

Evercore Partners Inc.  
Form DEF 14A  
April 27, 2012  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**SCHEDULE 14A**  
**(Rule 14a-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF**  
**THE SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

**EVERCORE PARTNERS INC.**  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Edgar Filing: Evercore Partners Inc. - Form DEF 14A

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

EVERCORE PARTNERS INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

June 7, 2012

The Annual Meeting of Stockholders of Evercore Partners Inc. will be held at the offices of Simpson Thacher and Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, on June 7, 2012, at 9:30 a.m., local time, for the following purposes:

to elect the eight director nominees identified in the accompanying Proxy Statement;

to approve the Amended and Restated 2006 Evercore Partners Inc. Stock Incentive Plan;

to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2012; and

to transact such other business as may properly come before our Annual Meeting of Stockholders or any adjournments or postponements thereof.

Our Board of Directors has fixed the close of business on April 13, 2012 as the record date for the determination of stockholders entitled to notice of and to vote at our Annual Meeting and any adjournments or postponements of that meeting.

**To be sure that your shares are properly represented at our Annual Meeting, whether you attend or not, please complete, sign, date and promptly mail the enclosed proxy card in the enclosed envelope. If your shares are held in the name of a bank, broker or other holder of record, their procedures should be described on the voting form they send to you.**

If you plan to attend the Annual Meeting of Stockholders in person, you will need to bring photo identification. In addition, if your shares are held in the name of a bank, broker or other holder of record, please bring with you a letter (and a legal proxy if you wish to vote your shares) from the bank, broker or other holder of record confirming your ownership as of the record date and photo identification. See "What do I need to do if I want to attend the Annual Meeting" on page 4 of the Proxy Statement.

Along with the attached Proxy Statement for the Annual Meeting of Stockholders, we are enclosing our 2011 Annual Report to Stockholders, which includes our financial statements.

BY ORDER OF THE BOARD OF DIRECTORS

Adam B. Frankel

Secretary

April 27, 2012

**Table of Contents**

**EVERCORE PARTNERS INC.**

**55 East 52<sup>nd</sup> Street**

**38<sup>th</sup> Floor**

**New York, New York 10055**

**PROXY STATEMENT**

Our Board of Directors is soliciting proxies to be voted at the Annual Meeting of Stockholders to be held at the offices of Simpson Thacher and Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, on June 7, 2012, at 9:30 a.m., local time, and at any adjournments or postponements of the Annual Meeting.

This Proxy Statement and the enclosed proxy card or voting instruction card and the 2011 Annual Report to Stockholders (which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2011) are first being mailed to you and other stockholders on or about April 27, 2012.

**TABLE OF CONTENTS**

	<b>Page</b>
<u>GENERAL INFORMATION</u>	1
<u>ANNUAL REPORT</u>	6
<u>PROPOSAL 1 - ELECTION OF DIRECTORS</u>	7
<u>EXECUTIVE OFFICERS</u>	11
<u>RELATED PERSON TRANSACTIONS AND OTHER INFORMATION</u>	13
<u>CORPORATE GOVERNANCE</u>	21
<u>DIRECTOR COMPENSATION</u>	27
<u>COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	28
<u>COMPENSATION COMMITTEE REPORT</u>	49
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	50
<u>PROPOSAL 2 - APPROVAL OF AMENDED AND RESTATED STOCK INCENTIVE PLAN</u>	53
<u>REPORT OF THE AUDIT COMMITTEE</u>	60
<u>PROPOSAL 3 - RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	61
<u>STOCKHOLDER PROPOSALS FOR 2013 ANNUAL MEETING</u>	63
<u>HOUSEHOLDING OF ANNUAL MEETING MATERIALS</u>	63
<u>OTHER MATTERS</u>	63
<u>APPENDIX A - AMENDED AND RESTATED 2006 EVERCORE PARTNERS INC. STOCK INCENTIVE PLAN</u>	A-1

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR**

**THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 7, 2012**

The Notice of Annual Meeting, Proxy Statement, Form of Proxy and 2011 Annual Report to Stockholders are also available at [www.proxyvote.com](http://www.proxyvote.com)

**Table of Contents**

**GENERAL INFORMATION**

**Why am I receiving this Proxy Statement?**

Our Board of Directors ( *Board* ) is soliciting proxies for our Annual Meeting of Stockholders ( *Annual Meeting* ) and we will bear the cost of this solicitation. You are receiving a Proxy Statement because you owned shares of our Class A common stock and/or our Class B common stock as of the close of business on April 13, 2012, the record date. Your ownership of shares on that date entitles you to vote at our Annual Meeting. By using the attached proxy card or voting instruction card, you are able to vote whether or not you attend our Annual Meeting. This Proxy Statement describes the matters on which we would like you to vote and provides information on those matters so that you can make an informed decision when you do vote.

**What will I be voting on?**

You will be voting:

to elect the eight director nominees identified in this Proxy Statement;

to approve the Amended and Restated 2006 Evercore Partners Inc. Stock Incentive Plan (the *Amended and Restated Stock Incentive Plan* );

to ratify the selection of Deloitte & Touche LLP ( *Deloitte* ) as our independent registered public accounting firm for 2012; and

to transact such other business as may properly come before our Annual Meeting or any adjournments or postponements thereof.

**What are the Board's recommendations?**

Our Board recommends:

a vote **FOR** the election of each of Roger C. Altman, Pedro Aspe, Richard I. Beattie, Francois de Saint Phalle, Gail B. Harris, Curt Hessler, Anthony N. Pritzker and Ralph L. Schlosstein to serve until the next Annual Meeting or until their successors are duly elected and qualified;

a vote **FOR** the approval of the Amended and Restated Stock Incentive Plan; and

a vote **FOR** the ratification of the selection of Deloitte as our independent registered public accounting firm for 2012.

**How do I vote?**

You can vote either in person at our Annual Meeting or by proxy without attending our Annual Meeting. To vote by proxy you may vote by telephone, on the internet or through the mail as follows, which instructions are also set forth on your proxy card:

*Vote by Internet* - [www.proxyvote.com](http://www.proxyvote.com): Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

## Edgar Filing: Evercore Partners Inc. - Form DEF 14A

*Vote by Phone* - 1-800-690-6903: Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

*Vote by Mail*: Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717 so that it is received no later than the day before the meeting date.

-1-

## **Table of Contents**

We urge you to vote by proxy even if you plan to attend our Annual Meeting so that we will know as soon as possible that enough votes will be present for us to hold the Annual Meeting and so your vote will be counted if you later decide not to attend the Annual Meeting. If you are voting by mail, you should follow the instructions set forth on the proxy card, being sure to complete it, to sign and date it and to mail it in the enclosed postage-paid envelope. If you attend the Annual Meeting in person, you may vote at the meeting and your proxy will not be counted.

If your shares are held through a bank, broker or other holder of record (i.e., in *street name* ) please refer to the information forwarded to you by your bank, broker or other holder of record to see what you must do in order to vote your shares. If you want to vote in person, you must obtain a legal proxy from your bank, broker or other holder of record and bring it to the meeting.

### **What is the difference between holding shares as a stockholder of record and as a beneficial owner or street name holder?**

If your shares are registered directly in your name with our transfer agent, Computershare Shareowner Services LLC, you are considered, with respect to those shares, the *stockholder of record*. We have sent the notice of Annual Meeting, Proxy Statement, 2011 Annual Report to Stockholders ( *Annual Report* ) and proxy card directly to you.

If your shares are held in a stock brokerage account or by a bank, broker or other holder of record, you are considered the *beneficial owner* of shares held in street name. The notice of the Annual Meeting, the Proxy Statement, the Annual Report and a voting instruction card have been forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting.

### **What constitutes a quorum?**

The holders of a majority in voting power of the issued and outstanding shares of stock entitled to vote must be present in person or represented by proxy to constitute a quorum for the Annual Meeting. Abstentions are counted as present and entitled to vote for purposes of determining a quorum. Shares represented by broker non-votes (as defined below) also are counted as present and entitled to vote for purposes of determining a quorum. However, if you hold your shares in street name and do not provide voting instructions to your bank, broker or other holder of record, your shares will not be voted on any proposal on which your bank, broker or other holder of record does not have discretionary authority to vote (a *broker non-vote* ).

### **Can I change my vote?**

Yes. At any time before your proxy is voted, you may change your vote by:

revoking it by written notice to our Corporate Secretary at Evercore Partners Inc., 55 East 52<sup>nd</sup> Street, 38<sup>th</sup> Floor, New York, New York 10055;

delivering a later-dated proxy card; or

voting in person at our Annual Meeting.

If your shares are held in street name, please refer to the information forwarded to you by your bank, broker or other holder of record for procedures on revoking or changing your vote.

### **How many votes do I have?**

If you are a holder of our Class A common stock, then you are entitled to one vote at our Annual Meeting for each share of our Class A common stock that you held as of the close of business on April 13, 2012.





## **Table of Contents**

If you are a holder of our Class B common stock, then you are entitled to a number of votes at our Annual Meeting equal to the total number of vested and unvested partnership units in Evercore LP, a Delaware limited partnership ( *Evercore LP* ), that you held as of the close of business on April 13, 2012.

If you hold restricted stock units ( *RSUs* ), you will not be entitled to vote the shares underlying such restricted stock units until you actually receive delivery of the shares of Class A common stock underlying such units.

All matters on the agenda for our Annual Meeting or any adjournments or postponements thereof will be voted on by the holders of our Class A common stock and Class B common stock, voting together as a single class.

As of April 13, 2012, the record date for our Annual Meeting, we had 29,048,453 shares of Class A common stock outstanding and 47 shares of Class B common stock outstanding that will carry an aggregate of 10,484,795 votes (an aggregate number of votes that is equal to the number of vested and unvested Evercore LP partnership units outstanding on such date, excluding Class B-4 units and excluding units held by Evercore Partners Inc., which we refer to in these proxy materials as *we*, *us*, *our*, *Evercore* or the *Company* ).

### **How many votes are required to approve each proposal?**

The election of the directors listed herein will be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of such directors. A plurality vote requirement means that the director nominees listed herein with the greatest number of votes cast, even if less than a majority, will be elected.

A majority of the votes cast at the Annual Meeting will determine the approval of the Amended and Restated Stock Incentive Plan and ratification of the appointment of the independent registered public accounting firm.

It is important to note that the proposal to ratify the selection of the independent registered public accounting firm is non-binding and advisory. If our stockholders fail to ratify the selection, the selection of another independent registered public accounting firm will be considered by our Board. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

### **How are votes counted?**

*Abstentions and Withheld Votes:* With respect to the election of directors listed herein, votes may be cast in favor of or withheld from each nominee. Votes that are withheld will be excluded entirely from the vote with respect to the nominee from which they are withheld. Abstentions and votes that are withheld will not have any effect on the outcome of the election of directors. In determining whether (1) the Amended and Restated Stock Incentive Plan has been approved and (2) the selection of the independent registered public accounting firm is ratified, abstentions will have no effect on the outcome of any of these proposals.

*Broker Non-Votes:* Broker non-votes occur when shares held in street name are not voted with respect to a proposal because (1) the bank, broker or other holder of record has not received voting instructions from the stockholder who beneficially owns the shares and (2) the bank, broker or other holder of record lacks the authority to vote the shares at his/her discretion. Under current New York Stock Exchange ( *NYSE* ) rules that govern broker non-votes, the election of directors listed herein and the vote to approve the Amended and Restated Stock Incentive Plan are considered non-discretionary matters and a bank, broker or other holder of record will lack the authority to vote shares at his/her discretion on these proposals. Ratification of the

## **Table of Contents**

appointment of Deloitte as our independent registered public accounting firm is considered a discretionary matter and a bank, broker or other holder of record will be permitted to exercise his/her discretion. These NYSE rules govern all banks, brokers and other holders of record. Consequently, the rules affect all public companies that have shares held in street name. Accordingly, if your shares are held in street name and you do not submit voting instructions to your bank, broker or other holder of record, your shares will not be counted in determining the outcome of the election of directors listed herein and the vote to approve the Amended and Restated Stock Incentive Plan. Broker non-votes will have no effect on the outcome of any of these matters.

### **What if I do not specify a choice for a matter when returning a proxy?**

Stockholders should specify their choice for each matter on the enclosed proxy card or voting instruction card. If no specific instructions are given, proxy cards and voting instruction cards which are signed and returned will be voted as follows at the Annual Meeting or any adjournments or postponements thereof:

**FOR** the election of each of the director nominees listed herein;

**FOR** the approval of the Amended and Restated Stock Incentive Plan; and

**FOR** the ratification of the selection of Deloitte as our independent registered public accounting firm for 2012.

In addition, the persons named in the enclosed proxy will have discretionary authority to vote all proxies with respect to other matters that may properly come before our Annual Meeting or any adjournments or postponements of the meeting in accordance with their judgment.

### **What does it mean if I receive more than one proxy card?**

If you receive more than one proxy card, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card you receive.

### **What happens if a nominee for director declines or is unable to accept election?**

If you vote by signing the proxy card or voting instruction card, and if unforeseen circumstances make it necessary for our Board to substitute another person for a nominee, the proxies named in the proxy card or voting instruction card will vote your shares for that other person.

### **Will anyone contact me regarding this vote?**

In addition to solicitation by mail, proxies may be solicited by our directors, officers or employees in person, by telephone or by other means of communication, for which no additional compensation will be paid.

### **Will the Annual Meeting be webcast?**

Our Annual Meeting will not be webcast.

### **What do I need to do if I want to attend the Annual Meeting?**

All holders of Class A common stock and Class B common stock, including stockholders of record and stockholders who hold their shares through banks, brokers or other holders of record, may attend the Annual Meeting. Stockholders of record can vote in person at the Annual Meeting. If you are not a stockholder of record, you must obtain a proxy executed in your favor, from the record holder of your shares, such as a broker, bank or other holder of record, to be able to vote in person at the Annual Meeting. If you plan to attend the Annual Meeting, **please bring your proxy card and photo identification**. If your shares are held in the name of a bank,



## **Table of Contents**

broker or other holder of record, please bring with you a letter (and a legal proxy if you wish to vote your shares) from the bank, broker or other holder of record confirming your ownership as of the record date, which is April 13, 2012. Failure to bring such a letter may delay your ability to attend, or may prevent you from attending, the meeting. A number of stockholders may wish to speak at the meeting. The Board appreciates the opportunity to hear the views of stockholders. In fairness to all stockholders and participants at the meeting, and in the interest of an orderly and constructive meeting, rules of conduct will be enforced. Copies of these rules will be available at the meeting. Only stockholders or their valid proxy holders may address the meeting. Depending on the number of stockholders who wish to speak, we cannot ensure that every stockholder who wishes to speak will be able to do so or will be able to do so for as long as they might want to hold the floor.

Only proposals that meet the requirements of our Amended and Restated Bylaws will be eligible for consideration at the meeting. This year there are no shareholder proposals that meet the criteria. Therefore, stockholder proposals raised at the meeting will not be considered during the Annual Meeting. Stockholders may submit proposals and other matters for consideration at the 2013 Annual Meeting as described in **STOCKHOLDER PROPOSALS FOR 2013 ANNUAL MEETING.**

The Annual Meeting will be held at the offices of Simpson Thacher and Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, on June 7, 2012, at 9:30 a.m., local time. If you wish to obtain directions to attend the meeting in person, you may send an e-mail to: investorrelations@evercore.com or call (212) 857-3100.

### **Is a list of stockholders available?**

The names of stockholders of record entitled to vote at the Annual Meeting will be available to stockholders at least 10 days prior to our Annual Meeting at our principal executive offices located at 55 East 52<sup>nd</sup> Street, 38<sup>th</sup> floor, New York, New York 10055 during normal business hours, and at the Annual Meeting.

### **How do I find out the voting results?**

Preliminary voting results will be announced at the Annual Meeting, and final voting results will be published in a Current Report on Form 8-K within four business days following the Annual Meeting.

### **When is our fiscal year?**

Our fiscal year ends on December 31<sup>st</sup> of each year. Our 2011 fiscal year was from January 1, 2011 through December 31, 2011. Our 2012 fiscal year will be from January 1, 2012 through December 31, 2012. When we use the term *2011* in these proxy materials, we are referring to our 2011 fiscal year.

### **What is the address of our principal executive offices?**

Our principal executive offices are located at 55 East 52<sup>nd</sup> Street, 38<sup>th</sup> floor, New York, New York 10055.

**Table of Contents**

**ANNUAL REPORT**

**Will I receive a copy of the Annual Report?**

We have enclosed our Annual Report with this Proxy Statement. The Annual Report includes our audited financial statements, along with other financial information about us, which we urge you to read carefully.

**How can I receive a copy of the Form 10-K?**

You can obtain, free of charge, a copy of our Form 10-K by:

accessing our Internet site at [www.evercore.com](http://www.evercore.com) and clicking on the Investor Relations link;

writing to Investor Relations at Evercore Partners Inc., 55 East 52<sup>nd</sup> Street, 38<sup>th</sup> floor, New York, New York 10055; or

telephoning us at (212) 857-3100.

You can also obtain a copy of our Form 10-K and other periodic filings that we make with the Securities and Exchange Commission ( SEC ) from the SEC s EDGAR database at [www.sec.gov](http://www.sec.gov).

**Table of Contents****PROPOSAL 1 - ELECTION OF DIRECTORS**

Our Amended and Restated Certificate of Incorporation provides that our Board will consist of that number of directors determined from time to time by our Board. Acting upon the recommendation of its Nominating and Corporate Governance Committee, our Board has nominated eight persons identified herein for election as directors, each of whom are directors currently, to hold office until the next Annual Meeting or until the election and qualification of their successors.

**Nominees**

Set forth below are the names of the nominees for election as our directors; their ages and principal occupations as of April 13, 2012; and their biographical information.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Director Since</b>
Roger C. Altman	66	Executive Chairman, Co-Chairman of the Board and Director	2006
Pedro Aspe	61	Co-Chairman of the Board and Director	2006
Richard I. Beattie	72	Director	2010
Francois de Saint Phalle	66	Director	2006
Gail B. Harris	59	Director	2006
Curt Hessler	68	Director	2006
Anthony N. Pritzker	51	Director	2006
Ralph L. Schlosstein	61	CEO, President and Director	2009

**Roger C. Altman**, Executive Chairman and Co-Chairman of the Board, co-founded Evercore Partners in 1996 and served as our CEO until May 2009. Since May 2009, Mr. Altman has served as our Executive Chairman. Mr. Altman began his investment banking career at Lehman Brothers Holdings Inc. ( *Lehman Brothers* ) and became a general partner of that firm in 1974. Beginning in 1977, he served as Assistant Secretary of the U.S. Treasury for four years. He then returned to Lehman Brothers, later becoming co-head of overall investment banking, a member of the firm's management committee and its board. He remained in those positions until the firm was sold to Shearson/American Express. In 1987, Mr. Altman joined The Blackstone Group as vice chairman, head of its merger and acquisition advisory business and a member of its investment committee. Mr. Altman also had primary responsibility for Blackstone's international business. Beginning in January 1993, Mr. Altman returned to Washington to serve as Deputy Secretary of the U.S. Treasury for two years.

Mr. Altman is a trustee of New York-Presbyterian Hospital, serving on its investment committee, and also is vice chairman of the board of The American Museum of Natural History. He also serves as chairman of New Visions for Public Schools, a not-for-profit organization that develops and implements programs to effect system-wide improvements in public education in New York City. He is a member of the Council on Foreign Relations and a director of Conservation International. He received an A.B. from Georgetown University and an M.B.A. from the University of Chicago.

**Pedro Aspe**, Co-Chairman of the Board, founded Protego Asesores S. de R.L. ( *Protego* ) in 1996, and serves as Protego's chairman of the board of directors and chief executive officer. Protego's activities include financial advisory services, private equity investment management and, through its subsidiary Protego Casa de Bolsa, S. A. de C. V., investment and risk management advice, trade execution and custody services for client assets. Since 1995, Mr. Aspe has been a professor at the Instituto Tecnológico Autónomo de México located in Mexico City. Mr. Aspe has held a number of positions with the Mexican government and was most recently the Minister of Finance and Public Credit of Mexico from 1988 through 1994.

Mr. Aspe was elected as one of our directors and became an executive officer in connection with our acquisition of Protego. Mr. Aspe is a principal, member of the investment committee and chairman of the

---

**Table of Contents**

advisory board of Discovery Americas I L.P. (the *Discovery Fund* ) and Evercore Mexico Capital Partners II, L.P. ( *EMP II* ). Mr. Aspe serves as a director of Televisa S.A. de C.V. and the McGraw Hill Companies, and serves as a member of the advisory board of Marvin & Palmer.

Mr. Aspe is a member of the board of the Carnegie Foundation and of CIDE in Mexico City. Mr. Aspe received a B.A. in Economics from Instituto Tecnológico Autónomo de México and a Ph.D. in Economics from the Massachusetts Institute of Technology.

**Richard I. Beattie**, is Chairman of Simpson Thacher & Bartlett LLP ( *STB* ), a position he has held since 2004. Mr. Beattie has been a partner of STB since 1977 and had served as Chairman of the Executive Committee of that firm from 1991 to 2004. Mr. Beattie specializes in counseling boards of directors and non-management directors on governance issues, investigations and litigation involving corporate officers and other crisis situations. He also specializes in mergers and acquisitions and leveraged buyouts. Mr. Beattie also has a distinguished record of public service, including serving as General Counsel of the Department of Health, Education and Welfare during President Carter's administration and as a Senior Advisor to the Secretary of State for Reorganization Issues in 1997 during President Clinton's administration. From 1995 to 1997, Mr. Beattie served as President Clinton's Emissary for Cyprus. He is a member of the board of directors of Harley-Davidson, Inc. and Heidrick & Struggles International, Inc.

Mr. Beattie is also a member of the board of directors of the Carnegie Corporation and the National Women's Law Center, as well as a member of the Council on Foreign Relations, Vice Chairman of the Board of Overseers and Managers of Memorial Sloan-Kettering Cancer Center and Chairman of the Board of Managers of Memorial Hospital for Cancer and Allied Diseases. Mr. Beattie is also chairman of the board and founder of New Visions for Public Schools. Mr. Beattie joined STB in 1968 after graduating from the University of Pennsylvania Law School. Prior to law school, he served four years in the Marine Corps as a jet pilot after graduating from Dartmouth College in 1961.

**Francois de Saint Phalle**, has been a private equity investor, financial advisor and investment banker for more than 35 years. Mr. de Saint Phalle has been a private investor since 2000 and was a consultant for Evercore from 2000 to 2002. From 1989 to 2000 he was chief operating officer and vice chairman of Dillon, Read & Co. Inc. before it was merged into UBS AG. In this capacity he was responsible for the oversight of the firm's capital commitments in debt and equity markets. Previously, Mr. de Saint Phalle worked for 21 years at Lehman Brothers. He was named a general partner of the firm in 1976 and at various points he managed the Corporate Syndicate Department, the Equity Division and co-headed the Corporate Finance Department. From 1985 to 1989 he served as chairman of Lehman International, with a primary responsibility for developing a coordinated international finance strategy with American Express, which had acquired Lehman in 1984. He was named to Lehman's Operating and Compensation Committees in 1980. Mr. de Saint Phalle is also a director of BlackRock Kelso Capital Corporation and serves on its audit and governance committees.

Mr. de Saint Phalle is a member emeritus of the board of visitors of Columbia College. He received his B.A. from Columbia College.

**Gail B. Harris**, was a corporate partner at STB from 1984 to 1998. Ms. Harris has extensive experience in general corporate and securities work, joint ventures, partnerships, acquisitions and dispositions. Her practice included an emphasis on media companies and joint ventures. While at STB, Ms. Harris also represented issuers and underwriters in public equity and debt transactions and in the development of new financial products. Ms. Harris is a director of CIGNA Life Insurance Company of New York and chair of the outside directors committee. Additionally, Ms. Harris is an adjunct professor of law at Ohio State University of Moritz College of Law, where she participates in their Distinguished Practitioners in Residence Program in Business Law. She is also the president of the board of directors of New York Cares, a leading non-profit organization which creates and manages volunteer programs in New York City for over 1200 agencies, non-profits and public schools.



**Table of Contents**

Ms. Harris serves on the Dean's Advisory Council of Stanford Law School and the Stanford Law School Campaign Steering Committee. She was formerly a member of the executive committee of the Stanford Law School board of visitors and is a former chair of the National Law Fund of Stanford Law School. Ms. Harris received a B.A. with distinction from Stanford University and a J.D. from Stanford Law School.

**Curt Hessler**, has been an adjunct professor at the UCLA School of Law since 2003. Mr. Hessler has held various CEO and board-level leadership positions in media and information technology companies. In 1998, Mr. Hessler founded 101 Communications LLC, an information technology media company, as CEO and served as the company's chairman until its sale in 2006. From 1985 to 1991, he was vice-chairman and chief financial officer of Unisys Corporation; from 1991 to 1995, he was executive vice president of Times Mirror Company; he was chairman of I-net. Inc. during 1996; and he was president of Quarterdeck Corporation in 1997 and 1998. From 1981 to 1983, Mr. Hessler practiced law as a partner at Paul Weiss Rifkind Wharton & Garrison. From 1976 to 1981, Mr. Hessler served as the U.S. Assistant Secretary of the Treasury for Economic Policy, executive director of the President's Economic Group, and associate director of OMB. He clerked for Judge J. Skelly Wright of the U.S. Court of Appeals in D.C. from 1973 to 1974 and then clerked for Justice Potter Stewart of the U.S. Supreme Court from 1974 to 1975. Mr. Hessler is currently a director of Learning Tree International, Inc. and serves on its compensation and governance committees.

