# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 10-Q

**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024**

**OR**

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

**Commission File Number: 001-33551**


# Blackstone Inc.

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **20-8875684** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

**345 Park Avenue**
**New York, New York 10154**
**(Address of principal executive offices)(Zip Code)**
**(212) 583-5000**
**(Registrant's telephone number, including area code)**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock | BX | New York Stock Exchange |

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

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

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

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

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

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

As of April 26, 2024, there were 714,645,995 shares of common stock of the registrant outstanding.

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**Forward-Looking Statements**

This report may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, which reflect our current views with respect to, among other things, our operations, taxes, earnings and financial performance, share repurchases and dividends. You can identify these forward-looking statements by the use of words such as "outlook," "indicator," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "scheduled," "estimates," "anticipates," "opportunity," "leads," "forecast" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission ("SEC"), which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

**Website and Social Media Disclosure**

We use our website (www.blackstone.com), Facebook page (www.facebook.com/blackstone), X (Twitter) (www.x.com/blackstone), LinkedIn (www.linkedin.com/company/blackstonegroup), Instagram (www.instagram.com/blackstone), SoundCloud (www.soundcloud.com/blackstone-300250613), PodBean (www.blackstone.podbean.com), Spotify (https://spoti.fi/2LJ1tHG), YouTube (www.youtube.com/user/blackstonegroup) and Apple Podcast (https://apple.co/31Pe1Gg) accounts as channels of distribution of company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about Blackstone when you enroll your email address by visiting the "Contact Us/Email Alerts" section of our website at http://ir.blackstone.com. The contents of our website, any alerts and social media channels are not, however, a part of this report.

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In this report, references to "Blackstone," the "Company," "we," "us" or "our" refer to Blackstone Inc. and its consolidated subsidiaries.

"Series I Preferred Stockholder" refers to Blackstone Partners L.L.C., the holder of the sole outstanding share of our Series I preferred stock.

"Series II Preferred Stockholder" refers to Blackstone Group Management L.L.C., the holder of the sole outstanding share of our Series II preferred stock.

"Blackstone Funds," "our funds" and "our investment funds" refer to the funds and other vehicles that are managed by Blackstone. "Our carry funds" refers to funds managed by Blackstone that have commitment-based multi-year drawdown structures that pay carry on the realization of an investment.

We refer to our real estate opportunistic funds as Blackstone Real Estate Partners ("BREP") funds and our real estate debt investment funds as Blackstone Real Estate Debt Strategies ("BREDS") funds. We refer to our real estate investment trusts as "REITs," to Blackstone Mortgage Trust, Inc., our NYSE-listed REIT, as "BXMT" and to

Blackstone Real Estate Income Trust, Inc., our non-listed REIT, as "BREIT." We refer to our real estate funds that target substantially stabilized assets in prime markets, as Blackstone Property Partners ("BPP") funds and our income-generating European real estate funds as Blackstone European Property Income ("BEPIF") funds. We refer to BREIT, BPP and BEPIF collectively as our Core+ real estate strategies.

We refer to our flagship Corporate Private Equity funds as Blackstone Capital Partners ("BCP") funds, our energy-focused private equity funds as Blackstone Energy Transition Partners ("BETP") funds, our core private equity funds as Blackstone Core Equity Partners ("BCEP"), our opportunistic investment platform that invests globally across asset classes, industries and geographies as Blackstone Tactical Opportunities ("Tactical Opportunities"), our secondary fund of funds business as Strategic Partners Fund Solutions ("Strategic Partners"), our infrastructure-focused funds as Blackstone Infrastructure Partners ("BIP"), our life sciences investment platform as Blackstone Life Sciences ("BXLS"), our growth equity investment platform as Blackstone Growth ("BXG"), our investment platform offering eligible individual investors access to Blackstone's private equity capabilities as the Blackstone Private Equity Strategies Fund Program ("BXPE Fund Program"), our multi-asset investment program for eligible high net worth investors offering exposure to certain of our key illiquid investment strategies through a single commitment as Blackstone Total Alternatives Solution ("BTAS") and our capital markets services business as Blackstone Capital Markets ("BXCM").

"Our hedge funds" refers to our funds of hedge funds, hedge funds, certain of our real estate debt investment funds and certain other credit-focused funds which are managed by Blackstone.

We refer to our business development companies as "BDCs," to Blackstone Private Credit Fund as "BCRED" and to Blackstone Secured Lending Fund as "BXSL."

We refer to our separately managed accounts as "SMAs."

"Total Assets Under Management" refers to the assets we manage. Our Total Assets Under Management equals the sum of:

(a) the fair value of the investments held by our carry funds and our side-by-side and co-investment entities managed by us plus the capital that we are entitled to call from investors in those funds and entities pursuant to the terms of their respective capital commitments, including capital commitments to funds that have yet to commence their investment periods,
(b) the net asset value of (1) our hedge funds, real estate debt carry funds, BPP, certain co-investments managed by us, certain credit-focused funds, and our Multi-Asset Investing drawdown funds (plus, in each case, the capital that we are entitled to call from investors in those funds, including commitments yet to commence their investment periods), and (2) our funds of hedge funds, our Multi-Asset Investing registered investment companies, BREIT, and BEPIF,
(c) the invested capital, fair value or net asset value of assets we manage pursuant to separately managed accounts,
(d) the amount of debt and equity outstanding for our collateralized loan obligations ("CLO") during the reinvestment period,
(e) the aggregate par amount of collateral assets, including principal cash, for our CLOs after the reinvestment period,
(f) the gross or net amount of assets (including leverage where applicable) for our credit-focused registered investment companies and BDCs,
(g) the fair value of common stock, preferred stock, convertible debt, term loans or similar instruments issued by BXMT, and
(h) borrowings under and any amounts available to be borrowed under certain credit facilities of our funds.

Our carry funds are commitment-based drawdown structured funds that do not permit investors to redeem their interests at their election. Our funds of hedge funds, hedge funds, funds structured like hedge funds and other open-ended funds in our Real Estate, Credit & Insurance and Multi-Asset Investing segments generally have structures that afford an investor the right to withdraw or redeem their interests on a periodic basis (for example, annually, quarterly or monthly), typically with 2 to 95 days' notice, depending on the fund and the liquidity profile of the underlying assets. In our Perpetual Capital vehicles where redemption rights exist, Blackstone has the ability to fulfill redemption requests only (a) in Blackstone's or the vehicles' board's discretion, as applicable, or (b) to the extent there is sufficient new capital. Investment advisory agreements related to certain separately managed accounts in our Credit & Insurance and Multi-Asset Investing segments, excluding separately managed accounts in our insurance platform, may generally be terminated by an investor on 30 to 90 days' notice. Separately managed accounts in our insurance platform can generally only be terminated for long-term underperformance, cause and certain other limited circumstances, in each case subject to Blackstone's right to cure.

"Fee-Earning Assets Under Management" refers to the assets we manage on which we derive management fees and/or performance revenues. Our Fee-Earning Assets Under Management equals the sum of:

(a) for our Private Equity segment funds, Real Estate segment carry funds including certain BREDS funds, and certain Multi-Asset Investing funds, the amount of capital commitments, remaining invested capital, fair value, net asset value or par value of assets held, depending on the fee terms of the fund,
(b) for our credit-focused carry funds, the amount of remaining invested capital (which may include leverage) or net asset value, depending on the fee terms of the fund,
(c) the remaining invested capital or fair value of assets held in co-investment vehicles managed by us on which we receive fees,
(d) the net asset value of our funds of hedge funds, hedge funds, BPP, certain co-investments managed by us, certain registered investment companies, BREIT, BEPIF, and certain of our Multi-Asset Investing drawdown funds,
(e) the invested capital, fair value of assets or the net asset value we manage pursuant to separately managed accounts,
(f) the net proceeds received from equity offerings and accumulated distributable earnings of BXMT, subject to certain adjustments,
(g) the aggregate par amount of collateral assets, including principal cash, of our CLOs, and
(h) the gross amount of assets (including leverage) or the net assets (plus leverage where applicable) for certain of our credit-focused registered investment companies and BDCs.

Each of our segments may include certain Fee-Earning Assets Under Management on which we earn performance revenues but not management fees.

Our calculations of Total Assets Under Management and Fee-Earning Assets Under Management may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers. In addition, our calculation of Total Assets Under Management includes commitments to, and the fair value of, invested capital in our funds from Blackstone and our personnel, regardless of whether such commitments or invested capital are subject to fees. Our definitions of Total Assets Under Management and Fee-Earning Assets Under Management are not based on any definition of Total Assets Under Management and Fee-Earning Assets Under Management that is set forth in the agreements governing the investment funds that we manage.

For our carry funds, Total Assets Under Management includes the fair value of the investments held and uncalled capital commitments, whereas Fee-Earning Assets Under Management may include the total amount of capital commitments or the remaining amount of invested capital at cost, depending on whether the investment

period has expired or as specified by the fee terms of the fund. As such, in certain carry funds Fee-Earning Assets Under Management may be greater than Total Assets Under Management when the aggregate fair value of the remaining investments is less than the cost of those investments.

"Perpetual Capital" refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Perpetual Capital includes co-investment capital with an investor right to convert into Perpetual Capital.

This report does not constitute an offer of any Blackstone Fund.

## Part I. Financial Information

**Item 1. Financial Statements**

**Blackstone Inc.**
**Condensed Consolidated Statements of Financial Condition (Unaudited)**
**(Dollars in Thousands, Except Share Data)**

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | $ 2,504,471 | $ 2,955,866 |
| Cash Held by Blackstone Funds and Other | 167,711 | 316,197 |
| Investments | 25,922,290 | 26,146,622 |
| Accounts Receivable | 199,302 | 193,365 |
| Due from Affiliates | 4,695,224 | 4,466,521 |
| Intangible Assets, Net | 192,227 | 201,208 |
| Goodwill | 1,890,202 | 1,890,202 |
| Other Assets | 1,072,627 | 944,848 |
| Right-of-Use Assets | 805,454 | 841,307 |
| Deferred Tax Assets | 2,256,794 | 2,331,394 |
| **Total Assets** | $ 39,706,302 | $ 40,287,530 |
| **Liabilities and Equity** | | |
| Loans Payable | $ 10,740,171 | $ 11,304,059 |
| Due to Affiliates | 2,135,478 | 2,393,410 |
| Accrued Compensation and Benefits | 5,378,212 | 5,247,766 |
| Operating Lease Liabilities | 951,648 | 989,823 |
| Accounts Payable, Accrued Expenses and Other Liabilities | 2,023,359 | 2,277,258 |
| **Total Liabilities** | 21,228,868 | 22,212,316 |
| **Commitments and Contingencies** | | |
| **Redeemable Non-Controlling Interests in Consolidated Entities** | 935,005 | 1,179,073 |
| **Equity** | | |
| Stockholders' Equity of Blackstone Inc. | | |
| Common Stock, $0.00001 par value, 90 billion shares authorized, (722,263,433 shares issued and outstanding as of March 31, 2024; 719,358,114 shares issued and outstanding as of December 31, 2023) | 7 | 7 |
| Series I Preferred Stock, $0.00001 par value, 999,999,000 shares authorized, (1 share issued and outstanding as of March 31, 2024 and December 31, 2023) | — | — |
| Series II Preferred Stock, $0.00001 par value, 1,000 shares authorized, (1 share issued and outstanding as of March 31, 2024 and December 31, 2023) | — | — |
| Additional Paid-in-Capital | 6,190,142 | 6,175,190 |
| Retained Earnings | 796,201 | 660,734 |
| Accumulated Other Comprehensive Loss | (31,282) | (19,133) |
| Total Stockholders' Equity of Blackstone Inc. | 6,955,068 | 6,816,798 |
| Non-Controlling Interests in Consolidated Entities | 5,381,678 | 5,177,255 |
| Non-Controlling Interests in Blackstone Holdings | 5,205,683 | 4,902,088 |
| **Total Equity** | 17,542,429 | 16,896,141 |
| **Total Liabilities and Equity** | $ 39,706,302 | $ 40,287,530 |

continued...

See notes to condensed consolidated financial statements.

**Blackstone Inc.**
**Condensed Consolidated Statements of Cash Flows (Unaudited)**
**(Dollars in Thousands)**

The following presents the asset and liability portion of the consolidated balances presented in the Condensed Consolidated Statements of Financial Condition attributable to consolidated Blackstone Funds which are variable interest entities. The following assets may only be used to settle obligations of these consolidated Blackstone Funds and these liabilities are only the obligations of these consolidated Blackstone Funds and they do not have recourse to the general credit of Blackstone.

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| **Assets** | | |
| Cash Held by Blackstone Funds and Other | $ 167,711 | $ 316,197 |
| Investments | 3,458,911 | 4,319,483 |
| Accounts Receivable | 4,928 | 6,995 |
| Due from Affiliates | 14,089 | 12,762 |
| Other Assets | 324 | 770 |
| **Total Assets** | $ 3,645,963 | $ 4,656,207 |
| | | |
| **Liabilities** | | |
| Loans Payable | $ 169,835 | $ 687,122 |
| Due to Affiliates | 111,948 | 123,909 |
| Accounts Payable, Accrued Expenses and Other Liabilities | 68,978 | 391,172 |
| **Total Liabilities** | $ 350,761 | $ 1,202,203 |

See notes to condensed consolidated financial statements.

**Blackstone Inc.**
**Condensed Consolidated Statements of Operations (Unaudited)**
**(Dollars in Thousands, Except Share and Per Share Data)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2024** | **2023** |
| **Revenues** | | |
| Management and Advisory Fees, Net | $ 1,727,148 | $ 1,658,315 |
| Incentive Fees | 179,341 | 142,876 |
| Investment Income (Loss) | | |
| Performance Allocations | | |
| Realized | 652,517 | 646,894 |
| Unrealized | 445,943 | (759,212) |
| Principal Investments | | |
| Realized | 78,597 | 108,058 |
| Unrealized | 461,623 | (491,417) |
| Total Investment Income (Loss) | 1,638,680 | (495,677) |
| Interest and Dividend Revenue | 97,839 | 90,485 |
| Other | 44,820 | (14,154) |
| **Total Revenues** | 3,687,828 | 1,381,845 |
| **Expenses** | | |
| Compensation and Benefits | | |
| Compensation | 794,803 | 716,285 |
| Incentive Fee Compensation | 73,707 | 63,281 |
| Performance Allocations Compensation | | |
| Realized | 258,894 | 296,794 |
| Unrealized | 180,900 | (313,249) |
| Total Compensation and Benefits | 1,308,304 | 763,111 |
| General, Administrative and Other | 369,950 | 273,394 |
| Interest Expense | 108,203 | 104,441 |
| Fund Expenses | 3,950 | 48,399 |
| **Total Expenses** | 1,790,407 | 1,189,345 |
| **Other Income (Loss)** | | |
| Change in Tax Receivable Agreement Liability | — | (5,208) |
| Net Gains (Losses) from Fund Investment Activities | (17,767) | 71,064 |
| **Total Other Income (Loss)** | (17,767) | 65,856 |
| **Income Before Provision for Taxes** | 1,879,654 | 258,356 |
| **Provision for Taxes** | 283,671 | 47,675 |
| **Net Income** | 1,595,983 | 210,681 |
| **Net Loss Attributable to Redeemable Non-Controlling Interests in Consolidated Entities** | (39,669) | (6,700) |
| **Net Income Attributable to Non-Controlling Interests in Consolidated Entities** | 102,827 | 74,869 |
| **Net Income Attributable to Non-Controlling Interests in Blackstone Holdings** | 685,439 | 56,700 |
| **Net Income Attributable to Blackstone Inc.** | $ 847,386 | $ 85,812 |
| **Net Income Per Share of Common Stock** | | |
| Basic | $ 1.12 | $ 0.12 |
| Diluted | $ 1.11 | $ 0.11 |
| **Weighted-Average Shares of Common Stock Outstanding** | | |
| Basic | 759,798,537 | 746,064,922 |
| Diluted | 760,257,644 | 746,643,929 |

See notes to condensed consolidated financial statements.

**Blackstone Inc.**
**Condensed Consolidated Statements of Comprehensive Income (Unaudited)**
**(Dollars in Thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2024** | **2023** |
| Net Income | $ 1,595,983 | $ 210,681 |
| Other Comprehensive Income (Loss) – Currency Translation Adjustment | (36,565) | 29,400 |
| Comprehensive Income | 1,559,418 | 240,081 |
| Less: | | |
| Comprehensive Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities | (56,485) | 14,010 |
| Comprehensive Income Attributable to Non-Controlling Interests in Consolidated Entities | 102,827 | 74,869 |
| Comprehensive Income Attributable to Non-Controlling Interests in Blackstone Holdings | 677,839 | 60,248 |
| Comprehensive Income Attributable to Non-Controlling Interests | 724,181 | 149,127 |
| Comprehensive Income Attributable to Blackstone Inc. | $ 835,237 | $ 90,954 |

See notes to condensed consolidated financial statements.

## Blackstone Inc.
## Condensed Consolidated Statements of Changes in Equity (Unaudited)
## (Dollars in Thousands, Except Share Data)

| | Shares of Blackstone Inc. (a) | Blackstone Inc. (a) | | | | | | | | Redeemable Non-Controlling Interests in Consolidated Entities |
|---|---|---|---|---|---|---|---|---|---|---|
| | Common Stock | Common Stock | Additional Paid-in-Capital | Retained Earnings (Deficit) | Accumulated Other Compre-hensive Income (Loss) | Total Stockholders' Equity | Non-Controlling Interests in Consolidated Entities | Non-Controlling Interests in Blackstone Holdings | Total Equity | |
| **Balance at December 31, 2023** | 719,358,114 | $ 7 | $6,175,190 | $ 660,734 | $ (19,133) | $ 6,816,798 | $5,177,255 | $4,902,088 | $16,896,141 | $1,179,073 |
| Net Income (Loss) | — | — | — | 847,386 | — | 847,386 | 102,827 | 685,439 | 1,635,652 | (39,669) |
| Currency Translation Adjustment | — | — | — | — | (12,149) | (12,149) | — | (7,600) | (19,749) | (16,816) |
| Capital Contributions | — | — | — | — | — | — | 167,769 | 2,477 | 170,246 | 4,501 |
| Capital Distributions | — | — | — | (711,919) | — | (711,919) | (128,400) | (467,093) | (1,307,412) | (122,993) |
| Transfer and Repurchase of Non-Controlling Interests in Consolidated Entities | — | — | (152) | — | — | (152) | 62,227 | — | 62,075 | (69,091) |
| Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders | — | — | 7,569 | — | — | 7,569 | — | — | 7,569 | — |
| Equity-Based Compensation | — | — | 143,257 | — | — | 143,257 | — | 91,018 | 234,275 | — |
| Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock | 2,619,653 | — | (47,963) | — | — | (47,963) | — | — | (47,963) | — |
| Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units | (700,000) | — | (88,405) | — | — | (88,405) | — | — | (88,405) | — |
| Change in Blackstone Inc.'s Ownership Interest | — | — | (9,891) | — | — | (9,891) | — | 9,891 | — | — |
| Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock | 985,666 | — | 10,537 | — | — | 10,537 | — | (10,537) | — | — |
| **Balance at March 31, 2024** | 722,263,433 | $ 7 | $6,190,142 | $ 796,201 | $ (31,282) | $ 6,955,068 | $5,381,678 | $5,205,683 | $17,542,429 | $ 935,005 |

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

continued...

See notes to condensed consolidated financial statements.

**Blackstone Inc.**
**Condensed Consolidated Statements of Changes in Equity (Unaudited)**
**(Dollars in Thousands, Except Share Data)**

| | Shares of Blackstone Inc. (a) | Blackstone Inc. (a) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Common Stock | Common Stock | Additional Paid-in-Capital | Retained Earnings (Deficit) | Accumulated Other Compre-hensive Income (Loss) | Total Stockholders' Equity | Non-Controlling Interests in Consolidated Entities | Non-Controlling Interests in Blackstone Holdings | Total Equity | Redeemable Non-Controlling Interests in Consolidated Entities |
| **Balance at December 31, 2022** | 710,276,923 | $ 7 | $5,935,273 | $1,748,106 | $ (27,475) | $ 7,655,911 | $5,056,480 | $5,253,670 | $17,966,061 | $1,715,006 |
| Transfer Out Due to Consolidation of Fund Entities | — | — | — | — | — | — | — | — | — | (53,713) |
| Net Income (Loss) | — | — | — | 85,812 | — | 85,812 | 74,869 | 56,700 | 217,381 | (6,700) |
| Currency Translation Adjustment | — | — | — | — | 5,142 | 5,142 | — | 3,548 | 8,690 | 20,710 |
| Capital Contributions | — | — | — | — | — | — | 123,952 | 2,447 | 126,399 | 51,092 |
| Capital Distributions | — | — | — | (677,809) | — | (677,809) | (194,866) | (461,978) | (1,334,653) | (81,698) |
| Transfer of Non-Controlling Interests in Consolidated Entities | — | — | — | — | — | — | (2,345) | — | (2,345) | — |
| Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders | — | — | 2,001 | — | — | 2,001 | — | — | 2,001 | — |
| Equity-Based Compensation | — | — | 117,227 | — | — | 117,227 | — | 76,468 | 193,695 | — |
| Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock | 2,143,256 | — | (18,004) | — | — | (18,004) | — | — | (18,004) | — |
| Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units | (1,000,000) | — | (90,097) | — | — | (90,097) | — | — | (90,097) | — |
| Change in Blackstone Inc.'s Ownership Interest | — | — | (4,927) | — | — | (4,927) | — | 4,927 | — | — |
| Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock | 1,374,789 | — | 15,581 | — | — | 15,581 | — | (15,581) | — | — |
| **Balance at March 31, 2023** | 712,794,968 | $ 7 | $5,957,054 | $1,156,109 | $ (22,333) | $ 7,090,837 | $5,058,090 | $4,920,201 | $17,069,128 | $1,644,697 |

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

continued...

See notes to condensed consolidated financial statements.

**Blackstone Inc.**
**Condensed Consolidated Statements of Cash Flows (Unaudited)**
**(Dollars in Thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2024** | **2023** |
| **Operating Activities** | | |
| Net Income | $ 1,595,983 | $ 210,681 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | |
| Blackstone Funds Related | | |
| Net Realized Gains on Investments | (849,072) | (924,643) |
| Changes in Unrealized (Gains) Losses on Investments | (496,568) | 508,398 |
| Non-Cash Performance Allocations | (446,065) | 759,212 |
| Non-Cash Performance Allocations and Incentive Fee Compensation | 513,205 | 46,827 |
| Equity-Based Compensation Expense | 320,653 | 277,431 |
| Amortization of Intangibles | 8,981 | 12,996 |
| Other Non-Cash Amounts Included in Net Income | (121,452) | (348,203) |
| Cash Flows Due to Changes in Operating Assets and Liabilities | | |
| Cash Relinquished with Deconsolidation of Fund Entities | (113,224) | (113,588) |
| Accounts Receivable | (18,097) | (470,691) |
| Due from Affiliates | (73,889) | 151,635 |
| Other Assets | (134,866) | 12,284 |
| Accrued Compensation and Benefits | (437,344) | (483,939) |
| Accounts Payable, Accrued Expenses and Other Liabilities | 308,133 | 163,581 |
| Due to Affiliates | (150,230) | (65,276) |
| Investments Purchased | (459,464) | (1,130,045) |
| Cash Proceeds from Sale of Investments | 1,493,162 | 1,746,068 |
| Net Cash Provided by Operating Activities | 939,846 | 352,728 |
| **Investing Activities** | | |
| Purchase of Furniture, Equipment and Leasehold Improvements | (17,756) | (69,557) |
| Net Cash Paid for Acquisitions, Net of Cash Acquired | — | (5,413) |
| Net Cash Used in Investing Activities | (17,756) | (74,970) |
| **Financing Activities** | | |
| Distributions to Non-Controlling Interest Holders in Consolidated Entities | (258,400) | (215,124) |
| Contributions from Non-Controlling Interest Holders in Consolidated Entities | 165,253 | 173,657 |
| Payments Under Tax Receivable Agreement | (87,508) | (64,634) |
| Net Settlement of Vested Common Stock and Repurchase of Common Stock and Blackstone Holdings Partnership Units | (136,368) | (108,101) |
| Proceeds from Loans Payable | — | 78 |

continued...

See notes to condensed consolidated financial statements.

**Blackstone Inc.**
**Condensed Consolidated Statements of Cash Flows (Unaudited)**
**(Dollars in Thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2024** | **2023** |
| **Financing Activities (Continued)** | | |
| Repayment and Repurchase of Loans Payable | $ (22,451) | $ (400,000) |
| Dividends/Distributions to Stockholders and Unitholders | (1,176,535) | (1,137,340) |
| Net Cash Used in Financing Activities | (1,516,009) | (1,751,464) |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other | (5,962) | 1,284 |
| **Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other** | | |
| Net Decrease | (599,881) | (1,472,422) |
| Beginning of Period | 3,272,063 | 4,493,715 |
| **End of Period** | $ 2,672,182 | $ 3,021,293 |
| **Supplemental Disclosure of Cash Flows Information** | | |
| Payments for Interest | $ 76,486 | $ 99,096 |
| Payments for Income Taxes | $ 172,346 | $ 53,504 |
| **Supplemental Disclosure of Non-Cash Investing and Financing Activities** | | |
| Non-Cash Contributions from Non-Controlling Interest Holders | $ 2,477 | $ 2,447 |
| Non-Cash Distributions to Non-Controlling Interest Holders | $ 4,530 | $ (61,440) |
| Transfer of Interests to Non-Controlling Interest Holders | $ (6,864) | $ (2,345) |
| Change in Blackstone Inc.'s Ownership Interest | $ (9,891) | $ (4,927) |
| Net Settlement of Vested Common Stock | $ 251,422 | $ 191,144 |
| Conversion of Blackstone Holdings Units to Common Stock | $ 10,537 | $ 15,581 |
| Acquisition of Ownership Interests from Non-Controlling Interest Holders | | |
| Deferred Tax Asset | $ (37,832) | $ (33,492) |
| Due to Affiliates | $ 30,263 | $ 31,491 |
| Equity | $ 7,569 | $ 2,001 |

The following table provides a reconciliation of Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other reported within the Condensed Consolidated Statements of Financial Condition:

| | **March 31, 2024** | **December 31, 2023** |
|---|---|---|
| Cash and Cash Equivalents | $ 2,504,471 | $ 2,955,866 |
| Cash Held by Blackstone Funds and Other | 167,711 | 316,197 |
| | $ 2,672,182 | $ 3,272,063 |

See notes to condensed consolidated financial statements.

## 1. Organization

Blackstone Inc., together with its consolidated subsidiaries ("Blackstone" or the "Company"), is the world's largest alternative asset manager. Blackstone's asset management business includes global investment strategies focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets, secondaries and hedge funds. "Blackstone Funds" refers to the funds and other vehicles that are managed by Blackstone. Blackstone's business is organized into four segments: Real Estate, Private Equity, Credit & Insurance and Multi-Asset Investing.

Blackstone Inc. was initially formed as The Blackstone Group L.P., a Delaware limited partnership, on March 12, 2007. Prior to its conversion on July 1, 2019 to a Delaware corporation, Blackstone Inc. was managed and operated by Blackstone Group Management L.L.C., which is wholly owned by Blackstone's senior managing directors and controlled by one of Blackstone's founders, Stephen A. Schwarzman (the "Founder").

