. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

4. Director Access to Officers and Employees

Full Access. Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and does not inappropriately disclose any confidential or sensitive information in the possession of the Director and will inform, to the extent not inappropriate, the CEO of any communications between a Director and an officer or employee of the Company.

Non-Director Attendance at Board Meetings. The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management of the Company as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives. If the CEO wishes to have additional Company personnel attend on a regular basis, this suggestion should be brought to the Board for consideration.

5. Director Compensation

The form and amount of Director compensation will be determined by the Nominating & Governance Committee in accordance with the policies and principles set forth in its charter and any NYSE or other applicable rules, and that committee will conduct an annual review of Director compensation. The Nominating & Governance Committee will consider that Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a Director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

6. Director Orientation and Continuing Education

All new Directors must participate in the Company's orientation. The orientation will include presentations by senior management to familiarize new Directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. These presentations may be made at Board dinners or as a part of a general Board meeting.

7. CEO Evaluation and Management Succession.

CEO Review. The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to confirm that the CEO is providing effective leadership for the Company in the long- and short-term.

Succession Planning. The Chairman of the Nominating & Governance Committee will join the Compensation Committee for succession discussions. Succession planning will be discussed periodically during executive sessions of the Nominating & Governance Committee meeting as a topic. The Compensation Committee will periodically report to the Board on succession planning. The entire Board will work with the Compensation Committee to nominate and evaluate potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

8. Annual Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating & Governance Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.