Mr. Hessler received a B.A. from Harvard College, a J.D. from Yale Law School and an M.A. from the University of California at Berkeley. He was also a Rhodes Scholar of Balliol College at Oxford.

**Anthony N. Pritzker**, is a co-founder of The Pritzker Group, a private investment firm representing Pritzker family interests which partners with management teams in leveraged buyouts, acquisitions and recapitalizations of middle-market companies across a broad range of manufacturing, distribution and service industry sectors, where he has served as managing partner since January 2004. He has also served as chairman of Am-Safe, Inc. since September 2004. Mr. Pritzker has over 20 years of experience leading middle-market manufacturing and distribution companies. From 2000 to 2004, he served as president of Baker Tanks, a leading tank and pump equipment rental company. In 1998, he was appointed by the Marmon Group to oversee Stainless Industrial Companies, a portfolio of several industrial manufacturing companies. Mr. Pritzker served as president of Stainless Industrial Companies from January 1998 to December 2005. From 1996 to 1998, he served as the regional vice president of operations in Asia for Getz Bros. & Co. Prior to 1996, Mr. Pritzker was a group executive at the Marmon Group and directed operations at Arzo, MD Tech, Micro-Aire, Oshkosh Door and Fenestra.

Mr. Pritzker is a trustee of the California Institute of the Arts, serves as a director for Heal The Bay and is a member of the Dartmouth board of overseers. Mr. Pritzker graduated with a B.A. from Dartmouth College and an M.B.A. from the University of Chicago.

**Ralph L. Schlosstein**, has served as our CEO and President since May 22, 2009, and prior to joining Evercore, was the CEO of HighView Investment Group, an alternative investment management firm. Prior to forming HighView in 2008, Mr. Schlosstein was for over 20 years the President of BlackRock, Inc. ( *Blackrock* ), a publicly traded asset management firm. Mr. Schlosstein co-founded BlackRock in 1988, was a director, chaired BlackRock's management committee, and served on its executive committee and its investment committee. Prior to founding BlackRock in 1988, Mr. Schlosstein was a managing director in Investment Banking at Lehman Brothers. While at Lehman, Mr. Schlosstein started the firm's interest rate swap business and led its Mortgage and Savings Institutions Group. From 1977 to 1981, Mr. Schlosstein worked for the Federal government. Initially, he was deputy to the assistant secretary of the Treasury Department. In mid-1977, he became associate director of The White House Domestic Policy Staff where he was responsible for advising President Carter on urban policy, economic development and housing issues, as well as the Chrysler loan guarantee program. From 1974 to 1977, Mr. Schlosstein was an economist for the Congressional Joint Economic Committee.

Mr. Schlosstein is a member of the visiting board of overseers of the John F. Kennedy School of Government at Harvard University, a trustee of the American Museum of Natural History, a director of New

---

## **Table of Contents**

Visions for Public Schools, and a trustee of The Public Theater in New York City. Previously, Mr. Schlosstein was a director of Pulte Corporation, the nation's largest homebuilder, a trustee of Denison University, and a trustee of Trinity School in New York City. He earned a BA degree in economics, cum laude, from Denison University in 1972, and completed his coursework for a Masters of Public Policy from the Graduate School of Public and International Affairs at the University of Pittsburgh.

### **Qualifications of Nominees Considered by the Board**

When considering whether director nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board to satisfy its oversight responsibilities effectively in light of our business and structure, the Nominating and Corporate Governance Committee and the Board focused primarily on the information discussed in each director's individual biography set forth above. In particular, with regard to Mr. Altman, the Board considered his position as a founder and his experience as CEO, his extensive knowledge of our industry and his investment banking and government experience prior to founding Evercore. With regard to Mr. Aspe, the Board considered his experience as a founder and CEO of Protego, a business that was and is involved in similar business lines as our U.S. operations, along with Mr. Aspe's reputation and stature in Mexico, Latin America generally and the United States due to his senior level government experience and board experience with major multi-national corporations. With regard to Mr. Beattie, the Board considered his leadership experience at STB and his legal experience counseling boards on governance issues, his experience advising multi-national companies on a wide range of business transactions and his experience serving on other boards. With regard to Mr. de Saint Phalle, the Board considered his extensive experience in investment banking, private equity, corporate finance and the investment management industry and his experience with financial and accounting matters. With regard to Ms. Harris, the Board considered her legal experience representing investment banks and multi-national companies on a wide range of business transactions and corporate governance matters, and evaluating and forming complex legal structures and arrangements with respect to acquisitions, joint ventures and mergers, and her director experience. With regard to Mr. Hessler, the Board considered his experience in executive level management at companies with complex multi-national operations, including service with multiple public companies, his board experience, his legal experience and his experience in government affairs, including having previously served as the U.S. Assistant Secretary of the Treasury for Economic Policy and as executive director of the President's Economic Group. With regard to Mr. Pritzker, the Board considered his experience as a founder of businesses and his extensive investment and management experience, having over 20 years of experience leading middle-market manufacturing and distribution companies. With regard to Mr. Schlosstein, the Board considered his service as our CEO and President and his investment and financial management experience, including his leadership experience as the President and co-founder of BlackRock for over 20 years.

To find additional information on these directors, see **RELATED PERSON TRANSACTIONS AND OTHER INFORMATION**.

### **Board Recommendation**

Our Board of Directors unanimously recommends a vote **FOR** the election of each of Roger C. Altman, Pedro Aspe, Richard I. Beattie, Francois de Saint Phalle, Gail B. Harris, Curt Hessler, Anthony N. Pritzker and Ralph L. Schlosstein, each of whom has also been recommended by our Nominating and Corporate Governance Committee, which is comprised exclusively of independent directors.

Unless authority to vote for one or more of the nominees is specifically withheld according to the instructions, the proxies named in the enclosed proxy card will be voted **FOR** the election of Messrs. Altman, Aspe, Beattie, de Saint Phalle, Hessler, Pritzker and Schlosstein and Ms. Harris. Our Board does not contemplate that any of the nominees will be unable to serve as a director, but if that contingency should occur prior to the Annual Meeting, the persons named as proxies in the enclosed proxy card reserve the right to vote for such substitute nominee or nominees as they, in their discretion, may determine.

---

**Table of Contents**

**EXECUTIVE OFFICERS**

Set forth below are biographical summaries of our executive officers as of April 13, 2012.

See **PROPOSAL 1 - ELECTION OF DIRECTORS** above for information about Messrs. Altman, Aspe and Schlosstein.

**Adam B. Frankel** (44), General Counsel, is responsible for our legal and compliance functions. Prior to joining us in July 2006, Mr. Frankel was senior vice president, general counsel and corporate secretary of Genesee & Wyoming Inc. from 2003 to 2006, a leading owner and operator of short line and regional freight railroads in the United States, Canada, Mexico, Australia and Bolivia. Mr. Frankel was also responsible for matters related to human resources and government affairs. Prior to that, Mr. Frankel worked from 1999 until 2003 as a corporate and transactions attorney in the office of the general counsel at Ford Motor Company. From 1995 until 1999, Mr. Frankel was an associate at STB in London and New York.

Mr. Frankel was a member of the board of directors and the compensation and audit committees of Picis, Inc., an established provider of innovative health care information technology solutions focused on the delivery of patient care in the high acuity areas of the hospital. Mr. Frankel is a member of the Council on Foreign Relations, a member of the Board of Visitors of Stanford Law School, and a trustee at the HealthCare Chaplaincy and at the Sesame Workshop. He has a B.A. from Brown University and a J.D. from Stanford Law School.

**Andrew Sibbald** (45), serves as CEO of Evercore Partners International LLP ( Evercore LLP ). Mr. Sibbald was previously the co-founder, senior partner and a managing director of the Lexicon Partnership LLP ( Lexicon ), a leading U.K. independent investment banking advisory firm, which was acquired by us in August of 2011. Upon the closing of that acquisition, Mr. Sibbald became the CEO of our European Advisory business. Mr. Sibbald co-founded Lexicon in 2000. From 1997 to 2000, Mr. Sibbald served as a managing director of the Financial Institutions Group at Donaldson, Lufkin & Jenrette, where he led a team specializing in mergers and acquisitions in the financial institutions sector. From 1993 to 1997, he served as a Partner at The Phoenix Partnership, a corporate advisory and private equity business which was acquired by Donaldson, Lufkin & Jenrette in 1997. Prior to joining The Phoenix Partnership, he worked in the Financial Institutions Group at Chemical Bank and the Financial Institutions Group at Manufacturers Hanover.

Mr. Sibbald was a Non-Executive Director of Homeserve Plc between 2007 and 2011. Mr. Sibbald has a BSc (Hons) from Bristol University, U.K.

**Robert B. Walsh** (55), CFO, is responsible for our financial, tax, information technology and facilities functions and certain similar functions for our private equity funds. Mr. Walsh was appointed CFO in June of 2007. Prior to joining us, Mr. Walsh was a senior partner at Deloitte, our independent registered public accounting firm, where he had been employed for the previous 27 years. At Deloitte, Mr. Walsh was responsible for managing Deloitte's relationship with a variety of leading financial services industry clients, served as deputy managing partner and was directly responsible for managing its national advisory services businesses. At Deloitte, Mr. Walsh did not have any responsibility for our account. Mr. Walsh received a Bachelor of Science degree from Villanova University. Mr. Walsh currently serves on the board of directors of New York Cares and IFA Insurance Company, a privately held property-casualty insurer, and is a trustee of the Oak Knoll School of the Holy Child.

Each of our executive officers serves at the discretion of our Board without specified terms of office.

Effective August 19, 2011, in connection with Evercore's acquisition of Lexicon and Mr. Sibbald becoming CEO of Evercore LLP, Bernard J. Taylor ceased to serve as an executive officer of Evercore. Effective February 21, 2012, Eduardo Mestre ceased to serve as an executive officer of Evercore due to his focus exclusively on delivering client services in our advisory business. For a further discussion on Mr. Mestre's change in responsibilities, see **COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS Employment Agreements Employment Agreement with Eduardo Mestre**.

**Table of Contents**

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the *Exchange Act*, requires our directors and executive officers, and any persons who beneficially own more than 10% of our stock, to file with the SEC initial reports of ownership and reports of changes in ownership in our stock. Such persons are required by SEC regulations to furnish to us copies of all Section 16(a) forms they file. As a matter of practice, our administrative staff assists our directors and officers in preparing and filing such reports with the SEC.

To our knowledge, based solely on the review of the reports filed by us on behalf of these individuals and written representations that no other reports were required since January 1, 2011, except as previously disclosed, all such Section 16(a) filing requirements were met, except that a Form 4 was filed late on behalf of Mr. Taylor in connection with Mr. Taylor making a bona fide gift of securities directly held by him to a not-for-profit institution.

**Table of Contents****RELATED PERSON TRANSACTIONS AND OTHER INFORMATION****Tax Receivable Agreement**

Partnership units in Evercore LP are held by current and former Senior Managing Directors ( *SMDs* ) who provided services to our predecessor entities prior to our initial public offering (our *IPO* ) and by Mr. Schlosstein. Other executive officers who hold partnership units in Evercore LP include Messrs. Altman, Aspe, Mestre and Frankel. Partnership units in Evercore LP may be exchanged for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Evercore LP has made and intends to make an election under Section 754 of the Internal Revenue Code of 1986, as amended (the *Code* ) effective for each taxable year in which an exchange of partnership units for shares occurs, which may result in an adjustment to the tax basis of the assets owned by Evercore LP at the time of an exchange of partnership units. The exchanges have resulted and may in the future result in increases in the tax basis of the tangible and intangible assets of Evercore LP that otherwise would not have been available. These increases in tax basis increased and in the future would increase (for tax purposes) amortization and, therefore, reduce the amount of tax that we would otherwise be required to pay.

In connection with our IPO we entered into a tax receivable agreement with certain of our current and former SMDs who were partners prior to our IPO, including Messrs. Altman, Aspe, Frankel and Mestre, that provides for the payment by us to an exchanging Evercore partner of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that we actually realize as a result of these increases in tax basis. We retain the economic benefit of the remaining 15% of cash savings, if any, of the tax benefits that we realize. For purposes of the tax receivable agreement, cash savings in income tax will be computed by comparing our actual income tax liability to the amount of such taxes that we would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of Evercore LP as a result of the exchanges and had we not entered into the tax receivable agreement. The term of the tax receivable agreement will continue until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the tax receivable agreement for an amount based on agreed payments remaining to be made under the agreement.

While the actual amount and timing of any payments under this agreement will vary depending upon a number of factors, including the timing of exchanges, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that, as a result of the size of the increases of the tangible and intangible assets of Evercore LP attributable to our interest in Evercore LP, during the expected term of the tax receivable agreement, the payments that we may make to such SMDs could be substantial. Although we are not aware of any issue that would cause the Internal Revenue Service to challenge a tax basis increase, we are not entitled to reimbursement for any payments previously made under the tax receivable agreement.

In 2009 and 2010, we completed public offerings for the sale of shares of Class A common stock for cash consideration. The proceeds from these public offerings were used to purchase outstanding Evercore LP partnership units from certain holders. As a result of these purchases of Evercore LP partnership units, certain SMDs became entitled to payments under the tax receivable agreement. The following table shows the amount paid to our executive officers pursuant to the tax receivable agreement since January 1, 2011:

Name	Tax Receivable Payments since January 1, 2011
Roger C. Altman	\$ 702,750
Pedro Aspe	76,879
Eduardo Mestre	261,473
Adam B. Frankel	31,894

**Table of Contents****2011 Follow-On Offering**

In June 2011, we completed a public offering for the sale of 5,364,991 shares of Class A common stock for cash consideration of \$31.04 per share (net of underwriting discounts). A portion of the proceeds from this offering was used to purchase outstanding Evercore LP partnership units from certain holders (the *Secondary Offering*). In connection with the Secondary Offering, we repurchased 500,000 partnership units from Mr. Altman and certain related trusts, 276,430 partnership units from Mr. Aspe and certain related trusts, 170,616 partnership units from Mr. Mestre and 17,000 partnership units from Mr. Frankel, each for a per unit price equal to \$31.04. Due to the purchase of partnership units by us in the Secondary Offering, certain SMDs became entitled to additional payments under the tax receivable agreement in subsequent years. Assuming no material changes in the relevant tax law, and that we earn sufficient taxable income to realize the full tax benefit of the increased amortization of our assets, we expect that future payments under the tax receivable agreement relating to these purchases to aggregate to approximately \$40.4 million, which will approximate \$2.4 million per year over the next 15 years, and the following table shows the approximate amount of such future payments to be paid to our executive officers:

Name	Estimated Future Tax Receivable Payments
Roger C. Altman	\$ 6,584,000
Pedro Aspe	4,026,000
Eduardo Mestre	2,247,000
Adam B. Frankel	224,000

**Registration Rights Agreement**

We have entered into a registration rights agreement pursuant to which we may be required to register the sale of shares of our Class A common stock held by certain current and former SMDs, including Messrs. Altman, Aspe, Frankel and Mestre, upon exchange of partnership units of Evercore LP held by such SMDs. Under the registration rights agreement, such SMDs have the right to request us to register the sale of their shares of Class A common stock and may require us to make available shelf registration statements permitting sales of shares into the market from time to time over an extended period. In addition, such SMDs will have the ability to exercise certain piggyback registration rights in connection with registered offerings requested by other SMDs or initiated by us.

**Relationship with Our Private Equity Funds*****Our Pre-IPO Funds***

Prior to our IPO, Messrs. Altman and Mestre were awarded the right to receive a portion of the carried interest earned by the general partner of Evercore Capital Partners II private equity fund ( *ECP II* ) and Mr. Aspe was awarded the right to receive a portion of the carried interest earned by the general partner of the Discovery Fund. Following our reorganization in connection with the IPO, the general partners of these funds are no longer our consolidated subsidiaries, and we do not treat carried interest received from these entities by our employees as compensation. However, Evercore LP, through its subsidiaries, is a non-managing member of the general partner of ECP II and is a limited partner of the general partner of the Discovery Fund, and Evercore LP, through its subsidiaries, is entitled to receive (1) 0% to 10% (depending on the particular fund investment) of the carried interest realized from ECP II and the Discovery Fund and (2) gains (or losses) on investments made by each of the funds based on the amount of capital in that fund which is contributed to, or subsequently funded by, us. As a result, ECP II transactions involving Messrs. Altman and Mestre, and Discovery Fund transactions involving Mr. Aspe, are deemed to be Related Person Transactions given our continued interest in those funds.

---

## **Table of Contents**

### ***Our Post-IPO Funds***

Evercore LP, through its subsidiaries, is a non-managing member of the general partner of the general partner of EMP II and is entitled to 50% of the carried interest realized from EMP II and gains (or losses) on investments made by EMP II based on the amount of capital which is contributed to, or subsequently funded by, us. For EMP II, we include as consolidated revenue all realized and unrealized carried interest earned by the general partner of EMP II, although a portion of the carried interest is allocated to employees, including Mr. Aspe, and such amounts are recorded as compensation expense.

The ultimate values of carried interest in respect of investments by EMP II is not determinable until the investments have been fully divested or otherwise monetized by the relevant fund, a process that can take many years. As a result, Mr. Aspe may receive additional carried interest in any fiscal year attributable to carried interest allocated in previous fiscal years (subject to achievement of a minimum investment return for our funds outside investors). For EMP II, carried interest is allocated on a fund-wide basis rather than on an investment-by-investment basis, and the timing of grants of carried interest for EMP II was tied to the formation of the fund. No portion of such carried interest will be paid to employees until such time as the carried interest is actually paid to the general partner of EMP II. Carried interest for EMP II is subject to vesting, generally over a period of four years, and may only be transferred under limited circumstances.

For 2011, there were no payments in respect of carried interest received by the general partner of EMP II or paid to Mr. Aspe.

### ***Transactions with our Private Equity Funds***

As of December 31, 2011, we had approximately \$5.0 million, \$2.4 million and \$9.7 million of investments in and approximately \$0.287 million, \$0.178 million and \$2.6 million of unfunded commitments to ECP II, the Discovery Fund and EMP II, respectively. In addition, the partnership agreement governing Evercore Venture Partners L.P. and its affiliated entities ( *EVP* ) provides for the payment by the limited partners of such fund of certain expenses incurred by the general partner of the fund and for the indemnification of the general partner, its affiliates and their employees under certain circumstances. We refer to ECP II, the Discovery Fund, EMP II, and EVP as our *Private Equity Funds*.

Certain employees and current and former SMDs, including Messrs. Altman, Aspe and Mestre, have also invested their own capital in side-by-side investments with our Private Equity Funds. These interests in the general partner of the Private Equity Funds and the side-by-side investments are not subject to management fees or carried interest. These investment opportunities have been available to our SMDs and to those of our employees whom we have determined to have a status that reasonably permits us to offer them these types of investments in compliance with applicable laws. Since January 1, 2011, aggregate contributions and dispositions between each of Messrs. Altman, Aspe and Mestre and our Private Equity Funds was less than \$120,000.

### ***Relationship with Trilantic***

We formed a strategic alliance with Trilantic Capital Partners ( *Trilantic* ) to pursue private equity investment opportunities with Trilantic and to collaborate on the future growth of Trilantic's business. Under terms of the agreement, we issued 500,000 restricted share equivalents with a minimum redemption value of \$16.5 million on December 31, 2014 in exchange for a minority economic interest in Trilantic and an interest in Trilantic's current fund, Trilantic Global Fund IV. We will additionally commit up to 2.5% of the total capital commitments of Trilantic's next private equity fund when it is raised, up to \$50,000,000. In addition, during 2011, Trilantic offered all SMDs, and, in one case, the Company, co-investment opportunities on a no-fee and no carry basis. In the one case where the co-investment opportunity was also offered to the Company, the executive officers, certain other SMDs and the Company made the following capital contributions and capital

**Table of Contents**

commitments in such co-investment during 2011, and have the following remaining unfunded capital commitments with respect to such co-investment:

Name	Capital Commitment	Capital Contribution	Remaining Unfunded Capital
	US (\$) (1)	US (\$) (1)	Commitments US (\$) (1)
Ralph L. Schlosstein	\$ 612,775	\$ 131,793	\$ 480,982
Adam B. Frankel	\$ 73,533	\$ 15,815	\$ 57,718
Robert B. Walsh	\$ 73,533	\$ 15,815	\$ 57,718
SMDs as a group (8 individuals)	\$ 1,789,000	\$ 373,214	\$ 1,415,786
Evercore	\$ 171,577	\$ 41,419	\$ 130,158

(1) The commitments and contributions are in Canadian dollars. These amounts were converted based on the exchange rate on December 31, 2011 of CAD \$1 to U.S. \$0.98.

**Evercore LP Partnership Agreement**

We operate our business through Evercore LP and its subsidiaries and affiliates. As the general partner of Evercore LP, we have unilateral control over all of the affairs and decision making of Evercore LP. As such, we, through our officers and directors, are responsible for all operational and administrative decisions of Evercore LP and the day-to-day management of Evercore LP's business. Furthermore, we cannot be removed as the general partner of Evercore LP without our approval.

**Distributions**

Pursuant to the Second Amended and Restated Partnership Agreement (the *Partnership Agreement*) of Evercore LP, we have the right to determine when distributions will be made to the partners of Evercore LP and the amount of any such distributions. If we authorize a distribution, such distribution will be made to the partners of Evercore LP (1) in the case of a tax distribution (as described below), to the holders of partnership units in proportion to the amount of taxable income of Evercore LP allocated to such holder and (2) in the case of other distributions, pro-rata in accordance with the percentages of their respective partnership units. We may, however, authorize a distribution to the partners of Evercore LP who hold vested and unvested units in accordance with the percentages of their respective vested and unvested partnership units in the event of an extraordinary dividend, refinancing, restructuring or similar transaction.

The holders of partnership units in Evercore LP will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. Net profits and net losses of Evercore LP will generally be allocated to its partners pro-rata in accordance with the percentages of their respective partnership units. The Partnership Agreement provides for cash distributions to the partners of Evercore LP if we determine that the taxable income of Evercore LP will give rise to taxable income for its partners. In accordance with the Partnership Agreement, we intend to cause Evercore LP to make cash distributions to the holders of partnership units of Evercore LP for purposes of funding their tax obligations in respect of the income of Evercore LP that is allocated to them. Generally, these tax distributions will be computed based on our estimate of the net taxable income of Evercore LP allocable to such holder of partnership units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the non-deductibility of certain expenses and the character of our income). If we pay dividends, our SMDs who hold limited partnership interests will be entitled to receive equivalent distributions pro-rata based on their partnership interests in Evercore LP, although these individuals will not be entitled to receive any such dividend-related distributions in respect of unvested partnership units. For 2011, Messrs. Altman, Aspe, Mestre, Frankel and Schlosstein received \$1,202,177, \$508,631, \$65,022, \$17,045 and \$1,029,685, respectively, as dividend-related distributions on vested partnership units.



---

## **Table of Contents**

### ***Vesting Provisions***

As part of a larger overhaul of our equity arrangements to ensure better alignment between employee stockholders and other stockholders, all of our SMDs amended the Partnership Agreement on July 27, 2009. Unvested partnership units vest ratably on December 31, 2011, 2012 and 2013, so long as the equity holder remains employed by us, Evercore LP or their affiliates on such dates. In addition, 100% of the unvested Evercore LP partnership units held by an SMD will vest upon our change in control or if such SMD dies or becomes disabled while in our employ. Our Equity Committee (as discussed and defined below) may also accelerate vesting of unvested partnership units at any time. Unvested Evercore LP partnership units that are forfeited will be: (a) reallocated on a pro-rata basis to other currently employed SMDs of Evercore (other than Mr. Altman) who were Evercore SMDs prior to our IPO, if such forfeited LP partnership units were held by an Evercore pre-IPO SMD, (b) reallocated on a pro-rata basis to other currently employed SMDs of Protego (other than Mr. Aspe) who were Protego SMDs prior to our IPO, if such forfeited LP partnership units were held by a Protego pre-IPO SMD or (c) cancelled, in the event that there are no other eligible SMDs.

### ***Transfer Restrictions***

The Partnership Agreement, as amended in 2009, provided that Evercore LP vested partnership units are exchangeable for shares of our Class A common stock in 20% increments on each of December 31, 2009, 2010, 2011, 2012 and 2013, as long as the holder is still employed by us on such dates (with the exception of Messrs. Altman and Aspe, who will be able to transfer partnership units on such dates regardless of their employment status). SMDs who participated in our 2010 follow-on offering and 2011 Follow-On Offering were able to include in that offering all or a portion of the vested Evercore LP partnership units that would have otherwise become freely transferable in the future.