The activities of Blackstone are conducted through its holding partnerships: Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. (collectively, "Blackstone Holdings," "Blackstone Holdings Partnerships" or the "Holding Partnerships"). Blackstone, through its wholly owned subsidiaries, is the sole general partner of each of the Holding Partnerships. Generally, holders of the limited partner interests in the Holding Partnerships may, four times each year, exchange their limited partnership interests ("Partnership Units") for Blackstone common stock, on a one-to-one basis, exchanging one Partnership Unit from each of the Holding Partnerships for one share of Blackstone common stock.

## 2. Summary of Significant Accounting Policies

### Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Blackstone have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the instructions to Form 10-Q. The condensed consolidated financial statements, including these notes, are unaudited and exclude some of the disclosures required in audited financial statements. Management believes it has made all necessary adjustments (consisting of only normal recurring items) so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in Blackstone's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission.

The condensed consolidated financial statements include the accounts of Blackstone, its wholly owned or majority-owned subsidiaries, the consolidated entities which are considered to be variable interest entities and for which Blackstone is considered the primary beneficiary, and certain partnerships or similar entities which are not considered variable interest entities but in which the general partner is determined to have control.

All intercompany balances and transactions have been eliminated in consolidation.

### Consolidation

Blackstone consolidates all entities that it controls through a majority voting interest or otherwise, including those Blackstone Funds in which the general partner has a controlling financial interest. Blackstone has a controlling financial interest in Blackstone Holdings because the limited partners do not have the right to dissolve the partnerships or have substantive kick-out rights or participating rights that would overcome the control held by Blackstone. Accordingly, Blackstone consolidates Blackstone Holdings and records non-controlling interests to reflect the economic interests of the limited partners of Blackstone Holdings.

In addition, Blackstone consolidates all variable interest entities ("VIE") for which it is the primary beneficiary. An enterprise is determined to be the primary beneficiary if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The consolidation guidance requires an analysis to determine (a) whether an entity in which Blackstone holds a variable interest is a VIE and (b) whether Blackstone's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests, would give it a controlling financial interest. Performance of that analysis requires the exercise of judgment.

Blackstone determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a variable interest entity and continuously reconsiders that conclusion. In determining whether Blackstone is the primary beneficiary, Blackstone evaluates its control rights as well as economic interests in the entity held either directly or indirectly by Blackstone. The consolidation analysis can generally be performed qualitatively; however, if it is not readily apparent that Blackstone is not the primary beneficiary, a quantitative analysis may also be performed. Investments and redemptions (either by Blackstone, affiliates of Blackstone or third parties) or amendments to the governing documents of the respective Blackstone Funds could affect an entity's status as a VIE or the determination of the primary beneficiary. At each reporting date, Blackstone assesses whether it is the primary beneficiary and will consolidate or deconsolidate accordingly.

Assets of consolidated VIEs that can only be used to settle obligations of the consolidated VIE and liabilities of a consolidated VIE for which creditors (or beneficial interest holders) do not have recourse to the general credit of Blackstone are presented in a separate section in the Condensed Consolidated Statements of Financial Condition.

Blackstone's other disclosures regarding VIEs are discussed in Note 9. "Variable Interest Entities."

**Revenue Recognition**

Revenues primarily consist of management and advisory fees, incentive fees, investment income, interest and dividend revenue and other.

Management and advisory fees and incentive fees are accounted for as contracts with customers. Under the guidance for contracts with customers, an entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. See Note 17. "Segment Reporting" for a disaggregated presentation of revenues from contracts with customers.

*Management and Advisory Fees, Net* — Management and Advisory Fees, Net are comprised of management fees, including base management fees, transaction, advisory and other fees net of management fee reductions and offsets.

Blackstone earns base management fees from its customers at a fixed percentage of a calculation base which is typically assets under management, net asset value, gross asset value, total assets, committed capital or invested capital. Blackstone identifies its customers on a fund by fund basis in accordance with the terms and circumstances of the individual fund. Generally the customer is identified as the investors in its managed funds and

investment vehicles, but for certain widely held funds or vehicles, the fund or vehicle itself may be identified as the customer. These customer contracts require Blackstone to provide investment management services, which represents a performance obligation that Blackstone satisfies over time. Management fees are a form of variable consideration because the fees Blackstone is entitled to vary based on fluctuations in the basis for the management fee. The amount recorded as revenue is generally determined at the end of the period because these management fees are payable on a regular basis (typically quarterly) and are not subject to clawback once paid.

Transaction, advisory and other fees are principally fees charged to the investors of funds indirectly through the managed funds and portfolio companies. The investment advisory agreements generally require that the investment adviser reduce the amount of management fees payable by the investors to Blackstone ("management fee reductions") by an amount equal to a portion of the transaction and other fees paid to Blackstone by the portfolio companies. The amount of the reduction varies by fund, the type of fee paid by the portfolio company and the previously incurred expenses of the fund. These fees and associated management fee reductions are a component of the transaction price for Blackstone's performance obligation to provide investment management services to the investors of funds and are recognized as changes to the transaction price in the period in which they are charged and the services are performed.

Management fee offsets are reductions to management fees payable by the investors of the Blackstone Funds, which are based on the amount such investors reimburse the Blackstone Funds or Blackstone primarily for placement fees. Providing investment management services requires Blackstone to arrange for services on behalf of its customers. In those situations where Blackstone is acting as an agent on behalf of the investors of funds, it presents the cost of services as net against management fee revenue. In all other situations, Blackstone is primarily responsible for fulfilling the services and is therefore acting as a principal for those arrangements. As a result, the cost of those services is presented as Compensation or General, Administrative and Other expense, as appropriate, with any reimbursement from the investors of the funds recorded as Management and Advisory Fees, Net. In cases where the investors of the funds are determined to be the customer in an arrangement, placement fees may be capitalized as a cost to acquire a customer contract. Capitalized placement fees are amortized over the life of the customer contract, are recorded within Other Assets in the Consolidated Statements of Financial Condition and amortization is recorded within General, Administrative and Other within the Consolidated Statements of Operations.

Accrued but unpaid Management and Advisory Fees, net of management fee reductions and management fee offsets, as of the reporting date are included in Due from Affiliates in the Condensed Consolidated Statements of Financial Condition.

*Incentive Fees* — Contractual fees earned based on the performance of Blackstone vehicles ("Incentive Fees") are a form of variable consideration in Blackstone's contracts with customers to provide investment management services. Incentive Fees are earned based on performance of the vehicle during the period, subject to the achievement of minimum return levels, or high water marks, in accordance with the respective terms set out in each vehicle's governing agreements. Incentive Fees will not be recognized as revenue until (a) it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. Incentive Fees are typically recognized as revenue when realized at the end of the measurement period. Once realized, such fees are not subject to clawback or reversal. Accrued but unpaid Incentive Fees charged directly to investors in Blackstone vehicles as of the reporting date are recorded within Due from Affiliates in the Condensed Consolidated Statements of Financial Condition.

*Investment Income (Loss)* — Investment Income (Loss) represents the unrealized and realized gains and losses on Blackstone's Performance Allocations and Principal Investments.

In carry fund structures and certain open-ended structures, Blackstone, through its subsidiaries, invests alongside its limited partners in a partnership and is entitled to its pro-rata share of the results of the fund vehicle (a "pro-rata allocation"). In addition to a pro-rata allocation, and assuming certain investment returns are achieved, Blackstone is entitled to a disproportionate allocation of the income otherwise allocable to the limited partners, commonly referred to as carried interest ("Performance Allocations").

Performance Allocations in carry fund structures are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. Performance Allocations in open-ended structures are based on vehicle performance over a period of time, subject to a high water mark and preferred return to investors. At the end of each reporting period, Blackstone calculates the balance of accrued Performance Allocations ("Accrued Performance Allocations") that would be due to Blackstone for each fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance Allocation to the general partner or (b) negative performance that would cause the amount due to Blackstone to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued Performance Allocation to the general partner. In each scenario, it is necessary to calculate the Accrued Performance Allocation on cumulative results compared to the Accrued Performance Allocation recorded to date and make the required positive or negative adjustments. Blackstone ceases to record negative Performance Allocations once previously Accrued Performance Allocations for such fund have been fully reversed. Blackstone is not obligated to pay guaranteed returns or hurdles, and therefore, cannot have negative Performance Allocations over the life of a fund. Accrued Performance Allocations as of the reporting date are reflected in Investments in the Condensed Consolidated Statements of Financial Condition.

Performance Allocations in carry fund structures are realized when an underlying investment is profitably disposed of and the fund's cumulative returns are in excess of the preferred return or, in limited instances, after certain thresholds for return of capital are met. Performance Allocations in carry fund structures are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to Blackstone based on cumulative results. As such, the accrual for potential repayment of previously received Performance Allocations, which is a component of Due to Affiliates, represents all amounts previously distributed to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone carry funds if the Blackstone carry funds were to be liquidated based on the current fair value of the underlying funds' investments as of the reporting date. The actual clawback liability, however, generally does not become realized until the end of a fund's life except for certain funds, which may have an interim clawback liability. Performance Allocations in open-ended structures are realized based on the stated time period in the agreements and are generally not subject to clawback once paid.

Principal Investments include the unrealized and realized gains and losses on Blackstone's principal investments, including its investments in Blackstone Funds that are not consolidated and receive pro-rata allocations, its equity method investments, and other principal investments. Income (Loss) on Principal Investments is realized when Blackstone redeems all or a portion of its investment or when Blackstone receives cash income, such as dividends or distributions. Unrealized Income (Loss) on Principal Investments results from changes in the fair value of the underlying investment as well as the reversal of unrealized gain (loss) at the time an investment is realized.

*Interest and Dividend Revenue* — Interest and Dividend Revenue comprises primarily interest and dividend income earned on principal investments not accounted for under the equity method held by Blackstone.

*Other Revenue* — Other Revenue consists of miscellaneous income and foreign exchange gains and losses arising on transactions denominated in currencies other than U.S. dollars.

**Fair Value of Financial Instruments**

GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

- Level I – Quoted prices are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments in Level I include listed equities, listed derivatives and mutual funds with quoted prices. Blackstone does not adjust the quoted price for these investments, even in situations where Blackstone holds a large position and a sale could reasonably impact the quoted price.
- Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Financial instruments which are generally included in this category include corporate bonds and loans, including corporate bonds and loans held within consolidated collateralized loan obligations ("CLO") vehicles, government and agency securities, less liquid and restricted equity securities, and certain over-the-counter derivatives where the fair value is based on observable inputs. Notes issued by consolidated CLO vehicles are classified within Level II of the fair value hierarchy.
- Level III – Pricing inputs are unobservable for the financial instruments and includes situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments that are included in this category generally include general and limited partnership interests in private equity, real estate funds and credit-focused funds, distressed debt and non-investment grade residual interests in securitizations, investments in non-consolidated CLOs and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. Blackstone's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

***Level II Valuation Techniques***

Financial instruments classified within Level II of the fair value hierarchy comprise debt instruments, debt securities sold, not yet purchased and certain equity securities and derivative instruments valued using observable inputs.

The valuation techniques used to value financial instruments classified within Level II of the fair value hierarchy are as follows:

- Debt Instruments and Equity Securities are valued on the basis of prices from an orderly transaction between market participants including those provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments. The valuation of certain equity securities is based on an observable price for an identical security adjusted for the effect of a restriction.

- Freestanding Derivatives are valued using contractual cash flows and observable inputs comprising yield curves, foreign currency rates and credit spreads.

- Notes issued by consolidated CLO vehicles are measured based on the more observable fair value of CLO assets less (a) the fair value of any beneficial interests held by Blackstone, and (b) the carrying value of any beneficial interests that represent compensation for services.

***Level III Valuation Techniques***

In the absence of observable market prices, Blackstone values its investments using valuation methodologies applied on a consistent basis. For some investments little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances, and may incorporate management's own assumptions and involves a significant degree of judgment, taking into consideration a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks. Investments for which market prices are not observable include private investments in the equity of operating companies, real estate properties, investments in non-consolidated CLO vehicles, certain funds of hedge funds and credit-focused investments.

*Real Estate Investments* – The fair values of real estate investments are determined by considering projected operating cash flows, sales of comparable assets, if any, and replacement costs, among other measures and considerations. The methods used to estimate the fair value of real estate investments include the discounted cash flow method, where value is calculated by discounting the estimated cash flows and the estimated terminal value of the subject investment by the assumed buyer's weighted-average cost of capital. A terminal value is derived by reference to an exit multiple, such as for estimates of earnings before interest, taxes, depreciation and amortization ("EBITDA"), or a capitalization rate, such as for estimates of net operating income ("NOI"). Valuations may also be derived by the performance multiple or market approach, by reference to observable valuation measures for comparable companies or assets (for example, dividing NOI by a relevant capitalization rate observed for comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables.

*Private Equity Investments* – The fair values of private equity investments are determined by reference to projected net earnings, EBITDA, the discounted cash flow method, public market or private transactions, valuations for comparable companies and other measures which, in many cases, are based on unaudited information at the time received. Where a discounted cash flow method is used, a terminal value is derived by reference to EBITDA or price/earnings exit multiples. Valuations may also be derived by reference to observable valuation measures for comparable companies or transactions (for example, multiplying a key performance metric of the investee company, such as EBITDA, by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables, and in some instances by reference to option pricing models or other similar methods.

*Credit-Focused Investments* – The fair values of credit-focused investments are generally determined on the basis of prices between market participants provided by reputable dealers or pricing services. For credit-focused investments that are not publicly traded or whose market prices are not readily available, Blackstone may utilize other valuation techniques, including the discounted cash flow method or a market approach. The discounted cash flow method projects the expected cash flows of the debt instrument based on contractual terms, and discounts such cash flows back to the valuation date using a market-based yield. The market-based yield is generally estimated using yields of publicly traded debt instruments issued by companies operating in similar industries as the subject investment or based on changes in credit spreads of a broader benchmark index applicable to a subject investment.

The market approach is generally used to determine the enterprise value of the issuer of a credit investment, and considers valuation multiples of comparable companies or transactions. The resulting enterprise value will dictate whether or not such credit investment has adequate enterprise value coverage. In cases of distressed credit instruments, the market approach may be used to estimate a recovery value in the event of a restructuring.

**Investments, at Fair Value**

Generally, the Blackstone Funds are accounted for as investment companies under the American Institute of Certified Public Accountants Audit and Accounting Guide, *Investment Companies*, and in accordance with the GAAP guidance on investment companies and reflect their investments, including majority-owned and controlled investments (the "Portfolio Companies"), at fair value. Such consolidated funds' investments are reflected in Investments on the Condensed Consolidated Statements of Financial Condition at fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations. Fair value is the amount that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date, at current market conditions (i.e., the exit price).

Blackstone's principal investments are presented at fair value with unrealized appreciation or depreciation and realized gains and losses recognized in the Condensed Consolidated Statements of Operations within Investment Income (Loss).

For certain instruments, Blackstone has elected the fair value option. Such election is irrevocable and is applied on an investment by investment basis at initial recognition or other eligible election dates. Blackstone has applied the fair value option for certain loans and receivables, unfunded loan commitments and certain investments that otherwise would not have been carried at fair value with gains and losses recorded in net income. The methodology for measuring the fair value of such investments is consistent with the methodology applied to private equity, real estate, credit-focused and funds of hedge funds investments. Changes in the fair value of such instruments are recognized in Investment Income (Loss) in the Condensed Consolidated Statements of Operations. Interest income on interest bearing loans and receivables and debt securities on which the fair value option has been elected is based on stated coupon rates adjusted for the accretion of purchase discounts and the amortization of purchase premiums. This interest income is recorded within Interest and Dividend Revenue.

Blackstone has elected the fair value option for the assets of consolidated CLO vehicles. As permitted under GAAP, Blackstone measures notes issued by consolidated CLO vehicles as (a) the sum of the fair value of the consolidated CLO assets and the carrying value of any non-financial assets held temporarily, less (b) the sum of the fair value of any beneficial interests retained by Blackstone (other than those that represent compensation for services) and Blackstone's carrying value of any beneficial interests that represent compensation for services. As a result of this measurement alternative, there is no attribution of amounts to Non-Controlling Interests for consolidated CLO vehicles. Assets of the consolidated CLOs are presented within Investments within the

Condensed Consolidated Statements of Financial Condition and notes payable within Loans Payable for the amounts due to unaffiliated third parties. Changes in the fair value of consolidated CLO assets and liabilities and related interest, dividend and other income are presented within Net Gains (Losses) from Fund Investment Activities. Expenses of consolidated CLO vehicles are presented in Fund Expenses.

Blackstone has elected the fair value option for certain proprietary investments that would otherwise have been accounted for using the equity method of accounting. The fair value of such investments is based on quoted prices in an active market, quoted prices that are published on a regular basis and are the basis for current transactions or using the discounted cash flow method. Changes in fair value are recognized in Investment Income (Loss) in the Condensed Consolidated Statements of Operations.

Further disclosure on instruments for which the fair value option has been elected is presented in Note 7. “Fair Value Option.”

Blackstone may elect to measure certain proprietary investments in equity securities without readily determinable fair values under the measurement alternative, which reflects cost less impairment, with adjustments in value resulting from observable price changes arising from orderly transactions of the same or a similar security from the same issuer. If the measurement alternative election is not made, the equity security is measured at fair value. The measurement alternative election is made on an instrument by instrument basis. The election is reassessed each reporting period to determine whether investments under the measurement alternative have readily determinable fair values, in which case they would no longer be eligible for this election.

The investments of consolidated Blackstone Funds in funds of hedge funds (“Investee Funds”) are valued at net asset value (“NAV”) per share of the Investee Fund. In limited circumstances, Blackstone may determine, based on its own due diligence and investment procedures, that NAV per share does not represent fair value. In such circumstances, Blackstone will estimate the fair value in good faith and in a manner that it reasonably chooses, in accordance with the requirements of GAAP.

Certain investments of Blackstone and of the consolidated Blackstone funds of hedge funds and credit-focused funds measure their investments in underlying funds at fair value using NAV per share without adjustment. The terms of the investee’s investment generally provide for minimum holding periods or lock-ups, the institution of gates on redemptions or the suspension of redemptions or an ability to side pocket investments, at the discretion of the investee’s fund manager, and as a result, investments may not be redeemable at, or within three months of, the reporting date. A side-pocket is used by hedge funds and funds of hedge funds to separate investments that may lack a readily ascertainable value, are illiquid or are subject to liquidity restriction. Redemptions are generally not permitted until the investments within a side-pocket are liquidated or it is deemed that the conditions existing at the time that required the investment to be included in the side-pocket no longer exist. As the timing of either of these events is uncertain, the timing at which Blackstone may redeem an investment held in a side-pocket cannot be estimated. Further disclosure on instruments for which fair value is measured using NAV per share is presented in Note 5. “Net Asset Value as Fair Value.”

Security and loan transactions are recorded on a trade date basis.

**Equity Method Investments**

Investments in which Blackstone is deemed to exert significant influence, but not control, are accounted for using the equity method of accounting except in cases where the fair value option has been elected. Blackstone has significant influence over all Blackstone Funds in which it invests but does not consolidate. Therefore, its investments in such Blackstone Funds, which generally include both a proportionate and disproportionate allocation of the profits and losses (as is the case with carry funds that include a Performance Allocation), are accounted for under the equity method. Under the equity method of accounting, Blackstone’s share of earnings (losses) from equity method investments is included in Investment Income (Loss) in the Condensed Consolidated Statements of Operations.

In cases where Blackstone's equity method investments provide for a disproportionate allocation of the profits and losses (as is the case with funds that include a Performance Allocation), Blackstone's share of earnings (losses) from equity method investments is determined using a balance sheet approach referred to as the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, at the end of each reporting period, Blackstone calculates the Accrued Performance Allocations that would be due to Blackstone for each fund pursuant to the fund agreements as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance Allocation to the general partner, or (b) negative performance that would cause the amount due to Blackstone to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued Performance Allocation to the general partner. In each scenario, it is necessary to calculate the Accrued Performance Allocation on cumulative results compared to the Accrued Performance Allocation recorded to date and make the required positive or negative adjustments. Blackstone ceases to record negative Performance Allocations once previously Accrued Performance Allocations for such fund have been fully reversed. Blackstone is not obligated to pay guaranteed returns or hurdles, and therefore, cannot have negative Performance Allocations over the life of a fund. The carrying amounts of equity method investments are reflected in Investments in the Condensed Consolidated Statements of Financial Condition.

Strategic Partners' results presented in Blackstone's condensed consolidated financial statements are reported on a three-month lag from Strategic Partners' fund financial statements, which report the performance of underlying investments generally on a same quarter basis, if available. Therefore, Strategic Partners' results presented herein do not reflect the impact of economic and market activity in the current quarter. Current quarter market activity of Strategic Partners' underlying investments is expected to affect Blackstone's reported results in upcoming periods.

**Compensation and Benefits**

*Compensation and Benefits — Compensation* — Compensation consists of (a) salary and bonus, and benefits paid and payable to employees and senior managing directors and (b) equity-based compensation associated with the grants of equity-based awards to employees and senior managing directors. Compensation cost relating to the issuance of equity-based awards to senior managing directors and employees is measured at fair value at the grant date, and expensed over the vesting period on a straight-line basis, taking into consideration expected forfeitures, except in the case of (a) equity-based awards that do not require future service, which are expensed immediately, and (b) certain awards to recipients that meet criteria making them eligible for retirement (allowing such recipient to keep a percentage of those awards upon departure from Blackstone after becoming eligible for retirement), for which the expense for the portion of the award that would be retained in the event of retirement is either expensed immediately or amortized to the retirement date. Cash settled equity-based awards and awards settled in a variable number of shares are classified as liabilities and are remeasured at the end of each reporting period.

*Compensation and Benefits — Incentive Fee Compensation* — Incentive Fee Compensation consists of compensation paid based on Incentive Fees.

*Compensation and Benefits — Performance Allocations Compensation* — Performance Allocation Compensation consists of compensation paid based on Performance Allocations (which may be distributed in cash or in-kind). Such compensation expense is subject to both positive and negative adjustments. Performance Allocations Compensation is generally based on the performance of individual investments held by a fund rather than on a fund by fund basis. These amounts may also include allocations of investment income from Blackstone's principal investments, to senior managing directors and employees participating in certain profit sharing initiatives.

**Non-Controlling Interests in Consolidated Entities**

Non-Controlling Interests in Consolidated Entities represent the component of Equity in general partner entities and consolidated Blackstone Funds held by third party investors and employees. The percentage interests in consolidated Blackstone Funds held by third parties and employees is adjusted for general partner allocations and by subscriptions and redemptions in funds of hedge funds and certain credit-focused funds which occur during the reporting period. Income (Loss) and other comprehensive income, if applicable, arising from the respective entities is allocated to non-controlling interests in consolidated entities based on the relative ownership interests of third party investors and employees after considering any contractual arrangements that govern the allocation of income (loss) such as fees allocable to Blackstone Inc.

**Redeemable Non-Controlling Interests in Consolidated Entities**

Investors in certain consolidated vehicles may be granted redemption rights that allow for quarterly or monthly redemption, as outlined in the relevant governing documents. Such redemption rights may be subject to certain limitations, including limits on the aggregate amount of interests that may be redeemed in a given period, may only allow for redemption following the expiration of a specified period of time, or may be withdrawn subject to a redemption fee during the period when capital may not be withdrawn. As a result, amounts relating to third party interests in such consolidated vehicles are presented as Redeemable Non-Controlling Interests in Consolidated Entities within the Condensed Consolidated Statements of Financial Condition. When redeemable amounts become legally payable to investors, they are classified as a liability and included in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition. For all consolidated vehicles in which redemption rights have not been granted, non-controlling interests are presented within Equity in the Condensed Consolidated Statements of Financial Condition as Non-Controlling Interests in Consolidated Entities.

**Non-Controlling Interests in Blackstone Holdings**

Non-Controlling Interests in Blackstone Holdings represent the component of Equity in the consolidated Blackstone Holdings Partnerships held by Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships.

Certain costs and expenses are borne directly by the Holdings Partnerships. Income (Loss), excluding those costs directly borne by and attributable to the Holdings Partnerships, is attributable to Non-Controlling Interests in Blackstone Holdings. This residual attribution is based on the year to date average percentage of Blackstone Holdings Partnership Units and unvested participating Holdings Partnership Units held by Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. Unvested participating Holdings Partnership Units are excluded from the attribution in periods of loss as they are not contractually obligated to share in losses of the Holdings Partnerships.

**Income Taxes**

***Provision for Income Taxes***

Income taxes are provided for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities, resulting in all pretax amounts being appropriately tax effected in the period, irrespective of which tax return year items will be reflected. Blackstone reports interest expense and tax penalties related to income tax matters in provision for income taxes.

***Deferred Income Taxes***

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Valuation allowances are established to reduce the deferred tax assets to the amount that is more likely than not to be realized. Deferred tax assets are separately stated, and deferred tax liabilities are included in Accounts Payable, Accrued Expenses, and Other Liabilities in the condensed consolidated financial statements.

***Unrecognized Tax Benefits***

Blackstone recognizes tax positions in the condensed consolidated financial statements when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in the return and amounts recognized in the condensed consolidated financial statements. Accrued interest and penalties related to unrecognized tax benefits are reported on the related liability line in the condensed consolidated financial statements.

**Net Income (Loss) Per Share of Common Stock**

Basic Income (Loss) Per Share of Common Stock is calculated by dividing Net Income (Loss) Attributable to Blackstone Inc. by the weighted-average shares of common stock, unvested participating shares of common stock outstanding for the period and vested deferred restricted shares of common stock that have been earned for which issuance of the related shares of common stock is deferred until future periods. Diluted Income (Loss) Per Share of Common Stock reflects the impact of all dilutive securities. Unvested participating shares of common stock are excluded from the computation in periods of loss as they are not contractually obligated to share in losses.

Blackstone applies the treasury stock method to determine the dilutive weighted-average common shares outstanding for certain equity-based compensation awards. Blackstone applies the “if-converted” method to the Blackstone Holdings Partnership Units to determine the dilutive impact, if any, of the exchange right included in the Blackstone Holdings Partnership Units. Blackstone applies the contingently issuable share model to contracts that may require the issuance of shares.

**Reverse Repurchase and Repurchase Agreements**

Securities purchased under agreements to resell (“reverse repurchase agreements”) and securities sold under agreements to repurchase (“repurchase agreements”), generally comprised of U.S. and non-U.S. government and agency securities, asset backed securities and corporate debt, represent collateralized financing transactions. Such transactions are recorded within Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition at their contractual amounts and include accrued interest. The carrying value of reverse repurchase and repurchase agreements approximates fair value.

Blackstone manages credit exposure arising from reverse repurchase agreements and repurchase agreements by, in appropriate circumstances, entering into master netting agreements and collateral arrangements with counterparties that provide Blackstone, in the event of a counterparty default, the right to liquidate collateral and the right to offset a counterparty’s rights and obligations.

Blackstone takes possession of securities purchased under reverse repurchase agreements and is permitted to repledge, deliver or otherwise use such securities. Blackstone also pledges its financial instruments to counterparties to collateralize repurchase agreements. Financial instruments pledged that can be repledged, delivered or otherwise used by the counterparty are recorded in Investments in the Condensed Consolidated Statements of Financial Condition.

Blackstone does not offset assets and liabilities relating to reverse repurchase agreements and repurchase agreements in its Condensed Consolidated Statements of Financial Condition. Additional disclosures relating to offsetting are discussed in Note 10. "Offsetting of Assets and Liabilities."

**Securities Sold, Not Yet Purchased**

Securities Sold, Not Yet Purchased consist of equity and debt securities that Blackstone has borrowed and sold. Blackstone is required to "cover" its short sale in the future by purchasing the security at prevailing market prices and delivering it to the counterparty from which it borrowed the security. Blackstone is exposed to loss in the event that the price at which a security may have to be purchased to cover a short sale exceeds the price at which the borrowed security was sold short.

Securities Sold, Not Yet Purchased are recorded at fair value within Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition.

**Derivative Instruments**

Blackstone recognizes all derivatives as assets or liabilities on its Condensed Consolidated Statements of Financial Condition at fair value. On the date Blackstone enters into a derivative contract, it designates and documents each derivative contract as one of the following: (a) a hedge of a recognized asset or liability ("fair value hedge"), (b) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), (c) a hedge of a net investment in a foreign operation, or (d) a derivative instrument not designated as a hedging instrument ("freestanding derivative").

For freestanding derivative contracts, Blackstone presents changes in fair value in current period earnings. Changes in the fair value of derivative instruments held by consolidated Blackstone Funds are reflected in Net Gains (Losses) from Fund Investment Activities or, where derivative instruments are held by Blackstone, within Investment Income (Loss) in the Condensed Consolidated Statements of Operations. The fair value of freestanding derivative assets of the consolidated Blackstone Funds are recorded within Investments, the fair value of freestanding derivative assets that are not part of the consolidated Blackstone Funds are recorded within Other Assets and the fair value of freestanding derivative liabilities are recorded within Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition.

Blackstone has elected to not offset derivative assets and liabilities or financial assets in its Condensed Consolidated Statements of Financial Condition, including cash, that may be received or paid as part of collateral arrangements, even when an enforceable master netting agreement is in place that provides Blackstone, in the event of counterparty default, the right to liquidate collateral and the right to offset a counterparty's rights and obligations.

Blackstone's other disclosures regarding derivative financial instruments are discussed in Note 6. "Derivative Financial Instruments."

Blackstone's disclosures regarding offsetting are discussed in Note 10. "Offsetting of Assets and Liabilities."

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

**Affiliates**

Blackstone considers its Founder, senior managing directors, employees, the Blackstone Funds and the Portfolio Companies to be affiliates.

**Dividends**

Dividends are reflected in the condensed consolidated financial statements when declared.

**Recent Accounting Developments**

In June 2022, the Financial Accounting Standards Board issued amended guidance addressing certain sale restrictions on equity securities measured at fair value. The guidance requires that reporting entities not consider contractual sale restrictions that prohibit the sale of equity securities when measuring fair value and introduces new disclosure requirements for equity securities subject to contractual sale restrictions. The new guidance was effective for Blackstone beginning January 1, 2024 and was adopted on a prospective basis. There was no impact on the condensed consolidated financial statements upon adoption.

## 3. Intangible Assets

Intangible Assets, Net consists of the following:

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Finite-Lived Intangible Assets/Contractual Rights | $ 1,769,372 | $ 1,769,372 |
| Accumulated Amortization | (1,577,145) | (1,568,164) |
| Intangible Assets, Net | $ 192,227 | $ 201,208 |

Amortization expense associated with Blackstone's intangible assets was $9.0 million and $13.0 million for the three months ended March 31, 2024 and 2023, respectively.

Amortization of Intangible Assets held at March 31, 2024 is expected to be $35.9 million, $35.9 million, $35.7 million, $34.6 million and $17.8 million for each of the years ending December 31, 2024, 2025, 2026, 2027, and 2028, respectively. Blackstone's Intangible Assets as of March 31, 2024 are expected to amortize over a weighted-average period of 5.9 years.

## 4. Investments

Investments consist of the following:

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Investments of Consolidated Blackstone Funds | $ 3,458,911 | $ 4,319,483 |
| Equity Method Investments | | |
| Partnership Investments | 6,100,640 | 5,924,275 |
| Accrued Performance Allocations | 11,163,116 | 10,775,355 |
| Corporate Treasury Investments | 197,976 | 803,870 |
| Other Investments | 5,001,647 | 4,323,639 |
| | $ 25,922,290 | $ 26,146,622 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Blackstone's share of Investments of Consolidated Blackstone Funds totaled $241.1 million and $1.0 billion at March 31, 2024 and December 31, 2023, respectively.

Where appropriate, the accounting for Blackstone's investments incorporates the changes in fair value of those investments as determined under GAAP. The significant inputs and assumptions required to determine the change in fair value of the investments of Consolidated Blackstone Funds, Corporate Treasury Investments and Other Investments are discussed in more detail in Note 8. "Fair Value Measurements of Financial Instruments."

**Investments of Consolidated Blackstone Funds**

The following table presents the Realized and Net Change in Unrealized Gains (Losses) on investments held by the consolidated Blackstone Funds and a reconciliation to Other Income (Loss) – Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Realized Gains (Losses) | $(58,412) | $ 17,155 |
| Net Change in Unrealized Gains (Losses) | 35,125 | (17,154) |
| Realized and Net Change in Unrealized Gains (Losses) from Consolidated Blackstone Funds | (23,287) | 1 |
| Interest and Dividend Revenue Attributable to Consolidated Blackstone Funds | 5,520 | 71,063 |
| Other Income (Loss) – Net Gains (Losses) from Fund Investment Activities | $(17,767) | $ 71,064 |

**Equity Method Investments**

Blackstone's equity method investments include Partnership Investments, which represent the pro-rata investments, and any associated Accrued Performance Allocations, in Blackstone Funds, excluding any equity method investments for which the fair value option has been elected. Blackstone evaluates each of its equity method investments, excluding Accrued Performance Allocations, to determine if any were significant as defined by guidance from the United States Securities and Exchange Commission. As of and for the three months ended March 31, 2024 and 2023, no individual equity method investment held by Blackstone met the significance criteria.

***Partnership Investments***

Blackstone recognized net gains related to its Partnership Investments accounted for under the equity method of $156.0 million and $69.2 million for the three months ended March 31, 2024 and 2023, respectively.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

***Accrued Performance Allocations***

Accrued Performance Allocations to Blackstone were as follows:

| | Real Estate | Private Equity | Credit & Insurance | Multi-Asset Investing | Total |
|---|---|---|---|---|---|
| Accrued Performance Allocations, December 31, 2023 | $ 2,990,602 | $ 6,707,244 | $ 599,779 | $ 477,730 | $ 10,775,355 |
| Performance Allocations as a Result of Changes in Fund Fair Values | 83,357 | 690,844 | 120,988 | 155,775 | 1,050,964 |
| Foreign Exchange Loss | (5,711) | — | — | — | (5,711) |
| Fund Distributions | (183,108) | (348,875) | (50,449) | (75,060) | (657,492) |
| Accrued Performance Allocations, March 31, 2024 | $ 2,885,140 | $ 7,049,213 | $ 670,318 | $ 558,445 | $ 11,163,116 |

**Corporate Treasury Investments**

The portion of corporate treasury investments included in Investments represents Blackstone's investments into primarily fixed income securities, mutual fund interests, and other fund interests. These strategies are managed by a combination of Blackstone personnel and third party advisors. The following table presents the Realized and Net Change in Unrealized Gains (Losses) on these investments:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Realized Gains (Losses) | $(1,621) | $ 2,374 |
| Net Change in Unrealized Gains (Losses) | (1,260) | 7,795 |
| | $(2,881) | $10,169 |

**Other Investments**

Other Investments consist of equity method investments where Blackstone has elected the fair value option and other proprietary investment securities held by Blackstone, including equity securities carried at fair value, equity investments without readily determinable fair values, and senior secured and subordinated notes in non-consolidated CLO vehicles. Equity investments without a readily determinable fair value had a carrying value of $333.9 million as of March 31, 2024. In the period of acquisition and upon remeasurement in connection with an observable transaction, such investments are reported at fair value. See Note 8. "Fair Value Measurements of Financial Instruments" for additional detail. The following table presents Blackstone's Realized and Net Change in Unrealized Gains (Losses) in Other Investments:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Realized Gains | $ 2,467 | $ 1,924 |
| Net Change in Unrealized Gains (Losses) | 455,800 | (313,153) |
| | $458,267 | $(311,229) |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

## 5. Net Asset Value as Fair Value

A summary of fair value by strategy type and ability to redeem such investments as of March 31, 2024 is presented below:

| Strategy (a) | Fair Value | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|
| Equity | $ 356,173 | (b) | (b) |
| Real Estate | 112,839 | (c) | (c) |
| Other | 7,081 | (d) | (d) |
| | $ 476,093 | | |

(a) As of March 31, 2024, Blackstone had no unfunded commitments.
(b) The Equity category includes investments in hedge funds that invest primarily in domestic and international equity securities. Investments representing 76% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date. Investments representing 24% of the fair value of the investments in this category are redeemable as of the reporting date.
(c) The Real Estate category includes investments in funds that primarily invest in real estate assets. All investments in this category are redeemable as of the reporting date.
(d) Other is composed of the Credit Driven category, the Commodities category and the Diversified Instruments category. The Credit Driven category includes investments in hedge funds that invest primarily in domestic and international bonds. The Commodities category includes investments in commodities-focused funds that primarily invest in futures and physical-based commodity driven strategies. The Diversified Instruments category includes investments in funds that invest across multiple strategies. All investments in these categories may not be redeemed at, or within three months of, the reporting date.

## 6. Derivative Financial Instruments

Blackstone and the consolidated Blackstone Funds enter into derivative contracts in the normal course of business to achieve certain risk management objectives and for general investment and business purposes. Blackstone may enter into derivative contracts in order to hedge its interest rate risk exposure against the effects of interest rate changes. Additionally, Blackstone may also enter into derivative contracts in order to hedge its foreign currency risk exposure against the effects of a portion of its non-U.S. dollar denominated currency net investments. As a result of the use of derivative contracts, Blackstone and the consolidated Blackstone Funds are exposed to the risk that counterparties will fail to fulfill their contractual obligations. To mitigate such counterparty risk, Blackstone and the consolidated Blackstone Funds enter into contracts with certain major financial institutions, all of which have investment grade ratings. Counterparty credit risk is evaluated in determining the fair value of derivative instruments.

### Freestanding Derivatives

Freestanding derivatives are instruments that Blackstone and certain of the consolidated Blackstone Funds have entered into as part of their overall risk management and investment strategies. These derivative contracts are not designated as hedging instruments for accounting purposes. Such contracts may include interest rate swaps, foreign exchange contracts, equity swaps, options, futures and other derivative contracts.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The table below summarizes the aggregate notional amount and fair value of the derivative financial instruments. The notional amount represents the absolute value amount of all outstanding derivative contracts.

| | March 31, 2024 | | | | December 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets | | Liabilities | | Assets | | Liabilities | |
| | Notional | Fair Value | Notional | Fair Value | Notional | Fair Value | Notional | Fair Value |
| **Freestanding Derivatives** | | | | | | | | |
| Blackstone | | | | | | | | |
| Interest Rate Contracts | $ 626,740 | $ 157,387 | $ 600,000 | $ 97,066 | $ 634,840 | $ 145,798 | $ 607,000 | $ 86,589 |
| Foreign Currency Contracts | 167,391 | 465 | 337,017 | 901 | 387,102 | 11,442 | 334,228 | 3,538 |
| Credit Default Swaps | — | — | 640 | 8 | 3,108 | 479 | 3,748 | 508 |
| Total Return Swaps | 39,956 | 5,812 | — | — | 63,158 | 13,171 | — | — |
| Equity Options | — | — | 1,131,872 | 646,002 | — | — | 1,110,490 | 563,986 |
| | 834,087 | 163,664 | 2,069,529 | 743,977 | 1,088,208 | 170,890 | 2,055,466 | 654,621 |
| Investments of Consolidated Blackstone Funds | | | | | | | | |
| Interest Rate Contracts | 839,931 | 26,800 | — | — | 855,683 | 19,189 | — | — |
| | 839,931 | 26,800 | — | — | 855,683 | 19,189 | — | — |
| | $ 1,674,018 | $ 190,464 | $ 2,069,529 | $ 743,977 | $ 1,943,891 | $ 190,079 | $ 2,055,466 | $ 654,621 |

The table below summarizes the impact to the Condensed Consolidated Statements of Operations from derivative financial instruments:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Freestanding Derivatives** | | |
| Realized Gains (Losses) | | |
| Interest Rate Contracts | $ (614) | $ 336 |
| Foreign Currency Contracts | 5,525 | 5,590 |
| Credit Default Swaps | 75 | (51) |
| Total Return Swaps | 8,320 | 4,652 |
| | 13,306 | 10,527 |
| Net Change in Unrealized Gains (Losses) | | |
| Interest Rate Contracts | 1,024 | (2,120) |
| Foreign Currency Contracts | (8,222) | (3,183) |
| Credit Default Swaps | (54) | (228) |
| Total Return Swaps | (5,519) | (13) |
| Equity Options | (82,016) | (154,838) |
| | (94,787) | (160,382) |
| | $ (81,481) | $ (149,855) |

As of March 31, 2024 and December 31, 2023, Blackstone had not designated any derivatives as fair value, cash flow or net investment hedges.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

## 7. Fair Value Option

The following table summarizes the financial instruments for which the fair value option has been elected:

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| **Assets** | | |
| Loans and Receivables | $ 95,532 | $ 60,738 |
| Equity and Preferred Securities | 2,850,339 | 2,894,302 |
| Debt Securities | 62,757 | 63,486 |
| Assets of Consolidated CLO Vehicles | | |
| Corporate Loans | 129,381 | 938,801 |
| | $ 3,138,009 | $ 3,957,327 |
| **Liabilities** | | |
| CLO Notes Payable | $ 169,835 | $ 687,122 |
| Corporate Treasury Commitments | 887 | 1,264 |
| | $ 170,722 | $ 688,386 |

The following table presents the Realized and Net Change in Unrealized Gains (Losses) on financial instruments on which the fair value option was elected:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Realized Gains (Losses) | Net Change in Unrealized Gains (Losses) | Realized Gains (Losses) | Net Change in Unrealized Gains (Losses) |
| **Assets** | | | | |
| Loans and Receivables | $ (1,604) | $ (408) | $ (763) | $ (303) |
| Equity and Preferred Securities | 2,281 | 17,729 | 1,696 | (45,113) |
| Debt Securities | — | (729) | — | (1,831) |
| Assets of Consolidated CLO Vehicles | | | | |
| Corporate Loans | (2,846) | 2,456 | (3,129) | 482 |
| | $ (2,169) | $ 19,048 | $ (2,196) | $ (46,765) |
| **Liabilities** | | | | |
| CLO Notes Payable | $ — | $ 600 | $ — | $ 2,464 |
| Corporate Treasury Commitments | — | 377 | — | 2,226 |
| | $ — | $ 977 | $ — | $ 4,690 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following table presents information for those financial instruments for which the fair value option was elected:

| | March 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | | For Financial Assets Past Due (a) | | | For Financial Assets Past Due (a) | |
| | Excess (Deficiency) of Fair Value Over Principal | Fair Value | Excess of Fair Value Over Principal | Excess (Deficiency) of Fair Value Over Principal | Fair Value | Excess of Fair Value Over Principal |
| Loans and Receivables | $ 252 | $ — | $ — | $ 675 | $ — | $ — |
| Debt Securities | (54,072) | — | — | (52,577) | — | — |
| Assets of Consolidated CLO Vehicles | | | | | | |
| Corporate Loans | (3,495) | 1,313 | — | (8,751) | 1,345 | — |
| | $ (57,315) | $ 1,313 | $ — | $ (60,653) | $ 1,345 | $ — |

(a) Assets are classified as past due if contractual payments are more than 90 days past due.

As of March 31, 2024 and December 31, 2023, no Loans and Receivables for which the fair value option was elected were past due or in non-accrual status and there were two Corporate Loans included within the Assets of Consolidated CLO Vehicles for which the fair value option was elected that were past due but was not in non-accrual status.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

## 8. Fair Value Measurements of Financial Instruments

The following tables summarize the valuation of Blackstone's financial assets and liabilities by the fair value hierarchy:

| | March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Level I | Level II | Level III | NAV | Total |
| **Assets** | | | | | |
| Cash and Cash Equivalents | $ 214,997 | $ — | $ — | $ — | $ 214,997 |
| Investments | | | | | |
| Investments of Consolidated Blackstone Funds | | | | | |
| Equity Securities, Partnerships and LLC Interests (a) | 10,259 | 119,238 | 2,688,028 | 469,012 | 3,286,537 |
| Debt Instruments | — | 130,010 | 15,564 | — | 145,574 |
| Freestanding Derivatives | — | 26,800 | — | — | 26,800 |
| Total Investments of Consolidated Blackstone Funds | 10,259 | 276,048 | 2,703,592 | 469,012 | 3,458,911 |
| Corporate Treasury Investments | 67,688 | 121,712 | 8,576 | — | 197,976 |
| Other Investments | 2,006,970 | 2,590,956 | 72,555 | 7,081 | 4,677,562 |
| Total Investments | 2,084,917 | 2,988,716 | 2,784,723 | 476,093 | 8,334,449 |
| Accounts Receivable - Loans and Receivables | — | — | 95,532 | — | 95,532 |
| Other Assets - Freestanding Derivatives | — | 157,852 | 5,812 | — | 163,664 |
| | $ 2,299,914 | $ 3,146,568 | $ 2,886,067 | $ 476,093 | $ 8,808,642 |
| **Liabilities** | | | | | |
| Loans Payable - CLO Notes Payable | $ — | $ 169,835 | $ — | $ — | $ 169,835 |
| Accounts Payable, Accrued Expenses and Other Liabilities | | | | | |
| Freestanding Derivatives | — | 97,975 | 646,002 | — | 743,977 |
| Contingent Consideration | — | — | 504 | — | 504 |
| Corporate Treasury Commitments | — | — | 887 | — | 887 |
| Securities Sold, Not Yet Purchased | 3,867 | — | — | — | 3,867 |
| Total Accounts Payable, Accrued Expenses and Other Liabilities | 3,867 | 97,975 | 647,393 | — | 749,235 |
| | $ 3,867 | $ 267,810 | $ 647,393 | $ — | $ 919,070 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Level I | Level II | Level III | NAV | Total |
| **Assets** | | | | | |
| Cash and Cash Equivalents | $ 263,574 | $ — | $ — | $ — | $ 263,574 |
| Investments | | | | | |
| Investments of Consolidated Blackstone Funds | | | | | |
| Equity Securities, Partnerships and LLC Interests (a) | 11,118 | 123,022 | 2,653,246 | 558,259 | 3,345,645 |
| Debt Instruments | — | 924,264 | 30,385 | — | 954,649 |
| Freestanding Derivatives | — | 19,189 | — | — | 19,189 |
| Total Investments of Consolidated Blackstone Funds | 11,118 | 1,066,475 | 2,683,631 | 558,259 | 4,319,483 |
| Corporate Treasury Investments | 72,071 | 435,430 | 296,369 | — | 803,870 |
| Other Investments | 1,564,112 | 2,355,423 | 223,441 | 7,275 | 4,150,251 |
| Total Investments | 1,647,301 | 3,857,328 | 3,203,441 | 565,534 | 9,273,604 |
| Accounts Receivable - Loans and Receivables | — | — | 60,738 | — | 60,738 |
| Other Assets - Freestanding Derivatives | 90 | 157,629 | 13,171 | — | 170,890 |
| | $ 1,910,965 | $ 4,014,957 | $ 3,277,350 | $ 565,534 | $ 9,768,806 |
| **Liabilities** | | | | | |
| Loans Payable - CLO Notes Payable | $ — | $ 687,122 | $ — | $ — | $ 687,122 |
| Accounts Payable, Accrued Expenses and Other Liabilities | | | | | |
| Freestanding Derivatives | 436 | 90,199 | 563,986 | — | 654,621 |
| Contingent Consideration | — | — | 387 | — | 387 |
| Corporate Treasury Commitments | — | — | 1,264 | — | 1,264 |
| Securities Sold, Not Yet Purchased | 3,886 | — | — | — | 3,886 |
| Total Accounts Payable, Accrued Expenses and Other Liabilities | 4,322 | 90,199 | 565,637 | — | 660,158 |
| | $ 4,322 | $ 777,321 | $ 565,637 | $ — | $ 1,347,280 |

LLC Limited Liability Company.

(a) Equity Securities, Partnership and LLC Interest includes investments in investment funds.

Within Investments of Consolidated Blackstone Funds and Other Investments, Blackstone held equity securities subject to sale restrictions with a fair value of $1.4 billion as of March 31, 2024. The nature of such restrictions are contractual or legal in nature and deemed an attribute of the holder rather than the investment. Contractual restrictions include certain phased restrictions on sale or transfer, underwriter lock-ups and sale or transfer restrictions applicable to certain Investments of Consolidated Blackstone Funds pledged as collateral. Restrictions will generally lapse over time or after a predetermined date and the weighted-average remaining duration of such restrictions is 1.6 years. Level III equity securities included in Investments of Consolidated Blackstone Funds are illiquid and privately negotiated in nature and may also be subject to contractual sale or transfer restrictions including those pursuant to their respective governing or similar agreements. Investments within Other Investments subject to restrictions on sale or transfer as a result of pledge arrangements are discussed in Note 16. “Commitments and Contingencies — Contingencies — Strategic Ventures.”

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level III of the fair value hierarchy as of March 31, 2024. Consistent with presentation in these Notes to Condensed Consolidated Financial Statements, this table presents the Level III Investments only of Consolidated Blackstone Funds and therefore does not reflect any other Blackstone Funds.

| | Fair Value | Valuation Techniques | Unobservable Inputs | Ranges | Weighted-Average (a) | Impact to Valuation from an Increase in Input |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| Investments of Consolidated Blackstone Funds | | | | | | |
| Equity Securities, Partnership and LLC Interests | $ 2,688,028 | Discounted Cash Flows | Discount Rate | 3.3% - 38.6% | 10.1% | Lower |
| | | | Exit Multiple - EBITDA | 4.0x - 30.6x | 15.0x | Higher |
| | | | Exit Capitalization Rate | 3.1% - 13.2% | 5.1% | Lower |
| Debt Instruments | 15,564 | Third Party Pricing | n/a | | | |
| Total Investments of Consolidated Blackstone Funds | 2,703,592 | | | | | |
| Corporate Treasury Investments | 8,576 | Transaction Price | n/a | | | |
| Loans and Receivables | 95,532 | Discounted Cash Flows | Discount Rate | 8.8% - 14.0% | 10.3% | Lower |
| Other Investments (b) | 78,367 | Third Party Pricing | n/a | | | |
| | $ 2,886,067 | | | | | |
| **Financial Liabilities** | | | | | | |
| Freestanding Derivatives (c) | $ 646,002 | Option Pricing Model | Volatility | 6.2% | n/a | Higher |
| Other Liabilities (d) | 1,391 | Third Party Pricing | n/a | | | |
| | | Other | n/a | | | |
| | $ 647,393 | | | | | |

**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level III of the fair value hierarchy as of December 31, 2023:

| | Fair Value | Valuation Techniques | Unobservable Inputs | Ranges | Weighted-Average (a) | Impact to Valuation from an Increase in Input |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| Investments of Consolidated Blackstone Funds | | | | | | |
| Equity Securities, Partnership and LLC Interests | $ 2,653,246 | Discounted Cash Flows | Discount Rate | 3.3% - 38.0% | 9.7% | Lower |
| | | | Exit Multiple - EBITDA | 4.0x - 30.6x | 15.0x | Higher |
| | | | Exit Capitalization Rate | 3.1% - 12.8% | 5.1% | Lower |
| Debt Instruments | 30,385 | Third Party Pricing | n/a | | | |
| Total Investments of Consolidated Blackstone Funds | 2,683,631 | | | | | |
| Corporate Treasury Investments | 296,369 | Discounted Cash Flows | Discount Rate | 11.2% - 22.4% | 17.1% | Lower |
| | | Transaction Price | n/a | | | |
| Loans and Receivables | 60,738 | Discounted Cash Flows | Discount Rate | 8.8% - 14.9% | 10.3% | Lower |
| Other Investments (b) | 236,612 | Third Party Pricing | n/a | | | |
| | | Transaction Price | n/a | | | |
| | $ 3,277,350 | | | | | |
| **Financial Liabilities** | | | | | | |
| Freestanding Derivatives (c) | $ 563,986 | Option Pricing Model | Volatility | 6.3% | n/a | Higher |
| Other Liabilities (d) | 1,651 | Third Party Pricing | n/a | | | |
| | | Other | n/a | | | |
| | $ 565,637 | | | | | |

| | |
|---|---|
| n/a | Not applicable. |
| EBITDA | Earnings before interest, taxes, depreciation and amortization. |
| Exit Multiple | Ranges include the last twelve months EBITDA and forward EBITDA multiples. |
| Third Party Pricing | Third Party Pricing is generally determined on the basis of unadjusted prices between market participants provided by reputable dealers or pricing services. |
| Transaction Price | Includes recent acquisitions or transactions. |
| (a) | Unobservable inputs were weighted based on the fair value of the investments included in the range. |
| (b) | As of March 31, 2024 and December 31, 2023, Other Investments includes Level III Freestanding Derivatives. |
| (c) | The volatility of the historical performance of the underlying reference entity is used to project the expected returns relevant for the fair value of the derivative. |
| (d) | As of March 31, 2024 and December 31, 2023, Other Liabilities includes Level III Contingent Consideration and Level III Corporate Treasury Commitments. |

For the three months ended March 31, 2024, there have been no changes in valuation techniques within Level II and Level III that have had a material impact on the valuation of financial instruments.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following tables summarize the changes in financial assets and liabilities measured at fair value for which Blackstone has used Level III inputs to determine fair value and does not include gains or losses that were reported in Level III in prior years or for instruments that were transferred out of Level III prior to the end of the respective reporting period. These tables also exclude financial assets and liabilities measured at fair value on a non-recurring basis. Total realized and unrealized gains and losses recorded for Level III investments are reported in either Investment Income (Loss) or Net Gains from Fund Investment Activities in the Condensed Consolidated Statements of Operations.

| | Level III Financial Assets at Fair Value | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Three Months Ended March 31, | | | | | | | |
| | 2024 | | | | 2023 | | | |
| | Investments of Consolidated Funds | Loans and Receivables | Other Investments (a) | Total | Investments of Consolidated Funds | Loans and Receivables | Other Investments (a) | Total |
| Balance, Beginning of Period | $ 2,683,631 | $ 60,738 | $ 373,024 | $ 3,117,393 | $ 4,249,832 | $ 315,039 | $ 30,971 | $ 4,595,842 |
| Transfer Out Due to Deconsolidation | (14,237) | — | — | (14,237) | (3,837) | — | — | (3,837) |
| Transfer Into Level III (b) | 3,434 | — | — | 3,434 | 13,873 | — | 898 | 14,771 |
| Transfer Out of Level III (b) | (2,546) | — | — | (2,546) | (313) | — | (2,726) | (3,039) |
| Purchases | 133,116 | 149,639 | 5,675 | 288,430 | 299,948 | 55,070 | 49,404 | 404,422 |
| Sales | (34,315) | (111,167) | (289,993) | (435,475) | (319,161) | (86,725) | (180) | (406,066) |
| Issuances | — | 9,561 | — | 9,561 | — | 50,689 | — | 50,689 |
| Settlements (c) | — | (14,110) | (10,160) | (24,270) | — | (33,796) | 528 | (33,268) |
| Changes in Gains (Losses) Includedin Earnings | (65,491) | 871 | (1,404) | (66,024) | 98,167 | 7,011 | (4,291) | 100,887 |
| Balance, End of Period | $ 2,703,592 | $ 95,532 | $ 77,142 | $ 2,876,266 | $ 4,338,509 | $ 307,288 | $ 74,604 | $ 4,720,401 |
| Changes in Unrealized Gains (Losses) Included in Earnings Related to Financial Assets Still Held at the Reporting Date | $ (39,295) | $ (793) | $ (3,305) | $ (43,393) | $ 72,029 | $ 1,737 | $ 534 | $ 74,300 |

| | Level III Financial Liabilities at Fair Value | | | | | |
|---|---|---|---|---|---|---|
| | Three Months Ended March 31, | | | | | |
| | 2024 | | | 2023 | | |
| | Freestanding Derivatives | Other Liabilities | Total | Freestanding Derivatives | Other Liabilities | Total |
| Balance, Beginning of Period | $ 563,986 | $ 1,651 | $ 565,637 | $ 48,581 | $ 8,144 | $ 56,725 |
| Transfer In Due to Consolidation and Acquisition | — | — | — | — | 2,300 | 2,300 |
| Changes in Losses (Gains) Included in Earnings | 82,016 | (260) | 81,756 | 154,838 | (2,226) | 152,612 |
| Balance, End of Period | $ 646,002 | $ 1,391 | $ 647,393 | $ 203,419 | $ 8,218 | $ 211,637 |
| Changes in Unrealized Losses (Gains) Included in Earnings Related to Financial Liabilities Still Held at the Reporting Date | $ 82,016 | $ (260) | $ 81,756 | $ 154,838 | $ (2,226) | $ 152,612 |

(a) Represents freestanding derivatives, corporate treasury investments and Other Investments.