Once the Evercore LP vested partnership units become exchangeable, holders of fully vested partnership units in Evercore LP (other than us) may exchange these partnership units for shares of Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. At any time a share of Class A common stock is redeemed, repurchased, acquired, cancelled or terminated by us, one partnership unit registered in our name will automatically be cancelled by Evercore LP so that the number of partnership units we hold at all times equals the number of shares of our Class A common stock then outstanding.

Notwithstanding the restrictions on transfer and exchange of Evercore LP partnership units described above and in addition to any other permitted transfer, Mr. Altman may transfer to charities, and these charitable transferees may sell, up to an aggregate of \$10 million of Evercore LP partnership units or Class A common stock without the approval of the Equity Committee (discussed below). In addition, all SMDs are allowed to donate within any fiscal year up to 10% of the aggregate amount of their vested Evercore LP partnership units and vested but restricted shares of Class A common stock to charities, which can, in the case of partnership units, exchange such partnership units into freely tradable shares of Class A common stock or, in the case of restricted stock, have such restrictions removed and sell such shares of Class A common stock.

### ***Equity Committee***

The Partnership Agreement provides for an Equity Committee, which is currently comprised of Mr. Altman, Mr. Aspe and Mr. Schlosstein. If a member of the Equity Committee ceases to be associated with us, he will cease to be a member of the Equity Committee. All decisions made by the Equity Committee must be unanimous.

The Equity Committee may accelerate vesting of unvested Evercore LP partnership units in whole or in part at any time and may permit transfers or exchanges by holders who remain our employees. In addition, the Equity Committee may, from time to time in its sole discretion, permit transfers or exchanges of Evercore LP

---

**Table of Contents**

partnership units held by Mr. Altman, Mr. Aspe and Mr. Schlosstein. If the Equity Committee permits any employee to transfer or exchange Evercore LP partnership units, each other employee holder will be entitled to participate ratably with one another in any such permitted disposition (i.e., each such holder shall be permitted to dispose of an equal proportion of his or her Evercore LP partnership units, provided such units have vested).

***Dissolution***

Evercore LP may be dissolved only upon the occurrence of certain unlikely events specified in the Partnership Agreement. Upon dissolution, Evercore LP will be liquidated and the proceeds from any liquidation shall be applied and distributed in the following order:

First, to pay the debts, liabilities and expenses of Evercore LP;

Second, as reserve cash for contingent liabilities of Evercore LP; and

Third, pro-rata in respect of all vested Class A and B partnership units.

**Acquisition of the Lexicon Partnership LLP**

On August 19, 2011, we completed the acquisition of all of the outstanding partnership interests of Lexicon, in accordance with the definitive sale and purchase agreement (the *Lexicon Agreement*) entered into on June 7, 2011, by and among us and the shareholders of Lexicon, including Mr. Sibbald. At the closing, pursuant to the Lexicon Agreement, we paid Mr. Sibbald £3,525,461 (approximately \$5,640,738, based on an average exchange rate for 2011 of £0.6235 to U.S. \$1.00) in cash. We also paid him approximately \$933,373 in cash on December 30, 2011 for 30,070 shares of Class A common stock that he was otherwise entitled to receive in connection with the acquisition based on the per share price of the Secondary Offering.

Mr. Sibbald will also receive 240,564 unvested restricted shares of Class A common stock in accordance with the Lexicon Agreement. Such shares will vest in substantially equal installments over a three-year period beginning on June 30, 2013. Upon vesting, such shares will be delivered to Mr. Sibbald on the earlier of (i) the first anniversary of the relevant vesting date and (ii) the date of the first secondary offering by Evercore following the relevant vesting date.

Vesting of such shares will accelerate in certain circumstances, including, but not limited to, Mr. Sibbald's termination without cause, a qualifying retirement or upon a change of control. Under the Lexicon Agreement, a seller can be terminated for cause if he or she (1) is convicted of a criminal offense that is a felony or a misdemeanor crime involving dishonesty or deception; (2) commits a persistent material breach of the terms of Evercore LLP's Amended and Restated Limited Liability Partnership Deed, dated August 19, 2011 (the *Evercore LLP Deed*) and such persistent material breach causes Evercore or any of its affiliates to commit a material breach of the applicable rules and regulations of a governmental entity and such seller fails to remedy such material breach within a reasonable period of receiving a written warning from Evercore; (3) has his or her material licenses, authorizations or consents withdrawn by a governmental entity as a result of his or her deliberate breach of applicable rules and regulations; (4) is disqualified from holding office as a director under the Company Directors Disqualification Act 1986 as a result of his or her deliberate wrongdoing; or (5) following receipt of a written warning from the CEO of Evercore LLP, has failed to remedy within 10 business days what the CEO of Evercore LLP and a super majority of the sellers acting fairly, reasonably, on a fully informed basis and in good faith conclude was a deliberate and unreasonably continuous disregard of his or her fundamental obligation to commit time and effort to the performance of his or her duties pursuant to the Evercore LLP Deed of such magnitude as to justify his or her summary dismissal.

In connection with the acquisition of Lexicon, Mr. Sibbald also entered into a Schedule of Terms with us. For a further discussion on Mr. Sibbald's Schedule of Terms, see **COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS Employment Agreements Schedule of Terms with Mr. Sibbald**.

## **Table of Contents**

### **Use of Corporate Aircraft**

For security, safety and health reasons, our Board adopted a policy requiring our Executive Chairman and CEO to use private aircraft for business air travel to the maximum extent possible. As part of this policy, on May 12, 2010, we entered into an aircraft dry lease agreement with the owners of a Hawker 800XP aircraft (the *Initial Aircraft* ), which was set to renew on an annual basis. Mr. Altman had indirectly owned a 50% interest in the Initial Aircraft. From January 1 to May 11, 2011, Evercore paid \$115,000 under the lease for the Initial Aircraft. Evercore did not renew the lease for the Initial Aircraft, and on May 6, 2011 we entered into an aircraft dry lease agreement with an unaffiliated party for another aircraft (the *Current Aircraft* ).

While the primary use of the Initial Aircraft was, and the primary use of the Current Aircraft is, for business purposes, because of the benefit afforded to the Company in terms of security and productivity while traveling for personal reasons, the Company entered into timesharing agreements with Messrs. Altman and Schlosstein to allow these individuals to lease the Initial Aircraft and the Current Aircraft for personal use. Under such timesharing agreements, Messrs. Altman and Schlosstein must reimburse the Company for the maximum amount of reimbursement allowed by applicable Federal Aviation Administration rules (this reimbursement amount includes enumerated direct costs such as fuel, crew travel expenses, landing fees, flight planning, and an additional amount equal to 100% of fuel costs). In addition, our Executive Chairman or CEO may invite family members or guests on a business flight without charge to him for these additional passengers, and, on limited occasions, we have allowed a business-related flight to land at an airport other than its destination to drop off or pick up a passenger for personal convenience without such change in destination being treated as an incremental cost.

The Company calculated the aggregate incremental cost to the Company for Messrs. Altman's and Schlosstein's personal use by calculating the direct costs associated with personal flights (including, but not limited to, fuel, crew travel expenses, landing fees, flight planning, and hourly engine and parts maintenance program charges, as well as similar charges associated with deadhead or positioning flights in connection with personal flights). From this, it deducted the amount reimbursed by Messrs. Altman and Schlosstein under the timesharing arrangements. Excluded from the calculation of aggregate incremental costs are (i) fixed costs, which do not change based on usage, including but not limited to lease payments, management fees, insurance; and (ii) carriage of family members or guests on a business flight by the executive (since the carriage of such additional person is a benefit to the executive but does not add appreciably to the costs to the company for such flight). Based on this methodology, the amount reimbursed by each of Messrs. Altman and Schlosstein exceeded the aggregate incremental costs associated with their personal use of the Initial Aircraft and the Current Aircraft.

For 2011, Mr. Altman and Mr. Schlosstein reimbursed Evercore \$107,809 and \$116,255, respectively, for their personal use of the Initial Aircraft and \$360,908 and \$88,438, respectively, for their personal use of the Current Aircraft.

### **Family Relationships**

Mr. de Saint Phalle's step-son, who does not share a home with Mr. de Saint Phalle, joined us as an employee and was paid \$203,313 for 2011 in compensation, which includes the grant of equity awards, and relocation expenses, and he also participates in investment opportunities available to other similarly situated employees.

### **Transactions with 5% Stockholders**

Fidelity Management and Research Company ( *Fidelity* ) is the beneficial owner of more than 5% of our outstanding common stock and one of its affiliates is a client of Evercore's Institutional Equities business. In addition, another affiliate of Fidelity provides Evercore with recordkeeping, trustee and other services in connection with Evercore's 401(k) plan. From time to time, we may also purchase investment products

## **Table of Contents**

sponsored by Fidelity affiliates in connection with our deferred cash award program, which program is further described under

**COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS Compensation Discussion and Analysis.** These transactions with Fidelity and its affiliates were arms-length transactions entered into in the ordinary course of business and fees paid to, and by, Evercore were based on the prevailing rates for non-related persons for the same services.

### **Transaction Between Evercore Wealth Management and Executive Officers**

From time to time, certain executive officers, their family members, and related charitable foundations may have investments in various Evercore Wealth Management ( *EWM* ) investment vehicles or accounts. For certain types of products and services offered by EWM, our executive officers may receive discounts that are available to our employees generally. These products and services are offered and provided in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions for similarly situated customers and eligible employees.

### **Policy Regarding Transactions with Related Persons**

In 2007, we adopted a written Related Person Transaction Policy regarding transactions with Related Persons (defined below) and in 2012 we amended our policy, which is available on our website at [www.evercore.com](http://www.evercore.com) under the Investor Relations link. Our policy requires that Related Person Transactions (defined below) must be approved or ratified by the Nominating and Corporate Governance Committee of the Board unless it has been deemed pre-approved by the Committee. In determining whether to approve or ratify a Related Person Transaction, the Committee will take into account, among other factors it deems appropriate, whether the Related Person Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction. Under the policy, certain Related Person Transactions are pre-approved, including routine commercial transactions in the ordinary course or transactions that are approved by other committees of the Board. A *Related Person* is any of our executive officers, directors or director nominees, any stockholder owning at least 5% of our stock, or any immediate family member of any of the foregoing persons. A

*Related Person Transaction* means any financial transaction, arrangement or relationship or series of similar financial transactions, arrangements or relationships involving more than \$120,000 in which Evercore is a participant and in which a Related Person has a direct or indirect material interest. The only Related Person Transactions that were not approved in accordance with our Related Person Transaction Policy are discussed under **Tax Receivable Agreement;** **Registration Rights Agreement;** **Relationship with our Private Equity Funds;** and **Evercore LP Partnership Agreement,** and these Related Person Transactions were not approved in accordance with our Related Person Transaction Policy because such transactions were undertaken prior to the adoption of such policy.

---

**Table of Contents**

**CORPORATE GOVERNANCE**

**Director Independence**

***General***

Pursuant to the General Corporation Law of the State of Delaware, the state in which we are organized, and our Amended and Restated Bylaws, our business, property and affairs are managed by or under the direction of our Board. Members of our Board are kept informed of our business through discussions with our executive officers and other officers, by reviewing materials provided to them by management and by participating in meetings of the Board and its committees.

***NYSE Requirements***

Under the NYSE's corporate governance rules, no director qualifies as independent unless our Board affirmatively determines that the director has no material relationship with us, either directly or as a partner, shareholder, or officer of an organization that has a relationship with us. In addition, directors who have relationships covered by one of five bright-line independence tests established by the NYSE, as discussed below, may not be found to be independent.

The NYSE's director independence requirements are designed to increase the quality of board oversight at listed companies and to lessen the possibility of damaging conflicts of interests. The NYSE's corporate governance rules do not define every relationship that will be considered material for purposes of determining a director's independence from our management. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships, among others. As the concern is a director's independence from our management, however, the NYSE does not view the ownership of even a significant amount of our stock, by itself, as a bar to an independence finding.

The NYSE has adopted five bright-line independence tests for directors. Each of these tests describes a specific set of circumstances that will cause a director to be not independent from our management. For example, a director who is an employee of ours, or whose immediate family member is an executive officer of ours, is not independent until three years after the end of the employment relationship. The other bright-line independence tests also have a three-year look-back requirement and address circumstances involving: the receipt of more than \$120,000 per year in direct compensation from us, except for certain permitted payments such as director fees; employment by or affiliations with our current or former internal or external auditors; interlocking directorates; and certain business relationships involving companies that make payments to, or receive payments from, us above specified annual thresholds. For more information about the NYSE's bright-line director independence tests, including the NYSE commentary explaining the application of the tests, please go to the NYSE website at [www.nyse.com](http://www.nyse.com).

***Corporate Governance Principles and Categorical Independence Standards***

In order to provide guidance on the composition and function of our governing body, our Board adopted our Corporate Governance Principles, which include, among other things, our categorical standards of director independence. The complete version of our Corporate Governance Principles is available on our website at [www.evercore.com](http://www.evercore.com) under the Investor Relations link. We will provide a printed copy of the Corporate Governance Principles to any stockholder who requests them by contacting Investor Relations. These categorical independence standards establish certain relationships that our Board, in its judgment, has deemed to be material or immaterial for purposes of assessing a director's independence. In the event a director maintains any relationship with us that is not specifically addressed in these standards, the Board will determine whether such relationship is material.

The Board has determined that the following relationships should not be considered material relationships that would impair a director's independence: (1) relationships where a director, or an immediate family member

## Table of Contents

of the director, is an executive officer or director of another company in which we beneficially own less than 10% of the outstanding voting shares of that company; (2) relationships where a director, or an immediate family member of that director, serves as an executive officer, director or trustee of a charitable organization, and our annual charitable contributions to the organization (excluding contributions by us under any established matching gift program) are less than the greater of \$1,000,000 or two percent of that organization's consolidated gross revenues in its most recent fiscal year; and (3) relationships where a director is a current employee, or such director's immediate family member is a current executive officer, of another company that has made payments to, or received payment from, us for property or services in an amount which, in any of the proceeding three fiscal years, did not exceed the greater of \$1,000,000 or two percent of the consolidated gross revenues of such other company.

Our Corporate Governance Principles also provide, among other things, that all non-management directors must notify the Board of his or her retirement, change in employer, and of any other significant change in the director's principal professional occupation or roles and responsibilities, and, in connection with any such change, tender his or her resignation from the Board (and the applicable Board committees) for consideration by the Board. The Board would then consider the continued appropriateness of Board membership under the new circumstances and the action, if any, to be taken with respect to such resignation.

### *Evaluations of Director Independence*

The Nominating and Corporate Governance Committee undertook its annual review of director independence and reviewed its findings with our Board. During this review, our Board considered transactions and relationships between each director, or any member of his or her immediate family, and us, our subsidiaries and affiliates, including those reported under **RELATED PERSON TRANSACTIONS AND OTHER INFORMATION** above. Our Board also examined transactions and relationships between directors or their affiliates and members of our senior management. The purpose of this review was to determine whether any such relationships or transactions compromised a director's independence.

As a result of this review, our Board affirmatively determined that each of Messrs. Beattie, de Saint Phalle, Hessler and Pritzker and Ms. Harris are independent under the categorical standards for director independence set forth in the Corporate Governance Principles. In reaching this determination, the Board considered the fact that Mr. Beattie is a partner of STB and Ms. Harris holds the title Of Counsel at STB, which provides legal services to us and our affiliates. In reaching this conclusion with respect to Mr. Beattie and Ms. Harris, it was noted that, (a) in 2011, payments from us to STB were less than 1% of STB's revenues and (b) STB's partnership income attributed to payments from us in 2011 resulted in less than \$10,000 in income to Mr. Beattie. In connection with Ms. Harris, it was also noted that: (1) Of Counsel is a title given to certain retired partners of STB, which is in contrast to the titles of Senior Counsel and Counsel which are used for full-time STB employees who have not yet been promoted to partner, (2) Ms. Harris has not been an STB partner since 1998 and (3) Ms. Harris has never represented us or any of our affiliates. The Board also considered the fact Mr. de Saint Phalle's step-son, who does not share a home with Mr. de Saint Phalle, joined us as an employee.

Our Board has also determined that Messrs. Beattie, de Saint Phalle, Hessler and Pritzker and Ms. Harris are independent for purposes of Section 303A of the Listed Company Manual of the NYSE and that the members of the Audit Committee are also independent for purposes of Section 10A(m)(3) of the Exchange Act.

Messrs. Altman, Aspe and Schlosstein are not considered to be independent directors as a result of their employment with us.

**Table of Contents****Committees of the Board****General**

Our Board has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

The following table shows the membership of each of our Board's standing committees as of April 13, 2012, and the number of in-person and telephonic meetings held by each of those committees during 2011:

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Richard I. Beattie.			X
Francois de Saint Phalle	X	X	X
Gail Block Harris, Esq.	X		Chair
Curt Hessler	Chair	X	
Anthony N. Pritzker		Chair	X
2011 Meetings	6*	6	2

\* Includes quarterly conference calls with management and our independent registered public accounting firm to review our earnings releases and reports on Forms 10-Q and 10-K prior to their filing.

Our Board has adopted a charter for each of the three standing committees that addresses the composition and function of each committee. You can find links to these materials on our website at [www.evercore.com](http://www.evercore.com) under the Investor Relations link, and we will provide a printed copy of these materials to any stockholder who requests it by contacting Investor Relations.

**Audit Committee**

**General.** The Audit Committee assists our Board in fulfilling its responsibility relating to the oversight of: (1) the quality and integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) our independent registered public accounting firm's qualifications and independence and (4) the performance of our internal audit function and independent registered public accounting firm.

**Financial Literacy and Expertise.** Our Board has determined that each of the members of the Audit Committee is financially literate within the meaning of the listing standards of the NYSE. In addition, our Board has determined that Mr. Hessler qualifies as an Audit Committee Financial Expert as defined by applicable SEC regulations and that he has accounting or related financial management expertise within the meaning of the listing standards of the NYSE. The Board reached its conclusion as to Mr. Hessler's qualification based on, among other things, his experience in executive level management at companies with complex multi-national operations, including service with multiple public companies, his board experience, and his experience in government affairs, including having previously served as the U.S. Assistant Secretary of the Treasury for Economic Policy and as executive director of the President's Economic Group.

**Compensation Committee**

The Compensation Committee discharges the responsibilities of our Board relating to the oversight of our compensation programs and compensation of our executives. Each of the members of the Compensation Committee is an outside director within the meaning of Section 162(m) of the Code and a non-employee director within the meaning of Exchange Act Rule 16b-3. In fulfilling its responsibilities, the committee can delegate any or all of its responsibilities to a subcommittee of the committee.

## **Table of Contents**

### ***Compensation Committee Interlocks and Insider Participation***

During the last fiscal year, each of Messrs. de Saint Phalle, Hessler and Pritzker served as members of our Compensation Committee. None of our executive officers has served as a member of a board of directors or a compensation committee of a board of directors of any other entity which has an executive officer serving as a member of our Board or Compensation Committee, and there are no other matters regarding interlocks or insider participation that are required to be disclosed.

### ***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee assists our Board in fulfilling its responsibility relating to corporate governance by (1) identifying individuals qualified to become directors and recommending that our Board select the candidates for all directorships to be filled by our Board or by our stockholders, (2) overseeing the evaluation of the Board, (3) developing and recommending the content of our Corporate Governance Principles and Code of Business Conduct and Ethics to our Board, and (4) otherwise taking a leadership role in shaping our corporate governance. In evaluating candidates for directorships, our Board, with the help of the Nominating and Corporate Governance Committee, takes into account a variety of factors it considers appropriate, which may include the following: strength of character and leadership skills; general business acumen and experience; knowledge of strategy, finance, international business, government affairs and familiarity with our business and industry; age; number of other board seats; willingness to commit the necessary time; and whether the nominee assists in achieving a mix of members that represents a diversity of background and experience all to ensure an active Board whose members work well together and possess the collective knowledge and expertise required to maximize the effectiveness of the Board. Accordingly, although diversity may be a consideration in the Nominating and Corporate Governance Committee's process, the Nominating and Corporate Governance Committee and the Board do not have a formal policy with regard to the consideration of diversity in identifying director nominees. We have not paid a fee to any third party in consideration for assistance in identifying potential nominees for our Board.

### ***Stockholder Recommendations for Director Nominations***

As noted above, the Nominating and Corporate Governance Committee considers and establishes procedures regarding recommendations for nomination to our Board, including nominations submitted by stockholders. Such recommendations should be sent to the attention of our Corporate Secretary. Any recommendations submitted to the Corporate Secretary should be in writing and should include any supporting material the stockholder considers appropriate in support of that recommendation, but must include the information that would be required under the rules of the SEC to be included in a Proxy Statement soliciting proxies for the election of such candidate and a signed consent of the candidate to serve as one of our directors if elected.

The Nominating and Corporate Governance Committee evaluates all potential candidates in the same manner, regardless of the source of the recommendation. Based on the information provided to the Nominating and Corporate Governance Committee, it will make an initial determination whether to conduct a full evaluation of a candidate. As part of the full evaluation process, the Nominating and Corporate Governance Committee may conduct interviews, obtain additional background information and conduct reference checks of candidates. The Nominating and Corporate Governance Committee may also ask the candidate to meet with management and other members of our Board. When the Nominating and Corporate Governance Committee reviews a potential candidate, the Nominating and Corporate Governance Committee looks specifically at the candidate's qualifications in light of our needs and the needs of the Board at that time, given the current mix of director attributes. In evaluating a candidate, our Board, with the assistance of the Nominating and Corporate Governance Committee, takes into account a variety of additional factors as described in our Corporate Governance Principles.



## **Table of Contents**

### **Meeting Attendance**

During 2011, our Board held 6 formal meetings and our Board's standing committees held a total of 14 meetings. Each of our directors attended more than 75% of the total number of (1) Board meetings and (2) meetings of the Board committees on which he or she served (during the periods that he or she served). Our policy is that all of our directors, absent special circumstances, should attend our Annual Meeting of Stockholders. All of our eight directors attended our 2011 Annual Meeting of Stockholders.

### **Role of the Office of Chairman of our Board**

We have no fixed policy with respect to the separation of the offices of the Chairman of the Board and CEO. The Board believes that the separation of the offices of the Chairman of the Board and CEO is best decided on a case by case basis from time to time. However, with the appointment of Mr. Schlosstein to the position of CEO in 2009 and Mr. Altman's continued active involvement in our business, we felt it was appropriate to split the roles of Office of Chairman of the Board, which is currently held by Messrs. Altman and Aspe, and the role of CEO, which is currently held by Mr. Schlosstein. This division allowed us to recruit Mr. Schlosstein as our CEO, while simultaneously maintaining an appropriately influential role for Mr. Altman, our founder. In choosing to relinquish his duties as CEO to Mr. Schlosstein, Mr. Altman has enabled our operations to continue to be led by a highly experienced and talented executive, and is now able to devote more of his own energies to building and sustaining key business relationships. Under the guidance of the Nominating and Corporate Governance Committee, each year the Board reviews the structure of our Board and its committees as a part of its annual self-evaluation process, and as part of that process considers, among other things, issues of structure and leadership. The Board is satisfied that its current structure and processes are appropriate.

### **Executive Sessions and Presiding Director**

Our Corporate Governance Principles require our non-management directors, all of whom are also independent under applicable regulations and our Corporate Governance Principles, to have at least one meeting per year without management present. We complied with this requirement in 2011. Although we do not have a lead independent director, in order to facilitate communications among non-management directors on the one hand and management on the other hand, Ms. Harris was selected to serve as the presiding director at these executive sessions.

### **Oversight of Risk Management**

We are exposed to a number of risks and we regularly identify and evaluate these risks and develop plans to manage them effectively. The Audit Committee is charged with a majority of the risk oversight responsibilities on behalf of the Board, our Compensation Committee is charged with the oversight responsibility related to our compensation programs, and the Nominating and Corporate Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure and succession planning for our directors. Each of our business unit leaders is responsible for various aspects of risk management associated with their business and our executive officers also have the primary responsibility for enterprise wide risk management. Our CFO and General Counsel work closely with members of senior management, including our accounting staff, our internal audit department and our compliance department to monitor and manage risk. The CFO and our General Counsel both report directly to our CEO and meet with the Audit Committee at least four times a year in conjunction with a review of

## **Table of Contents**

our quarterly and annual periodic SEC filings to discuss important and disclosable risks we face, highlighting any new risks that may have arisen since they last met. Our CFO and General Counsel update our Audit Committee as to changes in our risks on a periodic basis. In addition, all non-management members of the Board are invited to attend all committee meetings, regardless of whether the individual sits on the specific committee. Outside of formal meetings, Board members have regular access to senior executives, including our CFO and General Counsel.

### **Communicating with the Board**

Interested parties may communicate directly with our Board, our non-management directors or an individual director by writing to our Corporate Secretary and specifying whether such communication should be addressed to the attention of (1) the Board as a whole, (2) non-management directors as a group or (3) the name of the individual director, as applicable. Communications will be distributed to our Board, non-management directors as a group or to any individual director or directors as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, our Board has requested that certain items that are unrelated to its duties and responsibilities should be excluded, such as spam, junk mail and mass mailings, resumes and other forms of job inquiries, surveys and business solicitations or advertisements.