(b) Transfers in and out of Level III financial assets and liabilities were due to changes in the observability of inputs used in the valuation of such assets and liabilities.

(c) For Freestanding Derivatives included within Other Investments, Settlements includes all ongoing contractual cash payments made or received over the life of the instrument.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

## 9. Variable Interest Entities

Pursuant to GAAP consolidation guidance, Blackstone consolidates certain VIEs for which it is the primary beneficiary either directly or indirectly, through a consolidated entity or affiliate. VIEs include certain private equity, real estate, credit-focused or funds of hedge funds entities and CLO vehicles. The purpose of such VIEs is to provide strategy specific investment opportunities for investors in exchange for management and performance-based fees. The investment strategies of the Blackstone Funds differ by product; however, the fundamental risks of the Blackstone Funds are similar, including loss of invested capital and loss of management fees and performance-based fees. In Blackstone's role as general partner, collateral manager or investment adviser, it generally considers itself the sponsor of the applicable Blackstone Fund. Blackstone does not provide performance guarantees and has no other financial obligation to provide funding to consolidated VIEs other than its own capital commitments.

The assets of consolidated variable interest entities may only be used to settle obligations of these entities. In addition, there is no recourse to Blackstone for the consolidated VIEs' liabilities.

Blackstone holds variable interests in certain VIEs which are not consolidated as it is determined that Blackstone is not the primary beneficiary. Blackstone's involvement with such entities is in the form of direct and indirect equity interests and fee arrangements. The maximum exposure to loss represents the loss of assets recognized by Blackstone relating to non-consolidated VIEs and any clawback obligation relating to previously distributed Performance Allocations. Blackstone's maximum exposure to loss relating to non-consolidated VIEs were as follows:

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Investments | $ 3,905,515 | $ 3,751,591 |
| Due from Affiliates | 266,394 | 203,187 |
| Potential Clawback Obligation | 78,823 | 72,119 |
| Maximum Exposure to Loss | $ 4,250,732 | $ 4,026,897 |
| Amounts Due to Non-Consolidated VIEs | $ 557 | $ 223 |

## 10. Offsetting of Assets and Liabilities

The following tables present the offsetting of assets and liabilities as of March 31, 2024 and December 31, 2023:

| | March 31, 2024 | | | |
|---|---|---|---|---|
| | Gross and Net Amounts of Assets Presented in the Statement of Financial Condition | Gross Amounts Not Offset in the Statement of Financial Condition | | |
| | | Financial Instruments (a) | Cash Collateral Received | Net Amount |
| **Assets** | | | | |
| Freestanding Derivatives | $ 190,464 | $ 124,134 | $ 55,854 | $ 10,476 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

| | March 31, 2024 | | | |
|---|---|---|---|---|
| | Gross and Net Amounts of Liabilities Presented in the Statement of Financial Condition | Gross Amounts Not Offset in the Statement of Financial Condition | | |
| | | Financial Instruments (a) | Cash Collateral Pledged | Net Amount |
| **Liabilities** | | | | |
| Freestanding Derivatives | $ 97,974 | $ 97,300 | $ 8 | $ 666 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Gross and Net Amounts of Assets Presented in the Statement of Financial Condition | Gross Amounts Not Offset in the Statement of Financial Condition | | |
| | | Financial Instruments (a) | Cash Collateral Received | Net Amount |
| **Assets** | | | | |
| Freestanding Derivatives | $ 190,079 | $ 107,330 | $ 49,532 | $ 33,217 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Gross and Net Amounts of Liabilities Presented in the Statement of Financial Condition | Gross Amounts Not Offset in the Statement of Financial Condition | | |
| | | Financial Instruments (a) | Cash Collateral Pledged | Net Amount |
| **Liabilities** | | | | |
| Freestanding Derivatives | $ 90,635 | $ 87,777 | $ 625 | $ 2,233 |

(a) Amounts presented are inclusive of both legally enforceable master netting agreements, and financial instruments received or pledged as collateral. Financial instruments received or pledged as collateral offset derivative counterparty risk exposure, but do not reduce net balance sheet exposure.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Freestanding Derivative liabilities are included in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition. Freestanding Derivative assets are included in Other Assets in the Condensed Consolidated Statements of Financial Condition. The following table presents the components of Other Assets:

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Furniture, Equipment and Leasehold Improvements | $ 952,577 | $ 937,355 |
| Less: Accumulated Depreciation | (417,903) | (394,602) |
| Furniture, Equipment and Leasehold Improvements, Net | 534,674 | 542,753 |
| Prepaid Expenses | 314,873 | 207,886 |
| Freestanding Derivatives | 163,664 | 170,890 |
| Other | 59,416 | 23,319 |
| | $ 1,072,627 | $ 944,848 |

**Notional Pooling Arrangements**

Blackstone has notional cash pooling arrangements with financial institutions for cash management purposes. These arrangements allow for cash withdrawals based upon aggregate cash balances on deposit at the same financial institution. Cash withdrawals cannot exceed aggregate cash balances on deposit. The net balance of cash on deposit and overdrafts is used as a basis for calculating net interest expense or income. As of March 31, 2024, the aggregate cash balance on deposit relating to the cash pooling arrangements was $995.3 million, which was offset and reported net of the accompanying overdraft of $959.3 million.

**11. Borrowings**

The following table presents each of Blackstone's borrowings as of March 31, 2024 and December 31, 2023, as well as their carrying value and fair value. The borrowings are included in Loans Payable within the Condensed Consolidated Statements of Financial Condition. Each of the Senior Notes were issued at a discount through Blackstone's indirect subsidiary, Blackstone Holdings Finance Co. L.L.C. The Senior Notes accrue interest from the issue date thereof and pay interest in arrears on a semi-annual basis or annual basis. The Secured Borrowings were issued at par, accrue interest from the issue date thereof and pay interest in arrears on a quarterly basis. CLO Notes Payable pay interest in arrears on a quarterly basis.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

| Description | March 31,2024 Carrying Value | March 31,2024 Fair Value | December 31, 2023 Carrying Value | December 31, 2023 Fair Value |
|---|---|---|---|---|
| Blackstone Operating Borrowings | | | | |
| Senior Notes (a) | | | | |
| 2.000%, Due 5/19/2025 | $ 328,618 | $ 317,401 | $ 336,005 | $ 324,778 |
| 1.000%, Due 10/5/2026 | 649,429 | 607,196 | 664,085 | 620,864 |
| 3.150%, Due 10/2/2027 | 298,572 | 281,337 | 298,476 | 283,059 |
| 5.900%, Due 11/3/2027 | 595,678 | 616,194 | 595,411 | 625,158 |
| 1.625%, Due 8/5/2028 | 645,646 | 566,209 | 645,406 | 566,508 |
| 1.500%, Due 4/10/2029 | 651,823 | 590,558 | 666,655 | 601,272 |
| 2.500%, Due 1/10/2030 | 493,819 | 434,280 | 493,573 | 431,005 |
| 1.600%, Due 3/30/2031 | 496,562 | 390,120 | 496,447 | 391,955 |
| 2.000%, Due 1/30/2032 | 789,587 | 628,088 | 789,283 | 633,153 |
| 2.550%, Due 3/30/2032 | 495,788 | 413,915 | 495,670 | 410,755 |
| 6.200%, Due 4/22/2033 | 892,061 | 948,303 | 891,899 | 962,037 |
| 3.500%, Due 6/1/2034 | 509,849 | 541,291 | 521,549 | 536,319 |
| 6.250%, Due 8/15/2042 | 239,530 | 260,620 | 239,457 | 263,270 |
| 5.000%, Due 6/15/2044 | 490,045 | 458,045 | 489,975 | 464,560 |
| 4.450%, Due 7/15/2045 | 344,728 | 295,243 | 344,691 | 297,486 |
| 4.000%, Due 10/2/2047 | 291,204 | 229,914 | 291,149 | 233,685 |
| 3.500%, Due 9/10/2049 | 392,481 | 288,116 | 392,436 | 294,608 |
| 2.800%, Due 9/30/2050 | 394,140 | 247,376 | 394,103 | 252,008 |
| 2.850%, Due 8/5/2051 | 543,357 | 344,674 | 543,317 | 352,457 |
| 3.200%, Due 1/30/2052 | 987,470 | 686,310 | 987,401 | 696,740 |
| | 10,530,387 | 9,145,190 | 10,576,988 | 9,241,677 |
| Other (b) | | | | |
| Secured Borrowing, Due 10/27/2033 | 19,949 | 19,949 | 19,949 | 19,949 |
| Secured Borrowing, Due 1/29/2035 | 20,000 | 20,000 | 20,000 | 20,000 |
| | 10,570,336 | 9,185,139 | 10,616,937 | 9,281,626 |
| Borrowings of Consolidated Blackstone Funds | | | | |
| CLO Notes Payable (c) | 169,835 | 169,835 | 687,122 | 687,122 |
| | 169,835 | 169,835 | 687,122 | 687,122 |
| | $10,740,171 | $9,354,974 | $11,304,059 | $9,968,748 |

(a) Fair value is determined by broker quote and these notes would be classified as Level II within the fair value hierarchy.

(b) The Secured Borrowing, Due 10/27/2033 has an interest rate of 7.64% and the Secured Borrowing, Due 1/29/2035 has an interest rate of 7.64%. Principal on the Secured Borrowings will be paid over the term with repayment amounts dependent on the performance of the underlying assets securing each borrowing. Repayment amounts from the underlying assets are restricted to solely satisfy the Secured Borrowings obligations. As of March 31, 2024, the fair value of the assets securing both Secured Borrowings equaled $48.5 million.

(c) CLO Notes Payable have maturity dates ranging from June 2025 to January 2037 and have an effective interest rate of 8.25% as of March 31, 2024. A portion of the borrowing outstanding is comprised of subordinated notes which do not have contractual interest rates but instead pay distributions from the excess cash flows of the CLO vehicles.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Scheduled principal payments for borrowings as of March 31, 2024 were as follows:

| | Blackstone Operating Borrowings | Borrowings of Consolidated Blackstone Funds | Total Borrowings |
|---|---|---|---|
| 2024 | $ — | $ — | $ — |
| 2025 | 331,924 | — | 331,924 |
| 2026 | 653,447 | — | 653,447 |
| 2027 | 911,589 | — | 911,589 |
| 2028 | 664,090 | — | 664,090 |
| Thereafter | 8,136,900 | 180,131 | 8,317,031 |
| | $ 10,697,950 | $ 180,131 | $ 10,878,081 |

**12. Income Taxes**

Blackstone's net deferred tax assets relate primarily to basis differences resulting from a step-up in tax basis of certain assets at the time of its conversion to a corporation, as well as ongoing exchanges of units for common shares by founders and partners. As of March 31, 2024, Blackstone had no material valuation allowance recorded against deferred tax assets.

Blackstone is subject to examination by the U.S. Internal Revenue Service and other taxing authorities where Blackstone has significant business operations such as the United Kingdom, and various state and local jurisdictions such as New York State and New York City. The tax years under examination vary by jurisdiction. Blackstone does not expect the completion of these audits to have a material impact on its financial condition, but it may be material to operating results for a particular period, depending on the operating results for that period. Blackstone believes the liability established for unrecognized tax benefits is adequate in relation to the potential for additional assessments. It is reasonably possible that changes in the balance of unrecognized tax benefits may occur within the next 12 months; however, it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax benefits and the impact on Blackstone's effective tax rate over the next 12 months.

As of March 31, 2024, the following are the major filing jurisdictions and their respective earliest open tax period subject to examination:

| Jurisdiction | Year |
|---|---|
| Federal | 2020 |
| New York City | 2009 |
| New York State | 2016 |
| United Kingdom | 2011 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

## 13. Earnings Per Share and Stockholders' Equity

### Earnings Per Share

Basic and diluted net income per share of common stock for the three months ended March 31, 2024 and March 31, 2023 was calculated as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Net Income for Per Share of Common Stock Calculations** | | |
| Net Income Attributable to Blackstone Inc., Basic and Diluted | $ 847,386 | $ 85,812 |
| **Share/Units Outstanding** | | |
| Weighted-Average Shares of Common Stock Outstanding, Basic | 759,798,537 | 746,064,922 |
| Weighted-Average Shares of Unvested Deferred Restricted Common Stock | 459,107 | 579,007 |
| Weighted-Average Shares of Common Stock Outstanding, Diluted | 760,257,644 | 746,643,929 |
| **Net Income Per Share of Common Stock** | | |
| Basic | $ 1.12 | $ 0.12 |
| Diluted | $ 1.11 | $ 0.11 |
| **Dividends Declared Per Share of Common Stock (a)** | $ 0.94 | $ 0.91 |

(a) Dividends declared reflects the calendar date of the declaration for each distribution.

In computing the dilutive effect that the exchange of Blackstone Holdings Partnership Units would have on Net Income Per Share of Common Stock, Blackstone considered that net income available to holders of shares of common stock would increase due to the elimination of non-controlling interests in Blackstone Holdings, inclusive of any tax impact. The hypothetical conversion may be dilutive to the extent there is activity at the Blackstone Inc. level that has not previously been attributed to the non-controlling interests or if there is a change in tax rate as a result of a hypothetical conversion.

The following table summarizes the anti-dilutive securities for the three months ended March 31, 2024 and 2023:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Weighted-Average Blackstone Holdings Partnership Units | 457,917,611 | 462,949,870 |

### Share Repurchase Program

On December 7, 2021, Blackstone's board of directors authorized the repurchase of up to $2.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

During the three months ended March 31, 2024, Blackstone repurchased 0.7 million shares of common stock at a total cost of $88.4 million. During the three months ended March 31, 2023, Blackstone repurchased 1.0 million shares of common stock at a total cost of $90.1 million. As of March 31, 2024, the amount remaining available for repurchases under the program was $668.4 million.

**Shares Eligible for Dividends and Distributions**

As of March 31, 2024, the total shares of common stock and Blackstone Holdings Partnership Units entitled to participate in dividends and distributions were as follows:

| | Shares/Units |
|---|---|
| Common Stock Outstanding | 722,263,433 |
| Unvested Participating Common Stock | 36,912,993 |
| Total Participating Common Stock | 759,176,426 |
| Participating Blackstone Holdings Partnership Units | 457,490,143 |
| | 1,216,666,569 |

**14. Equity-Based Compensation**

Blackstone has granted equity-based compensation awards to Blackstone's senior managing directors, non-partner professionals, non-professionals and selected external advisers under Blackstone's Amended and Restated 2007 Equity Incentive Plan (the "Equity Plan"). The Equity Plan allows for the granting of options, share appreciation rights or other share-based awards (shares, restricted shares, restricted shares of common stock, deferred restricted shares of common stock, phantom restricted shares of common stock or other share-based awards based in whole or in part on the fair value of shares of common stock or Blackstone Holdings Partnership Units) which may contain certain service or performance requirements. As of January 1, 2024, Blackstone had the ability to grant 173,443,452 shares under the Equity Plan.

For the three months ended March 31, 2024 and March 31, 2023, Blackstone recorded compensation expense of $320.7 million and $277.4 million, respectively, in relation to its equity-based awards with corresponding tax benefits of $65.3 million and $39.3 million, respectively.

As of March 31, 2024, there was $2.8 billion of estimated unrecognized compensation expense related to unvested awards, including compensation with performance conditions where it is probable that the performance condition will be met. This cost is expected to be recognized over a weighted-average period of 3.7 years.

Total vested and unvested outstanding shares, including common stock, Blackstone Holdings Partnership Units and deferred restricted shares of common stock, were 1,216,634,747 as of March 31, 2024. Total outstanding phantom shares were 77,083 as of March 31, 2024.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

A summary of the status of Blackstone's unvested equity-based awards as of March 31, 2024 and of changes during the period January 1, 2024 through March 31, 2024 is presented below:

| | Blackstone Holdings | | Blackstone Inc. | | | |
|---|---|---|---|---|---|---|
| | | | Equity Settled Awards | | Cash Settled Awards | |
| Unvested Shares/Units | Partnership Units | Weighted-Average Grant Date Fair Value | Deferred Restricted Shares of Common Stock | Weighted-Average Grant Date Fair Value | Phantom Shares | Weighted-Average Grant Date Fair Value |
| Balance, December 31, 2023 | 4,585,893 | $ 38.94 | 36,456,644 | $ 86.05 | 85,447 | $ 114.50 |
| Granted | — | — | 1,708,994 | 130.25 | 7,362 | 128.09 |
| Vested | (268,682) | 33.25 | (2,839,811) | 88.53 | (7,100) | 128.09 |
| Forfeited | (35,431) | 46.58 | (597,142) | 88.20 | (15,130) | 128.09 |
| Balance, March 31, 2024 | 4,281,780 | $ 39.23 | 34,728,685 | $ 88.04 | 70,579 | $ 128.49 |

**Shares/Units Expected to Vest**

The following unvested shares and units, after expected forfeitures, as of March 31, 2024, are expected to vest:

| | Shares/Units | Weighted-Average Service Period in Years |
|---|---|---|
| Blackstone Holdings Partnership Units | 4,430,851 | 0.5 |
| Deferred Restricted Shares of Common Stock | 31,480,104 | 2.7 |
| Total Equity-Based Awards | 35,910,955 | 2.5 |
| Phantom Shares | 60,171 | 2.8 |

**15. Related Party Transactions**

**Affiliate Receivables and Payables**

Due from Affiliates and Due to Affiliates consisted of the following:

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| **Due from Affiliates** | | |
| Management Fees, Performance Revenues, Reimbursable Expenses and Other Receivables from Non-Consolidated Entities and Portfolio Companies | $ 3,824,853 | $ 3,638,948 |
| Due from Certain Non-Controlling Interest Holders and Blackstone Employees | 794,877 | 720,743 |
| Accrual for Potential Clawback of Previously Distributed Performance Allocations | 75,494 | 106,830 |
| | $ 4,695,224 | $ 4,466,521 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| **Due to Affiliates** | | |
| Due to Certain Non-Controlling Interest Holders in Connection with the Tax Receivable Agreements | $ 1,622,694 | $ 1,681,516 |
| Due to Non-Consolidated Entities | 104,066 | 124,560 |
| Due to Certain Non-Controlling Interest Holders and Blackstone Employees | 177,654 | 305,816 |
| Accrual for Potential Repayment of Previously Received Performance Allocations | 231,064 | 281,518 |
| | $ 2,135,478 | $ 2,393,410 |

**Interests of the Founder, Senior Managing Directors, Employees and Other Related Parties**

The Founder, senior managing directors, employees and certain other related parties invest on a discretionary basis in the consolidated Blackstone Funds both directly and through consolidated entities. These investments generally are subject to preferential management fee and performance allocation or incentive fee arrangements. As of March 31, 2024 and December 31, 2023, such investments aggregated $1.7 billion and $1.7 billion, respectively. Their share of the Net Income Attributable to Redeemable Non-Controlling and Non-Controlling Interests in Consolidated Entities aggregated to $31.9 million and $22.2 million for the three months ended March 31, 2024 and 2023, respectively.

**Contingent Repayment Guarantee**

Blackstone and its personnel who have received Performance Allocation distributions have guaranteed payment on a several basis (subject to a cap) to the carry funds of any clawback obligation with respect to the excess Performance Allocation allocated to the general partners of such funds and indirectly received thereby to the extent that either Blackstone or its personnel fails to fulfill its clawback obligation, if any. The Accrual for Potential Repayment of Previously Received Performance Allocations represents amounts previously paid to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone Funds if the carry funds were to be liquidated based on the fair value of their underlying investments as of March 31, 2024. See Note 16. “Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback).”

**Tax Receivable Agreements**

Blackstone used a portion of the proceeds from the IPO and other sales of shares to purchase interests in the predecessor businesses from the predecessor owners. In addition, holders of Blackstone Holdings Partnership Units may exchange their Blackstone Holdings Partnership Units for shares of Blackstone common stock on a one-for-one basis. The purchase and subsequent exchanges are expected to result in increases in the tax basis of the tangible and intangible assets of Blackstone Holdings and therefore reduce the amount of tax that Blackstone would otherwise be required to pay in the future.

Blackstone has entered into tax receivable agreements with each of the predecessor owners and additional tax receivable agreements have been executed, and will continue to be executed, with senior managing directors and others who acquire Blackstone Holdings Partnership Units. The agreements provide for the payment by the corporate taxpayer to such owners of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the corporate taxpayers actually realize as a result of the aforementioned increases in tax basis and of certain other tax benefits related to entering into these tax receivable agreements. For purposes of the tax receivable agreements, cash savings in income tax will be computed by comparing the actual income tax liability of the corporate taxpayers to the amount of such taxes that the corporate taxpayers would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of Blackstone Holdings as a result of the exchanges and had the corporate taxpayers not entered into the tax receivable agreements.

Assuming no future material changes in the relevant tax law and that the corporate taxpayers earn sufficient taxable income to realize the full tax benefit of the increased amortization of the assets, the expected future payments under the tax receivable agreements (which are taxable to the recipients) will aggregate $1.6 billion over the next 15 years. The after-tax net present value of these estimated payments totals $488.8 million assuming a 15% discount rate and using Blackstone's most recent projections relating to the estimated timing of the benefit to be received. Future payments under the tax receivable agreements in respect of subsequent exchanges would be in addition to these amounts. The payments under the tax receivable agreements are not conditioned upon continued ownership of Blackstone equity interests by the pre-IPO owners and the others mentioned above.

Amounts related to the deferred tax asset resulting from the increase in tax basis from the exchange of Blackstone Holdings Partnership Units to shares of Blackstone common stock, the resulting remeasurement of net deferred tax assets at the Blackstone ownership percentage at the balance sheet date, the due to affiliates for the future payments resulting from the tax receivable agreements and resulting adjustment to partners' capital are included as Acquisition of Ownership Interests from Non-Controlling Interest Holders in the Supplemental Disclosure of Non-Cash Investing and Financing Activities in the Consolidated Statements of Cash Flows.

**Other**

Blackstone does business with and on behalf of some of its Portfolio Companies; all such arrangements are on a negotiated basis.

Additionally, please see Note 16. "Commitments and Contingencies — Contingencies — Guarantees" for information regarding guarantees provided to a lending institution for certain loans held by employees.

## 16. Commitments and Contingencies

**Commitments**

***Investment Commitments***

Blackstone had $4.7 billion of investment commitments as of March 31, 2024 representing general partner capital funding commitments to the Blackstone Funds, limited partner capital funding to other funds and Blackstone principal investment commitments, including loan commitments. The consolidated Blackstone Funds had signed investment commitments of $324.2 million as of March 31, 2024, which includes $206.5 million of signed investment commitments for portfolio company acquisitions in the process of closing.

**Contingencies**

***Guarantees***

Certain of Blackstone's consolidated real estate funds guarantee payments to third parties in connection with the ongoing business activities and/or acquisitions of their Portfolio Companies. There is no direct recourse to Blackstone to fulfill such obligations. To the extent that underlying funds are required to fulfill guarantee obligations, Blackstone's invested capital in such funds is at risk. Total investments at risk in respect of guarantees extended by consolidated real estate funds was $32.0 million as of March 31, 2024.

The Blackstone Holdings Partnerships provided guarantees to a lending institution for certain loans held by employees either for investment in Blackstone Funds or for members' capital contributions to Blackstone Europe LLP, formerly named The Blackstone Group International Partners LLP. The amount guaranteed as of March 31, 2024 was $76.0 million.

***Strategic Ventures***

In December 2022 and January 2023, Blackstone entered into long-term strategic ventures ("UC strategic ventures") with the Regents of the University of California ("UC Investments"), an institutional investor that subscribed for $4.5 billion of Blackstone Real Estate Income Trust, Inc. ("BREIT") Class I shares during the three months ended March 31, 2023. The UC strategic ventures provide a waterfall structure with UC Investments receiving an 11.25% target annualized net return on its $4.5 billion investment in BREIT shares and upside from its investment. This target return, while not guaranteed, is supported by a pledge by Blackstone of $1.1 billion of its holdings in BREIT as of the subscription dates, including any appreciation or dividends received by Blackstone in respect thereof. Pursuant to the UC strategic ventures, Blackstone is entitled to receive an incremental 5% cash payment from UC Investments on any returns received in excess of the target return. An asset or liability is recognized based on fair value with the maximum potential future obligation capped at the fair value of the assets pledged by Blackstone in connection with the above arrangements. As of March 31, 2024, the fair value of the assets pledged was $1.1 billion and the total liability recognized was $646.0 million.

***Litigation***

Blackstone may from time to time be involved in litigation and claims incidental to the conduct of its business. Blackstone's businesses are also subject to extensive regulation, which may result in regulatory proceedings against Blackstone.

Blackstone accrues a liability for legal proceedings only when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. Although there can be no assurance of the outcome of such legal actions, based on information known by management, Blackstone does not have any unaccrued liability related to any current legal proceeding or claim that would individually or in the aggregate materially affect its results of operations, financial position or cash flows.

In December 2017, eight pension plan members of the Kentucky Retirement System ("KRS") filed a derivative lawsuit on behalf of KRS in the Franklin County Circuit Court of the Commonwealth of Kentucky (the "Mayberry Action"). The Mayberry Action alleged various breaches of fiduciary duty and other violations of Kentucky state law in connection with KRS's investment in three hedge funds of funds, including a fund managed by Blackstone Alternative Asset Management L.P. ("BLP"). The suit named more than 30 defendants, including, among others, The Blackstone Group L.P. (now Blackstone Inc.); BLP; Stephen A. Schwarzman, as Chairman and CEO of Blackstone; and J. Tomilson Hill, as then-CEO of BLP (collectively, the "Blackstone Defendants"). In July 2020, the Kentucky Supreme Court directed the Circuit Court to dismiss the action due to the plaintiffs' lack of standing.

Over the objection of the Blackstone Defendants and others, in December 2020, the Circuit Court permitted the Attorney General of the Commonwealth of Kentucky (the "AG") to intervene in the Mayberry Action. In April 2023, the Kentucky Court of Appeals held that the Circuit Court exceeded its authority in permitting the AG's intervention despite the Kentucky Supreme Court's instruction to dismiss. Accordingly, the Kentucky Court of Appeals vacated all orders entered by the Circuit Court other than the order dismissing the original derivative complaint in the Mayberry Action. The AG's motion for discretionary review of the Court of Appeals' decision by the Kentucky Supreme Court was denied and, in February 2024, the Kentucky Circuit Court officially dismissed the Mayberry Action.

Additionally, around the time the AG moved to intervene in 2020, the AG separately filed an additional back-up complaint asserting substantially identical claims against largely the same defendants as the Mayberry Action, including Stephen A. Schwarzman, J. Tomilson Hill and Blackstone Inc. (the "July 2020 Action"). The AG did not pursue the July 2020 Action until August 2023, when the AG served a substantially identical amended complaint which, in September 2023, the named defendants moved to dismiss. In November 2023, the AG amended its complaint again to add BLP—which had not previously been named in the July 2020 Action—as an additional defendant, and BLP subsequently filed a motion to dismiss in December 2023.

On March 31, 2024, while the motions to dismiss were pending, the AG moved to amend its complaint for the third time, seeking for the first time in this litigation to assert a breach of contract claim against the Blackstone Defendants. On April 8, 2024, the Court granted the AG's motion to amend. Defendants filed a motion to strike the third amended complaint on April 23, 2024. On May 1, 2024, the Court denied the Blackstone Defendants' motion to dismiss, as well as most other defendants' motions to dismiss, and defendants' motion to strike the third amended complaint.

Also on April 8, 2024, the AG filed a new action against the same defendants for the stated purpose of satisfying a limitations statute (the "April 2024 Action") asserting substantively the same breach of contract claim as the third amended complaint in the July 2020 Action. On May 1, 2024, the Court consolidated the July 2020 Action and the April 2024 Action upon the AG's motion.

In August 2022, KRS was ordered to disclose, and in September 2022, did disclose, a report prepared in 2021 by a law firm retained by KRS to conduct an investigation into the investment activities underlying the lawsuit. According to the report, the investigators "did not find any violations of fiduciary duty or illegal activity by [BLP]" related to KRS's due diligence and retention of BLP or KRS's continued investment with BLP. The report quotes contemporaneous communications by KRS staff during the period of the investment recognizing that BLP was exceeding KRS's returns benchmark, that BLP was providing KRS with "far fewer negative months than any liquid market comparable," and that BLP "[h]as killed it."

In January 2021, certain former plaintiffs in the Mayberry Action filed a separate action ("Taylor I") against the Blackstone Defendants and other defendants named in the Mayberry Action, asserting allegations substantially similar to those in the Mayberry Action, and in July 2021 they amended their complaint to add class action allegations. Defendants removed Taylor I to the U.S. District Court for the Eastern District of Kentucky, and in March 2022, the District Court stayed Taylor I pending the resolution of the AG's suit.

In August 2021, a group of KRS members—including those that filed Taylor I—filed a new action in Franklin County Circuit Court ("Taylor II"), against the Blackstone Defendants, other defendants named in the Mayberry Action, and other KRS officials. The filed complaint is substantially similar to that filed in Taylor I and the Mayberry Action. In July 2022, most defendants (including the Blackstone Defendants) moved to dismiss. On May 1, 2024, the Court denied the Blackstone Defendants' motion to dismiss, as well as most other defendants' motions to dismiss.

In May 2022, the presiding judge recused himself from the Mayberry Action and Taylor II, and the cases were reassigned to another judge in the Franklin County Circuit Court.

In April 2021, the AG filed an action (the "Declaratory Judgment Action") against BLP and the other fund manager defendants from the Mayberry Action in Franklin County Circuit Court. The action sought to have certain provisions in the subscription agreements between KRS and the fund managers declared to be in violation of the Kentucky Constitution. In March 2022, the Circuit Court granted summary judgment to the AG and the Court of Appeals affirmed in December 2023. On March 6, 2024, BLP filed a motion for discretionary review by the Kentucky Supreme Court, which is pending.

Blackstone continues to believe that the preceding lawsuits against Blackstone are totally without merit and intends to defend them vigorously.

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In July 2021, BLP filed a breach of contract action against defendants affiliated with KRS alleging that the Mayberry Action and the Declaratory Judgment Action breach the parties' subscription agreements governing KRS's investment with BLP. The action seeks damages, including legal fees and expenses incurred in defending against the above actions. In April 2022, the Circuit Court dismissed BLP's complaint without prejudice to refiling, on the grounds that the action was not yet ripe for adjudication. In May 2023, the Court of Appeals affirmed the Circuit Court's dismissal, without prejudice, of BLP's complaint on ripeness grounds. In August 2023, BLP filed a motion with the Kentucky Supreme Court for discretionary review, which was granted in February 2024. Briefing is expected to conclude in June 2024.

In October 2022, as part of a sweep of private equity and other investment advisory firms, the SEC sent us a request for information relating to the retention of certain types of electronic business communications, including text messages, that may be required to be preserved under certain SEC rules. We are continuing to cooperate with the SEC and have begun discussions with the SEC staff about a potential resolution of this inquiry. Our financial results for the three months ended March 31, 2024 include an accrual for the estimated liability related to this matter.

***Contingent Obligations (Clawback)***

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceeds the amount due to Blackstone based on cumulative results of that fund. The actual clawback liability, however, generally does not become realized until the end of a fund's life except for certain Blackstone funds, which may have an interim clawback liability. The lives of the carry funds, including available contemplated extensions, for which a liability for potential clawback obligations has been recorded for financial reporting purposes, are currently anticipated to expire at various points through 2032. Further extensions of such terms may be implemented under given circumstances.

For financial reporting purposes, when applicable, the general partners record a liability for potential clawback obligations to the limited partners of some of the carry funds due to changes in the unrealized value of a fund's remaining investments and where the fund's general partner has previously received Performance Allocation distributions with respect to such fund's realized investments.

The following table presents the clawback obligations by segment:

| | March 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| Segment | Blackstone Holdings | Current and Former Personnel (a) | Total (b) | Blackstone Holdings | Current and Former Personnel (a) | Total (b) |
| Real Estate | $ 128,972 | $ 62,812 | $ 191,784 | $ 145,435 | $ 90,337 | $ 235,772 |
| Private Equity | 26,387 | 12,415 | 38,802 | 29,046 | 16,231 | 45,277 |
| Credit & Insurance | 211 | 267 | 478 | 207 | 262 | 469 |
| | $ 155,570 | $ 75,494 | $ 231,064 | $ 174,688 | $ 106,830 | $ 281,518 |

(a) The split of clawback between Blackstone Holdings and Current and Former Personnel is based on the performance of individual investments held by a fund rather than on a fund by fund basis.

(b) Total is a component of Due to Affiliates. See Note 15. "Related Party Transactions —Affiliate Receivables and Payables — Due to Affiliates."

For Private Equity, Real Estate, and certain Credit & Insurance Funds, a portion of the Performance Allocations paid to current and former Blackstone personnel is held in segregated accounts in the event of a cash clawback obligation. These segregated accounts are not included in the Condensed Consolidated Financial Statements of

Blackstone, except to the extent a portion of the assets held in the segregated accounts may be allocated to a consolidated Blackstone fund of hedge funds. At March 31, 2024, $1.0 billion was held in segregated accounts for the purpose of meeting any clawback obligations of current and former personnel if such payments are required.

In the Credit & Insurance segment, payment of Performance Allocations to Blackstone by the majority of the stressed/distressed, mezzanine and credit alpha strategies funds are substantially deferred under the terms of the partnership agreements. This deferral mitigates the need to hold funds in segregated accounts in the event of a cash clawback obligation.

If, at March 31, 2024, all of the investments held by Blackstone's carry funds were deemed worthless, a possibility that management views as remote, the amount of Performance Allocations subject to potential clawback would be $6.5 billion, on an after-tax basis where applicable, of which Blackstone Holdings is potentially liable for $6.1 billion if current and former Blackstone personnel default on their share of the liability, a possibility that management also views as remote.

**17. Segment Reporting**

Blackstone conducts its alternative asset management businesses through four segments:

- Real Estate – Blackstone's Real Estate segment primarily comprises its management of opportunistic real estate funds, Core+ real estate funds, and real estate debt strategies.
- Private Equity – Blackstone's Private Equity segment includes its management of flagship Corporate Private Equity funds, sector and geographically-focused Corporate Private Equity funds, core private equity funds, an opportunistic investment platform, a secondary fund of funds business, infrastructure-focused funds, a life sciences investment platform, a growth equity investment platform, an investment platform offering eligible individual investors access to Blackstone's private equity capabilities, a multi-asset investment program for eligible high net worth investors and a capital markets services business.
- Credit & Insurance – Blackstone's Credit & Insurance segment consists principally of Blackstone Credit & Insurance, which is organized into three overarching strategies: private corporate credit, liquid corporate credit and infrastructure and asset based credit. In addition, the segment includes an insurer-focused platform and a publicly traded energy infrastructure, renewables and master limited partnership investment platform.
- Multi-Asset Investing – Effective the first quarter of 2024, our Hedge Fund Solutions segment was renamed to "Multi-Asset Investing." Multi-Asset Investing is organized into two primary platforms: Absolute Return and Multi-Strategy. In addition, the segment also includes a GP Stakes business.

These business segments are differentiated by their various investment strategies. Each of the segments primarily earns its income from management fees and investment returns on assets under management.

Segment Distributable Earnings is Blackstone's segment profitability measure used to make operating decisions and assess performance across Blackstone's four segments.

Segment Distributable Earnings represents the net realized earnings of Blackstone's segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone's segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships, removes the amortization of intangible assets and removes Transaction-Related and Non-Recurring Items. Transaction-Related and Non-Recurring Items arise from corporate actions including acquisitions, divestitures, Blackstone's initial public offering and non-recurring gains, losses, or other charges, if any. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration

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arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs, gains or losses associated with these corporate actions and non-recurring gains, losses or other charges that affect period-to-period comparability and are not reflective of Blackstone's operational performance.

For segment reporting purposes, Segment Distributable Earnings is presented along with its major components, Fee Related Earnings and Net Realizations. Fee Related Earnings is used to assess Blackstone's ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. Net Realizations is the sum of Realized Principal Investment Income and Realized Performance Revenues less Realized Performance Compensation. Performance Allocations and Incentive Fees are presented together and referred to collectively as Performance Revenues or Performance Compensation.

**Segment Presentation**

The following tables present the financial data for Blackstone's four segments as of March 31, 2024 and for the three months ended March 31, 2024 and 2023.

| | March 31, 2024 and the Three Months Then Ended | | | | |
|---|---|---|---|---|---|
| | Real Estate | Private Equity | Credit & Insurance | Multi-Asset Investing | Total Segments |
| Management and Advisory Fees, Net | | | | | |
| Base Management Fees | $ 694,179 | $ 450,283 | $ 370,998 | $ 129,270 | $ 1,644,730 |
| Transaction, Advisory and Other Fees, Net | 29,190 | 26,149 | 9,790 | 1,809 | 66,938 |
| Management Fee Offsets | (2,930) | (267) | (892) | (8) | (4,097) |
| Total Management and Advisory Fees, Net | 720,439 | 476,165 | 379,896 | 131,071 | 1,707,571 |
| Fee Related Performance Revenues | 129,958 | — | 165,543 | — | 295,501 |
| Fee Related Compensation | (174,569) | (157,392) | (181,337) | (40,779) | (554,077) |
| Other Operating Expenses | (89,762) | (86,879) | (85,530) | (26,807) | (288,978) |
| **Fee Related Earnings** | 586,066 | 231,894 | 278,572 | 63,485 | 1,160,017 |
| Realized Performance Revenues | 49,967 | 446,455 | 15,120 | 24,851 | 536,393 |
| Realized Performance Compensation | (21,863) | (218,938) | (5,445) | (6,778) | (253,024) |
| Realized Principal Investment Income (Loss) | 2,193 | 22,208 | 3,597 | (18,060) | 9,938 |
| **Total Net Realizations** | 30,297 | 249,725 | 13,272 | 13 | 293,307 |
| **Total Segment Distributable Earnings** | $ 616,363 | $ 481,619 | $ 291,844 | $ 63,498 | $ 1,453,324 |
| **Segment Assets** | $ 12,846,955 | $ 13,761,878 | $ 7,607,377 | $ 2,615,141 | $ 36,831,351 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

| | Three Months Ended March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Real Estate | Private Equity | Credit & Insurance | Multi-Asset Investing | Total Segments |
| Management and Advisory Fees, Net | | | | | |
| Base Management Fees | $ 705,387 | $ 451,610 | $ 326,779 | $ 135,771 | $ 1,619,547 |
| Transaction, Advisory and Other Fees, Net | 20,561 | 14,784 | 8,451 | 1,914 | 45,710 |
| Management Fee Offsets | (10,457) | (1,310) | (1,101) | (2) | (12,870) |
| Total Management and Advisory Fees, Net | 715,491 | 465,084 | 334,129 | 137,683 | 1,652,387 |
| Fee Related Performance Revenues | 20,748 | — | 127,496 | — | 148,244 |
| Fee Related Compensation | (137,610) | (161,626) | (163,999) | (45,736) | (508,971) |
| Other Operating Expenses | (74,181) | (76,763) | (74,238) | (26,466) | (251,648) |
| **Fee Related Earnings** | 524,448 | 226,695 | 223,388 | 65,481 | 1,040,012 |
| Realized Performance Revenues | 11,096 | 499,322 | 125,181 | 5,927 | 641,526 |
| Realized Performance Compensation | (3,165) | (232,934) | (56,772) | (3,153) | (296,024) |
| Realized Principal Investment Income | 2,224 | 32,889 | 6,009 | 2,569 | 43,691 |
| **Total Net Realizations** | 10,155 | 299,277 | 74,418 | 5,343 | 389,193 |
| **Total Segment Distributable Earnings** | $ 534,603 | $ 525,972 | $ 297,806 | $ 70,824 | $ 1,429,205 |

**Reconciliations of Total Segment Amounts**

The following tables reconcile the Total Segment Revenues, Expenses and Distributable Earnings to their equivalent GAAP measure for the three months ended March 31, 2024 and 2023 along with Total Assets as of March 31, 2024:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Revenues** | | |
| **Total GAAP Revenues** | $ 3,687,828 | $ 1,381,845 |
| Less: Unrealized Performance Revenues (a) | (445,936) | 759,316 |
| Less: Unrealized Principal Investment (Income) Loss (b) | (442,976) | 479,120 |
| Less: Interest and Dividend Revenue (c) | (97,839) | (95,101) |
| Less: Other Revenue (d) | (44,747) | 14,180 |
| Impact of Consolidation (e) | (106,874) | (58,987) |
| Transaction-Related and Non-Recurring Items (f) | (449) | 4,788 |
| Intersegment Eliminations | 396 | 687 |
| **Total Segment Revenue (g)** | $ 2,549,403 | $ 2,485,848 |

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| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Expenses** | | |
| **Total GAAP Expenses** | $ 1,790,407 | $ 1,189,345 |
| Less: Unrealized Performance Allocations Compensation (h) | (180,900) | 313,249 |
| Less: Equity-Based Compensation (i) | (317,779) | (268,134) |
| Less: Interest Expense (j) | (107,640) | (104,209) |
| Impact of Consolidation (e) | (25,949) | (56,674) |
| Amortization of Intangibles (k) | (7,333) | (11,341) |
| Transaction-Related and Non-Recurring Items (f) | (52,646) | (3,833) |
| Administrative Fee Adjustment (l) | (2,477) | (2,447) |
| Intersegment Eliminations | 396 | 687 |
| **Total Segment Expenses (m)** | $ 1,096,079 | $ 1,056,643 |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Other Income** | | |
| **Total GAAP Other Income** | $ (17,767) | $ 65,856 |
| Impact of Consolidation (e) | 17,767 | (65,856) |
| **Total Segment Other Income** | $ — | $ — |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Income Before Provision for Taxes** | | |
| **Total GAAP Income Before Provision for Taxes** | $ 1,879,654 | $ 258,356 |
| Less: Unrealized Performance Revenues (a) | (445,936) | 759,316 |
| Less: Unrealized Principal Investment (Income) Loss (b) | (442,976) | 479,120 |
| Less: Interest and Dividend Revenue (c) | (97,839) | (95,101) |
| Less: Other Revenue (d) | (44,747) | 14,180 |
| Plus: Unrealized Performance Allocations Compensation (h) | 180,900 | (313,249) |
| Plus: Equity-Based Compensation (i) | 317,779 | 268,134 |
| Plus: Interest Expense (j) | 107,640 | 104,209 |
| Impact of Consolidation (e) | (63,158) | (68,169) |
| Amortization of Intangibles (k) | 7,333 | 11,341 |
| Transaction-Related and Non-Recurring Items (f) | 52,197 | 8,621 |
| Administrative Fee Adjustment (l) | 2,477 | 2,447 |
| **Total Segment Distributable Earnings** | $ 1,453,324 | $ 1,429,205 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

| | As of March 31, 2024 |
|---|---|
| **Total Assets** | |
| **Total GAAP Assets** | $ 39,706,302 |
| Impact of Consolidation (e) | (2,874,951) |
| **Total Segment Assets** | $ 36,831,351 |

Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles and Transaction-Related and Non-Recurring Items.

(a) This adjustment removes Unrealized Performance Revenues on a segment basis.

(b) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis.

(c) This adjustment removes Interest and Dividend Revenue on a segment basis.

(d) This adjustment removes Other Revenue on a segment basis. For the three months ended March 31, 2024 and 2023, Other Revenue on a GAAP basis was $44.8 million and $(14.2) million, and included $44.5 million and $(14.7) million of foreign exchange gains (losses), respectively.

(e) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone's segment presentation. This adjustment includes the elimination of Blackstone's interest in these funds, the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures, and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

(f) This adjustment removes Transaction-Related and Non-Recurring Items, which are excluded from Blackstone's segment presentation. Transaction-Related and Non-Recurring Items arise from corporate actions including acquisitions, divestitures, Blackstone's initial public offering and non-recurring gains, losses, or other charges, if any. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs, gains or losses associated with these corporate actions and non-recurring gains, losses or other charges that affect period to period comparability and are not reflective of Blackstone's operational performance. For the three months ended March 31, 2024, this adjustment includes removal of an accrual for an estimated liability for a legal matter.

(g) Total Segment Revenues is comprised of the following:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Total Segment Management and Advisory Fees, Net | $ 1,707,571 | $ 1,652,387 |
| Total Segment Fee Related Performance Revenues | 295,501 | 148,244 |
| Total Segment Realized Performance Revenues | 536,393 | 641,526 |
| Total Segment Realized Principal Investment Income | 9,938 | 43,691 |
| **Total Segment Revenues** | $ 2,549,403 | $ 2,485,848 |

(h) This adjustment removes Unrealized Performance Allocations Compensation.

(i) This adjustment removes Equity-Based Compensation on a segment basis.

(j) This adjustment adds back Interest Expense on a segment basis, excluding interest expense related to the Tax Receivable Agreement.

(k) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

(l) This adjustment adds an amount equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

(m) Total Segment Expenses is comprised of the following:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Total Segment Fee Related Compensation | $ 554,077 | $ 508,971 |
| Total Segment Realized Performance Compensation | 253,024 | 296,024 |
| Total Segment Other Operating Expenses | 288,978 | 251,648 |
| **Total Segment Expenses** | $ 1,096,079 | $ 1,056,643 |

**Reconciliations of Total Segment Components**

The following tables reconcile the components of Total Segments to their equivalent GAAP measures, reported on the Condensed Consolidated Statement of Operations for the three months ended March 31, 2024 and 2023:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Management and Advisory Fees, Net** | | |
| **GAAP** | $ 1,727,148 | $ 1,658,315 |
| Segment Adjustment (a) | (19,577) | (5,928) |
| **Total Segment** | $ 1,707,571 | $ 1,652,387 |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues** | | |
| GAAP | | |
| Incentive Fees | $ 179,341 | $ 142,876 |
| Investment Income - Realized Performance Allocations | 652,517 | 646,894 |
| **GAAP** | 831,858 | 789,770 |
| Total Segment | | |
| Less: Realized Performance Revenues | (536,393) | (641,526) |
| Segment Adjustment (b) | 36 | — |
| **Total Segment** | $ 295,501 | $ 148,244 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **GAAP Compensation to Total Segment Fee Related Compensation** | | |
| GAAP | | |
| Compensation | $ 794,803 | $ 716,285 |
| Incentive Fee Compensation | 73,707 | 63,281 |
| Realized Performance Allocations Compensation | 258,894 | 296,794 |
| **GAAP** | 1,127,404 | 1,076,360 |
| Total Segment | | |
| Less: Realized Performance Compensation | (253,024) | (296,024) |
| Less: Equity-Based Compensation - Fee Related Compensation | (313,400) | (265,154) |
| Less: Equity-Based Compensation - Performance Compensation | (4,379) | (2,980) |
| Segment Adjustment (c) | (2,524) | (3,231) |
| **Total Segment** | $ 554,077 | $ 508,971 |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **GAAP General, Administrative and Other to Total Segment Other Operating Expenses** | | |
| **GAAP** | $ 369,950 | $ 273,394 |
| Segment Adjustment (d) | (80,972) | (21,746) |
| **Total Segment** | $ 288,978 | $ 251,648 |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Realized Performance Revenues** | | |
| GAAP | | |
| Incentive Fees | $ 179,341 | $ 142,876 |
| Investment Income - Realized Performance Allocations | 652,517 | 646,894 |
| **GAAP** | 831,858 | 789,770 |
| Total Segment | | |
| Less: Fee Related Performance Revenues | (295,501) | (148,244) |
| Segment Adjustment (b) | 36 | — |
| **Total Segment** | $ 536,393 | $ 641,526 |

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Realized Performance Compensation** | | |
| GAAP | | |
| Incentive Fee Compensation | $ 73,707 | $ 63,281 |
| Realized Performance Allocations Compensation | 258,894 | 296,794 |
| **GAAP** | 332,601 | 360,075 |
| Total Segment | | |
| Less: Fee Related Performance Compensation (e) | (75,198) | (61,071) |
| Less: Equity-Based Compensation—Performance Compensation | (4,379) | (2,980) |
| **Total Segment** | $ 253,024 | $ 296,024 |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Realized Principal Investment Income** | | |
| **GAAP** | $ 78,597 | $ 108,058 |
| Segment Adjustment (f) | (68,659) | (64,367) |
| **Total Segment** | $ 9,938 | $ 43,691 |

Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles, the expense of equity-based awards and Transaction-Related and Non-Recurring Items.

(a) Represents (1) the add back of net management fees earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures.

(b) Represents the add back of Performance Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.

(c) Represents the removal of Transaction-Related and Non-Recurring Items that are not recorded in the Total Segment measures.

(d) Represents the (1) removal of Transaction-Related and Non-Recurring Items that are not recorded in the Total Segment measures, (2) removal of certain expenses reimbursed by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures, and (3) a reduction equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units which is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation. For the three months ended March 31, 2024, this adjustment includes removal of an accrual for an estimated liability for a legal matter.

(e) Fee related performance compensation may include equity-based compensation based on fee related performance revenues.

(f) Represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

**18. Subsequent Events**

There have been no events since March 31, 2024 that require recognition or disclosure in the Condensed Consolidated Financial Statements.

**Item 1A. Unaudited Supplemental Presentation of Statements of Financial Condition**

**Blackstone Inc.**
**Unaudited Consolidating Statements of Financial Condition**
**(Dollars in Thousands)**

| | March 31, 2024 | | | |
|---|---|---|---|---|
| | Consolidated Operating Partnerships | Consolidated Blackstone Funds (a) | Reclasses and Eliminations | Consolidated |
| **Assets** | | | | |
| Cash and Cash Equivalents | $ 2,504,471 | $ — | $ — | $ 2,504,471 |
| Cash Held by Blackstone Funds and Other | — | 167,711 | — | 167,711 |
| Investments | 23,188,344 | 3,458,911 | (724,965) | 25,922,290 |
| Accounts Receivable | 194,374 | 4,928 | — | 199,302 |
| Due from Affiliates | 4,727,182 | 15,219 | (47,177) | 4,695,224 |
| Intangible Assets, Net | 192,227 | — | — | 192,227 |
| Goodwill | 1,890,202 | — | — | 1,890,202 |
| Other Assets | 1,072,303 | 324 | — | 1,072,627 |
| Right-of-Use Assets | 805,454 | — | — | 805,454 |
| Deferred Tax Assets | 2,256,794 | — | — | 2,256,794 |
| **Total Assets** | $ 36,831,351 | $ 3,647,093 | $ (772,142) | $ 39,706,302 |
| **Liabilities and Equity** | | | | |
| Loans Payable | $ 10,570,336 | $ 169,835 | $ — | $ 10,740,171 |
| Due to Affiliates | 2,027,046 | 157,799 | (49,367) | 2,135,478 |
| Accrued Compensation and Benefits | 5,378,212 | — | — | 5,378,212 |
| Operating Lease Liabilities | 951,648 | — | — | 951,648 |
| Accounts Payable, Accrued Expenses and Other Liabilities | 1,954,381 | 68,978 | — | 2,023,359 |
| **Total Liabilities** | 20,881,623 | 396,612 | (49,367) | 21,228,868 |
| **Redeemable Non-Controlling Interests in Consolidated Entities** | 9 | 934,996 | — | 935,005 |
| **Equity** | | | | |
| Common Stock | 7 | — | — | 7 |
| Series I Preferred Stock | — | — | — | — |
| Series II Preferred Stock | — | — | — | — |
| Additional Paid-in-Capital | 6,190,142 | 714,885 | (714,885) | 6,190,142 |
| Retained Earnings | 796,201 | 7,890 | (7,890) | 796,201 |
| Accumulated Other Comprehensive Income (Loss) | (36,884) | 5,602 | — | (31,282) |
| Non-Controlling Interests in Consolidated Entities | 3,794,570 | 1,587,108 | — | 5,381,678 |
| Non-Controlling Interests in Blackstone Holdings | 5,205,683 | — | — | 5,205,683 |
| **Total Equity** | 15,949,719 | 2,315,485 | (722,775) | 17,542,429 |
| **Total Liabilities and Equity** | $ 36,831,351 | $ 3,647,093 | $ (772,142) | $ 39,706,302 |

**Blackstone Inc.**
**Unaudited Consolidating Statements of Financial Condition - Continued**
**(Dollars in Thousands)**

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Consolidated Operating Partnerships | Consolidated Blackstone Funds (a) | Reclasses and Eliminations | Consolidated |
| **Assets** | | | | |
| Cash and Cash Equivalents | $ 2,955,866 | $ — | $ — | $ 2,955,866 |
| Cash Held by Blackstone Funds and Other | — | 316,197 | — | 316,197 |
| Investments | 22,595,236 | 4,319,483 | (768,097) | 26,146,622 |
| Accounts Receivable | 186,370 | 6,995 | — | 193,365 |
| Due from Affiliates | 4,498,250 | 13,901 | (45,630) | 4,466,521 |
| Intangible Assets, Net | 201,208 | — | — | 201,208 |
| Goodwill | 1,890,202 | — | — | 1,890,202 |
| Other Assets | 944,078 | 770 | — | 944,848 |
| Right-of-Use Assets | 841,307 | — | — | 841,307 |
| Deferred Tax Assets | 2,331,394 | — | — | 2,331,394 |
| **Total Assets** | $ 36,443,911 | $ 4,657,346 | $ (813,727) | $ 40,287,530 |
| **Liabilities and Equity** | | | | |
| Loans Payable | $ 10,616,937 | $ 687,122 | $ — | $ 11,304,059 |
| Due to Affiliates | 2,273,008 | 220,758 | (100,356) | 2,393,410 |
| Accrued Compensation and Benefits | 5,247,766 | — | — | 5,247,766 |
| Operating Lease Liabilities | 989,823 | — | — | 989,823 |
| Accounts Payable, Accrued Expenses and Other Liabilities | 1,886,086 | 391,172 | — | 2,277,258 |
| **Total Liabilities** | 21,013,620 | 1,299,052 | (100,356) | 22,212,316 |
| **Redeemable Non-Controlling Interests in Consolidated Entities** | 9 | 1,179,064 | — | 1,179,073 |
| **Equity** | | | | |
| Common Stock | 7 | — | — | 7 |
| Series I Preferred Stock | — | — | — | — |
| Series II Preferred Stock | — | — | — | — |
| Additional Paid-in-Capital | 6,175,190 | 701,792 | (701,792) | 6,175,190 |
| Retained Earnings | 660,734 | 11,579 | (11,579) | 660,734 |
| Accumulated Other Comprehensive Income (Loss) | (36,175) | 17,042 | — | (19,133) |
| Non-Controlling Interests in Consolidated Entities | 3,728,438 | 1,448,817 | — | 5,177,255 |
| Non-Controlling Interests in Blackstone Holdings | 4,902,088 | — | — | 4,902,088 |
| **Total Equity** | 15,430,282 | 2,179,230 | (713,371) | 16,896,141 |
| **Total Liabilities and Equity** | $ 36,443,911 | $ 4,657,346 | $ (813,727) | $ 40,287,530 |

(a) The Consolidated Blackstone Funds consisted of the following:
Blackstone Annex Onshore Fund L.P.
Blackstone Horizon Fund L.P.