In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out must be made available to any non-management director upon request. Any concerns relating to accounting, internal control over financial reporting or auditing matters will be brought to the attention of our Audit Committee. In addition, for such matters, stockholders and others are encouraged to use our hotline discussed below.

### **Hotline for Accounting or Auditing Matters**

As part of the Audit Committee's role to establish procedures for the receipt of complaints regarding accounting, internal accounting controls or auditing matters, we established a hotline for the anonymous submission of concerns regarding questionable accounting, internal control over financial reporting or auditing matters. Any matters reported through the hotline that involve accounting, internal control over financial reporting, audit matters or any fraud involving management or persons who have a significant role in our internal control over financial reporting, will be reported to the Chairman of our Audit Committee. Our current hotline number is (888) 475-8376.

### **Code of Business Conduct and Ethics**

We have a Code of Business Conduct and Ethics applicable to all of our employees, including our CEO, our CFO, our Controller and our Board. You can find a link to our Code of Business Conduct and Ethics on our website at [www.evercore.com](http://www.evercore.com) under the Investor Relations link, and we will provide a printed copy of our Code of Business Conduct and Ethics to any stockholder who contacts Investor Relations and requests a copy. To the extent required to be disclosed, we will post amendments to, or any waivers from, our Code of Business Conduct and Ethics at the same location on our website as our Code of Business Conduct and Ethics.

**Table of Contents****DIRECTOR COMPENSATION**

Our policy is not to pay director compensation to directors who are also our employees. For non-management directors, our policy is to grant a one-time award of RSUs with a value of \$50,000 upon his or her initial appointment to the Board. We also provide for an annual retainer of \$70,000, payable, at the director's option, either 100% in cash or 50% in cash and 50% in shares of Class A Common Stock. In addition, each of our non-management directors receives an annual grant of RSUs with a value of \$40,000 which vest on the completion of the next Annual Meeting. Richard Beattie also received 1,619 RSUs when elected to the Board on February 19, 2010, which vested on February 19, 2012. It is also our policy to provide for the chair of the Audit Committee to receive an additional annual cash retainer of \$10,000. Non-management directors are further reimbursed for travel and related expenses associated with attendance at Board or committee meetings, as well as expenses for continuing education programs related to their role as members of the Board. For administrative ease in dealing with our transfer agent and our stock plan administrator, equity awards based on dollar values which result in fractional shares are rounded up to the nearest whole share.

In 2011, we granted 5,810 RSUs under our 2006 Stock Incentive Plan (1,162 RSUs for each non-management director) in connection with the annual grant to our directors. The following table provides summary information concerning the compensation of our non-management directors for services rendered to us during 2011.

**Director Compensation in 2011**

Name	Fees Earned or Paid in		Stock Awards(1)	Total
	Cash (\$)			
Richard I. Beattie	70,000		40,002	110,002
Francois de Saint Phalle	70,000		40,002	110,002
Gail Block Harris	70,000		40,002	110,002
Curt Hessler	80,000		40,002	120,002
Anthony N. Pritzker	70,000		40,002	110,002

- (1) The amounts reflected in the Stock Awards column represent the grant date fair value of the awards made during 2011, as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation ( *FASB ASC Topic 718* ). Assumptions used in the calculation of these amounts are included in Note 17 to our audited financial statements included in our Annual Report on Form 10-K for 2011. As of December 31, 2011, Mr. Beattie owned 2,781 unvested RSUs and each of Messrs. de Saint Phalle, Hessler and Pritzker and Ms. Harris owned 1,162 unvested RSUs.

In 2011, our Board adopted stock ownership guidelines that prohibit a non-management director from selling or donating Evercore equity unless, after such sale or donation, he or she owns shares of Class A Common Stock, including vested RSUs awarded in connection with service on the Board, shares beneficially owned by his or her immediate family members residing in the same household and shares held in trust for the benefit of the director or his or her immediate family members, with a value equal to or greater than three times the director's most recently paid base annual cash retainer. Compliance with these guidelines may be waived, at the discretion of our Nominating and Corporate Governance Committee, if compliance would create severe hardship for a non-management director or prevent him or her from complying with a court order. It is expected that these instances will be rare and, in these cases, our Nominating and Corporate Governance Committee will develop alternative ownership guidelines that reflect the intent of these guidelines and the director's personal circumstances. Based on the stock price as of the record date, all of our non-management directors have satisfied the ownership thresholds established by these guidelines.

## **Table of Contents**

### **COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

The following discussions and tables provide summary information concerning compensation for our Named Executive Officers, as defined by the SEC, Messrs. Altman, Mestre, Schlosstein, Sibbald and Walsh.

#### **Compensation Discussion and Analysis**

##### *Our Executive Compensation Objectives and Philosophy*

The goals of our executive compensation program are to align compensation with business objectives and performance, to enable us to attract, retain and reward executives who contribute to our long-term success and to increase stockholder value. Unlike many of our competitors, our future success depends to a substantial degree on our ability to retain and recruit highly qualified personnel. Notwithstanding the recent challenges facing the financial services industry, the market for highly qualified financial professionals remains extremely competitive. In addition, although our SMDs (which include our Named Executive Officers) have all entered into non-compete and non-solicitation agreements, the loss of such personnel could still jeopardize our relationships with clients and result in the loss of client engagements. Accordingly, it is imperative for our compensation programs to be highly competitive and reward outstanding individual achievement.

##### *Linkage of Management and Stockholder Interests*

The interests of our Named Executive Officers are aligned with those of our stockholders through the ownership of significant amounts of our equity, as described in **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**. Messrs. Altman, Mestre and Schlosstein hold the bulk of their equity in the form of Evercore LP partnership units, and they are contractually restricted from transferring or exchanging Evercore LP partnership units, except in 20% increments over a five-year period. These transfer restrictions may be removed in the event of (1) the Named Executive Officer's death or disability, (2) a change in control of the Company, (3) pro-rata transfers in conjunction with transfers by all currently employed SMDs, (4) specified charitable donations or (5) the consent of the general partner, which is controlled by a majority of non-management directors. These transfer restrictions also prohibit hedging the economic risks of equity ownership. For a further discussion of the terms of the Evercore LP partnership agreement, see **RELATED PERSON TRANSACTIONS AND OTHER INFORMATION Evercore LP Partnership Agreement**. Mr. Walsh and Mr. Sibbald do not hold any Evercore LP partnership units. However, like our other key employees, Mr. Walsh and Mr. Sibbald hold directly or indirectly a meaningful number of shares of restricted stock and RSUs that are subject to multi-year vesting and transfer restrictions. We also have an insider trading policy which, among other things, prohibits all employees from hedging the economic risk of their company stock ownership.

Our Named Executive Officers also participate in our annual equity award incentive program, which calls for the payment of a portion of their annual bonuses in RSUs. These RSUs are subject to vesting over multiple years. As a result of the material amount of equity ownership interests, vesting conditions and transfer restrictions described above, we believe that our Named Executive Officers have a demonstrable and significant interest in increasing stockholder value over the long term. For example, Mr. Schlosstein, our CEO, owns vested equity with a value which is more than 71 times his base salary, and on average our Named Executive Officers own vested equity with a value of more than 32 times their base salaries (assuming a value of our common stock of \$25.31, the closing price of the stock on April 13, 2012).

##### *How We Establish Compensation*

Our Compensation Committee is responsible for implementing and administering all aspects of our compensation and benefit plans and programs for our Named Executive Officers. The Compensation Committee's charter can be found on our website ([www.evercore.com](http://www.evercore.com)) under the Investor Relations link. In establishing compensation for our Named Executive Officers, we take into account the fact that we generally do not provide significant retirement or similar benefits to our Named Executive Officers. We also take into account

---

## **Table of Contents**

other economic relationships between the individual and us. The Compensation Committee periodically reviews the effectiveness and competitiveness of our executive compensation programs, which may involve the assistance of independent consultants (although no such consultants were used in 2011).

Our CEO participates in discussions with the Compensation Committee and makes recommendations to it, but he does not vote or otherwise participate in the Compensation Committee's ultimate determinations. Mr. Altman has also continued to participate in discussions with, and make recommendations to, the Compensation Committee concerning Named Executive Officer compensation. However, Mr. Altman does not vote or otherwise participate in the Compensation Committee's ultimate determinations. Our Board believes that it is wise and prudent to have Messrs. Schlosstein and Altman participate in these discussions because they possess unique insight regarding the day-to-day performance of our executives.

### ***The Board's Consideration of Stockholder Views on our Compensation Program***

At our 2011 annual meeting, we held our first non-binding, advisory stockholder vote on executive compensation ( *say on pay* ). Our stockholders overwhelmingly approved the executive compensation described in our proxy statement in 2011, with approximately 90% of voted shares cast in favor of the *say on pay* proposal. In light of our stockholders' strong support for our executive compensation program, the Compensation Committee did not implement significant changes to our executive compensation program as a result of last year's stockholder advisory vote. At last year's annual meeting, we also asked the stockholders to inform us, through a non-binding, advisory vote, on how frequently they want us to undergo the effort and expense of having *say on pay* votes. Approximately 53% of the votes cast on this matter were cast in favor of holding triennial *say on pay* votes. The Board decided to follow the decision of the majority of our stockholders and determined that we will hold a *say on pay* vote every three years. In light of this determination, the next *say on pay* vote is expected to occur at our 2014 annual meeting of stockholders.

### ***Principal Components of Executive Compensation***

The key components of our compensation program for Named Executive Officers are (1) base salary and (2) annual incentive compensation (which includes both cash payments and deferred equity and cash awards which are subject to vesting), each of which is described below and each of which is considered in setting total compensation. Portions of the compensation for some of our Named Executive Officers for 2011 were determined pursuant to employment agreements. These agreements are described below under **Employment Agreements**.

#### ***A. Base Salaries have Generally Remained Flat***

Consistent with industry practice, the base salaries for our Named Executive Officers, which includes fixed profit allocations for Messrs. Altman, Schlosstein and Mestre who are partners of Evercore LP and Mr. Sibbald's draw since he is a member of Evercore LLP rather than an employee, generally account for a minority of their total potential compensation. The base salaries of Messrs. Altman, Sibbald and Schlosstein are set by their respective employment agreements. For 2011, the base salaries of Messrs. Mestre and Walsh were established by the Compensation Committee based on each executive's experience, expertise, position and alternative employment opportunities. Base salaries are reviewed annually by the Compensation Committee and may be adjusted in the discretion of the Compensation Committee, taking into account the Compensation Committee's subjective evaluation of each executive's performance, changes in the same factors considered in establishing initial base salaries, adjustments made to the base salaries of our broader employee population and such other factors as the Compensation Committee may deem relevant. However, in order to emphasize the incentive-based elements of our compensation program, we have not increased base salaries for our Named Executive Officers since they joined us.

#### ***B. Incentive Compensation is Performance Driven and Linked to Stockholder Value***

Consistent with industry practice, the bonuses potentially payable to our Named Executive Officers account for the majority of their total compensation opportunities. For 2011, no bonus was guaranteed to any Named

---

## **Table of Contents**

Executive Officer. Rather, annual bonuses to Named Executive Officers are determined in the discretion of the Compensation Committee.

### *1. Discretionary Bonuses are Tied to Performance*

In evaluating 2011 performance, management and the Compensation Committee considered that we were able to achieve record revenues of approximately \$543 million, a 36% increase over our prior year's results, and enhanced returns to our shareholders through increased dividends and continued share buybacks, while continuing to invest in the growth of the business. In particular, Investment Banking revenues increased 43%, due to several positive factors, including our acquisition of Lexicon, the expansion of our core Advisory business and increased deal activity, along with contributions from our new Investment Banking businesses. We expanded our Advisory franchise in strategically important industries, including energy and technology, and through our Lexicon acquisition, we also enhanced our Financial Institutions (Insurance), Energy and Utilities teams. Through the Lexicon acquisition and organic growth, we also significantly expanded our capacity to serve clients directly in Europe and Asia. We strengthened our alliance with CITIC Securities in China, and newly established advisory alliances with Kotak Mahindra Capital Company Limited in India and Woori Investment & Securities Ltd. in South Korea extended our geographic reach and client network. Our research, sales and trading business continued to be well received by institutional investors and continued to gather clients at a rapid rate. Similarly, Investment Management fee-based revenues earned from the management of client portfolios and other investment advisory services increased 33%, primarily as a result of the full period's impact of the acquisition of new businesses in 2010. Our Wealth Management team in the U.S. continued to build scale, and Evercore Trust Company sustained its leading position in the markets it serves in 2011. Finally, we were able to continue to execute our strategic growth objectives by purchasing a 45% non-controlling interest in ABS Investment Management, LLC (ABS), an institutionally focused equity long/short hedge fund-of-funds manager. These strategic accomplishments, along with our overall financial performance, were taken into account in determining incentive compensation.

For 2011, none of our Named Executive Officers had previously prescribed personal performance goals that determined bonus compensation. The Compensation Committee did not engage any outside consultants or benchmark compensation amounts against other firms. Rather, in evaluating the performance of and determining bonuses for our Named Executive Officers, in recognition of the importance of developing and maintaining client relationships that generate significant and potentially recurring fees, the Compensation Committee focused on the revenues generated from client relationships originated or managed by our Named Executive Officers with client responsibilities. In particular, management reviewed the relative contributions of Messrs. Altman, Mestre and Sibbald in serving clients (which were primarily corporate advisory clients). In addition, the Compensation Committee also took into account our achievement of several strategic accomplishments discussed in the prior paragraph, as well as certain strategic accomplishments associated with specific individuals, as further discussed below. When awarding 2011 bonuses, the Compensation Committee focused on the value of equity awards on the grant date. However, based on SEC regulations, these awards are not reflected for 2011 in the Summary Compensation Table because the grant date occurred in 2012.

In determining bonuses, the Compensation Committee also took into account the Company's overall superior performance and a qualitative review of a variety of factors based on the role and responsibility of each Named Executive Officer. In awarding bonuses for 2011, the Compensation Committee reviewed other economic relationships between the individual and the Company, namely: (1) dividends, (2) 2011 Follow-On Offering proceeds, and (3) the then existing amount of equity owned by the individual. The Compensation Committee also reviewed the individual's compensation for prior years. As indicated below, the Compensation Committee also reviewed compensation awarded to certain other employees, but did not attempt to fix internal pay ratios at any specified levels. In addition to the general factors and analysis as outlined above, the Compensation Committee noted the factors identified for each Named Executive Officer below, respectively:

Schlosstein: The Compensation Committee awarded Mr. Schlosstein a discretionary bonus with an economic value of \$4 million for 2011 in recognition of our overall financial performance and his strategic contributions. In

---

**Table of Contents**

particular, the Compensation Committee recognized his continued success in broadening and expanding our lines of businesses, including expanding the Company's capabilities in Europe through the acquisition of Lexicon; the expansion of the investment management business with the ABS transaction; and the deepening of our relationship with CITIC Securities and the addition of new alliance relationships in India and South Korea. The Compensation Committee also noted that Mr. Schlosstein made significant contributions to the growth of revenues and clients of many of Evercore's new businesses, including Institutional Equities and the Private Funds Group.

Altman: Mr. Altman received a discretionary bonus with an economic value of \$5.5 million for 2011. In determining this amount, the Compensation Committee acknowledged that Mr. Altman has throughout his career at Evercore had significant client relationships, which in 2011 contributed to some of Evercore's most prestigious and largest assignments, and the Compensation Committee continued the Company's long standing practice of taking into account revenues generated directly or indirectly by an Advisory SMD in determining Mr. Altman's bonus. In recognition of Mr. Altman's strategic responsibilities as Executive Chairman, the Compensation Committee also noted that he led many of our most important partner recruiting initiatives and is also our most visible partner in the media, consistently promoting the Evercore brand.

Mestre: Mr. Mestre was awarded a discretionary bonus with an economic value of \$3.35 million for 2011. Similar to Mr. Altman, in determining this amount, the Compensation Committee took into account revenues generated directly or indirectly by Mr. Mestre in determining his bonus. The Compensation Committee also took into account Mr. Mestre's strategic responsibilities in management of our core Advisory businesses and his role in expanding the Company's global Mergers and Acquisition franchise, including managing the U.S. Advisory business and its interaction with the European and Mexican Advisory businesses and growing the strategic alliances with G5 Holdings S.A. and Mizuho Corporate Bank, Ltd.

Sibbald: Mr. Sibbald was awarded a discretionary bonus with an economic value of \$1.86 million. Similar to Mr. Altman and Mestre, in determining this amount, the Compensation Committee took into account revenues generated by Mr. Sibbald as a senior partner in the European Advisory business. The bonus paid to Mr. Sibbald takes into account revenues generated from April 1, 2011 (Lexicon previously ended its fiscal year on March 31) through December 31, 2011, a portion of which was already accrued for prior to the Lexicon acquisition. The Compensation Committee also took into account the improved results of Evercore's European operations and Mr. Sibbald's leadership in the integration of the Evercore and Lexicon businesses in the United Kingdom and globally. In addition, in determining Mr. Sibbald's bonus payment, the Compensation Committee took into account the 240,564 unvested restricted shares of Class A common stock that Mr. Sibbald will receive in connection with the Lexicon acquisition. The vesting and delivery terms of such shares are described in **RELATED PERSON TRANSACTIONS AND OTHER INFORMATION Acquisition of the Lexicon Partnership LLP** above and **Outstanding Equity Awards at 2011 Fiscal Year-End** below.

Walsh: Mr. Walsh was awarded a discretionary bonus with an economic value of \$1.3 million for 2011. In determining Mr. Walsh's bonus, the Compensation Committee took into account his strategic contribution to the success of our business, including the acquisition of Lexicon, the ABS transaction, the management of a successful securities offering and other strategic initiatives, as well as the overall financial performance of the Company.

The Compensation Committee did not assign specific amounts to the factors discussed above in calculating our Named Executive Officers bonuses, but did consider: (a) for Mr. Schlosstein, the bonus amounts payable to other Named Executive Officers, (b) for Messrs. Altman, Mestre and Sibbald, the bonus amounts payable to other SMDs devoted to generating revenue through existing or new client relationships and (c) for Mr. Walsh, the bonus amounts payable to SMDs who did not have client revenue generating responsibilities.

*2. A Significant Portion of Annual Bonuses are in the Form of Equity and are Subject to Multi-Year Vesting*

Consistent with past practice, the Compensation Committee decided to require that a large portion of 2011 incentive compensation for Named Executive Officers be subject to future service (i.e., vesting) requirements.

---

**Table of Contents**

We refer to this portion of our Named Executive Officer's compensation as "deferred compensation" because it will not be delivered until a future year (and then, only if applicable vesting requirements have been met). The Compensation Committee adopted a base deferred compensation program such that a percentage of an SMD's bonus would be in the form of RSUs, depending on the amount of total compensation, with a range of 0% to 45% of total compensation being in the form of RSUs. In addition, as part of the Compensation Committee's focus on total compensation and reviewing all economic relationships between the Company and SMDs, the Compensation Committee adopted a supplemental deferred compensation program providing that an additional portion of certain SMDs' bonuses would be deferred based on a variety of factors, including associated revenues and the amount of equity such SMD could have sold in the Secondary Offering, ranging from 5% to 20% of that individual's total bonus. The supplemental deferred amount was payable (at the election of the recipient) in either additional RSUs or in deferred cash awards. The deferred cash awards are account-based arrangements that track a hypothetical investment in the mutual funds selected by the employee from unaffiliated registered mutual funds. These deferred cash awards are not funded, but rather are merely unsecured obligations that are payable by us (when due) from our general assets.

Both the RSUs and deferred cash awards vest in substantially equal annual installments over four years, subject to accelerated vesting upon death, disability, change in control, qualifying retirement and, with respect to RSUs and deferred cash awards granted in connection with 2011 bonuses, termination without cause. When deferred compensation is awarded in the form of RSUs, the RSUs include dividend equivalent rights payable in the form of additional RSUs, which additional RSUs will vest and be settled on the same terms as the original RSUs to which they relate. While the vesting schedule for deferred cash awards is designed to mirror the four year pro-rata vesting schedule of RSUs, the vesting schedule reflects the fact that these awards are denominated in dollars rather than shares. Thus, 25% of the then-current account balance will become vested and will be delivered on the first anniversary of the grant date, 33% of the then-current account balance will become vested and will be delivered on the second anniversary of the grant date, 50% of the then-current account balance will become vested and will be delivered on the third anniversary of the grant date and 100% of the then-current account balance will become vested and will be delivered on the fourth anniversary of the grant date.

In connection with the deferred compensation awards granted in connection with 2011 bonuses, with respect to the definition of "qualifying retirement," we revised the age plus service requirement used in prior awards from a minimum of 70 to 65 years. Accordingly, deferred compensation awards granted in connection with 2011 bonuses will continue to be paid on the original vesting schedule following a qualifying retirement as long as the recipient complies with his or her non-competition commitments, gives one year's advanced notice of his or her decision to retire and, at the time of retirement: (a) is at least 55 years old and has completed at least 5 years of continuous service with the Company and (b) his or her age plus years of service exceeds 65.

The vesting of deferred compensation awards granted in connection with 2011 bonuses is also subject to accelerated vesting upon a termination of the recipient's service by us without cause, subject to his or her execution of a general release of claims against us and our affiliates. For this purpose, "cause" generally means (1) the employee's material breach of any restrictive covenants or any of our published policies (including our Code of Ethics); (2) any act or omission by the employee that causes us or the employee to be subject to discipline under any law, rule or regulation related to our business, or any rule of any exchange or association of which we are a member; (3) the employee's conviction of, or plea of guilty or no contest to, any felony; (4) the employee's participation in any fraud or embezzlement; (5) gross negligence or willful misconduct by the employee in the course of employment or the employee's deliberate and continuous disregard of his or her material duties; or (6) the employee's commission of any act or making of any statement that impairs, impugns, denigrates, disparages or otherwise negatively reflects on us or our reputation or business interests. For non-U.S. partners and employees, the cause definition is substantively similar. In addition, as part of the transition from a company with a March 31 fiscal year end to a calendar fiscal year, the vesting of all or a portion of the supplemental deferred compensation amounts awarded to Mr. Sibbald and other former Lexicon employees may be accelerated based on Evercore Europe's results for the 12 months ended March 31, 2012.



**Table of Contents**

Only the cash and deferred cash portions of 2011 bonuses to Named Executive Officers are reflected in the Summary Compensation Table for 2011 under the heading Bonus. The portion of 2010 bonuses paid in RSUs is reflected, in accordance with SEC rules, as a 2011 Stock Award. Because the RSUs associated with 2011 bonuses were awarded in 2012, the portion of 2011 bonuses payable in equity will be reflected in our 2012 Summary Compensation Table and 2012 Grants of Plan Based Awards Table in the proxy statement for our 2013 Annual Meeting.

*3. Alternative Presentation*

The Summary Compensation Table that appears on page 36 provides specific compensation information for our Named Executive Officers as required by SEC regulations. However, the Summary Compensation Table does not present the Named Executive Officers' annual bonus compensation in a manner consistent with the Compensation Committee's view of annual bonuses during its compensation decision-making process. In particular, the Summary Compensation Table only reflects for 2011 the grant date value of equity awarded during the 2011 calendar year for 2010 performance and does not include amounts awarded after the end of calendar year 2011 for 2011 performance. The following table is presented to substantially show how the Compensation Committee viewed 2011 annual compensation for our Named Executive Officers, but it differs substantially from the Summary Compensation Table required by the SEC and is not a substitute for that table. Amounts are rounded to the nearest thousand.

<b>Name and Principal Position</b>	<b>Salary (\$)</b>	<b>Current Cash Portion of Bonus(\$)</b>	<b>RSU Portion of Bonus(\$)</b>	<b>Deferred Cash Portion of Bonus(\$)</b>	<b>Total Annual Base Salary and Bonus(\$)</b>
<b>Ralph L. Schlosstein</b>					
CEO and President					
2011	500,000	1,200,000	2,800,000		4,500,000
2010	500,000	450,000	2,550,000		3,500,000
2009(1)	500,000	1,893,000	1,893,000		4,286,000
<b>Roger C. Altman</b>					
Co-Chairman					
2011	500,000	1,700,000	3,800,000		6,000,000
2010	500,000	540,000	3,310,000		4,350,000
2009	500,000	5,250,000	5,250,000		11,000,000
<b>Robert B. Walsh</b>					
CFO					
2011	500,000	670,000	630,000		1,800,000
2010	500,000	400,000	500,000	100,000	1,500,000
2009	500,000	867,000	433,000		1,800,000
<b>Eduardo Mestre</b>					
Chairman of Global Advisory					
2011	500,000	1,140,000	1,540,000	670,000	3,850,000
2010	500,000	615,000	2,300,000	1,435,000	4,850,000
2009	500,000	2,250,000	2,250,000		5,000,000
<b>Andrew Sibbald</b>					
CEO of Evercore LLP					
2011(2)	400,000	1,040,000	1,180,000	260,000	2,880,000

---

**Table of Contents**

- (1) These amounts reflect the annualized amount of Mr. Schlosstein's annual salary and bonus for 2009 and exclude his sign-on bonus. Mr. Schlosstein was hired in May 2009 and his 2009 bonus of approximately \$2,500,000 reflects the fact that he only worked for a portion of 2009.
- (2) These amounts reflect the annualized amount of Mr. Sibbald's annual salary and bonus for 2011. Mr. Sibbald's annual salary and bonus were converted at an average exchange rate for 2011 of £0.6235 to U.S. \$1.00. Mr. Sibbald became a Member of Evercore LLP upon the consummation of the Lexicon transaction in August 2011 and his 2011 bonus of approximately \$1,860,000 reflects the fact that his bonus takes into account revenues generated from April 1, 2011 (Lexicon previously ended its fiscal year on March 31) through December 31, 2011, although a portion of his bonus was already accrued for prior to the Lexicon acquisition. Mr. Sibbald may elect to receive his supplemental deferred compensation in additional RSUs, subject to the same vesting terms as his deferred cash award. These amounts do not include the 240,564 unvested restricted shares of Class A common stock that Mr. Sibbald will receive in accordance with the Lexicon Agreement.