BTD CP Holdings LP
Blackstone Dislocation Fund L.P.
BEPIF (Aggregator) SCSp
BX Shipston SCSp
Blackstone Private Equity Strategies Fund L.P.*
Blackstone Private Equity Strategies Fund SICAV*
Blackstone Private Equity Strategies Fund (Master) FCP*
Clover Credit Partners CLO III, Ltd.
Bayswater Park CLO, LTD.*
Peebles Park CLO, LTD.*
Private equity side-by-side investment vehicles
Real estate side-by-side investment vehicles
Multi-Asset Investing side-by-side investment vehicles.

*Consolidated as of December 31, 2023 only

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

*The following discussion and analysis should be read in conjunction with Blackstone Inc.'s condensed consolidated financial statements and the related notes included within this Quarterly Report on Form 10-Q.*

In this report, references to "Blackstone," the "Company," "we," "us" or "our" refer to Blackstone Inc. and its consolidated subsidiaries.

**Our Business**

Blackstone is the world's largest alternative asset manager. We generate revenue from fees earned pursuant to contractual arrangements with funds, fund investors and fund portfolio companies (including management, transaction and monitoring fees), and from capital markets services. We also invest in the funds we manage and we are entitled to a pro-rata share of the income of the fund (a "pro-rata allocation"). In addition to a pro-rata allocation, and assuming certain investment returns are achieved, we are entitled to a disproportionate allocation of the income otherwise allocable to the limited partners, commonly referred to as carried interest ("Performance Allocations"). In certain structures, we receive a contractual incentive fee from an investment fund based on achieving certain investment returns (an "Incentive Fee," and together with Performance Allocations, "Performance Revenues"). The composition of our revenues will vary based on market conditions and the cyclicality of the different businesses in which we operate. Net investment gains and investment income generated by the Blackstone Funds are driven by the performance of the underlying investments as well as overall market conditions. Fair values are affected by changes in the fundamentals of our portfolio companies and other investments, the industries in which they operate, the overall economy and other market conditions.

Our business is organized into four segments:

***Real Estate***

Our Real Estate business is a global leader in real estate investing. Our Real Estate segment operates as one globally integrated business, with investments across the globe, including in the Americas, Europe and Asia. Our real estate investment teams seek to utilize our global expertise and presence to generate attractive risk-adjusted returns for our investors.

Our Blackstone Real Estate Partners ("BREP") business is geographically diversified and targets a broad range of opportunistic real estate and real estate-related investments. The BREP platform includes global funds as well as funds focused specifically on Europe or Asia investments. BREP seeks to invest thematically in high-quality assets, focusing where we see outsized growth potential driven by global economic and demographic trends. BREP has made significant investments in logistics, data centers, rental housing, hospitality, office and retail properties around the world, as well as in a variety of real estate operating companies.

Our Core+ real estate strategy invests in substantially stabilized real estate globally primarily through perpetual capital vehicles. Our Core+ real estate strategy includes our (a) Blackstone Property Partners ("BPP") funds, which focus on high-quality assets in the Americas, Europe and Asia and (b) our non-listed REIT, Blackstone Real Estate Income Trust, Inc. ("BREIT") and our Blackstone European Property Income ("BEPIF") vehicles, which provide income-focused individual investors access to institutional quality real estate primarily in the Americas and Europe, respectively.

Our Blackstone Real Estate Debt Strategies ("BREDS") platform primarily targets real estate-related debt investment opportunities. BREDS invests in both public and private markets, primarily in the U.S. and Europe. BREDS' scale and investment mandates enable it to provide a variety of lending options for our borrowers and investment options for our investors, including commercial real estate and mezzanine loans, residential mortgage loan pools and liquid real estate-related debt securities. The BREDS platform includes high-yield real estate debt funds, liquid real estate debt funds and Blackstone Mortgage Trust, Inc. ("BXMT"), a NYSE-listed real estate investment trust ("REIT").

***Private Equity***

Our Private Equity segment includes our Corporate Private Equity business, which consists of: (a) our global private equity funds, Blackstone Capital Partners ("BCP"), (b) our sector-focused funds, including our energy- and energy transition-focused funds, Blackstone Energy Transition Partners ("BETP"), (c) our Asia-focused private equity funds, Blackstone Capital Partners Asia and (d) our core private equity funds, Blackstone Core Equity Partners ("BCEP"). Our Private Equity segment also includes (a) our opportunistic investment platform that invests flexibly across asset classes, industries and geographies, Blackstone Tactical Opportunities ("Tactical Opportunities"), (b) our secondary fund business, Strategic Partners Fund Solutions ("Strategic Partners"), (c) our infrastructure-focused funds, Blackstone Infrastructure Partners ("BIP"), (d) our life sciences investment platform, Blackstone Life Sciences ("BXLS"), (e) our growth equity investment platform, Blackstone Growth ("BXG"), (f) our investment platform offering eligible individual investors access to Blackstone's private equity capabilities, the Blackstone Private Equity Strategies Fund Program ("BXPE Fund Program"), (g) our multi-asset investment program for eligible high net worth investors offering exposure to certain of Blackstone's key illiquid investment strategies through a single commitment, Blackstone Total Alternatives Solution ("BTAS") and (h) our capital markets services business, Blackstone Capital Markets ("BXCM").

We are a global leader in private equity investing. Our Corporate Private Equity business pursues transactions across industries on a global basis. It strives to create value by investing in great businesses where our capital, strategic insight, global relationships and operational support can drive transformation. Corporate Private Equity's investment strategies and core themes continually evolve in anticipation of, or in response to, changes in the global economy, local markets, regulation, capital flows and geopolitical trends. We seek to construct a differentiated portfolio of investments with a well-defined, post-acquisition value creation strategy. Similarly, we seek investments that can generate strong unlevered returns regardless of entry or exit cycle timing.

BCEP pursues control-oriented investments in high-quality companies with durable businesses and seeks to offer a lower level of risk and a longer hold period than traditional private equity.

Tactical Opportunities pursues a thematically driven, opportunistic investment strategy. Our flexible, global mandate enables us to find differentiated opportunities across asset classes, industries and geographies and invest behind them with the frequent use of structure to generate attractive risk-adjusted returns. Tactical Opportunities' ability to dynamically shift focus to the most compelling opportunities in any market environment, combined with the business' expertise in structuring complex transactions, enables Tactical Opportunities to invest in attractive market areas, often with securities that provide downside protection and maintain upside return.

Strategic Partners is a total fund solutions provider. As a secondary investor, it acquires interests in high-quality private funds from original holders seeking liquidity. Strategic Partners focuses on a range of opportunities in underlying funds such as private equity, real estate, infrastructure, venture and growth capital, credit and other types of funds, as well as general partner-led transactions and primary investments and co-investments with financial sponsors. Strategic Partners also provides investment advisory services to separately managed account clients investing in primary and secondary investments in private funds and co-investments.

BIP targets a diversified mix of core+, core and public-private partnership investments across all infrastructure sectors, including energy infrastructure, transportation, digital infrastructure and water and waste, with a primary focus in the U.S. BIP applies a disciplined, operationally intensive investment approach to investments, seeking to apply a long-term buy-and-hold strategy to large-scale infrastructure assets with a focus on delivering stable, long-term capital appreciation together with a predictable annual cash flow yield.

BXLS invests across the life cycle of companies and products within the life sciences sector. BXLS primarily focuses on investments in life sciences products in late-stage clinical development within the pharmaceutical, biotechnology and medical technology sectors.

BXG seeks to deliver attractive risk-adjusted returns by investing in dynamic, growth-stage businesses, with a focus on the consumer, consumer technology, enterprise solutions, financial services and healthcare sectors.

The BXPE Fund Program invests primarily in privately negotiated, equity-oriented investments, leveraging the talent and investment capabilities of Blackstone's private equity platform to create an attractive portfolio of alternative investments diversified across geographies and sectors for eligible individual investors.

***Credit & Insurance***

Effective January 1, 2024, our corporate credit (formerly Blackstone Credit or BXC), asset based finance and insurance ("insurance platform" and formerly Blackstone Insurance Solutions or BIS) groups were integrated into a single new unit, Blackstone Credit & Insurance ("BXCI"). BXCI offers its clients and borrowers a comprehensive solution across corporate and asset based, as well as investment grade and non-investment grade, private credit. BXCI is one of the largest credit-oriented managers and CLO managers in the world. The investment portfolios of the funds BXCI's credit platform manages or sub-advises consist primarily of loans and securities of non-investment and investment grade companies spread across the capital structure including senior debt, subordinated debt, preferred stock and common equity.

BXCI is organized into three overarching credit investing strategies: private corporate credit, liquid corporate credit and infrastructure and asset based credit. The private corporate credit strategies include mezzanine and direct lending funds and stressed/distressed strategies. The direct lending funds include Blackstone Private Credit Fund ("BCRED") and Blackstone Secured Lending Fund ("BXSL"), both of which are business development companies ("BDCs"). The liquid corporate credit strategies consist of CLOs, closed-ended funds, open-ended funds, systematic strategies and separately managed accounts. The infrastructure and asset based credit strategies include our private placement strategies, energy strategies (including the sustainable resources platform) and asset based finance strategies focused on privately originated, income-oriented credit assets secured by physical or financial collateral.

Our insurance platform focuses on providing full investment management services for insurers' general accounts, seeking to deliver customized and diversified portfolios that include allocations to Blackstone managed products and strategies across asset classes and Blackstone's private credit origination capabilities. Through this platform, we provide our clients tailored portfolio construction and strategic asset allocation, seeking to generate

risk-managed, capital-efficient returns, diversification and capital preservation that meets clients' objectives. We also provide similar services to clients through separately managed accounts or by sub-managing assets for certain insurance-dedicated funds and special purpose vehicles. Through the insurance platform, we currently manage assets for clients that include Corebridge Financial Inc., Everlake Life Insurance Company, Fidelity & Guaranty Life Insurance Company and Resolution Life Group, among others.

In addition, our Credit & Insurance segment also includes a platform managed by Harvest Fund Advisors LLC ("Harvest"), which primarily invests in publicly traded energy infrastructure, renewables and master limited partnerships holding midstream energy assets in North America. Effective the second quarter of 2024, Harvest will be included in the Multi-Asset Investing segment.

***Multi-Asset Investing***

Effective the first quarter of 2024, our Hedge Fund Solutions segment was renamed "Multi-Asset Investing." Our Multi-Asset Investing segment seeks to grow investors' assets through investment strategies designed to deliver, primarily through the public markets, compelling risk adjusted returns. Blackstone Multi-Asset Investing ("BXMA") is the world's largest discretionary allocator to hedge funds. BXMA is organized into two primary platforms: Absolute Return and Multi-Strategy. Absolute Return is designed to pursue consistent, efficient and diversifying returns across multiple market environments. Absolute Return manages a broad range of commingled and customized fund solutions, a seeding business and registered funds that provide alternative asset solutions through daily liquidity products. Multi-Strategy aims to generate strong risk-adjusted returns through opportunistic, asset-class agnostic investing, including structured risk transfer and equity capital markets strategies. Our Multi-Asset Investing segment also includes our GP Stakes business ("GP Stakes"), which targets minority investments in the general partners of private equity and other private market alternative asset management firms globally, with a focus on delivering a combination of recurring annual cash flow yield and long-term capital appreciation. Effective the second quarter of 2024, GP Stakes will be included in the Private Equity segment.

**Business Environment**

Blackstone's businesses are materially affected by conditions in the financial markets and economic conditions in the U.S., Europe, Asia and, to a lesser extent, elsewhere in the world.

In the first quarter of 2024, most major equity markets appreciated. Global economic growth remained resilient amid an expectation of easing financial conditions in 2024, following a multi-year period of rising interest rates. In the U.S., the S&P 500 generated a total return of 10.6% in the first quarter, with broad-based strength across most sectors. Equity market volatility increased, with the CBOE Volatility Index up 4.5% to 13.0 in the quarter, but remained below historical averages and down 30% over the past twelve months. Commodity prices were mixed, with the price of West Texas Intermediate crude oil rising 16% to $83.17 per barrel, while Henry Hub natural gas prices declined 30% to $1.76/MMBtu in the quarter.

In credit markets, the S&P leveraged loan index increased 2.5% and the Credit Suisse high yield bond index increased 1.7% in the first quarter. High yield spreads tightened 43 basis points sequentially from the fourth quarter, while issuance increased 117% compared to the first quarter of 2023.

U.S. capital markets activity rebounded broadly in the first quarter, with initial public offering volumes up 196% compared to the first quarter of 2023 and announced merger and acquisition deal volumes up 79% over the same period.

In a continued effort to reduce inflation, major central banks globally maintained restrictive monetary policy in the first quarter. In Europe, the European Central Bank held its deposit facility rate steady at 4.00%, having last raised it by 25bps in the third quarter of 2023. Eurozone inflation slowed to 2.4% year-over-year in March, down

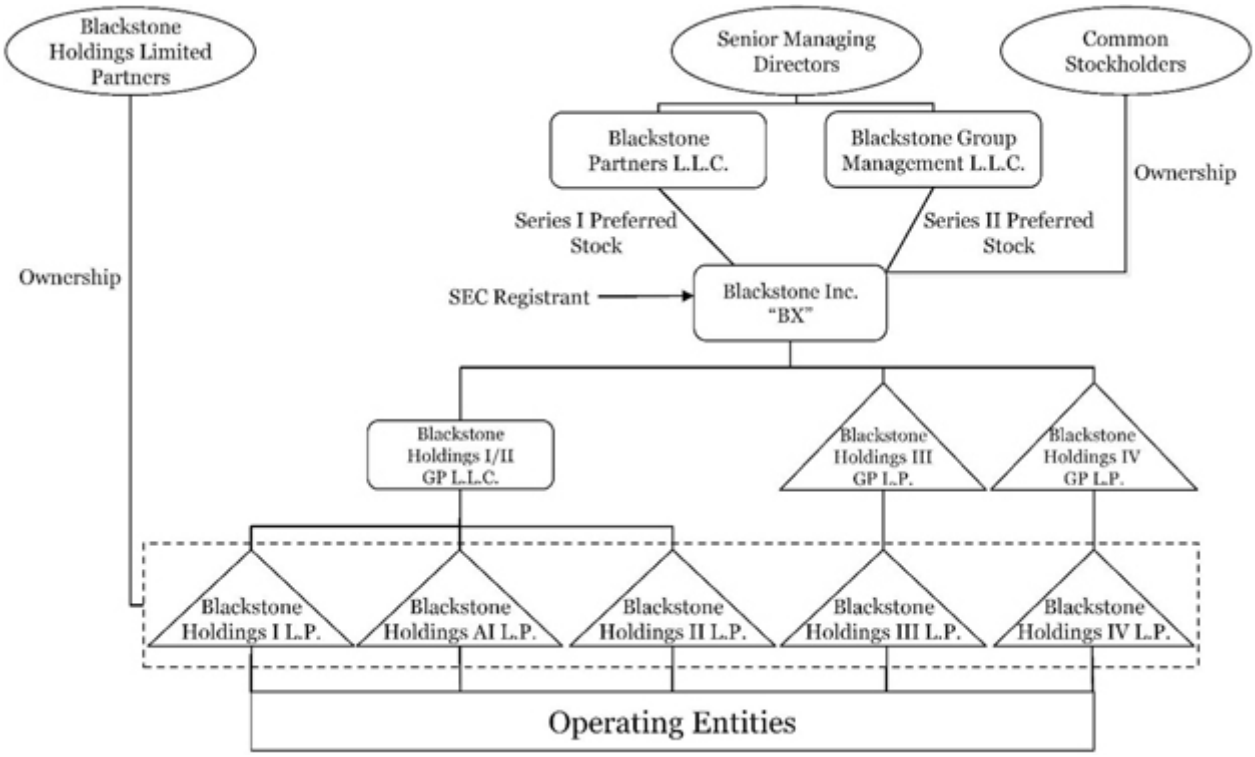
from a peak of 10.6% in October of 2022 and down from 2.9% in December of 2023. In the U.S., the Federal Reserve held the federal funds target range steady in the first quarter of 2024 at 5.25%-5.50%, following four hikes in 2023. Inflation has declined substantially from peak, although in recent months the pace of decline has moderated. In March, the U.S consumer price index increased 3.5% year-over-year, down from 9.1% in June 2022; but up from the 3.4% year-over-year increase in December 2023. With Inflation remaining above its long-run target of 2%, the Federal Reserve has indicated that it does not intend to reduce the federal funds target range until it is more confident in the path of inflation. The ten-year U.S. Treasury yield increased 32 basis points to 4.2% in the first quarter of 2024 and further rose subsequent to quarter end to 4.66% as of April 26, 2024. Meanwhile, the three-month LIBOR decreased 3 basis points to 5.56% in the first quarter but has since increased to 5.59% as of April 26, 2024.

Despite the impact of higher interest rates, the U.S. economy continued to demonstrate strength and resiliency in the first quarter. Unemployment was 3.8% in March, and despite an increase to 3.9% subsequent to quarter end, has remained near historically low levels and in line with early 2020, immediately prior to the coronavirus pandemic. Wages increased 4.1% year-over-year in March, while retail sales rose 4.0% year-over-year. In manufacturing, the ISM Manufacturing PMI increased to 50.3 in March 2024, up from 47.1 in the fourth quarter of 2023, signaling an expansion in the U.S. manufacturing sector for the first time since the fourth quarter of 2022.

Economic consensus forecasts suggest a continued deceleration in economic growth over time and an eventual easing of financial conditions. Geopolitical turbulence, including wars in the Middle East and Ukraine, add further uncertainty to the environment. Economic and market conditions are likely to remain complex and dynamic as a result in the near term.

**Organizational Structure**

The simplified diagram below depicts our current organizational structure. The diagram does not depict all of our subsidiaries, including intermediate holding companies through which certain of the subsidiaries depicted are held.




**Key Financial Measures and Indicators**

We manage our business using certain financial measures and key operating metrics since we believe these metrics measure the productivity of our investment activities. We prepare our Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See "—Item 1. Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 2. Summary of Significant Accounting Policies" and "—Critical Accounting Policies." Our key non-GAAP financial measures and operating indicators and metrics are discussed below.

***Distributable Earnings***

Distributable Earnings is derived from Blackstone's segment reported results. Distributable Earnings is used to assess performance and amounts available for dividends to Blackstone stockholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. Distributable Earnings is the sum of Segment Distributable Earnings plus Net Interest and Dividend Income (Loss) less Taxes and Related Payables. Distributable Earnings excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "—Non-GAAP Financial Measures" for our reconciliation of Distributable Earnings.

Net Interest and Dividend Income (Loss) is presented on a segment basis and is equal to Interest and Dividend Revenue less Interest Expense, adjusted for the impact of consolidation of Blackstone Funds, and interest expense associated with the Tax Receivable Agreement.

Taxes and Related Payables represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and including the Payable under the Tax Receivable Agreement. Further, the current tax provision utilized when calculating Taxes and Related Payables and Distributable Earnings reflects the benefit of deductions available to the company on certain expense items that are excluded from the underlying calculation of Segment Distributable Earnings and Total Segment Distributable Earnings, such as equity-based compensation charges and certain Transaction-Related and Non-Recurring Items where there is a current tax provision or benefit. The economic assumptions and methodologies that impact the implied income tax provision are the same as those methodologies and assumptions used in calculating the current income tax provision for Blackstone's Consolidated Statements of Operations under GAAP, excluding the impact of divestitures and accrued tax contingencies and refunds which are reflected when paid or received. Management believes that including the amount payable under the Tax Receivable Agreement and utilizing the current income tax provision adjusted as described above when calculating Distributable Earnings is meaningful as it increases comparability between periods and more accurately reflects earnings that are available for distribution to stockholders.

***Segment Distributable Earnings***

Segment Distributable Earnings is Blackstone's segment profitability measure used to make operating decisions and assess performance across Blackstone's four segments. Blackstone believes it is useful to stockholders to review the measure that management uses in assessing segment performance. Segment Distributable Earnings represents the net realized earnings of Blackstone's segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone's segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships, removes the amortization of intangible assets and removes Transaction-Related and Non-Recurring Items. Transaction-Related and Non-Recurring Items arise from corporate actions including acquisitions, divestitures, Blackstone's initial public offering and non-recurring gains, losses, or other charges, if any. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs, gains or losses associated with these corporate actions and non-recurring gains, losses or other charges that affect period-to-period comparability and are not reflective of Blackstone's operational performance. Segment Distributable Earnings excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "—Non-GAAP Financial Measures" for our reconciliation of Segment Distributable Earnings.

Net Realizations is presented on a segment basis and is the sum of Realized Principal Investment Income and Realized Performance Revenues (which refers to Realized Performance Revenues excluding Fee Related Performance Revenues), less Realized Performance Compensation (which refers to Realized Performance Compensation excluding Fee Related Performance Compensation and Equity-Based Performance Compensation).

Realized Performance Compensation reflects an increase in the aggregate Realized Performance Compensation paid to certain of our professionals above the amounts allocable to them based upon the percentage participation in the relevant performance plans previously awarded to them. The expectation is that for the full year 2024, Fee Related Compensation will be decreased by the total amount of additional Performance Compensation awarded for the year. For the three months ended March 31, 2024, Realized Performance Compensation was increased by an aggregate of $25.0 million and Fee Related Compensation was decreased by $16.3 million. These changes to Realized Performance Compensation and Fee Related Compensation reduced Net Realizations, increased Fee Related Earnings and had a negative impact to Income Before Provision (Benefit) for

Taxes and Distributable Earnings in the three months ended March 31, 2024. These changes are not expected to impact Income Before Provision (Benefits) for Taxes and Distributable Earnings for the year ending December 31, 2024. These changes had an impact on individual quarters in 2023 but did not impact Income Before Provision (Benefits) for Taxes and Distributable Earnings for the year ended December 31, 2023.

***Fee Related Earnings***

Fee Related Earnings is a performance measure used to assess Blackstone's ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. Blackstone believes Fee Related Earnings is useful to stockholders as it provides insight into the profitability of the portion of Blackstone's business that is not dependent on realization activity. Fee Related Earnings equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Performance Revenues, less (a) Fee Related Compensation on a segment basis and (b) Other Operating Expenses. Fee Related Earnings is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "—Non-GAAP Financial Measures" for our reconciliation of Fee Related Earnings.

Fee Related Compensation is presented on a segment basis and refers to the compensation expense, excluding Equity-Based Compensation, directly related to (a) Management and Advisory Fees, Net and (b) Fee Related Performance Revenues, referred to as Fee Related Performance Compensation.

Fee Related Performance Revenues refers to the realized portion of Performance Revenues from Perpetual Capital that are (a) measured and received on a recurring basis and (b) not dependent on realization events from the underlying investments.

Other Operating Expenses is presented on a segment basis and is equal to General, Administrative and Other Expenses, adjusted to (a) remove transaction-related and non-recurring items that arise from corporate actions including acquisitions, divestitures, Blackstone's initial public offering, and non-recurring gains, losses, or other charges, if any, (b) remove certain expenses reimbursed by the Blackstone Funds which are netted against Management and Advisory Fees, Net in Blackstone's segment presentation and (c) give effect to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

***Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization***

Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization ("Adjusted EBITDA"), is a supplemental measure used to assess performance derived from Blackstone's segment results and may be used to assess its ability to service its borrowings. Adjusted EBITDA represents Distributable Earnings plus the addition of (a) Interest Expense on a segment basis, (b) Taxes and Related Payables and (c) Depreciation and Amortization. Adjusted EBITDA is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "—Non-GAAP Financial Measures" for our reconciliation of Adjusted EBITDA.

***Net Accrued Performance Revenues***

Net Accrued Performance Revenues is a non-GAAP financial measure Blackstone believes is useful to stockholders as an indicator of potential future realized performance revenues based on the current investment portfolio of the funds and vehicles we manage. Net Accrued Performance Revenues represents the accrued performance revenues receivable by Blackstone, net of the related accrued performance compensation payable by Blackstone, excluding performance revenues that have been realized but not yet distributed as of the reporting date and clawback amounts, if any. Net Accrued Performance Revenues is derived from and reconciled to, but not

equivalent to, its most directly comparable GAAP measure of Investments. See "—Non-GAAP Financial Measures" for our reconciliation of Net Accrued Performance Revenues and Note 2. "Summary of Significant Accounting Policies — Equity Method Investments" in the "Notes to Condensed Consolidated Financial Statements" in "—Item 1. Financial Statements" for additional information on the calculation of Investments — Accrued Performance Allocations.

***Operating Metrics***

The alternative asset management business is primarily based on managing third party capital and does not require substantial capital investment to support rapid growth. Since our inception, we have developed and used various key operating metrics to assess and monitor the operating performance of our various alternative asset management businesses in order to monitor the effectiveness of our value creating strategies.

*Total and Fee-Earning Assets Under Management*

Total Assets Under Management refers to the assets we manage. We believe this measure is useful to stockholders as it represents the total capital for which we provide investment management services. Our Total Assets Under Management equals the sum of:

(a) the fair value of the investments held by our carry funds and our side-by-side and co-investment entities managed by us plus the capital that we are entitled to call from investors in those funds and entities pursuant to the terms of their respective capital commitments, including capital commitments to funds that have yet to commence their investment periods,
(b) the net asset value of (1) our hedge funds, real estate debt carry funds, BPP, certain co-investments managed by us, certain credit-focused funds and our Multi-Asset Investing drawdown funds (plus, in each case, the capital that we are entitled to call from investors in those funds, including commitments yet to commence their investment periods) and (2) our funds of hedge funds, our Multi-Asset Investing registered investment companies, BREIT and BEPIF,
(c) the invested capital, fair value or net asset value of assets we manage pursuant to separately managed accounts,
(d) the amount of debt and equity outstanding for our CLOs during the reinvestment period,
(e) the aggregate par amount of collateral assets, including principal cash, for our CLOs after the reinvestment period,
(f) the gross or net amount of assets (including leverage where applicable) for our credit-focused registered investment companies and BDCs,
(g) the fair value of common stock, preferred stock, convertible debt, term loans or similar instruments issued by BXMT and
(h) borrowings under and any amounts available to be borrowed under certain credit facilities of our funds.

Our carry funds are commitment-based drawdown structured funds that do not permit investors to redeem their interests at their election. Our funds of hedge funds, hedge funds, funds structured like hedge funds and other open-ended funds in our Real Estate, Credit & Insurance and Multi-Asset Investing segments generally have structures that afford an investor the right to withdraw or redeem their interests on a periodic basis (for example, annually, quarterly or monthly), typically with 2 to 95 days' notice, depending on the fund and the liquidity profile of the underlying assets. In our Perpetual Capital vehicles where redemption rights exist, Blackstone has the ability to fulfill redemption requests only (a) in Blackstone's or the vehicles' board's discretion, as applicable, or (b) to the extent there is sufficient new capital. Investment advisory agreements related to certain separately managed accounts in our Credit & Insurance and Multi-Asset Investing segments, excluding separately managed accounts in our insurance platform, may generally be terminated by an investor on 30 to 90 days' notice. Separately managed accounts in our insurance platform can generally only be terminated for long-term underperformance, cause and certain other limited circumstances, in each case subject to Blackstone's right to cure.

Fee-Earning Assets Under Management refers to the assets we manage on which we derive management fees and/or performance revenues. We believe this measure is useful to stockholders as it provides insight into the capital base upon which we can earn management fees and/or performance revenues. Our Fee-Earning Assets Under Management equals the sum of:

(a) for our Private Equity segment funds, Real Estate segment carry funds including certain BREDS funds and certain Multi-Asset Investing funds, the amount of capital commitments, remaining invested capital, fair value, net asset value or par value of assets held, depending on the fee terms of the fund,
(b) for our credit-focused carry funds, the amount of remaining invested capital (which may include leverage) or net asset value, depending on the fee terms of the fund,
(c) the remaining invested capital or fair value of assets held in co-investment vehicles managed by us on which we receive fees,
(d) the net asset value of our funds of hedge funds, hedge funds, BPP, certain co-investments managed by us, certain registered investment companies, BREIT, BEPIF and certain of our Multi-Asset Investing drawdown funds,
(e) the invested capital, fair value of assets or the net asset value we manage pursuant to separately managed accounts,
(f) the net proceeds received from equity offerings and accumulated distributable earnings of BXMT, subject to certain adjustments,
(g) the aggregate par amount of collateral assets, including principal cash, of our CLOs and
(h) the gross amount of assets (including leverage) or the net assets (plus leverage where applicable) for certain of our credit-focused registered investment companies and BDCs.

Each of our segments may include certain Fee-Earning Assets Under Management on which we earn performance revenues but not management fees.

Our calculations of Total Assets Under Management and Fee-Earning Assets Under Management may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers. In addition, our calculation of Total Assets Under Management includes commitments to, and the fair value of, invested capital in our funds from Blackstone and our personnel, regardless of whether such commitments or invested capital are subject to fees. Our definitions of Total Assets Under Management and Fee-Earning Assets Under Management are not based on any definition of Total Assets Under Management and Fee-Earning Assets Under Management that is set forth in the agreements governing the investment funds that we manage.

For our carry funds, Total Assets Under Management includes the fair value of the investments held and uncalled capital commitments, whereas Fee-Earning Assets Under Management may include the total amount of capital commitments or the remaining amount of invested capital at cost depending on whether the investment period has expired or as specified by the fee terms of the fund. As such, in certain carry funds Fee-Earning Assets Under Management may be greater than Total Assets Under Management when the aggregate fair value of the remaining investments is less than the cost of those investments.

*Perpetual Capital*

Perpetual Capital refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Perpetual Capital includes co-investment capital with an investor right to convert into Perpetual Capital. We believe this measure is useful to stockholders as it represents capital we manage that has a longer duration and the ability to generate recurring revenues in a different manner than traditional fund structures.

*Dry Powder*

Dry Powder represents the amount of capital available for investment or reinvestment, including general partner and employee capital, and is an indicator of the capital we have available for future investments. We believe this measure is useful to stockholders as it provides insight into the extent to which capital is available for Blackstone to deploy capital into investment opportunities as they arise.

*Invested Performance Eligible Assets Under Management*

Invested Performance Eligible Assets Under Management represents invested capital at fair value, including capital closed for funds whose investment period has not yet commenced, on which performance revenues could be earned if certain hurdles are met. We believe Invested Performance Eligible Assets Under Management is useful to stockholders as it provides insight into the capital deployed that has the potential to generate performance revenues.

**Consolidated Results of Operations**

Following is a discussion of our consolidated results of operations. For a more detailed discussion of the factors that affected the results of our four business segments (which are presented on a basis that deconsolidates the investment funds, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships and removes the amortization of intangibles assets and Transaction-Related and Non-Recurring Items) in these periods, see "—Segment Analysis" below.

The following table sets forth information regarding our consolidated results of operations and certain key operating metrics for the three months ended March 31, 2024 and 2023:

| | Three Months Ended March 31, | | 2024 vs. 2023 | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| | (Dollars in Thousands) | | | |
| **Revenues** | | | | |
| Management and Advisory Fees, Net | $ 1,727,148 | $ 1,658,315 | $ 68,833 | 4% |
| Incentive Fees | 179,341 | 142,876 | 36,465 | 26% |
| Investment Income (Loss) | | | | |
| Performance Allocations | | | | |
| Realized | 652,517 | 646,894 | 5,623 | 1% |
| Unrealized | 445,943 | (759,212) | 1,205,155 | n/m |
| Principal Investments | | | | |
| Realized | 78,597 | 108,058 | (29,461) | -27% |
| Unrealized | 461,623 | (491,417) | 953,040 | n/m |
| Total Investment Income (Loss) | 1,638,680 | (495,677) | 2,134,357 | n/m |
| Interest and Dividend Revenue | 97,839 | 90,485 | 7,354 | 8% |
| Other | 44,820 | (14,154) | 58,974 | n/m |
| **Total Revenues** | 3,687,828 | 1,381,845 | 2,305,983 | 167% |
| **Expenses** | | | | |
| Compensation and Benefits | | | | |
| Compensation | 794,803 | 716,285 | 78,518 | 11% |
| Incentive Fee Compensation | 73,707 | 63,281 | 10,426 | 16% |
| Performance Allocations Compensation | | | | |
| Realized | 258,894 | 296,794 | (37,900) | -13% |
| Unrealized | 180,900 | (313,249) | 494,149 | n/m |
| Total Compensation and Benefits | 1,308,304 | 763,111 | 545,193 | 71% |
| General, Administrative and Other | 369,950 | 273,394 | 96,556 | 35% |
| Interest Expense | 108,203 | 104,441 | 3,762 | 4% |
| Fund Expenses | 3,950 | 48,399 | (44,449) | -92% |
| **Total Expenses** | 1,790,407 | 1,189,345 | 601,062 | 51% |
| **Other Income (Loss)** | | | | |
| Change in Tax Receivable Agreement Liability | — | (5,208) | 5,208 | -100% |
| Net Gains (Losses) from Fund Investment Activities | (17,767) | 71,064 | (88,831) | n/m |
| **Total Other Income (Loss)** | (17,767) | 65,856 | (83,623) | n/m |
| **Income Before Provision for Taxes** | 1,879,654 | 258,356 | 1,621,298 | 628% |
| **Provision for Taxes** | 283,671 | 47,675 | 235,996 | 495% |
| **Net Income** | 1,595,983 | 210,681 | 1,385,302 | 658% |
| **Net Loss Attributable to Redeemable Non-Controlling Interests in Consolidated Entities** | (39,669) | (6,700) | (32,969) | 492% |
| **Net Income Attributable to Non-Controlling Interests in Consolidated Entities** | 102,827 | 74,869 | 27,958 | 37% |
| **Net Income Attributable to Non-Controlling Interests in Blackstone Holdings** | 685,439 | 56,700 | 628,739 | n/m |
| **Net Income Attributable to Blackstone Inc.** | $ 847,386 | $ 85,812 | $ 761,574 | 887% |

n/m Not meaningful.

***Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023***

*Revenues*

Revenues were $3.7 billion for the three months ended March 31, 2024, an increase of $2.3 billion, compared to $1.4 billion for the three months ended March 31, 2023. The increase in Revenues was primarily attributable to an increase of $2.1 billion in Investment Income (Loss), which was primarily composed of an increase of $2.2 billion in Unrealized Investment Income (Loss).

The $2.2 billion increase in Unrealized Investment Income (Loss) was primarily attributable to net unrealized appreciation of investments in the three months ended March 31, 2024 compared to net unrealized depreciation of investments in the three months ended March 31, 2023. Principal drivers were:

- An increase of $918.3 million in our Credit & Insurance segment, primarily attributable to unrealized appreciation on the ownership of Corebridge common stock for the three months ended March 31, 2024 compared to unrealized depreciation of ownership of Corebridge common stock for the three months ended March 31, 2023.
- An increase of $539.5 million in our Private Equity segment, primarily attributable to higher net unrealized appreciation of investments in Corporate Private Equity in the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The carrying value of Corporate Private Equity increased 3.4% in the three months ended March 31, 2024 compared to an increase of 2.8% in the three months ended March 31, 2023.
- An increase of $538.7 million in our Real Estate segment, primarily attributable to stronger performance in Core+ real estate and BREP in the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The carrying values of Core+ real estate and BREP increased 1.2% and 0.3%, respectively, in the three months ended March 31, 2024 compared to decreases of 1.6% and 0.4%, respectively, in the three months ended March 31, 2023.

*Expenses*

Expenses were $1.8 billion for the three months ended March 31, 2024, an increase of $601.1 million, compared to $1.2 billion for the three months ended March 31, 2023. The increase was primarily attributable to an increase of $545.2 million in Total Compensation and Benefits, of which $456.2 million was an increase in Performance Allocations Compensation. The increase in Performance Allocations Compensation was primarily due to the increase in Investment Income (Loss), on which a portion of compensation is based.

*Other Income*

Other Income (Loss) was $(17.8) million for the three months ended March 31, 2024, a decrease of $83.6 million, compared to $65.9 million for the three months ended March 31, 2023. The decrease in Other Income (Loss) was primarily due to a decrease of $88.8 million in Net Gains (Losses) from Fund Investment Activities.

The decrease in Net Gains (Losses) from Fund Investment Activities was principally driven by a decrease of $42.6 million in our Private Equity segment primarily due to the deconsolidation of a fund and a decrease of $39.3 million in our Real Estate segment primarily due to unrealized depreciation of investments in our consolidated funds.

***Provision for Taxes***

Blackstone's Provision for Taxes for the three months ended March 31, 2024 was $283.7 million, an increase of $236.0 million, compared to $47.7 million for the three months ended March 31, 2023. This resulted in an effective tax rate of 15.1% and 18.5%, based on our Income Before Provision for Taxes of $1.9 billion and $258.4 million for the three months ended March 31, 2024 and 2023, respectively.

The decrease in Blackstone's effective tax rate for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, resulted primarily from the impact of state taxes and outside basis adjustments.

Blackstone had a corporate alternative minimum tax ("CAMT") liability for the March 31, 2024 as calculated pursuant to the Inflation Reduction Act. Blackstone will continue to assess the overall impact to its Provision for Income Tax upon the issuance of applicable additional guidance by the U.S. Treasury Department related to interpretations of CAMT. For the three months ended March 31, 2024, there is no meaningful CAMT impact reflected in the Provision for Income Taxes given current year tax payments made under CAMT are permitted to be carried forward and used as credits in future years resulting in a deferred tax benefit.

Additional information regarding our income taxes can be found in Note 12. "Income Taxes" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

***Non-Controlling Interests in Consolidated Entities***

The Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities and Net Income Attributable to Non-Controlling Interests in Consolidated Entities is attributable to the consolidated Blackstone Funds. The amounts of these items vary directly with the performance of the consolidated Blackstone Funds and largely eliminate the amount of Other Income (Loss) – Net Gains (Losses) from Fund Investment Activities from the Net Income Attributable to Blackstone Inc.

Net Income Attributable to Non-Controlling Interests in Blackstone Holdings is derived from the Income Before Provision for Taxes at the Blackstone Holdings level, excluding the Net Gains (Losses) from Fund Investment Activities and the percentage allocation of the income between Blackstone personnel and others who are limited partners of Blackstone Holdings and Blackstone after considering any contractual arrangements that govern the allocation of income such as fees allocable to Blackstone.

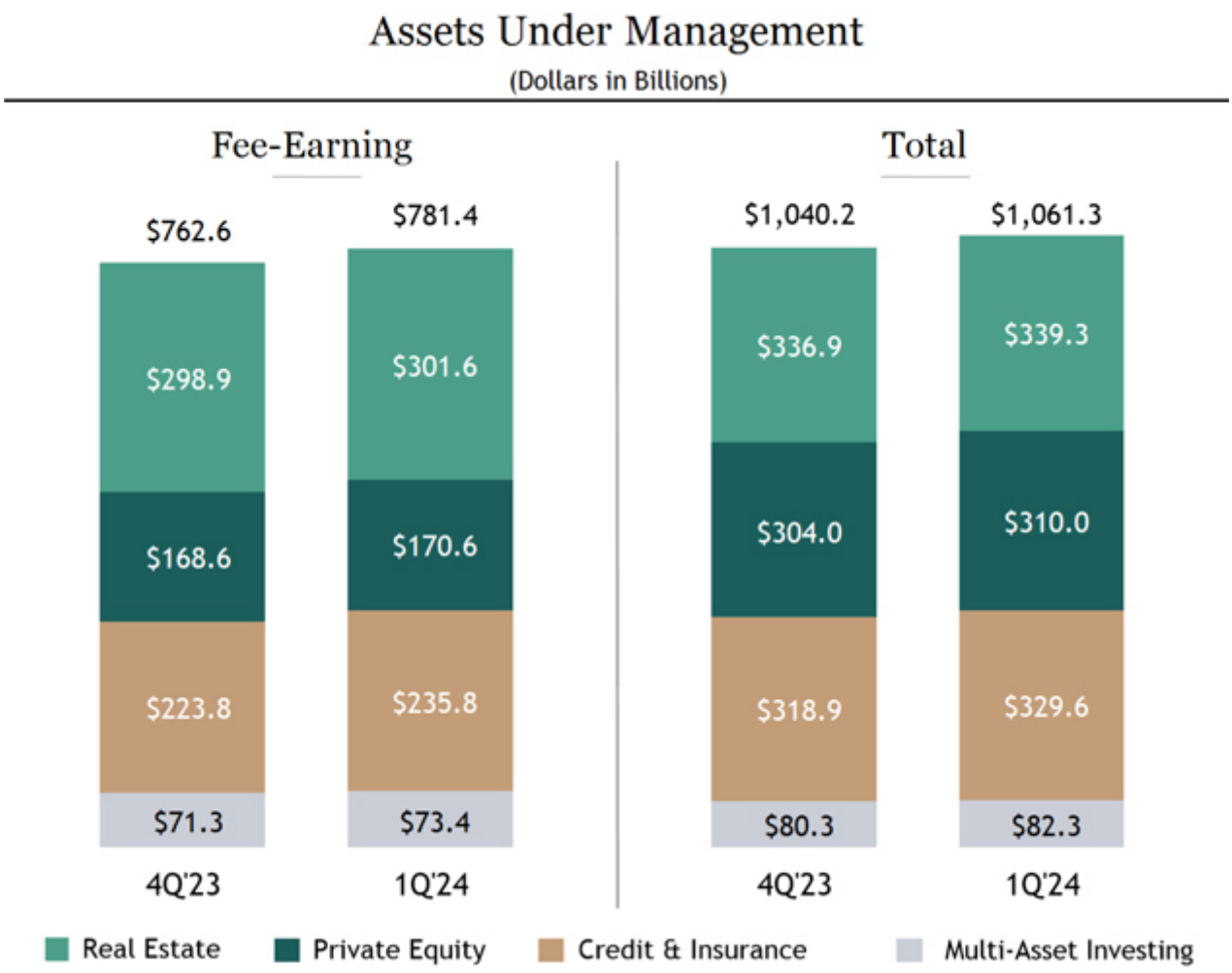
For the three months ended March 31, 2024 and 2023, the Net Income Before Taxes allocated to Blackstone personnel and others who are limited partners of Blackstone Holdings was 38.8% and 39.4%, respectively. The decrease of 0.6% was primarily due to the conversion of Blackstone Holdings Partnership Units to shares of common stock and the vesting of shares of common stock.

The Other Income (Loss) — Change in Tax Receivable Agreement Liability was entirely allocated to Blackstone Inc.

**Operating Metrics**

***Total and Fee-Earning Assets Under Management***

The following graphs and tables summarize the Fee-Earning Assets Under Management by Segment and Total Assets Under Management by Segment, followed by a rollforward of activity for the three months ended March 31, 2024 and 2023. For a description of how Assets Under Management and Fee-Earning Assets Under Management are determined, please see "— Key Financial Measures and Indicators — Operating Metrics — Total and Fee-Earning Assets Under Management."




Note: Totals may not add due to rounding.

| | Three Months Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | | | | | March 31, 2023 | | | | |
| | Real Estate | Private Equity | Credit & Insurance | Multi-Asset Investing | Total | Real Estate | Private Equity | Credit & Insurance | Multi-Asset Investing | Total |
| | (Dollars in Thousands) | | | | | | | | | |
| Fee-Earning Assets Under Management | | | | | | | | | | |
| Balance, Beginning of Period | $298,889,475 | $168,620,545 | $223,844,084 | $71,253,798 | $762,607,902 | $281,967,153 | $167,082,852 | $198,162,931 | $71,173,952 | $718,386,888 |
| Inflows (a) | 9,026,182 | 2,277,263 | 16,427,617 | 1,315,074 | 29,046,136 | 15,715,717 | 1,779,857 | 12,412,934 | 2,058,840 | 31,967,348 |
| Outflows (b) | (3,174,588) | (217,529) | (2,120,474) | (1,287,285) | (6,799,876) | (3,741,724) | (144,634) | (3,858,030) | (1,383,002) | (9,127,390) |
| Net Inflows | 5,851,594 | 2,059,734 | 14,307,143 | 27,789 | 22,246,260 | 11,973,993 | 1,635,223 | 8,554,904 | 675,838 | 22,839,958 |
| Realizations (c) | (4,103,524) | (1,455,310) | (4,038,602) | (384,941) | (9,982,377) | (4,493,945) | (2,943,918) | (3,231,450) | (324,743) | (10,994,056) |
| Market Activity (d)(g) | 946,012 | 1,379,421 | 1,714,280 | 2,486,057 | 6,525,770 | (1,949,895) | (430,652) | 3,136,537 | 984,629 | 1,740,619 |
| Balance, End of Period (e) | $301,583,557 | $170,604,390 | $235,826,905 | $73,382,703 | $781,397,555 | $287,497,306 | $165,343,505 | $206,622,922 | $72,509,676 | $731,973,409 |
| Increase (Decrease) | $ 2,694,082 | $ 1,983,845 | $ 11,982,821 | $ 2,128,905 | $ 18,789,653 | $ 5,530,153 | $ (1,739,347) | $ 8,459,991 | $ 1,335,724 | $ 13,586,521 |
| Increase (Decrease) | 1% | 1% | 5% | 3% | 2% | 2% | -1% | 4% | 2% | 2% |
| Annualized Base Management Fee | | | | | | | | | | |
| Rate (f) | 0.92% | 1.06% | 0.65% | 0.72% | 0.85% | 0.99% | 1.09% | 0.65% | 0.76% | 0.89% |

| | Three Months Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | | | | | March 31, 2023 | | | | |
| | Real Estate | Private Equity | Credit & Insurance | Multi-Asset Investing | Total | Real Estate | Private Equity | Credit & Insurance | Multi-Asset Investing | Total |
| | (Dollars in Thousands) | | | | | | | | | |
| Total Assets Under Management | | | | | | | | | | |
| Balance, Beginning of Period | $336,940,096 | $304,038,221 | $318,915,676 | $80,298,454 | $1,040,192,447 | $326,146,904 | $288,902,142 | $279,908,030 | $79,716,001 | $974,673,077 |
| Inflows (a) | 8,089,218 | 7,359,930 | 17,194,307 | 1,398,058 | 34,041,513 | 17,045,929 | 4,556,005 | 16,589,263 | 2,168,497 | 40,359,694 |
| Outflows (b) | (3,233,200) | (1,805,341) | (4,349,665) | (1,693,853) | (11,082,059) | (4,028,547) | (632,468) | (4,750,649) | (1,403,111) | (10,814,775) |
| Net Inflows (Outflows) | 4,856,018 | 5,554,589 | 12,844,642 | (295,795) | 22,959,454 | 13,017,382 | 3,923,537 | 11,838,614 | 765,386 | 29,544,919 |
| Realizations (c) | (3,847,191) | (5,218,518) | (5,543,470) | (435,933) | (15,045,112) | (4,423,681) | (8,620,785) | (4,576,693) | (330,677) | (17,951,836) |
| Market Activity (d)(h) | 1,383,497 | 5,624,737 | 3,419,581 | 2,728,144 | 13,155,959 | (2,943,267) | 2,843,547 | 4,098,895 | 1,028,261 | 5,027,436 |
| Balance, End of Period (e) | $339,332,420 | $309,999,029 | $329,636,429 | $82,294,870 | $1,061,262,748 | $331,797,338 | $287,048,441 | $291,268,846 | $81,178,971 | $991,293,596 |
| Increase (Decrease) | $ 2,392,324 | $ 5,960,808 | $ 10,720,753 | $ 1,996,416 | $ 21,070,301 | $ 5,650,434 | $ (1,853,701) | $ 11,360,816 | $ 1,462,970 | $ 16,620,519 |
| Increase (Decrease) | 1% | 2% | 3% | 2% | 2% | 2% | -1% | 4% | 2% | 2% |

(a) Inflows include contributions, capital raised, other increases in available capital (recallable capital and increased side-by-side commitments), purchases, inter-segment allocations and acquisitions.
(b) Outflows represent redemptions, client withdrawals and decreases in available capital (expired capital, expense drawdowns and decreased side-by-side commitments).
(c) Realizations represent realization proceeds from the disposition or other monetization of assets, current income or capital returned to investors from CLOs.
(d) Market Activity includes realized and unrealized gains (losses) on portfolio investments and the impact of foreign exchange rate fluctuations.
(e) Total and Fee-Earning Assets Under Management are reported in the segment where the assets are managed.
(f) Annualized Base Management Fee Rate represents annualized year to date Base Management Fee divided by the average of the beginning of year and each quarter end's Fee-Earning Assets Under Management in the reporting period.
(g) For the three months ended March 31, 2024, the impact to Fee-Earning Assets Under Management from foreign exchange rate fluctuations was $(1.2) billion, $(95.9) million, $(375.0) million, $(283.6) million and $(2.0) billion for the Real Estate, Private Equity, Credit & Insurance, Multi-Asset Investing and Total segments, respectively. For the three months ended March 31, 2023, such impact was $662.2 million, $27.8 million, $314.6 million, $(112.6) million and $892.1 million for the Real Estate, Private Equity, Credit & Insurance, Multi-Asset Investing and Total segments, respectively.
(h) For the three months ended March 31, 2024, the impact to Total Assets Under Management from foreign exchange rate fluctuations was $(1.9) billion, $(729.5) million, $(392.5) million, $(281.5) million and $(3.3) billion for the Real Estate, Private Equity, Credit & Insurance, Multi-Asset Investing and Total segments, respectively. For the three months ended March 31, 2023, such impact was $845.2 million, $695.4 million, $386.2 million, $(105.0) million and $1.8 billion for the Real Estate, Private Equity, Credit & Insurance, Multi-Asset Investing and Total segments, respectively.

*Fee-Earning Assets Under Management*

Fee-Earning Assets Under Management were $781.4 billion at March 31, 2024, an increase of $18.8 billion compared to $762.6 billion at December 31, 2023. The net increase was due to:

- In our Real Estate segment, an increase of $2.7 billion from $298.9 billion at December 31, 2023 to $301.6 billion at March 31, 2024. The net increase was due to inflows of $9.0 billion and market appreciation of $946.0 million, offset by realizations of $4.1 billion and outflows of $3.2 billion.
    - Inflows were driven by $3.5 billion from BREDS, $2.5 billion from BREP and co-investment and $1.9 billion from BREIT.
    - Market appreciation was driven by appreciation of $1.1 billion from BREIT (which reflected $53.4 million of foreign exchange depreciation), partially offset by depreciation of $331.2 million from BPP and co-investment (which reflected $842.6 million of foreign exchange depreciation).
    - Realizations were driven by $1.7 billion from BREDS and $1.5 billion from BREIT.
    - Outflows were driven by $2.9 billion from BREIT.
- In our Private Equity segment, an increase of $2.0 billion from $168.6 billion at December 31, 2023 to $170.6 billion at March 31, 2024. The net increase was due to inflows of $2.3 billion and market appreciation of $1.4 billion, offset by realizations of $1.5 billion and outflows of $217.5 million.
    - Inflows were driven by $980.5 million from BIP, $555.7 million from Tactical Opportunities and $243.1 million from Corporate Private Equity.
    - Market appreciation was driven by appreciation of $1.1 billion from BIP (which reflected $95.9 million of foreign exchange depreciation).

- Realizations were driven by $605.7 million from Tactical Opportunities, $420.2 million from Corporate Private Equity and $326.6 million from Strategic Partners.
- Outflows were driven by $138.3 million from BTAS.