***Our Rationale for Agreements that Provide for Payments to Executives upon the Occurrence of Specified Events***

The employment agreements we entered into with some of our Named Executive Officers provide for severance payments. In addition, some of those agreements provide for additional payments in connection with a severance that occurs after a change in control (including, in Mr. Altman's case, a tax gross-up payment to protect him from so-called golden parachute excise taxes that could arise in such circumstances). We believe that these severance and change in control arrangements mitigate some of the risk that exists for executives working in a smaller company. These arrangements are intended to attract and retain qualified executives who have other job alternatives that may appear to them, in the absence of these arrangements, to be less risky.

In addition, due to the fact that there has historically been significant acquisition activity in the financial services industry, there is a possibility that we could be acquired in the future. Accordingly, we believe that severance and change in control arrangements are necessary to enable key executives to evaluate objectively the benefits to our stockholders of a proposed transaction, notwithstanding its potential effects on their own job security.

***Process and Timing for Grants of Bonuses and Equity Awards***

Other than as a result of deadlines established in employment agreements for some of our Named Executive Officers, we determine annual bonus amounts (whether payable in cash, equity or other deferred compensation) in connection with the issuance of our fourth quarter earnings release. The Compensation Committee authorizes all bonus amounts, including cash, equity and other deferred compensation, to Named Executive Officers. The specific number of shares subject to equity awards for Named Executive Officers with respect to 2011 performance was determined based on the price of our stock after the release of our fourth quarter 2011 earnings.

***Assessment of Risk***

Our compensation programs are not designed to encourage excessive risk-taking. The base salary component of compensation does not encourage risk-taking because it is a fixed amount. In addition, there are several other factors associated with our equity ownership, incentive compensation programs and CEO compensation that discourage inappropriate or excessive risk-taking:

While bonuses to our Advisory SMDs are generally made with reference to production measures, most of those SMDs hold equity stakes far in excess of annual bonus payments, which means the majority of their economic interests are aligned with stockholders interests;

Bonuses for many employees, including Named Executive Officers, are based on a review of a variety of factors, which diversifies the risks associated with any single indicator of performance;

**Table of Contents**

A substantial portion of most bonuses is paid in equity, and in general, the portion of the bonus paid in equity increases with the seniority of the recipient and the size of the bonus;

Our RSUs, including those awarded as part of our annual bonus program, generally vest over a number of years, which encourages an appropriately long-term focus;

The portion of our deferred compensation that is not payable in RSUs also generally vests over four years and is unfunded and unsecured again encouraging an appropriately long-term focus;

Members of the Compensation Committee apply discretion in the establishment of the size of our bonus pool, the percentage split of our bonus pool between cash and equity and the terms of our equity awards;

Our CEO, who is involved in setting our compensation for other employees, was granted a performance equity award upon commencement of his employment which generally vests only if our stock performance achieves specified targets and his employment continues for five years;

Many of our investment management employees have interests in their individual business units, and thus are directly exposed to the risks inherent in their own decision-making; and

We believe that RSUs are an appropriate form of deferred compensation because, unlike other forms of equity awards, such as options, they encourage the holder to think like a stockholder on the date of grant rather than be unaffected by stock-price drops below the strike price.

***Tax and Accounting Considerations***

The Compensation Committee believes that there are circumstances where the provision of compensation that is not fully deductible may be more consistent with our compensation philosophy and objectives and/or may be in our best interests and those of our stockholders. The Compensation Committee's ability to exercise discretion and to retain flexibility in this regard may, in certain circumstances, outweigh the advantages of qualifying all compensation as deductible, or causing all compensation expenses to be accounted for in a particular fashion. Accordingly, the Compensation Committee reserves the authority to award compensation that may not be fully deductible. However, we structure compensation in a manner intended to avoid additional taxes, interest or penalties under Section 409A of the Internal Revenue Code.

**Table of Contents****Summary Compensation Table**

Name and Principal Position	Salary (\$)	Bonus(1) (\$)	Stock Awards(2) (\$)	All Other Compensation(3) (\$)	Total (\$)
<b>Ralph L. Schlosstein</b>					
CEO and President					
2011	500,000	1,200,000	2,550,033	78,980	4,329,013
2010	500,000	450,000	1,250,008	27,855	2,227,863
2009	305,128	7,350,000(4)	9,081,000(5)		16,736,128
<b>Roger C. Altman</b>					
Co-Chairman					
2011	500,000	1,700,000	3,310,056	210,317	5,720,373
2010	500,000	540,000	5,250,023	183,474	6,473,497
2009	500,000	5,250,000	1,000,005	374,339	7,124,344
<b>Robert B. Walsh</b>					
CFO					
2011	500,000	670,000	500,017	20,439	1,690,456
2010	500,000	500,000	433,018	11,566	1,444,584
2009	500,000	867,000		9,655	1,376,655
<b>Eduardo Mestre</b>					
Chairman of Global Advisory					
2011	500,000	1,810,000	2,300,017	154,648	4,764,665
2010	500,000	2,050,000	2,250,026	132,045	4,932,071
2009	500,000	2,250,000	1,650,007	260,322	4,660,329
<b>Andrew Sibbald (6)</b>					
CEO of Evercore LLP					
2011	223,656	975,000	5,469,223	130,598	6,798,477

- (1) The amounts reflected in the Bonus column for 2011 for Messrs. Mestre and Sibbald include \$670,000 and \$195,000 in deferred cash awards, respectively, which is subject to vesting, and Mr. Sibbald may receive such amount as additional RSUs. See **Compensation Discussion and Analysis Principal Components of Executive Compensation** above and **Nonqualified Deferred Compensation for 2011** below.
- (2) The amounts reflected in the Stock Awards column represent the grant date fair value of the awards made during the identified fiscal year, as computed in accordance with FASB ASC Topic 718. Equity awards for 2011 performance were granted in 2012 and, therefore, in accordance with SEC rules, are not shown here. Other than with respect to Mr. Sibbald, the amounts shown in this column for 2011 reflect the grant date fair value of equity awards granted in 2011 for 2010 performance. Assumptions used in the calculation of these amounts for 2011 are included in Note 17 to our audited financial statements included in our Annual Report on Form 10-K for 2011. With respect to Mr. Sibbald, the grant date value of \$5,469,223 in equity awards relates exclusively to the 240,564 unvested restricted shares of Class A common stock that Mr. Sibbald will receive in accordance with the Lexicon Agreement. The vesting and delivery terms of such awards are described in **RELATED PERSON TRANSACTIONS AND OTHER INFORMATION Acquisition of the Lexicon Partnership LLP** above and **Outstanding Equity Awards at 2011 Fiscal Year-End** below.

**Table of Contents**

- (3) All Other Compensation for 2011 for each of the Named Executive Officers includes the following:

Name	Dividends(a) (\$)	Perquisites and Other Personal Benefits(b)	Contributions to Defined Contribution Plan(c) (\$)	Total All Other Compensation (\$)
Ralph L. Schlosstein	78,980			78,980
Roger C. Altman	210,317			210,317
Robert B. Walsh	20,439			20,439
Eduardo Mestre	154,648			154,648
Andrew Sibbald	91,458		39,140	130,598

- (a) Other than with respect to Mr. Sibbald, represents the grant date fair value of dividend equivalent RSU awards. Such additional RSUs will vest, and shares will be delivered in respect thereof, on the same terms as the original RSU grants to which they relate. See **Compensation Discussion and Analysis Principal Components of Executive Compensation** above. With respect to Mr. Sibbald, represents the grant date fair value of dividend equivalent shares of restricted Class A common stock in connection with the 240,564 unvested restricted shares that Mr. Sibbald will receive in accordance with the Lexicon Agreement. Such dividend equivalent shares will vest, and shares will be delivered in respect thereof, on the same terms as the unvested restricted shares of Class A common stock that Mr. Sibbald will receive under the Lexicon Agreement to which they relate. For administrative ease in dealing with our transfer agent and our stock plan administrator, equity awards based on dollar values which result in fractional shares are rounded up to the nearest whole share.
- (b) Perquisites and other personal benefits to the Named Executive Officers were less than \$10,000, and therefore information regarding perquisites and other personal benefits has not been included.
- (c) Represents a £24,462 contribution by us into a U.K. tax-qualified defined contribution plan for the benefit of Mr. Sibbald. See footnote 6 below for a description of the rate and methodology used to convert this amount to dollars.
- (4) This amount includes the \$6,100,000 sign-on bonus that Mr. Schlosstein received in 2009. The remaining \$1,250,000 was the cash portion of his 2009 annual bonus (representing 50% of such annual bonus). The Compensation Committee elected to pay the remaining 50% of his 2009 annual bonus in the form of RSUs, based on the fair market value of our shares on the grant date (February 4, 2010).
- (5) This represents the 900,000 performance RSUs granted to Mr. Schlosstein in 2009 as part of his sign-on equity bonus. See **Outstanding Equity Awards at 2011 Fiscal Year-End** below for a discussion of the vesting terms associated with such RSUs awarded to Mr. Schlosstein.
- (6) The amounts related to Mr. Sibbald were paid in British pounds; however, Mr. Sibbald's salary and bonus were calculated and approved in U.S. dollars. Mr. Sibbald's salary, bonus and the contribution to a defined contribution plan made by us for the benefit of Mr. Sibbald were converted at an average exchange rate for 2011 of £0.6235 to U.S. \$1.00. Mr. Sibbald became a Member of Evercore LLP upon the consummation of the Lexicon transaction on August 19, 2011 and therefore his salary is for the period of August 19, 2011 to December 31, 2011. However, pursuant to the Lexicon Agreement, we agreed, subject to consummation of the transaction, to make a catch-up salary payment equal to the difference between the salary received by Mr. Sibbald from Lexicon from April 1, 2011 to August 19, 2011 and the salary he would have received for such time period if he had become a member of Evercore LLP on April 1, 2011 rather than on August 19, 2011. The contribution to a defined contribution plan is for period of August 19, 2011 to December 31, 2011, plus a catch-up contribution payment equal to the difference between the contribution received by Mr. Sibbald from Lexicon from April 1, 2011 to August 19, 2011 and the contribution he would have received from Evercore for such time period if he had become a member of Evercore LLP on April 1, 2011 rather than on August 19, 2011. The bonus payment takes into account revenues generated from April 1, 2011 (Lexicon previously ended its fiscal year on March 31) through December 31, 2011, a portion of which was already accrued for prior to the Lexicon acquisition.

**Table of Contents****Grants of Plan-Based Awards in 2011**

Name	Grant Date	All Other Stock Awards:	
		Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards(1) (\$)
Ralph L. Schlosstein	2/4/2011	43,073	1,500,017
	2/18/2011(2)	30,321	1,050,016
Roger C. Altman	2/4/2011	58,867	2,050,043
	2/18/2011(2)	36,385	1,260,013
Robert B. Walsh	2/4/2011	14,358	500,017
Eduardo Mestre	2/4/2011	66,045	2,300,017
Andrew Sibbald(3)	8/19/2011	240,564	5,469,223

- (1) The amounts in the column under Grant Date Fair Value of Stock Awards represent the grant date fair value of the awards, as computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 17 to our audited financial statements included in our Form 10-K for 2011. The vesting terms of such awards are described in **Outstanding Equity Awards at 2011 Fiscal Year-End** below.
- (2) Reflects the supplemental deferral compensation portion of their 2010 annual bonuses, which Messrs. Schlosstein and Altman chose to take in additional RSUs in lieu of deferred cash.
- (3) Relates exclusively to the 240,564 unvested restricted shares of Class A common stock that Mr. Sibbald will receive in accordance with the Lexicon Agreement. As of December 31, 2011, Mr. Sibbald did not receive any awards under the 2006 Evercore Partners Inc. Stock Incentive Plan.

**Outstanding Equity Awards at 2011 Fiscal Year-End**

Name	Number of Shares or Units of Stock That Have Not Vested (1) (#)	Market Value of Shares or Units of Stock That Have Not Vested (8) (\$)	Stock Awards	
			Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (1) (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (8) (\$)
Ralph L. Schlosstein	829,899(2)	22,091,911	180,000(3)	4,791,600
Roger C. Altman	284,981(4)	7,586,194		
Robert B. Walsh	28,088(5)	747,703		
Eduardo Mestre	529,329(6)	14,090,738		
Andrew Sibbald	244,141(7)	6,499,033		

- (1) All RSUs are subject to accelerated vesting upon a change in control, the executive's death or the executive's disability. RSUs granted in 2011 are also subject to continued vesting following a qualifying retirement, as described above on page 32.
- (2) This amount consists of 826,463 RSUs granted to Mr. Schlosstein and 3,436 dividend equivalent RSUs. Mr. Schlosstein holds 900,000 RSUs that vest on the fifth anniversary of the commencement of his employment with us, subject to his continuous employment through such date (or earlier, upon termination of Mr. Schlosstein's employment without cause or for good reason or due to his death or disability (as such terms are defined in Mr. Schlosstein's employment agreement)), if and to the extent the following performance conditions have by that time been satisfied: (1) 180,000 RSUs vest if our stock price has closed at or above \$20 for 20 consecutive trading days; (2) 180,000 RSUs vest if our stock price has closed at or above \$25 for 20 consecutive trading days; (3) 180,000 RSUs vest if our stock price has closed at or above \$30 for 20 consecutive trading days; (4) 180,000 RSUs vest if our stock price has closed at or above \$35 for 20 consecutive trading days; and (5) 180,000 RSUs vest if our stock price has closed at or above \$40 for 20 consecutive trading days. As of December 31, 2011, the stock price condition for four tranches of the award



**Table of Contents**

- representing 720,000 shares had been satisfied. 33,069 of the RSUs and 1,547 of the dividend equivalent RSUs vest in three substantially equal installments on the second, third and fourth anniversaries of the grant date of the underlying RSUs (February 4, 2010). 43,073 of the RSUs and 1,108 of the dividend equivalent RSUs vest in four substantially equal installments on the first four anniversaries of the grant date of the underlying RSUs (February 4, 2011). 30,321 of the RSUs and 781 of the dividend equivalent RSUs vest in four substantially equal installments on the first four anniversaries of the grant date of the underlying RSUs (February 18, 2011).
- (3) This amount consists of the tranche of 180,000 of the 900,000 RSUs mentioned in footnote 2 above with respect to which the stock price condition had not been satisfied as of December 31, 2011.
  - (4) This amount consists of 273,809 RSUs granted to Mr. Altman and 11,172 dividend equivalent RSUs. 39,667 of the RSUs and 2,243 of the dividend equivalent RSUs vest in two substantially equal installments on the third and fourth anniversaries of the grant date of the underlying RSUs (February 9, 2009). 138,890 of the RSUs and 6,480 of the dividend equivalent RSUs vest in three substantially equal installments on the second, third and fourth anniversaries of the grant date of the underlying RSUs (February 4, 2010). 58,867 of the RSUs and 1,513 of the dividend equivalent RSUs vest in four substantially equal installments on the first four anniversaries of the grant date of the underlying RSUs (February 4, 2011). 36,385 of the RSUs and 936 of the dividend equivalent RSUs vest in four substantially equal installments on the first four anniversaries of the grant date of the underlying RSUs (February 18, 2011).
  - (5) This amount consists of 27,093 RSUs granted to Mr. Walsh and 995 dividend equivalent RSUs. 1,279 of the RSUs and 85 of the dividend equivalent RSUs vest 100% on the fourth anniversary of the grant date of the underlying RSUs (March 3, 2008). 11,456 of the RSUs and 540 of the dividend equivalent RSUs vest in three substantially equal installments on the second, third and fourth anniversaries of the grant date of the underlying RSUs (February 4, 2010). 14,358 of the RSUs and 370 of the dividend equivalent RSUs vest in four substantially equal installments on the first four anniversaries of the grant date of the underlying RSUs (February 4, 2011).
  - (6) This amount consists of 315,016 unvested Evercore LP partnership units, 205,217 RSUs granted to Mr. Mestre and 9,096 dividend equivalent RSUs. The Evercore LP partnership units vest in equal installments on December 31, 2012 and 2013 so long as Mr. Mestre remains employed with us, Evercore LP or their affiliates on such dates. In addition, 100% of the unvested Evercore LP partnership units held by Mr. Mestre vest upon a change in control or if Mr. Mestre dies or becomes disabled while in our employ. Our Equity Committee may also accelerate vesting of unvested partnership units at any time. 14,196 of the RSUs and 918 of the dividend equivalent RSUs vest 100% on the fourth anniversary of the grant date of the underlying RSUs (March 3, 2008). 65,451 of the RSUs and 3,701 of the dividend equivalent RSUs vest in two substantially equal installments on the third and fourth anniversaries of the grant date of the underlying RSUs (February 9, 2009). 59,525 of the RSUs and 2,780 of the dividend equivalent RSUs vest in three substantially equal installments on the second, third and fourth anniversaries of the grant date of the underlying RSUs (February 4, 2010). 66,045 of the RSUs and 1,697 of the dividend equivalent RSUs vest in four substantially equal installments on the first four anniversaries of the grant date of the underlying RSUs (February 4, 2011).
  - (7) This amount consists of 240,564 unvested restricted shares of Class A common stock that Mr. Sibbald will receive in accordance with the Lexicon Agreement and 3,577 dividend equivalent shares that relate to such unvested restricted shares. Such shares will vest in substantially equal installments over a three-year period beginning on June 30, 2013. Upon vesting, such shares will be delivered to Mr. Sibbald on the earlier of (1) the first anniversary of the relevant vesting date and (2) the date of the first secondary offering by Evercore following the relevant vesting date. Vesting of such shares will accelerate in certain circumstances, including, but not limited to, Mr. Sibbald's termination without cause, a qualifying retirement or upon a change of control.
  - (8) The market value is based upon the closing price of our Class A common stock on December 30, 2011 (\$26.62). With regard to the Evercore LP partnership units, because they are, under specified circumstances, exchangeable for shares of our Class A common stock on a one for one basis, the market value reflected above assumes for this purpose that one partnership unit has a fair market value equal to one share of Class A common stock.



**Table of Contents****Options Exercised and Stock Vested in 2011**

Although we have the authority to issue stock options since our IPO, we have not issued any stock options. Accordingly, the below table is with respect to the vesting of RSUs and other stock-based awards.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Ralph Schlosstein	11,253	391,886
Roger C. Altman	110,651	3,821,005
Robert B. Walsh	5,219	180,225
Eduardo Mestre	68,659	2,367,193
Andrew Sibbald		

**Nonqualified Deferred Compensation for 2011**

As discussed above, the portion of our Named Executive Officers' annual bonuses that is not paid in RSUs or current cash is paid in the form of deferred cash. This deferred cash represents a contractual, unsecured right to a payment in the future, upon satisfaction of service-based vesting conditions. The vesting schedule is substantially equal annual installments over four years, subject to accelerated vesting upon death, disability, change in control, qualifying retirement and, in connection with deferred cash awards granted in connection with 2011 bonuses, termination without cause. While the vesting schedule for deferred cash awards is substantially equal annual installments over four years, it reflects the fact that these awards are denominated in dollars rather than shares. Thus, 25% of the then-current account balance will become vested and will be delivered on the first anniversary of the grant date, 33% of the then-current account balance will become vested and will be delivered on the second anniversary of the grant date, 50% of the then-current account balance will become vested and will be delivered on the third anniversary of the grant date and 100% of the then-current account balance will become vested and will be delivered on the fourth anniversary of the grant date. In addition, as part of the transition from a company with a March 31 fiscal year end to a calendar fiscal year, the vesting of all or a portion of the deferred cash awarded to Mr. Sibbald may be accelerated based on Evercore Europe's results for the 12 months ended March 31, 2012. See

**Compensation Discussion and Analysis** **Principal Components of Executive Compensation** above and **Potential Payments Upon Termination of Employment or Change in Control** below for a further description of the vesting schedule and acceleration thereof of the deferred cash awards.

Deferred cash is credited under this arrangement when annual bonuses are declared (generally, in February of the year following the year to which the bonus relates). Pending distribution, these deferred cash amounts are notionally invested one or more registered mutual funds selected by the executive from a list of funds established by us. Currently, the list of available funds is based on those available under our 401(k) plan. Executives have a limited opportunity to reallocate their deferred cash among the available funds from time to time.

**Table of Contents**

Name	Executive Contributions in Last	Registrant Contributions in Last	Aggregate Earnings in Last FY(2)	Aggregate Withdrawals/ Distributions(3)	Aggregate Balance at Last FYE(4)
	FY (\$)	FY(1) (\$)	(\$)	(\$)	(\$)
Ralph Schlosstein					
Roger C. Altman					
Robert B. Walsh			11,574		111,574
Eduardo Mestre		670,000	166,081		2,271,081
Andrew Sibbald		195,000			195,000

- (1) Represents deferred cash awards granted to Messrs. Mestre and Sibbald in February 2012 for 2011 performance. These amounts are included in the Bonus column of the Summary Compensation Table on page 36 for 2011. Mr. Sibbald may elect to receive this amount in additional RSUs, which are subject to the same vesting terms as his deferred cash awards.
- (2) Amounts shown as earnings reflect gains and losses on hypothetical investments in one or more registered mutual funds.
- (3) Distributions of deferred cash occur within two and one-half months following the applicable vesting date. No amounts vested for these executives during 2011 and, therefore, no amounts were distributed during that year.
- (4) The amounts in this column represent: (1) the deferred cash awards granted to Messrs. Mestre and Walsh of \$1,435,000 and \$100,000, respectively, in February 2011 for 2010 performance, which amounts were reported in the Bonus column of our Summary Compensation Table for 2010, (2) the contributions listed in the Registrant Contributions in Last FY column of this table and (3) the earnings listed in the Aggregate Earnings in Last FY column of this table.

**Table of Contents****Potential Payments Upon Termination of Employment or Change In Control**

The following table describes the potential incremental payments and benefits to which our Named Executive Officers would be entitled upon termination of employment or a change in control. All calculations in this table are based on an assumed termination date of December 31, 2011 and the completion of a full fiscal year, and all defined terms are as defined in the respective employment agreements of each Named Executive Officer, which are summarized below under **Employment Agreements**. The amounts shown in the table below do not include payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment, such as continuation of health care benefits through the end of the month of the termination of employment. While our Named Executive Officers' rights in respect of RSUs granted in connection with 2009 and 2010 bonuses and deferred cash awards granted in connection with 2010 bonuses are subject to continued vesting upon a qualifying retirement, as described above, none of our Named Executive Officers have given the one year advance notice required for such qualifying retirement. Accordingly, none of our Named Executive Officers would have been eligible for this benefit as of December 31, 2011 and this benefit is therefore not illustrated in the table below. For RSUs granted in prior periods, there is no advance notice requirement and, therefore, we have included in the table below RSUs relating to these prior periods that are subject to accelerated vesting upon retirement.

Name	Lump Sum Cash Severance Payment (\$)	2011 Fiscal Year Bonuses (\$)	Continuation of Medical Benefits (\$)	Accelerated Vesting of Equity Awards (\$)	Accelerated Vesting of Deferred Cash Bonus (\$)	Other (\$)	Total (\$)
<b>Roger C. Altman</b>							
Termination due to death or disability		5,500(1)		7,586(2)			13,086
Termination by us without cause or by the executive for good reason or if we elect not to extend term (Qualifying Terminations)	11,900(4)	5,500(1)	50(5)				17,450
Qualifying Termination within six months prior to or anytime following a change in control	17,850(6)	5,500(1)	76(7)	7,586(2)		11,274(8)	42,286
Change in control (regardless of whether executive's employment terminates)				7,586(2)			7,586
Retirement				1,116(3)			1,116
<b>Ralph L. Schlosstein</b>							
Termination due to death, disability or termination by us without cause or by the executive for good reason		4,000(9)		35,056(10)			39,056
Change in control (regardless of whether executive's employment terminates)				15,890(11)			15,890
<b>Robert B. Walsh</b>							
Change in control (regardless of whether executive's employment terminates) or the termination of the executive due to his death or disability				748(12)	112(13)		860
<b>Eduardo Mestre</b>							
Change in control (regardless of whether executive's employment terminates) or the termination of the executive due to his death or disability				14,014(14)	1,601(15)		15,615
Retirement				1,841(16)			1,841
<b>Andrew Sibbald</b>							
Change in control (regardless of whether executive's employment terminates), termination due to death or disability or termination by us without cause	(17)			6,499(18)			6,499

**Table of Contents**

- (1) This amount consists of Mr. Altman's annual bonus for the 2011 fiscal year; Mr. Altman would otherwise be required to remain employed through the bonus payment date in order to receive these amounts. Note that approximately 69% of the annual bonus payable to Mr. Altman would have been paid in the form of RSUs, subject to time-based vesting over a period of up to four years, but we have assumed for illustrative purpose only that when paid in connection with a severance event, Mr. Altman would have been paid the entire annual bonus in cash with no grants of equity securities subject to vesting.
- (2) This amount represents the value of 284,981 otherwise unvested RSUs based on the closing price of our Class A common stock on December 31, 2011 (\$26.62).
- (3) This amount represents the value of 41,910 otherwise unvested RSUs granted in connection with Mr. Altman's 2008 bonus based on the closing price of our Class A common stock on December 31, 2011 (\$26.62).
- (4) This amount is equal to two times the greater of: (a) the sum of (A) the executive's base salary and (B) the executive's average annual bonus for the three most recently completed fiscal years; or (b) the average of the aggregate amount of cash compensation payable to our three most highly paid executive officers in the fiscal year preceding the year of termination.
- (5) This amount represents the estimated present value of the employer-paid portion of premium payments for 24 months of medical, dental and vision insurance coverage.
- (6) This amount is equal to three times the greater of: (a) the sum of (A) the executive's base salary and (B) the executive's average annual bonus for the three most recently completed fiscal years; or (b) the average of the aggregate amount of cash compensation payable to our three most highly paid executive officers in the fiscal year preceding the year of termination.
- (7) This amount represents the estimated present value of the employer-paid portion of premium payments for 36 months of medical, dental and vision insurance coverage.
- (8) If payments or benefits provided to the executive in connection with a change in control result in an excess parachute payment excise tax being imposed on the executive, he is entitled to a gross-up payment equal to the amount of the excise tax, as well as the excise tax and income tax on the gross-up payment. This amount represents the estimated gross-up payment that would be made to the executive in the event his employment is terminated by us without cause or by the executive for good reason on December 31, 2011, within six months prior to or at anytime following a change in control.
- (9) This amount consists of Mr. Schlosstein's annual bonus for the 2011 fiscal year; Mr. Schlosstein would otherwise be required to remain employed through the bonus payment date in order to receive these amounts. Note that approximately 66% of the annual bonus payable to Mr. Schlosstein would have been paid in the form of RSUs, subject to time-based vesting over a period of up to four years, but we have assumed for illustrative purpose only that when paid in connection with a severance event, Mr. Schlosstein would have been paid the entire annual bonus in cash with no grants of equity securities subject to vesting.
- (10) Of this amount, \$22,092 represents the value of 829,899 otherwise unvested RSUs, based on the closing price of our Class A common stock on December 31, 2011 (\$26.62). Mr. Schlosstein's remaining 180,000 RSUs will be forfeited as a result of the Company's Class A common stock not reaching specified share price targets as of December 31, 2011. Of this amount, \$12,964 represents the value of the lapse of the Company's right to repurchase 1,391,460 Evercore LP partnership units from Mr. Schlosstein and the Ralph L. Schlosstein 1998 Long-Term Trust (the Trust), based on the excess of the closing price of our Class A common stock on December 31, 2011 (\$26.62) over the fair market value of the Evercore LP partnership units held by Mr. Schlosstein and the Trust as of December 31, 2011. The fair market value of the Evercore LP partnership units held by Mr. Schlosstein and the Trust as of December 31, 2011 is determined using the same methodology utilized in the independent valuation received by the Company at the time that Mr. Schlosstein and the Trust purchased the units.
- (11) Of this amount, \$2,926 represents the value of 109,899 otherwise unvested RSUs, based on the closing price of our Class A common stock on December 31, 2011 (\$26.62). Of this amount, \$12,964 represents the value of the lapse of the Company's right to repurchase 1,391,460 Evercore LP partnership units from Mr. Schlosstein and the Ralph L. Schlosstein 1998 Long-Term Trust (the Trust), based on the excess of the closing price of our Class A common stock on December 31, 2011 (\$26.62) over the fair market value of the Evercore LP partnership units held by Mr. Schlosstein and the Trust as of December 31, 2011. The fair market value of the Evercore LP partnership units held by Mr. Schlosstein and the Trust as of December 31, 2011 is determined using the same methodology utilized in the independent valuation received by the Company at the time that Mr. Schlosstein and the Trust purchased the units.
- (12) This amount represents the value of 28,088 otherwise unvested RSUs, based on the closing price of our Class A common stock on December 31, 2011 (\$26.62).
- (13) This amount represents the deferred portion of Mr. Walsh's 2010 bonus, subject to adjustment based on investment performance of the deferred cash award.
- (14) Of this amount, \$8,309 represents the value of 312,143 otherwise unvested Evercore LP partnership units and \$5,705 represents the value of 214,313 otherwise unvested RSUs, each based on the closing price of our Class A common stock on December 31, 2011 (\$26.62). Because Evercore LP partnership units are, under specified circumstances, exchangeable for shares of our Class A common stock on a one-for-one basis, the fair market value of the Evercore LP partnership units is assumed for this purpose to be equal to the fair market value of our Class A common stock.
- (15) This amount represents the deferred portion of Mr. Mestre's 2010 bonus, subject to adjustment based on investment performance of the deferred cash award.
- (16) This amount represents the value of 69,152 otherwise unvested RSUs granted in connection with Mr. Mestre's 2008 bonus based on the closing price of our Class A common stock on December 31, 2011 (\$26.62).
- (17) Pursuant to his employment agreement, Mr. Sibbald is entitled to six months prior notice of a termination of employment. We are permitted to pay Mr. Sibbald his permitted salary and provide other customary benefits in lieu of providing such notice. However, we have assumed for purposes of this table that Mr. Sibbald had been provided with notice of termination no later than June 30, 2011.
- (18) This amount represents the value of 244,141 shares of our Class A common stock that Mr. Sibbald will receive pursuant to the Lexicon Purchase and Sale Agreement based on the closing price of our Class A common stock on December 31, 2011 (\$26.62). In the event the vesting of Mr. Sibbald's shares is accelerated as a result of either his termination of employment by us without cause or as a result of a change in control, the shares shall continue to be subject to a transfer restriction until the earlier of (1) the first anniversary of the vesting date of the shares or (2) the date of the first secondary offering by Evercore following the vesting date.

---

## **Table of Contents**

### **Employment Agreements**

#### ***Employment Agreement with Mr. Altman***

We have entered into an employment agreement with Mr. Altman. Pursuant to the terms of Mr. Altman's employment agreement, Mr. Altman will serve automatic, successive one-year extensions expiring on August 16th of the relevant year, unless either party gives the other 60 days prior notice that the term will not be extended.

Mr. Altman's employment agreement provides for an annual base salary of \$500,000 and Mr. Altman is entitled to an annual bonus as determined in the discretion of the Compensation Committee. According to his employment agreement, up to 50% of the annual bonus payable to Mr. Altman may be payable in the form of our restricted securities, with such restricted securities vesting in four equal annual installments (or at such faster rate as may be applicable to restricted securities issued to our other SMDs, which would accelerate upon death, disability, change in control or retirement eligibility).

Pursuant to each employment agreement, if Mr. Altman's employment terminates prior to the expiration of the term due to his death or disability, Mr. Altman would be entitled to receive (1) any base salary earned but unpaid through the date of termination; (2) reimbursement for any unreimbursed business expenses properly incurred by Mr. Altman; (3) such employee benefits, if any, as to which Mr. Altman may be entitled under our employee benefit plans (the payments and benefits described in (1) through (3) are referred to as the "accrued rights"); (4) lump sum payments equal to Mr. Altman's earned but unpaid annual bonus, if any, payable in respect of the fiscal year immediately preceding the fiscal year in which the termination occurs, to be paid when such bonus would have otherwise been payable had Mr. Altman's employment not terminated; and (5) a pro-rated portion of the annual bonus, calculated based on the number of months (and any fraction thereof) Mr. Altman is employed during the fiscal year in which a termination of employment occurs and in respect of which such bonus is payable, relative to 12 months.

If Mr. Altman's employment is terminated prior to the expiration of the term (or such extension thereof) by us without cause (as defined below) or by Mr. Altman for good reason (as defined below) or if we elect not to extend the term (each a "qualifying termination"), Mr. Altman would be entitled, subject to his compliance with specified restrictive covenants, to (A) a lump sum payment equal to two times (three times in the case of a qualifying termination that occurs on or following our "change in control" (as defined in the employment agreement)) the greater of (x) the sum of (1) his annual base salary and (2) his average annual bonus for the three most recently completed fiscal years and (y) the average of the aggregate amount of cash compensation payable to our three most highly paid executives in the most recently completed fiscal year; (B) any "accrued rights" (as defined above); (C) lump sum payments equal to Mr. Altman's earned but unpaid annual bonus, if any, payable in respect of the fiscal year immediately preceding the fiscal year in which the termination occurs, to be paid when such bonuses would have otherwise been payable had Mr. Altman's employment not terminated; and (D) pro-rated portion of the annual bonus, calculated based on the number of months (and any fraction thereof) Mr. Altman is employed during the fiscal year in which a termination of employment occurs and in respect of which such bonus is payable, relative to 12 months. Mr. Altman would also be entitled to receive continued coverage for Mr. Altman and his spouse and dependents under our medical plans for two years (three years in the case of a qualifying termination that occurs on or following a change in control), subject to payment by Mr. Altman of the same premiums he would have paid during such period of coverage if he were an active employee. Any termination by us without cause within six months prior to the occurrence of a change in control would be deemed to be a termination of employment on the date of such change in control. The severance benefits payable to Mr. Altman are conditioned on his continued compliance with specified confidentiality, non-solicitation and proprietary information covenants following his termination of employment with us.

For purposes of the employment agreements of Mr. Altman, "cause" means the occurrence of: (1) Mr. Altman's breach of a material obligation under the governing documents of our entities, (2) Mr. Altman's conviction of, or plea of guilty or nolo contendere in respect of any felony, (3) Mr. Altman's perpetration of a fraud against us, (4) Mr. Altman's willful and continued failure to perform his duties to us or (5) any willful

---

**Table of Contents**

misconduct by Mr. Altman which could reasonably have an adverse effect on his ability to function as our employee or on our business or reputation. For purposes of the employment agreements of Mr. Altman, "good reason" means: (1) our failure to pay Mr. Altman's base salary and annual bonus (if such amounts become payable to Mr. Altman), (2) the failure to re-elect Mr. Altman as a member of the Board, (3) any diminution in Mr. Altman's title or authority with us or (4) our failure to provide Mr. Altman with the employee benefits or perquisites provided for in the employment agreement.

In the event of a termination of Mr. Altman's employment which is not a qualifying termination or a termination due to Mr. Altman's death or disability (including if Mr. Altman resigns without good reason), Mr. Altman would be entitled to receive any accrued rights (as defined above).

Mr. Altman also entered into confidentiality, non-solicitation and proprietary information agreements with us. Pursuant to these agreements, Mr. Altman is subject to a covenant not to (1) compete with us while employed and for 24 months following his termination of employment for any reason and (2) solicit our employees, consultants and certain actual and prospective clients while employed and for 12 months following his termination of employment for any reason, in each case, subject to certain specified exclusions.

If a dispute arises out of the employment agreement with Mr. Altman, we would pay Mr. Altman's reasonable legal fees and expenses incurred in connection with such dispute if Mr. Altman prevails in substantially all material respects on the issues presented for resolution.

In addition, if payments or benefits provided to Mr. Altman under an employment agreement or any other plan or agreement in connection with a change in control result in an "excess parachute payment" excise tax being imposed on Mr. Altman, he would be entitled to a gross-up payment equal to the amount of the excise tax, as well as the excise tax and income tax on the gross-up payment.

***Employment Agreement with Mr. Schlosstein***

Effective May 21, 2009, we entered into an employment agreement with Mr. Schlosstein. Pursuant to the terms of Mr. Schlosstein's employment agreement, Mr. Schlosstein will serve as our CEO and as a member of the Board, for a term of five years. Mr. Schlosstein's employment agreement provides for an annual base salary of \$500,000 and an annual incentive bonus determined in the sole discretion of the Compensation Committee. According to his employment agreement, up to 50% of the annual incentive bonus payable to Mr. Schlosstein may be payable in the form of our restricted securities, with such restricted securities vesting based on the continued service of Mr. Schlosstein (currently contemplated to vest in four equal annual installments).

Pursuant to his employment agreement, if Mr. Schlosstein's employment is terminated by us for "cause" (as defined below) or if Mr. Schlosstein resigns without "good reason" (as defined below) prior to the expiration of the term, Mr. Schlosstein would be entitled to receive the accrued rights (as defined above under ***Employment Agreement with Mr. Altman***).

If Mr. Schlosstein's employment is terminated prior to the expiration of the term as a result of his death or disability, or by us without "cause" or by Mr. Schlosstein for "good reason", in addition to the accrued rights, Mr. Schlosstein would be entitled to: (1) a lump sum payment equal to Mr. Schlosstein's earned but unpaid annual incentive bonus, if any, payable in respect of the fiscal year immediately preceding the fiscal year in which the termination occurs, to be paid when such bonus would have otherwise been payable had Mr. Schlosstein's employment not terminated; (2) a pro-rated portion of the annual incentive bonus, calculated based on the number of months (and any fraction thereof) Mr. Schlosstein is employed during the fiscal year in which a termination of employment occurs and in respect of which such bonus is payable, relative to 12 months; (3) any restricted stock or RSUs granted to Mr. Schlosstein as payment of his annual incentive bonus will become fully vested; (4) the RSUs granted to Mr. Schlosstein in connection with his commencement of employment with us will become vested to the extent the applicable share price targets have been achieved; and

## **Table of Contents**

(5) subject to the terms of our Partnership Agreement, as amended, our option to repurchase Mr. Schlosstein's Class B-3 Units of the Partnership and the restrictions on the ability to exchange such Class B-3 Units into shares of Class A common stock will each lapse. The benefits payable to Mr. Schlosstein are conditioned on his execution and delivery of a general release of claims against us and on his continued compliance with specified confidentiality, non-solicitation and proprietary information covenants following his termination of employment with us. For purposes of Mr. Schlosstein's employment agreement, "cause" and "good reason" have substantially the same meanings as defined in Mr. Altman's employment agreement, as described above.

In connection with his employment agreement, Mr. Schlosstein also entered into a confidentiality, non-solicitation and proprietary information agreement with us. Pursuant to this agreement, Mr. Schlosstein is subject to a covenant not to (1) compete with us while employed and for twelve months following his termination of employment for any reason and (2) solicit our employees, consultants and certain actual and prospective clients while employed and for twelve months following his termination of employment for any reason, in each case, subject to certain specified exclusions. Notwithstanding the foregoing, in the event of a termination of Mr. Schlosstein's employment without cause or for good reason, the non-competition and non-solicitation restrictions will only apply for six months and only if we elect to pay Mr. Schlosstein's base salary and provide continued medical plan coverage during such period.

If a dispute arises out of the employment agreement with Mr. Schlosstein, we would pay Mr. Schlosstein's reasonable legal fees and expenses incurred in connection with such dispute if he prevails in substantially all material respects on the issues presented for resolution.

### ***Employment Agreement with Eduardo Mestre***

In connection with Mr. Mestre's appointment to the audit committee of the Comcast Corporation, effective February 21, 2012, Mr. Mestre ceased to serve as an executive officer as defined by Rule 3b-7 under the Securities and Exchange Act of 1934, as amended, of Evercore. In connection with his change in responsibilities, Mr. Mestre entered into a letter agreement, dated February 20, 2012, which provides, *inter alia*, that Mr. Mestre will hold the titles Senior Managing Director and Chairman (or Co-Chairman) of Global Advisory and concentrate exclusively on clients and transactions. However, he will cease to serve in any policy making function or as the manager of any business unit. Mr. Mestre will continue to be subject to all applicable policies and procedures, including the written supervisory procedures associated with Evercore Group LLC (Evercore's affiliated broker-dealer). In particular, for as long as he is a member of the board of the Comcast Corporation, he will not perform investment banking services or receive compensation related to any transaction involving the Comcast Corporation.

### ***Schedule of Terms with Mr. Sibbald***

In connection with the acquisition of Lexicon, we entered into a Schedule of Terms with Mr. Sibbald, effective August 19, 2011. Pursuant to such Schedule of Terms and related agreements, Mr. Sibbald became a member and CEO of Evercore LLP.

Mr. Sibbald is entitled to take such monthly drawings as advised by the Executive Committee of Evercore LLP, from time to time, subject to a minimum monthly drawing of £20,833 (approximately \$33,333, based on an average exchange rate for 2011 of £0.6235 to U.S. \$1.00). The Executive Committee of Evercore LLP is solely responsible in its absolute discretion for determining Mr. Sibbald's share of the distributable cash of Evercore LLP. Evercore LLP will also pay 17.5% of his monthly drawing into a proposed pension plan selected by Mr. Sibbald, subject to tax limits that may apply from time to time, death in service benefits equal to four times his annual drawings and other health and welfare benefits offered to other members.

Mr. Sibbald may elect to terminate his membership with or without good reason (as defined below) upon six months' prior written notice to Evercore LLP, and Evercore LLP may terminate Mr. Sibbald's membership without cause (as defined below) by providing six months' prior written notice to him. Upon a termination,

---

**Table of Contents**

Evercore LLP may elect to pay Mr. Sibbald in lieu of part or all of any notice. This payment will consist of Mr. Sibbald's permitted drawings and other customary benefits as provided for in the Schedule of Terms. Evercore LLP may terminate Mr. Sibbald's membership for cause with no notice.

For purposes of Mr. Sibbald's Schedule of Terms, "good reason" means the occurrence of (1) a reduction in Mr. Sibbald's drawings or the other benefits provided for in his Schedule of Terms or a diminution in his title or status (such that he is no longer a Senior Managing Director); (2) Mr. Sibbald's dismissal, if the Executive Committee so determines, for not participating in a capital call in accordance with the Evercore LLP Deed; (3) Mr. Sibbald's removal from office as CEO of Evercore LLP, or chairman of Evercore LLP, or Executive Committee representative of Evercore LLP without such removal having first been ratified by the Executive Committee; (4) a material, unremedied breach by Evercore LLP or its corporate members of the terms of the Evercore LLP Deed or Mr. Sibbald's Schedule of Terms; (5) any other circumstances which, were Mr. Sibbald an employee of Evercore LLP, would amount to a fundamental breach of his contract of employment; or (6) any other circumstance which a Queen's Counsel of at least 25 years call who specializes in employment law confirms would have had a real prospect of success as a claim for dismissal for good reason had Mr. Sibbald been an employee of Evercore, Evercore LLP or any of their respective affiliates; provided, however, neither removal from any directorship of Evercore LLP or any of its subsidiaries or from any regulatory office which Mr. Sibbald performs pursuant to certain rules or regulations, nor the making of any amendments to the terms and conditions of his benefits provided for in his Schedule of Terms to the extent required to comply with changes in all applicable law and regulation, shall be deemed to amount to good reason.

In addition, for purposes of Mr. Sibbald's Schedule of Terms, "cause" means the occurrence of: (1) a material breach by Mr. Sibbald of his Schedule of Terms or the Evercore LLP Deed or any other material breach by Mr. Sibbald of his duties; (2) Mr. Sibbald's failure to pay over or refund to Evercore LLP any money for which he is accountable to Evercore LLP in excess of £5,000 (approximately \$8,000, based on an average exchange rate for 2011 of £0.6235 to U.S. \$1.00) within 14 days after being required in writing to do so by the executive committee; (3) Mr. Sibbald becoming subject to the bankruptcy laws or entering into any composition or arrangement with or for the benefit of his creditors; (4) Mr. Sibbald acting in any respect contrary to the good faith or goodwill which ought to be observed between members of Evercore LLP or in a manner tending to bring Evercore LLP into disrepute which, in any such case, has a material adverse effect on the business; (5) Mr. Sibbald being absent from the business for a material period of time on a material number of occasions; (6) Mr. Sibbald misusing confidential information in a manner which has a material adverse effect on the business; (7) Mr. Sibbald's (a) conviction of an offense under any law or regulation relating to insider dealing or, through any act or omission on his part, breached or caused Evercore LLP to breach any securities laws, or any rules or regulations to which Evercore LLP is or may be bound, in a manner which has a material adverse effect on the business, (b) breach of the provisions of the Evercore LLP compliance manual in a manner which has a material adverse effect on the business, (c) conviction of a criminal offense or are reasonably suspected by the CEO after having made all reasonable enquiries, of being guilty of fraud, theft, criminal damage or willful dishonesty, (d) abuse of alcohol in the course of conducting the business or while on the premises of Evercore LLP, or (e) assault on any person during the conduct of his duties or while on the premises of Evercore, Evercore LLP or any of their respective affiliates or any client of Evercore, Evercore LLP or any of their respective affiliates; (8) Mr. Sibbald committing arson of property or sabotage of machinery and/or materials which are on the premises or belong to Evercore, Evercore LLP or any of their respective affiliates or any client of Evercore, Evercore LLP or any of their respective affiliates or any act or omission constituting unlawful discrimination (directly, indirectly or by association) on grounds of sex, race, disability, age, sexual orientation or religion or belief, or harassment on any of these grounds; (9) Mr. Sibbald giving false information on employment, health and previous experience relevant to his appointment as a member of Evercore LLP; or (10) following receipt of a written warning from the CEO of Evercore LLP, Mr. Sibbald failing to remedy within 10 business days what the CEO of Evercore LLP and a super majority of the senior SMDs acting fairly, reasonably, on a fully informed basis and in good faith conclude was a deliberate and unreasonably continuous disregard of his or her fundamental obligation to commit time and effort to the performance of his or her duties pursuant to the Evercore LLP Deed of such magnitude as to justify his summary dismissal. This definition of "cause" is broader than the definition of "cause" under the Lexicon



**Table of Contents**

Agreement. See **RELATED PERSON TRANSACTIONS AND OTHER INFORMATION Acquisition of the Lexicon Partnership LLP** above for an overview of the cause definition under the Lexicon Agreement.

If Mr. Sibbald's service is terminated due to his death, permanent incapacity, being removed without cause (which includes constructive termination), qualifying retirement, or Mr. Sibbald terminates his service with Evercore LLP in connection with our failure to provide Evercore LLP sufficient regulatory capital, working capital or insurance coverage or another material breach of provisions of the Evercore LLP Deed, then he would be deemed to be a good leaver and in all other circumstances, he would be deemed to be a bad leaver. If Mr. Sibbald is deemed to be a good leaver, he will be entitled to retain any unvested deferred compensation and if Evercore has also committed a material breach of the Evercore LLP Deed, then he will be released from his post-membership restrictive covenant obligations.

Under the Schedule of Terms, Mr. Sibbald agreed to certain restrictive covenants. During his membership (including the aforementioned six-month notice periods) and, until the vesting of all of the unvested restricted shares that Mr. Sibbald will receive in accordance with the Lexicon Agreement, for six months afterwards, Mr. Sibbald is subject to a covenant not to (1) compete with us, Evercore LLP or any of our and Evercore LLP's respective affiliates and (2) solicit our employees, and certain actual and prospective clients, in each case, subject to certain specified exclusions. Notwithstanding the foregoing, in the event Mr. Sibbald elects to terminate the Schedule of Terms for good reason, he shall no longer be subject to the aforementioned notice requirements and restrictive covenants, provided that at the time of such termination there are no circumstances which would give Evercore LLP grounds for his dismissal for cause.

Mr. Sibbald is also subject to standard confidentiality and proprietary information covenants set forth in the Schedule of Terms.

***Other Named Executive Officers***

Our letter agreement with Mr. Walsh has expired.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT**

We have reviewed and discussed the Compensation Discussion and Analysis with management. Based on our review and discussion with management, we recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement issued in connection with our Annual Meeting and in our Annual Report on Form 10-K for 2011.

*Compensation Committee*

Anthony N. Pritzker, Chairman

Curt Hessler

Francois de Saint Phalle

*The information in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in any such filings.*

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth, as of April 13, 2012, information regarding the beneficial ownership of Evercore LP partnership units and our Class A common stock and Class B common stock held by (1) each person, or group of affiliated persons, known by us to own beneficially more than 5% of our outstanding shares of Class A common stock or Class B common stock, (2) each of our directors, (3) each of our Named Executive Officers and (4) all of our current directors and executive officers as a group. Beneficial ownership is determined in accordance with the rules of the SEC, and thus the 5,810 shares of our Class A common stock that will be delivered in respect of RSUs that will vest within 60 days of April 13, 2012 to certain individuals are deemed outstanding for calculating the percentage of outstanding shares of the person holding such shares, but are not deemed outstanding for calculating the percentage of any other person. Percentage of beneficial ownership is based upon (1) 29,048,453 shares of our Class A common stock issued and outstanding, (2) 10,484,795 Evercore LP partnership units outstanding excluding partnership units held by Evercore Partners Inc. and (3) 47 shares of our Class B common stock issued and outstanding as of April 13, 2012. All holders of Evercore LP partnership units hold one or more shares of our Class B common stock other than Trilantic Capital Partners, which holds 500,000 Evercore LP Class B-4 partnership units. To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person's name. Except as otherwise indicated, the address of each of the persons in this table is as follows: c/o Evercore Partners, 55 East 52<sup>nd</sup> Street, 38<sup>th</sup> floor, New York, New York 10055.

Name of Beneficial Owner	Shares of Class A Common Stock Beneficially Owned		Evercore LP Partnership Units Beneficially Owned		Shares of Class B Common Stock Beneficially Owned		Percentage of Combined Voting Power of Evercore Partners Inc.
	Number of Shares of Class A Common Stock	Percentage of Class A Common Stock	Number of Evercore LP Units	Percentage of Evercore LP Units	Number of Shares of Class B Common Stock Beneficially Owned		
<b>Principal Stockholders</b>							
<b>5% Stockholders</b>							
FMR, LLC(1)	4,066,708	14%					10.4%
<b>Directors</b>							
Roger Altman(2)	72,183	*	1,322,320	12.6%	2		3.6%
Pedro Aspe(3)	59,730	*	58,646	*	2		*
Richard I. Beattie(4)	21,426	*					*
Francois de Saint Phalle(5)	57,104	*					*
Gail Block Harris(6)	36,732	*					*
Curt Hessler(7)	12,104	*					*
Anthony N. Pritzker(8)	119,104	*					*
Ralph L. Schlosstein(9)	17,952		1,391,466	13.3%	2		3.6%
<b>Named Executive Officers who are not Directors</b>							
Eduardo Mestre(10)	7,503	*	434,809	4.1%	1		1.1%
Andrew Sibbald		*					*
Robert Walsh(11)	68,773	*					*
<b>Directors and Executive Officers as a Group (11 Persons)</b>							
	466,630	1.6%	2,853,690	27.2%	7		8.5%

\* Less than 1%.

( ) The partnership units of Evercore LP are exchangeable for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Beneficial ownership of partnership units of Evercore LP reflected in this table has not also

**Table of Contents**

- been reflected as beneficial ownership of the shares of our Class A common stock for which such units may be exchanged.
- ( ) Each holder of Class B common stock, as such, is entitled, without regard to the number of shares of Class B common stock held by such holder, to one vote for each Evercore LP partnership unit held by such holder.
- (1) Based on information set forth in Schedule 13G/A, dated February 3, 2012 (the *FMR 13G/A* ), filed with the SEC by FMR LLC and Edward C. Johnson 3d (collectively, the *FMR Reporting Persons* ). The address of the FMR Reporting Persons is 82 Devonshire Street, Boston, Massachusetts 02109. Fidelity, a wholly-owned subsidiary of FMR LLC and an investment adviser, is the beneficial owner of 4,066,708 shares of our Class A common stock as a result of acting as investment adviser to various investment companies. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and the funds each has sole power to dispose of the 4,066,708 shares owned by the funds. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity funds, which power resides with the funds' Boards of Trustees.
- (2) Some of the Evercore LP partnership units, shares of Class A common stock and shares of Class B common stock listed as beneficially owned by Mr. Altman are held by the Altman Kazickas Foundation and trusts benefiting his family. Mr. Altman disclaims beneficial ownership of the Evercore LP partnership units, shares of Class A common stock and shares of Class B common stock held by the Altman Kazickas Foundation and these trusts. Does not include 325,484 unvested RSUs granted to Mr. Altman under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (3) Includes 58,645 Evercore LP partnership units and one share of Class B common stock held by a trust over which Mr. Aspe has voting power that are for the economic benefit of certain directors and employees of Protego. Mr. Aspe disclaims beneficial ownership of the Evercore LP partnership units and share of Class B common stock held by this trust. Does not include 552,859 Evercore LP partnership units and one share of Class B common stock held by a trust over which Mr. Aspe does not have voting or investment power, that are for the benefit of Mr. Aspe, members of his family, and certain charitable organizations. Does not include 61,813 unvested RSUs granted to Mr. Aspe under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (4) Includes 1,162 unvested RSUs granted to Mr. Beattie under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (5) Includes 1,162 unvested RSUs granted to Mr. de Saint Phalle under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (6) Includes 1,162 unvested RSUs granted to Ms. Harris under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (7) Includes 1,162 unvested RSUs granted to Mr. Hessler under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (8) Includes 112,000 shares of Class A common stock owned by New World Opportunity Partners II, LLC, a Delaware limited liability company ( *NWOP II* ). Mr. Pritzker may be deemed to control NWOP II by virtue of Mr. Pritzker being the manager of NWOP II. Mr. Pritzker expressly disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein. Includes 1,162 unvested RSUs granted to Mr. Pritzker under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (9) These Evercore LP partnership units are held in trust for the benefit of Mr. Schlosstein's family. Mr. Schlosstein disclaims beneficial ownership of these partnership units, and the filing of this report is not an admission that Mr. Schlosstein is the beneficial owner of these partnership units for the purposes of Section 16 or for any other purpose. Does not include 1,078,081 unvested RSUs granted to Mr. Schlosstein under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (10) Includes 328,651 unvested Evercore LP partnership units that are subject to forfeiture and re-allocation or cancellation as described in **RELATED PERSON TRANSACTIONS AND OTHER INFORMATION Evercore LP Partnership Agreement**. Does not include 180,979 unvested RSUs granted to Mr. Mestre under the Evercore Partners Inc. 2006 Stock Incentive Plan.
- (11) Does not include 40,929 unvested RSUs granted to Mr. Walsh under the Evercore Partners Inc. 2006 Stock Incentive Plan.

**Table of Contents**

In addition, we entered into a series of agreements with Mizuho Corporate Bank, Ltd. ( *Mizuho* ) and some of its affiliates which provided for, among other matters, the issuance of a warrant to purchase 5,454,545 shares of Class A Common Stock at \$22.00 per share, the exercise of which is subject to a number of restrictions. Neither Mizuho nor any of its affiliates may exercise the warrant other than contemporaneously with or immediately prior to a transfer of all shares of Class A Common Stock issued pursuant to such exercise and on the condition that Mizuho or its affiliates, as applicable, has entered into a binding agreement to effectuate such transfer to an unaffiliated person and completes such transfer. Mizuho also agreed to not transfer the warrant or shares of Class A Common Stock underlying the warrant until either (a) after August 16, 2012 or (b) if the strategic alliance agreement between Mizuho and Evercore is terminated, the later of the third anniversary of the issuance of the warrant or one year following such termination.

---

**Table of Contents**

**PROPOSAL 2 - APPROVAL OF AMENDED AND RESTATED STOCK INCENTIVE PLAN**

On April 16, 2012, on the recommendation of the Compensation Committee, our Board adopted the Amended and Restated Stock Incentive Plan, subject to stockholder approval at the Annual Meeting. As described below, the 2006 Evercore Partners Inc. Stock Incentive Plan, as amended (the *Original Plan*), was amended (i) to increase the number of shares of common stock with respect to which awards may be granted under the plan by 11,000,000 shares, (ii) to prohibit the repricing of options or stock appreciation rights without stockholder approval, and (iii) to provide that shares of common stock subject to awards that are not issued in respect thereof (for example, because they are withheld in satisfaction of tax withholding obligations) will again be available for grant under the plan.

In 2006, our stockholders and Board adopted the Original Plan. As adopted, the total number of shares of Class A common stock which may be granted under the Original Plan is 20,000,000. As of April 13, 2012, we had granted awards under the Original Plan with respect to 14,084,508 shares of common stock, leaving only 5,915,492 shares available for future awards under the Original Plan.

In the opinion of the Compensation Committee and the Board, an increase in the number of shares available for equity grants to our employees is necessary as part of our continuing commitment to attract, retain and motivate employees and to align the interests of our employees with those of our stockholders. A key element of our compensation philosophy is to deliver a portion of our employees' total compensation in the form of stock-based awards. Through our deferral programs, as well as other equity grants, RSUs comprise a significant portion of the total compensation package for our employees. Stock-based compensation also helps to retain high-performing employees through service-based vesting provisions. RSU and restricted stock awards also enhance stockholder alignment by having employees share in the upside and downside risk over any cyclical market periods that occur within the financial services industry.

The Amended and Restated Stock Incentive Plan includes a number of provisions designed to serve stockholders' interests and facilitate effective corporate governance, including the following:

*No Stock Option Repricing:* The Amended and Restated Stock Incentive Plan does not permit the repricing of options or stock appreciation rights without stockholder approval.

*Fair Market Value of Options and Stock Appreciation Rights:* Under the Amended and Restated Stock Incentive Plan, the exercise price for any stock option or stock appreciation right will not be less than the fair market value of a share of our Class A common stock on the date that the stock option or stock appreciation right is granted.

*No Evergreen Provision:* The Amended and Restated Stock Incentive Plan fixes the number of shares available for grants under the plan and does not provide for any automatic increase in such number of shares.

*Change of Control:* The Amended and Restated Stock Incentive Plan does not provide for automatic acceleration of vesting of awards upon a change in control transaction.

*Plan Administration:* All grants to officers and directors under the Amended and Restated Stock Incentive Plan are made and administered by the Compensation Committee, which is composed entirely of non-employee directors, as that term is defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and outside directors, as that term is defined for purposes of Section 162(m) of the Code.

As of April 13, 2012, 7,292,119 or 52% of awards under the Original Plan are related to the hiring of additional employees and the remaining 6,792,389 or 48% of awards under the Original Plan are related to annual bonus awards, which underscores our need for equity to support our growth.

---

**Table of Contents**

We recognize the potentially dilutive aspects of equity grants, and thus we work assiduously to mitigate such dilution. Our share repurchase program, in which shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise, offsets the dilutive effect to our stockholders from awards being granted under the plan. As of April 13, 2012, 905,759 shares have been repurchased under our share repurchase program. In addition, a substantial portion of the shares of common stock subject to awards are not issued because they are withheld in satisfaction of tax withholding obligations arising in connection with those awards, further reducing the dilutive effect of the plan. As of April 13, 2012, 3,030,515 shares have been withheld in connection with such tax withholding obligations.

The Company believes that it has effectively and efficiently managed the share pool under the Original Plan, as evidenced by the foregoing and the fact that it has not increased the number of shares available under the plan in six years. With the Company's recent growth in revenues and operations, the Company has been hiring senior executives and other key employees and granting them stock-based awards and accordingly the number of shares available for grant under the Original Plan has been reduced. The Company wishes to replenish the number of shares available for grants to attract and retain executives, other key employees, non-employee directors and providers of substantial services to the Company over the next several years.

The Amended and Restated Stock Incentive Plan will become effective only upon its approval by stockholders.

**For the reasons stated above, our Board unanimously recommends a vote FOR approval of the Amended and Restated Stock Incentive Plan.**

***Description of the Amended and Restated Stock Incentive Plan***

The following description of the Amended and Restated Stock Incentive Plan is not complete and is qualified by reference to the full text of the Amended and Restated Stock Incentive Plan, which is attached hereto as Appendix A.

*Administration.* The Compensation Committee of our Board will administer the Amended and Restated Stock Incentive Plan. The Board may also designate another committee of the Board composed of one or more directors, who may also be officers, to administer awards under the Amended and Restated Stock Incentive Plan to persons other than non-employee directors and officers. In addition, to the extent permitted by Delaware law, the Board may designate a committee of one or more officers to administer certain employee awards under the Amended and Restated Stock Incentive Plan. If the Board designates a committee described in the preceding two sentences, references herein to the Compensation Committee will apply equally to the designated committee.

*Shares Subject to the Amended and Restated Stock Incentive Plan.* The total number of shares of our Class A common stock which may be issued to key employees, directors and consultants under the Amended and Restated Stock Incentive Plan is 31,000,000 (including shares previously issued under the Original Plan, shares subject to awards outstanding under the Original Plan, shares available for new awards under the Original Plan and the 11,000,000 additional shares requested by this proposal). Awards with respect to no more than 700,000 may be issued per year, per participant, in the form of incentive stock options, non-qualified stock options, stock appreciation rights or performance-based awards denominated in our Class A common. The maximum dollar value payable in respect to performance-based awards valued with reference to property other than our Class A common stock and granted to any participant in any one calendar year is \$10,000,000.

We will make available the number of shares of our Class A common stock necessary to satisfy the maximum number of shares that may be issued under the Amended and Restated Stock Incentive Plan. The shares of our Class A common stock underlying any award granted under the Amended and Restated Stock Incentive Plan that expires, terminates or is cancelled or forfeited for any reason will again become available for awards under the Amended and Restated Stock Incentive Plan. In addition, shares of common stock subject to

## Table of Contents

awards that are not issued in respect thereof (for example, because the award is settled in cash or other property or because a portion of the shares subject to the award are withheld in satisfaction of tax withholding obligations) will again be available for grant under the Amended and Restated Stock Incentive Plan.

*Eligibility.* Employees of the Company or any subsidiary, non-employee directors of the Company, or any other natural person who provides services (other than capital raising services) to the Company or a subsidiary will be eligible to be granted awards under the Amended and Restated Stock Incentive Plan. As of April 13, 2012, an aggregate of approximately 838 persons were eligible to participate in the Amended and Restated Stock Incentive Plan. The Compensation Committee has the authority to select eligible persons to become participants in the Amended and Restated Stock Incentive Plan.

*Stock Options and Stock Appreciation Rights.* The Compensation Committee may award non-qualified or incentive stock options under the Amended and Restated Stock Incentive Plan. As noted above, the Amended and Restated Stock Incentive Plan does not permit the repricing of options or stock appreciation rights or the granting of discounted options or stock appreciation rights. Stock options granted under the Amended and Restated Stock Incentive Plan will become vested and exercisable at such times and upon such terms and conditions as may be determined by the Compensation Committee at the time of grant, but an option will generally not be exercisable for a period of more than 10 years after it is granted.

The exercise price per share of our Class A common stock for any stock option awarded will not be less than the fair market value of a share of our Class A common stock on the day the stock option is granted. To the extent permitted by the Compensation Committee, the exercise price of a stock option may be paid in cash or its equivalent, in shares of our Class A common stock having a fair market value equal to the aggregate stock option exercise price; partly in cash and partly in shares of our Class A common stock and satisfying such other requirements as may be imposed by the Compensation Committee; or through the delivery of irrevocable instructions to a broker to sell shares of our Class A common stock obtained upon the exercise of the stock option and to deliver promptly to us an amount out of the proceeds of the sale equal to the aggregate stock option exercise price for the shares of our Class A common stock being purchased.

The Compensation Committee may grant stock appreciation rights independent of or in conjunction with a stock option. The exercise price of a stock appreciation right will not be less than the fair market value of a share of our Class A common stock on the date the stock appreciation right is granted; except that, in the case of a stock appreciation right granted in conjunction with a stock option, the exercise price will not be less than the exercise price of the related stock option. Each stock appreciation right granted independent of a stock option shall entitle a participant to receive, upon exercise, an amount equal to (i) the excess of (A) the fair market value on the exercise date of one share of our Class A common stock over (B) the exercise price per share of our Class A common stock, multiplied by (ii) the number of shares of our Class A common stock covered by the stock appreciation right, and each stock appreciation right granted in conjunction with a stock option will entitle a participant to surrender to us the stock option and to receive such amount. Payment will be made in shares of our Class A common stock and/or cash (with any share of our Class A common stock valued at fair market value), as determined by the Compensation Committee.

*Other Stock-Based Awards.* The Compensation Committee, in its sole discretion, may grant or sell shares of our Class A common stock and awards that are valued in whole or in part by reference to, or are otherwise based on the fair market value of, our Class A common stock. Any of these other stock-based awards may be in such form, and dependent on such conditions, as the Compensation Committee determines, including, without limitation, the right to receive, or vest with respect to, one or more shares of our Class A common stock (or the equivalent cash value of such shares of our Class A common stock) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. The Compensation Committee may in its discretion determine whether other stock-based awards will be payable in cash, shares of our Class A common stock, or a combination of both cash and shares.



---

**Table of Contents**

Certain stock awards, stock-based awards and non-stock denominated awards may be granted under the Amended and Restated Stock Incentive Plan. Such awards may be based upon one or more of the following performance criteria: (i) net income; (ii) net income per share; (iii) book value per share; (iv) stock price; (v) return on equity; (vi) expense management; (vii) return on investment; (viii) improvements in capitalization; (ix) profitability of an identifiable business unit or product; (x) profit margins; (xi) budget comparisons; (xii) total return to stockholders; (xiii) revenues or sales; (xiv) working capital; (xv) market share; (xvi) costs; and (xvii) cash flow. The foregoing criteria may relate to us, one or more of our subsidiaries or one or more of our divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, as the Compensation Committee shall determine. The Compensation Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, shall so certify and ascertain the amount of the applicable performance-based award. No performance-based awards will be paid to any participant for a given period of service until the Compensation Committee certifies that the objective performance goals (and any other material terms) applicable to such period have been satisfied. The amount of the performance-based award actually paid to a given participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Compensation Committee.

*Adjustments upon Certain Events.* In the event of any change in the outstanding shares by reason of any share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination, transaction, exchange of shares or other corporate exchange, any distribution to shareholders of shares other than regular cash dividends, or any transaction similar to the foregoing, the Compensation Committee in its sole discretion and without liability to any person will make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of shares or other securities issued or reserved for issuance pursuant to the Amended and Restated Stock Incentive Plan or pursuant to outstanding awards, (ii) the maximum number of shares for which performance-based awards denominated in shares, stock options or stock appreciation rights may be granted during a calendar year to any participant, (iii) the option price or exercise price of any stock appreciation right and/or (iv) any other affected terms of such awards.

*Change in Control.* In the event of a change in control of us (as defined in the Amended and Restated Stock Incentive Plan), the Amended and Restated Stock Incentive Plan provides that (i) if determined by the Compensation Committee in the applicable award agreement or otherwise, some or all outstanding awards then held by participants which are unexercisable or otherwise unvested or subject to lapse restrictions shall automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, as of immediately prior to such change in control and (ii) the Compensation Committee may, but shall not be obligated to (A) cancel some or all awards for fair value, (B) provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of some or all affected awards previously granted under the Amended and Restated Stock Incentive Plan as determined by the Compensation Committee in its sole discretion, or (C) provide that, with respect to any awards that are stock options and/or stock appreciation rights, for a period of at least 15 days prior to the change in control, such stock options will be exercisable as to all shares subject thereto and that upon the occurrence of the change in control, such stock options and/or stock appreciation rights will terminate.

*Transferability.* Unless otherwise determined by our Compensation Committee, no award granted under the plan will be transferable or assignable by a participant in the plan, other than by will or by the laws of descent and distribution.

*Amendment and Termination.* Our Board may amend or terminate the Amended and Restated Stock Incentive Plan, but no amendment or termination shall be made, (i) without the approval of our shareholders, if such action would, except as permitted in order to adjust the shares as described above under the section **Adjustments upon Certain Events**, increase the total number of shares reserved for the purposes of the Amended and Restated Stock Incentive Plan or (ii) without the consent of a participant, if such action would

## **Table of Contents**

diminish any of the rights of the participant under any award previously granted under the Amended and Restated Stock Incentive Plan. However, the Compensation Committee may amend the Amended and Restated Stock Incentive Plan and/or any outstanding awards in such manner as it deems necessary to permit the Amended and Restated Stock Incentive Plan and/or any outstanding awards to satisfy applicable requirements of the Code or other applicable laws.

*No Repricing.* The repricing of options or stock appreciation rights is not permitted without the approval of our shareholders. Repricing means changing the terms of an option or stock appreciation right to lower its exercise price (other than on account of a capital adjustment) or any other action that is treated as a repricing under generally accepted accounting principles.

*Market Value.* As of April 13, 2012, the per share closing sale price of Evercore's Class A common stock on the NYSE was \$25.31.

*U.S. Income Tax Consequences.* The following is a brief summary of the principal U.S. income tax consequences under current law of awards under the Amended and Restated Stock Incentive Plan. This summary is not intended to be exhaustive and, among other things, does not describe non-U.S., state or local tax consequences or withholding and other payroll tax matters.

### *Stock Options and Stock Appreciation Rights.*

The grant of an option or a stock appreciation right will create no federal income tax consequences for the participant or the Company. A participant will not have taxable income upon exercising an option which is an incentive stock option, except that alternative minimum tax may apply. Upon exercising an option which is not an incentive stock option, the participant generally must recognize ordinary income equal to the difference between the exercise price and the fair market value of the freely transferable and non-forfeitable shares acquired on the date of exercise. Upon exercising a stock appreciation right, the participant must generally recognize ordinary income equal to the cash or the fair market value of the shares received.

Upon a disposition of shares acquired upon exercise of an incentive stock option before the end of the applicable incentive stock option holding periods (two years from the date the option was granted and one year from the date the shares were transferred upon the exercise of the option), the participant must generally recognize ordinary income equal to the lesser of (i) the fair market value of the incentive stock option shares at the date of exercise minus the exercise price or (ii) the amount realized upon the disposition of the incentive stock option shares minus the exercise price.

Otherwise, a participant's sale of shares acquired by exercise of a stock appreciation right generally will result in short-term or long-term capital gain or loss measured by the difference between the sale price and the tax basis in the shares, which generally is the amount he or she recognized as ordinary income in connection with the stock appreciation right's exercise.

### *Restricted Stock.*

A participant will generally not recognize federal taxable income when he or she receives a grant of restricted stock, and the Company will not be entitled to a deduction, until the stock is transferable by the participant or is otherwise no longer subject to a substantial risk of forfeiture. When the stock is either transferable or is no longer subject to a substantial risk of forfeiture, a participant will recognize ordinary income in an amount equal to the fair market value of the shares at that time (less any amounts paid for the shares). Any gain or loss recognized by the participant upon a later disposition of the shares will be capital gain or loss. A participant's holding period for purposes of determining whether that capital gain or loss is long-term or short-term will be counted from the date the stock became transferable or ceased to be subject to a substantial risk of forfeiture.

## Table of Contents

A participant may elect to recognize ordinary income in the year when the share award is granted in an amount equal to the fair market value of the shares subject to the award (less any amounts paid for such shares) at the time of grant, determined without regard to any restrictions. This election is referred to as a Section 83(b) election. In that event, the Company will be entitled to a corresponding deduction in the same year. Any gain or loss recognized by the participant upon a later disposition of the shares will be capital gain or loss. A participant's holding period for purposes of determining whether that capital gain or loss is long-term or short-term will be counted from the date of the original transfer to the participant. The participant may not claim a credit for any tax previously paid on stock that is later forfeited.

### *Restricted Stock Units.*

If a participant is granted a restricted stock unit, he or she will not be required to recognize any taxable income at the time of grant. Upon distribution of shares in respect of restricted stock units, the fair market value of those shares will be taxable to the participant as ordinary income. The subsequent disposition of shares acquired pursuant to a restricted stock unit will result in capital gain or loss based on the difference between the price received on disposition and the participant's basis in those shares (generally, the market value of the shares at the time of their issuance). A participant's holding period for purposes of determining whether that capital gain or loss is long-term or short-term will be counted from the date the stock is issued to the participant.

### *Tax Consequences to Evercore.*

Evercore normally can claim a tax deduction equal to the amount recognized as ordinary income by a participant in connection with an award granted under the Amended and Restated Stock Incentive Plan, but no tax deduction relating to a participant's capital gains. Accordingly, we will not be entitled to any tax deduction with respect to an incentive stock option if the participant holds the shares for the applicable incentive stock option holding period before selling the shares. The foregoing provides only a general description of the application of federal income tax laws to certain awards under the Amended and Restated Stock Incentive Plan. This discussion is intended for the information of stockholders considering how to vote at the Annual Meeting and not as tax guidance to participants in the Amended and Restated Stock Incentive Plan, as the consequences may vary with the types of awards made, the identity of the recipients and the method of payment or settlement. Different tax rules may apply, including in the case of variations in transactions that are permitted under the Amended and Restated Stock Incentive Plan (such as payment of the exercise price of an option by surrender of previously acquired shares). The summary does not address the effects of other federal taxes (including possible golden parachute excise taxes) or taxes imposed under state, local, or foreign tax laws.

### *New Plan Benefits.*

The amounts that will be awarded under the Amended and Restated Stock Incentive Plan cannot currently be determined because awards made by the Compensation Committee are based on several factors, as described above in **COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**. Because the terms of the Amended and Restated Stock Incentive Plan are substantially similar to the terms under the Original Plan, the following table shows the grant date fair value and number of shares subject to awards that were received by our executive officers, non-employee directors and employees that are not executive officers of Evercore for the fiscal year ended December 31, 2011, pursuant to the Original Plan.

**Table of Contents***2006 Evercore Partners Inc. Stock Incentive Plan.*

<b>Name and Position</b>	<b>Grant Date Fair Value (\$)</b>	<b>Number of Shares</b>
Ralph L. Schlosstein, CEO and President	2,629,013	76,134
Roger C. Altman, Co-Chairman	3,520,373	102,522
Robert B. Walsh, CFO	520,456	15,066
Eduardo Mestre, Chairman of Global Advisory	2,454,665	71,401
Andrew Sibbald, CEO of Evercore LLP		
Executive officers as a group (5 individuals)	7,032,381	204,207
Non-employee directors as a group (5 individuals)	200,010	5,810
Non-executive officer employees as a group	62,289,876	1,986,865

**Securities Authorized For Issuance under Equity Compensation Plans**

The following table summarizes Evercore's equity compensation plans as of December 31, 2011:

<b>Plan Description</b>	<b>Number of shares to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights(1)</b>	<b>Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)</b>
Equity compensation plans approved by shareholders (Evercore Partners Inc. 2006 Stock Incentive Plan)	5,969,083		7,433,870
Equity compensation plans not approved by shareholders			
<b>Total</b>	<b>5,969,083</b>		<b>7,433,870</b>

(1) To date, we have issued RSUs which by their nature have no exercise price.

**Table of Contents**

**REPORT OF THE AUDIT COMMITTEE**

The duties and responsibilities of the Audit Committee are set forth in our Audit Committee Charter which can be found on our website, [www.evercore.com](http://www.evercore.com), under the Investor Relations link. The Audit Committee has:

selected the independent registered public accounting firm to audit our books and records;

reviewed and discussed our audited financial statements for 2011 with management and with Deloitte, our independent registered public accounting firm, and has held, as appropriate, executive sessions with Deloitte, in each case without the presence of management;

discussed with our independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA *Professional Standards*, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including the quality of our accounting principles, the reasonableness of management's significant judgments and the clarity of disclosures in the financial statements; and

received from Deloitte the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence and has discussed with Deloitte its independence.

In performing all of these functions, the Audit Committee acts in an oversight capacity. The Audit Committee reviews our quarterly and annual reports on Form 10-Q and Form 10-K prior to filing with the SEC. In its oversight role, the Audit Committee relies on the work and assurances of:

our management, which has the primary responsibility for establishing and maintaining adequate internal control over financial reporting and for preparing the financial statements, and other reports; and

the independent registered public accounting firm, which is engaged to audit and report on our and our subsidiaries' consolidated financial statements, management's assessment of the effectiveness of our internal control over financial reporting, and the effectiveness of our internal control over financial reporting.

Based on these reviews and discussions, and the reports of the independent registered public accounting firm, the Audit Committee recommended to the Board that the audited financial statements be included in our Form 10-K for 2011 filed with the SEC.

***Audit Committee:***

Curt Hessler, Chairman

Gail Block Harris

Francois de Saint Phalle

*The information in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in any such filings.*



**Table of Contents****PROPOSAL 3 - RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Deloitte served as our independent registered public accounting firm for 2011. Our Audit Committee has selected Deloitte as our independent registered public accounting firm to perform the audit of our consolidated financial statements for 2012, as well as an audit of our internal control over financial reporting for 2012. Representatives of the firm of Deloitte are expected to be present at our Annual Meeting, will have an opportunity to make a statement if they so desire, and will be available to respond to appropriate questions.

**Board Recommendation**

The appointment of Deloitte as our independent registered public accounting firm will be submitted to our stockholders for ratification at the Annual Meeting. Our Board recommends that the stockholders vote **FOR** the ratification of the selection of Deloitte as our independent registered public accounting firm. The submission of the appointment of Deloitte is required neither by law nor by our Amended and Restated Bylaws. Our Board is nevertheless submitting it to our stockholders to ascertain their views. If our stockholders do not ratify the appointment, the selection of another independent registered public accounting firm will be considered by our Board. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

**Audit Fees**

The following table sets forth approximate aggregate fees billed to us for the years ended December 31, 2011 and 2010 by Deloitte:

	2011	2010
	(in thousands)	
Audit Fees	\$ 2,985	\$ 2,365
Audit-Related Fees	184	229
Tax Fees	83	0
All other Fees	28	4
<b>Total</b>	<b>\$ 3,280</b>	<b>\$ 2,598</b>

*Audit fees* include fees for the audit of the effectiveness of internal control over financial reporting as required by Section 404 of the Sarbanes Oxley Act, professional services rendered for the audit and quarterly review of our consolidated financial statements. In addition, the fees include professional services related to the rendering of consents to be included in registration statements, audit opinions issued related to statutory and regulatory filings in the United States, United Kingdom, Brazil, Mexico and Hong Kong, the issuance of SSAE 16 Type II and AT101, and a surprise custody exam audit reports. The fees also include professional services related to the audit of the purchase accounting in connection with the acquisition of Lexicon, accounting consultations related to various transactions and assistance with various reviews of documents filed with the SEC, including the Current Report on Form 8-K/A filed in connection with the Lexicon acquisition.

*Audit-Related fees* include fees for assurance related services rendered in connection with accounting consultations for proposed mergers and acquisitions, proposed investment transactions and proposed fund transactions.

*Tax Fees* include tax compliance services for the legacy Lexicon entities in the United Kingdom, United States and Hong Kong.

**Table of Contents**

*All Other Fees* include fees for subscriptions to Deloitte's on-line accounting research tool, for participation in Deloitte sponsored continuing educational programs and for consultation services performed during 2011 for a proposed client transaction.

**Pre-Approval Policies and Procedures**

Our Audit Committee does not permit the engagement of our auditors without pre-approval by the Audit Committee. The engagement of Deloitte for non-audit accounting and tax services is limited to circumstances where these services are considered integral to the audit services that Deloitte provides or where there is another compelling rationale for using Deloitte. All audit, audit-related and permitted non-audit services for which Deloitte was engaged for the years ended December 31, 2010 and 2011 were pre-approved by the Audit Committee in compliance with applicable SEC requirements.



**Table of Contents**

**STOCKHOLDER PROPOSALS FOR 2013 ANNUAL MEETING**

In order for a stockholder proposal to be included in our Proxy Statement to be issued in connection with our 2013 Annual Meeting, that proposal must be received by our Corporate Secretary no later than December 28, 2012 (which is 120 calendar days before the anniversary of the date this Proxy Statement was first mailed to stockholders). If that proposal is in compliance with all of the requirements of Rule 14a-8 under the Exchange Act, it will be included in the Proxy Statement and set forth on the proxy card issued for that Annual Meeting.

In addition to including their proposal in our proxy materials, stockholders may wish to submit director nominations and other proposals at the 2013 Annual Meeting. In order for such director nominations and other proposals to be deemed timely, such director nominations and other proposals must be received by our Corporate Secretary at our principal executive offices (A) no earlier than February 7, 2013 and no later than March 9, 2013 or (B) in the event that our 2013 Annual Meeting of stockholders is held prior to May 18, 2013 or after August 16, 2013, notice by the stockholder must be so received not earlier than the 120th day prior to such Annual Meeting and not later than the close of business on the later of the 90th day prior to such Annual Meeting or the 10th day following the day on which public announcement of the date of the Annual Meeting is first made, and, in each case, must satisfy the notification, timeliness, consent and information requirements set forth in our Amended and Restated Bylaws.

**HOUSEHOLDING OF ANNUAL MEETING MATERIALS**

Some banks, brokers and other holders of record may be participating in the practice of *householding* Proxy Statements and annual reports. This means that only one copy of our Proxy Statement and Annual Report to stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if you contact our Corporate Secretary at the following address or telephone number: 55 East 52<sup>nd</sup> Street, 38<sup>th</sup> floor, New York, New York 10055 or (212) 857-3100. If you want to receive separate copies of the Proxy Statement or the Annual Report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other holder of record, or you may contact us at the above address or telephone number.

**OTHER MATTERS**

Our Board does not know of any other matters that are to be presented for action at the Annual Meeting. Should any other matter come before the Annual Meeting, however, the persons named in the enclosed proxy will have discretionary authority to vote all proxies with respect to such matters in accordance with their judgment.

BY ORDER OF THE BOARD OF DIRECTORS

Adam B. Frankel

Secretary

Dated: April 27, 2012

---

**Table of Contents**

Appendix A

**AMENDED AND RESTATED**  
**2006 EVERCORE PARTNERS INC.**  
**STOCK INCENTIVE PLAN**

**1. Purpose of the Plan**

The purpose of the Plan is to aid the Company and its Affiliates in recruiting and retaining key employees, directors or other persons of outstanding ability to provide services to the Company or its Affiliates and to motivate such persons to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Awards. The Company expects that it will benefit from the added interest which such persons will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

**2. Definitions**

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

- (a) **Act**: The Securities Exchange Act of 1934, as amended, or any successor thereto.
- (b) **Affiliate**: Affiliate means, with respect to a specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.
- (c) **Award**: An Option, Stock Appreciation Right or Other Stock-Based Award granted pursuant to the Plan.
- (d) **Beneficial Owner**: A beneficial owner, as such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).
- (e) **Board**: The Board of Directors of the Company.
- (f) **Change in Control**: The occurrence of any of the following: (1) the sale, lease, transfer, conveyance or other disposition in one or a series of related transactions, of all or substantially all of the assets of the General Partner or the Partnership to any Person if any Person or affiliated group of Persons (other than the General Partner, a Founding Limited Partner or any of their respective Affiliates) will be, immediately following the consummation of such transaction or transactions, the beneficial owner, directly or indirectly, of more than 50% of the then outstanding securities or voting securities of such Person; (2) the dissolution of the General Partner or the Partnership (other than by way of merger, consolidation or a reorganization transaction); (3) the consummation of any transaction (including, without limitation, any merger, consolidation or a reorganization transaction) the result of which is that any Person or affiliated group of Persons (other than the General Partner, a Founding Limited Partner or any of their respective Affiliates) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding Partnership Units and/or more than 50% of the voting power of the General Partner's voting securities; or (4) the consummation of any transaction subject to Rule 13e-3 under the Exchange Act.
- (g) **Code**: The Internal Revenue Code of 1986, as amended, or any successor thereto.

- (h) Committee: The Compensation Committee of the Board.
- (i) Company: Evercore Partners Inc., a Delaware corporation.

A-1

---

**Table of Contents**

- (j) **Control**: (including the terms Controlled by and under common Control with ) 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, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.
  
- (k) **Disability**: Inability of a Participant to perform in all material respects his duties and responsibilities to the Company, or any Subsidiary of the Company, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the Committee may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the Committee and a Participant (or his representative) shall furnish the Committee with medical evidence documenting the Participant's disability or infirmity which is satisfactory to the Committee.
  
- (l) **Effective Date**: The date this plan is duly approved by the stockholders of the Company.
  
- (m) **Employment**: The term Employment as used herein shall be deemed to refer to (i) a Participant's employment, if the Participant is an employee of the Company or any of its Affiliates, or (ii) a Participant's services, if the Participant is engaged in the performance of services for the Company or its Affiliates as a non-employee member of the Board or in any other bona fide capacity.
  
- (n) **Fair Market Value**: On a given date, (i) if there should be a public market for the Shares on such date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on any national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted) (the NASDAQ ), or, if no sale of Shares shall have been reported on the Composite Tape of any national securities exchange or quoted on the NASDAQ on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used, and (ii) if there should not be a public market for the Shares on such date, the Fair Market Value shall be the value established by the Committee in good faith.
  
- (o) **Founding Limited Partner**: Each of Mr. Roger C. Altman, Mr. Austin M. Beutner and Mr. Pedro Aspe.
  
- (p) **General Partner**: The Company or any successor general partner admitted to the Partnership in accordance with the terms of the Partnership Agreement.
  
- (q) **ISO**: An Option that is also an incentive stock option granted pursuant to Section 6(d) of the Plan.
  
- (r) **LSAR**: A limited stock appreciation right granted pursuant to Section 7(d) of the Plan.
  
- (s) **Other Stock-Based Awards**: Awards granted pursuant to Section 8 of the Plan.
  
- (t) **Option**: A stock option granted pursuant to Section 6 of the Plan.
  
- (u) **Option Price**: The purchase price per Share of an Option, as determined pursuant to Section 6(a) of the Plan.

- (v) Participant: Employees of the Company, its Subsidiaries and its Parent Corporation (as defined in Section 424(e) of the Code (or any successor section thereto) will be eligible to receive Awards

A-2

**Table of Contents**

hereunder. For this purpose, employee will have the same meaning as defined in the Instructions to Form S-8, as in effect on April 13, 2012. Any such person selected by the Committee to participate in this Plan will be known as a Participant.

- (w) Partnership: Evercore LP, a Delaware limited partnership.
- (x) Partnership Agreement: The Second Amended and Restated Limited Partnership Agreement of Evercore LP, dated as of July 27, 2009 and as amended from time to time.
- (y) Performance-Based Awards: Certain Other Stock-Based Awards granted pursuant to Section 8(b) of the Plan.
- (z) Person: Person means any individual, corporation, partnership, limited partnership, limited liability company, limited company, joint venture, trust, unincorporated or governmental organization or any agency or political subdivision thereof).
- (aa) Plan: This Amended and Restated 2006 Evercore Partners Inc. Stock Incentive Plan, as may be further amended from time to time.
- (bb) Restricted Stock: Restricted Stock means an award of Shares which are subject to certain restrictions and to a risk of forfeiture.
- (cc) Shares: Shares of Class A common stock of the Company.
- (dd) Stock Appreciation Right: A stock appreciation right granted pursuant to Section 7 of the Plan.
- (ee) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

**3. Shares Subject to the Plan**

- (a) The total number of Shares which may be issued under the Plan is 31,000,000. The maximum number of Shares for which Performance-Based Awards denominated in Shares, Options or Stock Appreciation Rights may be granted during a calendar year to any Participant shall be 700,000. The maximum dollar value payable with respect to Performance-Based Awards that are valued in cash or with reference to property other than Shares and granted to any Participant in any one calendar year is \$10,000,000. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares.
- (b) If and to the extent an Option or Stock Appreciation Right expires, terminates or is canceled or forfeited for any reason without having been exercised in full, the Shares subject to that Award will again become available for grant under the Plan. Similarly, if and to the extent any Other Stock-Based Award is canceled, forfeited or terminated for any reason, the Shares subject to that Award will again become available for grant under the Plan. If and to the extent any Award is settled in cash or property other than Shares, the Shares subject to that Award will again become available for grant under the Plan. Upon the settlement of a Stock Appreciation Right in Shares, the difference between the total number of Shares subject to that Award and the number of Shares actually issued in respect thereof will again become available for grant under the Plan. In addition, if any Share is withheld in satisfaction of a tax withholding obligation associated with an Award, that Share will again become available for grant under the Plan.

4. **Administration; Interpretation**

- (a) Administration. The Plan shall be administered by the Committee, which shall consist of at least two individuals who are intended to qualify as Non-Employee Directors within the meaning of

A-3

**Table of Contents**

Rule 16b-3 under the Act (or any successor rule thereto) and outside directors within the meaning of Section 162(m) of the Code (or any successor section thereto). However, the Board may also delegate to any committee of the Board, which committee may include one or more members of the Board who are also officers of the Corporation, the authority to grant Awards under the Plan to Participants who are neither Non-Employee Directors nor officers of the Company within the meaning of Section 16 of the Securities Exchange Act of 1934. Similarly, the Board may also delegate the authority to grant Awards under the Plan to a committee of one or more officers of the Company, who need not be members of the Board, to the extent and in the manner permitted by Section 157(c) of the Delaware General Corporation Law (or any successor statute or rule). With respect to Awards granted by the above-described delegates, references herein to the Committee will also be deemed to include the delegate. Subject to Section 16, Awards may, in the discretion of the Committee, be made under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Company or its Affiliates or a company acquired by the Company or with which the Company combines. Subject to Section 3(b), the number of Shares underlying such substitute awards shall be counted against the aggregate number of Shares available for Awards under the Plan.

- (b) **Interpretation.** The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors).
- (c) **Terms of Awards.** The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions).
- (d) **Withholding Taxes.** The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise, grant or vesting of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares with a Fair Market Value equal to the minimum amount of such withholding taxes withheld by the Company from any Shares that would have otherwise been received by the Participant.

**5. Limitations**

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

**6. Terms and Conditions of Options**

Options granted under the Plan shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as evidenced by the related Award agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

- (a) **Option Price.** The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of the Shares on the date an Option is granted.
- (b) **Exercisability.** Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.





**Table of Contents**

- (c) **Exercise of Options.** Except as otherwise provided in the Plan or in an Award agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 6 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii), (iii) or (iv) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash or its equivalent (e.g., by check), (ii) to the extent permitted by the Committee, in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and, to the extent permitted by the Committee, partly in such Shares, or (iv) if there is a public market for the Shares at such time, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such Sale equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.
  
- (d) **ISOs.** The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code (or any successor section thereto). No ISO may be granted to any Participant who at the time of such grant, owns more than ten percent of the total combined voting power of all classes of stock of the Company or of any Subsidiary, unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two years after the date of grant of such ISO or (ii) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount realized upon such disposition. All Options granted under the Plan are intended to be nonqualified stock options, unless the applicable Award agreement expressly states that the Option is intended to be an ISO. If an Option is intended to be an ISO, and if for any reason such Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a nonqualified stock option granted under the Plan; provided that such Option (or portion thereof) otherwise complies with the Plan's requirements relating to nonqualified stock options. In no event shall any member of the Committee, the Company or any of its Affiliates (or their respective employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of an Option to qualify for any reason as an ISO.
  
- (e) **Attestation.** Wherever in this Plan or any agreement evidencing an Award a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares otherwise issuable upon the exercise of the Option.

**7. Terms and Conditions of Stock Appreciation Rights**

- (a) **Grants.** The Committee also may grant (i) a Stock Appreciation Right independent of an Option or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the

**Table of Contents**

time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same number of Shares covered by an Option (or such lesser number of Shares as the Committee may determine) and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 7 (or such additional limitations as may be included in an Award agreement).

- (b) **Terms.** The exercise price per Share of a Stock Appreciation Right shall be an amount determined by the Committee but in no event shall such amount be less than the greater of (i) the Fair Market Value of a Share on the date the Stock Appreciation Right is granted or, in the case of a Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, the Option Price of the related Option and (ii) the minimum amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share of the Stock Appreciation Right, times (ii) the number of Shares covered by the Stock Appreciation Right. Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to the Company the unexercised Option, or any portion thereof, and to receive from the Company in exchange therefore an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date over (B) the Option Price per Share, times (ii) the number of Shares covered by the Option, or portion thereof, which is surrendered. The date a notice of exercise is received by the Company shall be the exercise date. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash (any such Shares valued at such Fair Market Value), all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.
- (c) **Limitations.** The Committee may impose, in its discretion, such conditions upon the exercisability or transferability of Stock Appreciation Rights as it may deem fit.
- (d) **Limited Stock Appreciation Rights.** The Committee may grant LSARs that are exercisable upon the occurrence of specified contingent events. Such LSARs may provide for a different method of determining appreciation, may specify that payment will be made only in cash and may provide that any related Awards are not exercisable while such LSARs are exercisable. Unless the context otherwise requires, whenever the term Stock Appreciation Right is used in the Plan, such term shall include LSARs.

**8. Other Stock-Based Awards**

- (a) **Generally.** The Committee, in its sole discretion, may grant or sell Awards of Shares, Awards of Restricted Stock and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ( Other Stock-Based Awards ). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive, or vest with respect to, one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

**Table of Contents**

- (b) **Performance-Based Awards.** Notwithstanding anything to the contrary herein, certain Other Stock-Based Awards granted under this Section 8 may be granted in a manner intended to satisfy the requirements for treatment as qualified performance-based compensation under Section 162(m) of the Code (or any successor section thereto) ( Performance-Based Awards ). A Participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on shareholders' equity; (vii) expense management; (viii) return on investment; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital and (xviii) return on assets. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or one or more of its divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items. The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given Participant and, if they have, to so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such performance period; provided, however, that a Participant may, if and to the extent permitted by the Committee and consistent with the provisions of Section 162(m) of the Code, elect to defer payment of a Performance-Based Award.

**9. Adjustments Upon Certain Events**

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

- (a) **Generally.** In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination, combination or transaction or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares or cash other than regular cash dividends or any transaction similar to the foregoing, the Committee in its sole discretion and without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the maximum number of Shares for which Performance-Based Awards denominated in Shares, Options or Stock Appreciation Rights may be granted during a calendar year to any Participant, (iii) the Option Price of any Option or exercise price of any Stock Appreciation Right and/or (iv) any other affected terms of such Awards.
- (b) **Change in Control.** In the event of a Change in Control after the Effective Date, (i) if determined by the Committee in the applicable Award agreement or otherwise, some or all outstanding Awards then held by Participants which are unexercisable or otherwise unvested or subject to lapse restrictions shall

---

**Table of Contents**

automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, as of immediately prior to such Change in Control and (ii) the Committee may, but shall not be obligated to, (A) cancel some or all Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Options and Stock Appreciation Rights, may equal the excess, if any, of value of the consideration to be paid in the Change in Control transaction to holders of the same number of Shares subject to such Options or Stock Appreciation Rights (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Options or Stock Appreciation Rights) over the aggregate exercise price of such Options or Stock Appreciation Rights, (B) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of some or all affected Awards previously granted hereunder, as determined by the Committee in its sole discretion and/or (C) provide that, for a period of at least 15 days prior to the Change in Control, some or all Options and/or Stock Appreciation Rights shall be exercisable as to all the Shares subject thereto and that, upon the occurrence of the Change in Control, such Options and/or Stock Appreciation Rights shall terminate and be of no further force and effect.

**10. No Right to Employment or Awards**

The granting of an Award under the Plan shall impose no obligation on the Company or any Subsidiary to continue the Employment of a Participant and shall not lessen or affect the Company's or Subsidiary's right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

**11. Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Company and each Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

**12. Nontransferability of Awards**

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

**13. Amendments or Termination**

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made, (a) without the approval of the shareholders of the Company, if such action would (except as is provided in Section 9 of the Plan), increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant or (b) without the consent of a Participant, if such action would diminish any of the rights of the Participant under any Award theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws.

**14. International Participants**

With respect to Participants who reside or work outside the United States of America and who are not (and who are not expected to be) covered employees within the meaning of Section 162(m) of the Code, the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law.

**Table of Contents**

**15. Choice of Law**

The Plan shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws.

**16. No Repricing**

The repricing of Options or Stock Appreciation Rights shall not be permitted without the approval of the shareholders of the Company. For this purpose, a repricing means changing the terms of an Option or a Stock Appreciation Right to lower its exercise price, any other action that is treated as a repricing under generally accepted accounting principles or any other action that has the same effect as the foregoing.

**17. Effectiveness of the Plan**

The Plan shall be effective as of the Effective Date.

A-9

**Table of Contents**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: x

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**Table of Contents**

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

<b>For</b>	<b>Withhold</b>	<b>For All</b>	To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the number(s) of the nominee(s) on the line below.
<b>All</b>	<b>All</b>	<b>Except</b>	

**The Board of Directors recommends you vote FOR the following:**    ..    ..    ..

**1. Election of Directors**

**Nominees**

- |                    |                 |                        |                           |
|--------------------|-----------------|------------------------|---------------------------|
| 01 Roger C. Altman | 02 Pedro Aspe   | 03 Richard I. Beattie  | 04 Francois de St. Phalle |
| 05 Gail B. Harris  | 06 Curt Hessler | 07 Anthony N. Pritzker | 08 Ralph L. Schlosstein   |

**The Board of Directors recommends you vote FOR proposals 2 and 3:**

<b>For</b>	<b>Against</b>	<b>Abstain</b>
..	..	..

**2** To approve the Amended and Restated 2006 Evercore Partners Inc. Stock Incentive Plan.

..	..	..
----	----	----

**3** To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2012.

**NOTE:** In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

**Investor Address Line 1**

**Investor Address Line 2**

**Investor Address Line 3**

**Investor Address Line 4**

**Investor Address Line 5**

**John Sample**

**1234 ANYWHERE STREET**

**ANY CITY, ON A1A 1A1**

---

**JOB #**

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally, and all holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by an authorized officer.

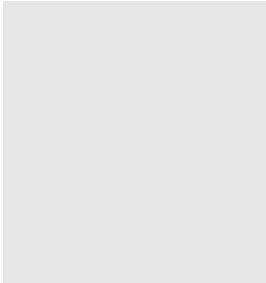
--	--	--	--	--



Signature [PLEASE SIGN WITHIN BOX]		Date	Signature (Joint Owners)		Date	SHARES	CUSIP #	SEQUENCE #

**Table of Contents**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The Notice of Annual Meeting, Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).



**EVERCORE PARTNERS INC.**

**Annual Meeting of Stockholders**

**June 7, 2012 9:30 A.M.**

**This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) Adam B. Frankel and Ralph L. Schlosstein, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) each of them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Class A Common Stock and Class B Common Stock of EVERCORE PARTNERS INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 9:30 A.M. on June 7, 2012 at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Ave, New York, NY 10017, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

The stockholder(s) acknowledge(s) receipt with this proxy of a copy of the Notice of Annual Meeting, Proxy Statement and Annual Report describing more fully the matters set forth herein.

**Continued and to be signed on reverse side**