- In our Credit & Insurance segment, an increase of $12.0 billion from $223.8 billion at December 31, 2023 to $235.8 billion at March 31, 2024. The net increase was due to inflows of $16.4 billion and market appreciation of $1.7 billion, offset by realizations of $4.0 billion and outflows of $2.1 billion.

  - Inflows were driven by $5.4 billion from direct lending, $5.4 billion from infrastructure and asset based credit strategies and $5.1 billion from liquid credit strategies.
  - Market appreciation was driven by appreciation of $995.7 million from direct lending (which reflected $123.1 million of foreign exchange depreciation).
  - Realizations were driven by $1.8 billion from liquid credit strategies and $1.3 billion from direct lending.
  - Outflows were driven by $674.9 million from liquid credit strategies, $631.0 million from the insurance platform and $573.5 million from direct lending.

- In our Multi-Asset Investing segment, an increase of $2.1 billion from $71.3 billion at December 31, 2023 to $73.4 billion at March 31, 2024. The net increase was due to market appreciation of $2.5 billion and inflows of $1.3 billion, offset by outflows of $1.3 billion and realizations of $384.9 million.

  - Market appreciation was driven by appreciation of $1.9 billion from Absolute Return (which reflected $304.6 million of foreign exchange depreciation), $361.4 million from GP Stakes (which reflected $4.6 million of foreign exchange appreciation) and $260.0 million from Multi-Strategy (which reflected $16.4 million of foreign exchange appreciation).
  - Inflows were driven by $1.2 billion from Absolute Return, $71.9 million from GP Stakes and $42.3 million from Multi-Strategy.
  - Outflows were driven by $1.2 billion from Absolute Return and $121.2 million from Multi-Strategy.
  - Realizations were driven by $260.7 million from Multi-Strategy, $63.4 million from Absolute Return and $60.8 million from GP Stakes.

*Total Assets Under Management*

Total Assets Under Management were $1,061.3 billion at March 31, 2024, an increase of $21.1 billion compared to $1,040.2 billion at December 31, 2023. The net increase was due to:

- In our Real Estate segment, an increase of $2.4 billion from $336.9 billion at December 31, 2023 to $339.3 billion at March 31, 2024. The net increase was due to inflows of $8.1 billion and market appreciation of $1.4 billion, offset by realizations of $3.8 billion and outflows of $3.2 billion.

  - Inflows were driven by $3.6 billion from BREDS, $2.3 billion from BREP and co-investment and $1.9 billion from BREIT.
  - Market appreciation was driven by appreciation of $1.1 billion from BREIT (which reflected $53.4 million of foreign exchange depreciation) and $1.0 billion from BREDS (which reflected $20.1 million of foreign exchange depreciation), partially offset by depreciation of $378.1 million from BPP and co-investment (which reflected $869.0 million of foreign exchange depreciation) and $253.2 million from BREP and co-investment (which reflected $971.1 million of foreign exchange depreciation).

- Realizations were driven by $1.5 billion from BREIT, $1.2 billion from BREDS and $672.5 million from BPP and co-investment.
- Outflows were driven by $2.9 billion from BREIT.

- In our Private Equity segment, an increase of $6.0 billion from $304.0 billion at December 31, 2023 to $310.0 billion at March 31, 2024. The net increase was due to inflows of $7.4 billion and market appreciation of $5.6 billion, offset by realizations of $5.2 billion and outflows of $1.8 billion.

  - Inflows were driven by $3.3 billion from Corporate Private Equity, $1.7 billion from BIP and $1.1 billion from Tactical Opportunities.
  - Market appreciation was driven by appreciation of $2.7 billion from Corporate Private Equity (which reflected $605.9 million of foreign exchange depreciation), $1.5 billion from BIP (which reflected $71.5 million of foreign exchange depreciation) and $920.4 million from Strategic Partners (which reflected $11.4 million of foreign exchange appreciation).
  - Realizations were driven by $2.5 billion from Corporate Private Equity, $1.5 billion from Tactical Opportunities and $1.1 billion from Strategic Partners.
  - Outflows were driven by $845.5 million from Strategic Partners and $621.4 million from Tactical Opportunities.

- In our Credit & Insurance segment, an increase of $10.7 billion from $318.9 billion at December 31, 2023 to $329.6 billion at March 31, 2024. The net increase was due to inflows of $17.2 billion and market appreciation of $3.4 billion, offset by realizations of $5.5 billion and outflows of $4.3 billion.

  - Inflows were driven by $7.3 billion from direct lending, $5.3 billion from infrastructure and asset based credit strategies and $4.4 billion from liquid credit strategies.
  - Market appreciation was driven by appreciation of $1.3 billion from direct lending (which reflected $139.7 million of foreign exchange depreciation), $875.2 million from MLP strategies and $533.5 million from the insurance platform.
  - Realizations were driven by $2.2 billion from direct lending, $1.8 billion from liquid credit strategies and $650.6 million from infrastructure and asset based credit strategies.
  - Outflows were driven by $1.9 billion from direct lending, $744.8 million from liquid credit strategies and $632.3 million from the insurance platform.

- In our Multi-Asset Investing segment, an increase of $2.0 billion from $80.3 billion at December 31, 2023 to $82.3 billion at March 31, 2024. The net increase was due to market appreciation of $2.7 billion and inflows of $1.4 billion, offset by outflows of $1.7 billion and realizations of $435.9 million.

  - Market appreciation was driven by appreciation of $1.9 billion from Absolute Return (which reflected $304.6 million of foreign exchange depreciation), $521.0 million from GP Stakes (which reflected $5.4 million of foreign exchange appreciation) and $272.8 million from Multi-Strategy (which reflected $17.8 million of foreign exchange appreciation).
  - Inflows were driven by $1.2 billion from Absolute Return, $190.1 million from Multi-Strategy and $4.4 million from GP Stakes.
  - Outflows were driven by $1.2 billion from Absolute Return and $488.0 million from Multi-Strategy.
  - Realizations were driven by $303.6 million from Multi-Strategy, $68.1 million from GP Stakes and $64.2 million from Absolute Return.

Total Assets Under Management inflows in Corporate Private Equity exceed the Fee-Earning Assets Under Management inflows primarily due to the closings of BCP IX and BETP IV in the three months ended March 31, 2024. Fee-Earning Assets Under Management inflows are reported when a fund's investment period commences or fee-earning co-investment capital is raised, whereas Total Assets Under Management activity is reported at each fund closing or when co-investment capital is raised.

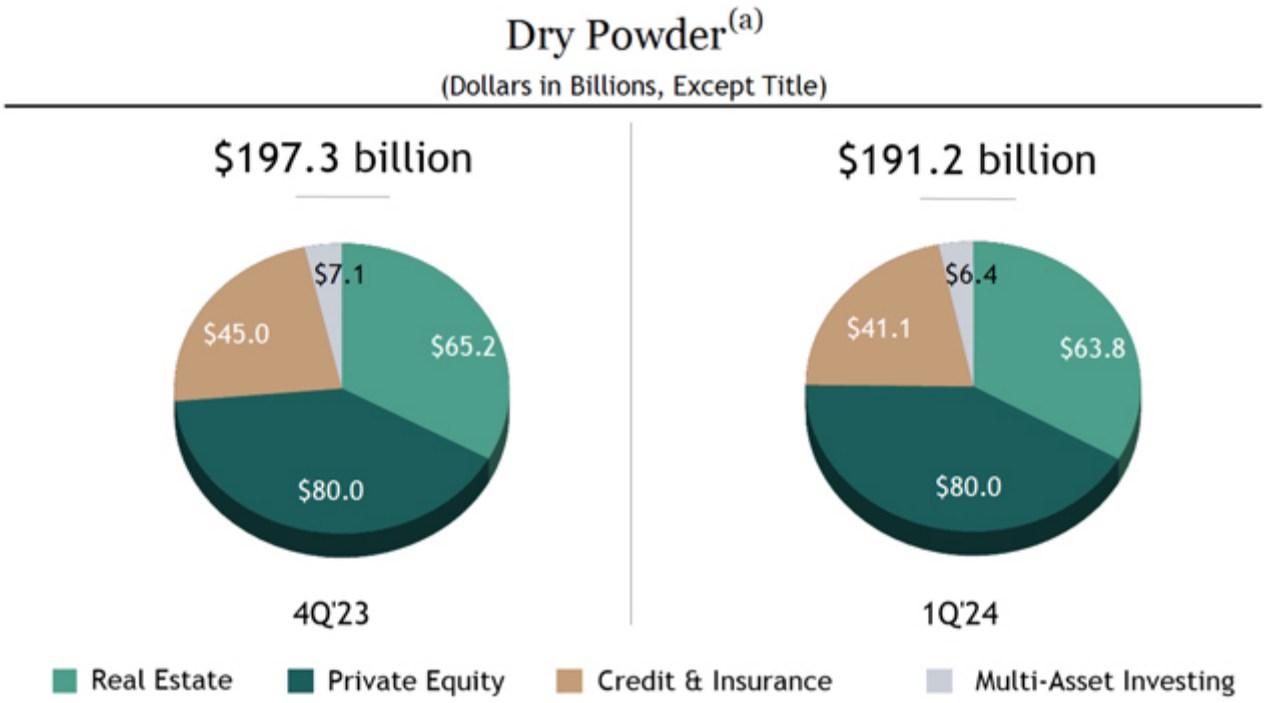
Total Assets Under Management realizations in our Private Equity segment generally represents the total proceeds and typically exceeds the Fee-Earning Assets Under Management realizations. Fee-Earning Assets Under Management generally represents only the invested capital.

Fee-Earning Assets Under Management in Corporate Private Equity is reported based on committed or remaining invested capital, whereas Total Assets Under Management is reported based on fair value and remaining available capital. Total Assets Under Management market activity therefore exceeds Fee-Earning Assets Under Management market activity.

Total Assets Under Management inflows in our Credit & Insurance segment direct lending funds exceed the Fee-Earning Assets Under Management inflows because Total Assets Under Management inflows are reported at their gross value while, for certain funds, Fee-Earning Assets Under Management are reported as net assets, which is the basis on which fees are charged.

***Dry Powder***

The following presents our Dry Powder as of quarter end of each period:



Note: Totals may not add due to rounding.

(a) Represents illiquid drawdown funds, a component of Perpetual Capital and fee-paying co-investments; includes fee-paying third party capital as well as general partner and employee capital that does not earn fees. Amounts are reduced by outstanding capital commitments, for which capital has not yet been invested.

***Net Accrued Performance Revenues***

The following table presents the Accrued Performance Revenues, net of performance compensation, of the Blackstone Funds as of March 31, 2024 and 2023. Net Accrued Performance Revenues presented do not include clawback amounts, if any, which are disclosed in Note 16. “Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements” of this filing. See “—Non-GAAP Financial Measures” for our reconciliation of Net Accrued Performance Revenues.

| | March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Dollars in Millions) | |
| Real Estate | | |
| BREP IV | $ 4 | $ 6 |
| BREP V | 4 | 4 |
| BREP VI | 2 | 19 |
| BREP VII | — | 86 |
| BREP VIII | 585 | 717 |
| BREP IX | 730 | 1,015 |
| BREP Europe IV | 3 | 43 |
| BREP Europe V | — | 28 |
| BREP Europe VI | 113 | 68 |
| BREP Asia I | 89 | 104 |
| BREP Asia II | — | 37 |
| BPP | 73 | 518 |
| BREDS | 30 | 6 |
| BTAS | — | 22 |
| Total Real Estate (a) | 1,632 | 2,672 |
| Private Equity | | |
| BCP IV | — | 6 |
| BCP V | 14 | 31 |
| BCP VI | 335 | 407 |
| BCP VII | 845 | 854 |
| BCP VIII | 398 | 276 |
| BCP Asia I | 140 | 95 |
| BCP Asia II | 40 | — |
| BEP I | 29 | 26 |
| BEP II | 138 | 2 |
| BEP III | 227 | 158 |
| BCEP I | 230 | 213 |
| Tactical Opportunities | 158 | 223 |
| Strategic Partners | 501 | 511 |
| BIP | 389 | 158 |
| BXLS | 85 | 29 |
| BTAS/BXPE | 187 | 172 |
| Total Private Equity (a) | 3,717 | 3,161 |
| Credit & Insurance | 355 | 239 |
| Multi-Asset Investing | 380 | 300 |
| Total Blackstone Net Accrued Performance Revenues | $ 6,084 | $ 6,372 |

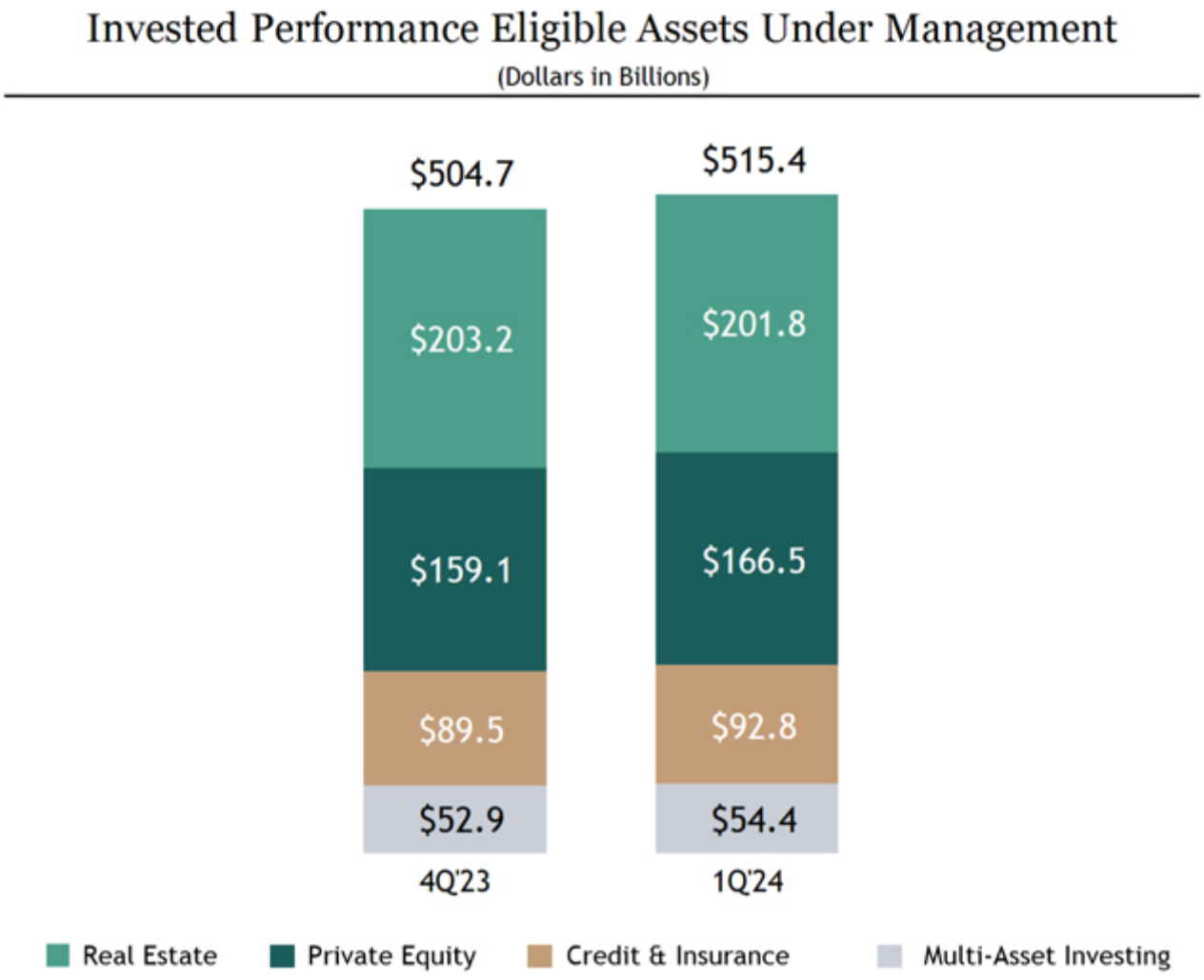
Note: Totals may not add due to rounding.

(a) Real Estate and Private Equity include co-investments, as applicable.

For the twelve months ended March 31, 2024, Net Accrued Performance Revenues receivable decreased due to net realized distributions of $1.8 billion, partially offset by Net Performance Revenues of $1.5 billion.

***Invested Performance Eligible Assets Under Management***

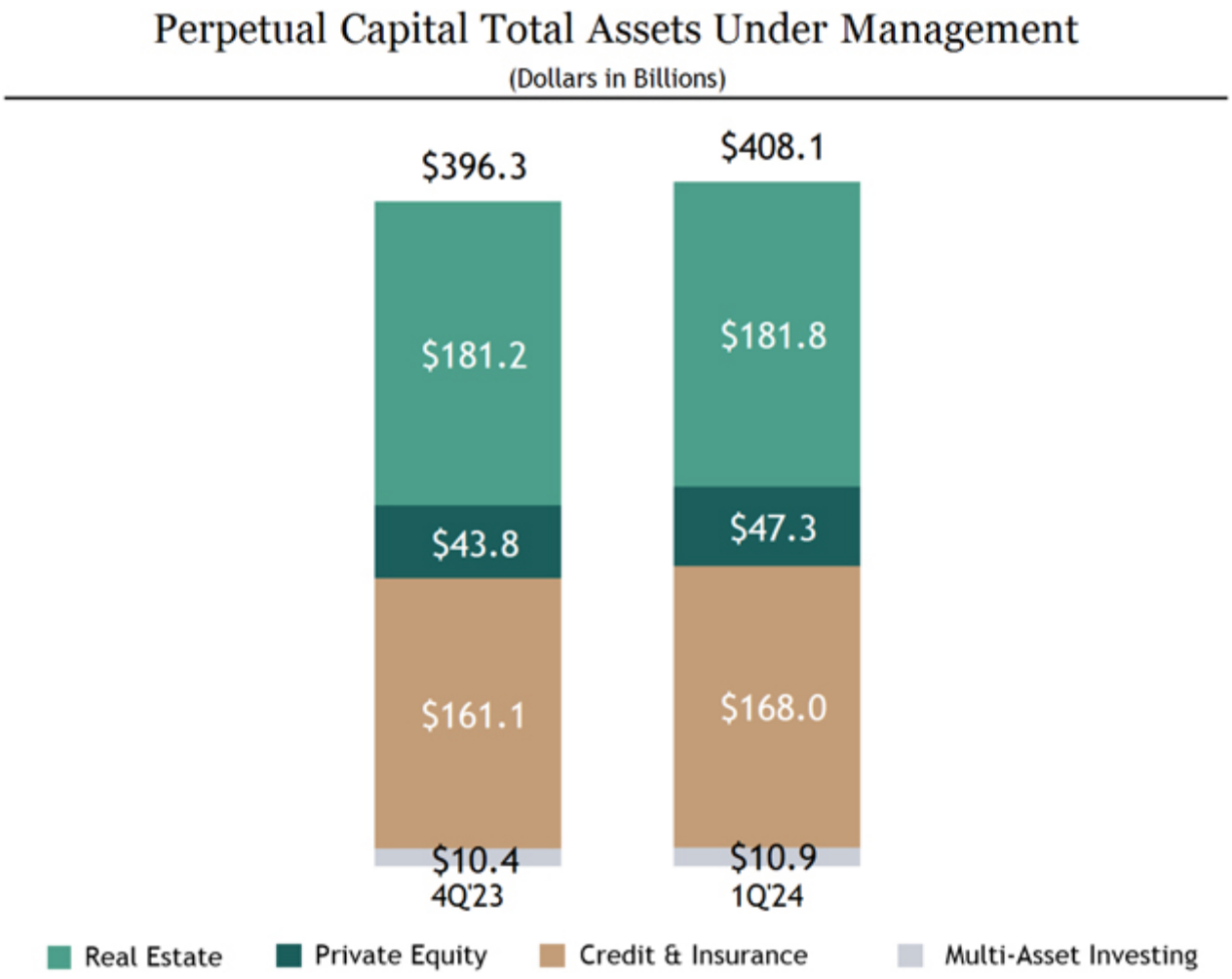
The following presents our Invested Performance Eligible Assets Under Management as of quarter end for each period:




Note: Totals may not add due to rounding.

***Perpetual Capital***

The following presents our Perpetual Capital Total Assets Under Management as of quarter end for each period:




Note: Totals may not add due to rounding.

Perpetual Capital Total Assets Under Management were $408.1 billion as of March 31, 2024, an increase of $11.8 billion, compared to $396.3 billion as of December 31, 2023. Perpetual Capital Total Assets Under Management in our Credit & Insurance and Private Equity segments increased $7.0 billion and $3.6 billion, respectively. Principal drivers of these increases were:

- In our Credit & Insurance segment, growth in insurance capital and BCRED resulted in increases of $2.6 billion and $1.9 billion, respectively.
- In our Private Equity segment, growth in BIP resulted in an increase of $3.1 billion and the BXPE Fund Program had $2.7 billion of capital raised, including amounts allocated to other segments.

***Investment Records***

Fund returns information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following tables present the investment record of our significant carry/drawdown funds and selected perpetual capital strategies from inception through March 31, 2024:

*Carry/Drawdown Funds*

| Fund (Investment Period Beginning Date / Ending Date) (a) | Committed Capital | Available Capital (b) | Unrealized Investments | | | Realized Investments | | Total Investments | | Net IRRs (d) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Value | MOIC (c) | % Public | Value | MOIC (c) | Value | MOIC (c) | Realized | Total |
| | (Dollars/Euros in Thousands, Except Where Noted) | | | | | | | | | | |
| **Real Estate** | | | | | | | | | | | |
| Pre-BREP | $ 140,714 | $ — | $ — | n/a | — | $ 345,190 | 2.5x | $ 345,190 | 2.5x | 33% | 33% |
| BREP I (Sep 1994 / Oct 1996) | 380,708 | — | — | n/a | — | 1,327,708 | 2.8x | 1,327,708 | 2.8x | 40% | 40% |
| BREP II (Oct 1996 / Mar 1999) | 1,198,339 | — | — | n/a | — | 2,531,614 | 2.1x | 2,531,614 | 2.1x | 19% | 19% |
| BREP III (Apr 1999 / Apr 2003) | 1,522,708 | — | — | n/a | — | 3,330,406 | 2.4x | 3,330,406 | 2.4x | 21% | 21% |
| BREP IV (Apr 2003 / Dec 2005) | 2,198,694 | — | 3,170 | n/a | — | 4,666,129 | 1.7x | 4,669,299 | 1.7x | 12% | 12% |
| BREP V (Dec 2005 / Feb 2007) | 5,539,418 | — | 6,226 | n/a | — | 13,463,448 | 2.3x | 13,469,674 | 2.3x | 11% | 11% |
| BREP VI (Feb 2007 / Aug 2011) | 11,060,122 | — | 5,324 | n/a | — | 27,760,883 | 2.5x | 27,766,207 | 2.5x | 13% | 13% |
| BREP VII (Aug 2011 / Apr 2015) | 13,503,329 | 1,225,034 | 1,956,790 | 0.6x | — | 28,403,367 | 2.3x | 30,360,157 | 1.9x | 20% | 14% |
| BREP VIII (Apr 2015 / Jun 2019) | 16,602,804 | 2,106,760 | 12,551,757 | 1.5x | 1% | 22,034,929 | 2.3x | 34,586,686 | 2.0x | 24% | 14% |
| BREP IX (Jun 2019 / Aug 2022) | 21,346,305 | 3,387,974 | 24,901,917 | 1.4x | 1% | 8,634,759 | 2.2x | 33,536,676 | 1.5x | 59% | 15% |
| *BREP X (Aug 2022 / Feb 2028) | 30,480,299 | 28,079,177 | 2,795,029 | 1.2x | 28% | — | n/a | 2,795,029 | 1.2x | n/m | n/m |
| Total Global BREP | $ 103,973,440 | $ 34,798,945 | $ 42,220,213 | 1.3x | 3% | $ 112,498,433 | 2.3x | $ 154,718,646 | 1.9x | 17% | 15% |
| BREP Int'l (Jan 2001 / Sep 2005) | € 824,172 | € — | € — | n/a | — | € 1,373,170 | 2.1x | € 1,373,170 | 2.1x | 23% | 23% |
| BREP Int'l II (Sep 2005 / Jun 2008) (e) | 1,629,748 | — | — | n/a | — | 2,583,032 | 1.8x | 2,583,032 | 1.8x | 8% | 8% |
| BREP Europe III (Jun 2008 / Sep 2013) | 3,205,420 | 395,780 | 156,697 | 0.3x | — | 5,856,192 | 2.4x | 6,012,889 | 2.0x | 18% | 13% |
| BREP Europe IV (Sep 2013 / Dec 2016) | 6,676,581 | 1,098,498 | 1,253,628 | 0.8x | — | 10,027,832 | 1.9x | 11,281,460 | 1.7x | 19% | 12% |
| BREP Europe V (Dec 2016 / Oct 2019) | 7,981,358 | 1,097,156 | 4,576,200 | 0.9x | — | 6,757,417 | 3.8x | 11,333,617 | 1.6x | 41% | 9% |
| BREP Europe VI (Oct 2019 / Sep 2023) | 9,922,660 | 3,320,479 | 8,093,104 | 1.2x | — | 3,439,595 | 2.6x | 11,532,699 | 1.4x | 72% | 15% |
| *BREP Europe VII (Sep 2023 / Mar 2029) | 7,073,413 | 6,525,856 | 631,994 | 1.2x | — | — | n/a | 631,994 | 1.2x | n/a | n/a |
| Total BREP Europe | € 37,313,352 | € 12,437,769 | € 14,711,623 | 1.0x | — | € 30,037,238 | 2.3x | € 44,748,861 | 1.6x | 17% | 11% |

continued...

| Fund (Investment Period Beginning Date / Ending Date) (a) | Committed Capital | Available Capital (b) | Unrealized Investments | | | Realized Investments | | Total Investments | | Net IRRs (d) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Value | MOIC (c) | % Public | Value | MOIC (c) | Value | MOIC (c) | Realized | Total |
| | | | (Dollars/Euros in Thousands, Except Where Noted) | | | | | | | | |
| **Real Estate (continued)** | | | | | | | | | | | |
| BREP Asia I (Jun 2013 / Dec 2017) | $ 4,262,075 | $ 898,228 | $ 1,614,155 | 1.6x | 23% | $ 7,023,539 | 1.9x | $ 8,637,694 | 1.9x | 16% | 12% |
| BREP Asia II (Dec 2017 / Mar 2022) | 7,354,811 | 1,310,691 | 6,618,861 | 1.2x | 4% | 1,707,204 | 1.9x | 8,326,065 | 1.3x | 31% | 5% |
| *BREP Asia III (Mar 2022 / Sep 2027) | 8,209,660 | 6,869,378 | 1,217,283 | 0.9x | — | — | n/a | 1,217,283 | 0.9x | n/a | -21% |
| Total BREP Asia | 19,826,546 | 9,078,297 | 9,450,299 | 1.2x | 7% | 8,730,743 | 1.9x | 18,181,042 | 1.5x | 17% | 8% |
| BREP Co-Investment (f) | 7,387,496 | 101,066 | 910,970 | 1.9x | — | 15,226,653 | 2.2x | 16,137,623 | 2.2x | 16% | 16% |
| Total BREP | $ 174,923,872 | $ 57,481,967 | $ 69,149,508 | 1.2x | 3% | $ 173,164,628 | 2.3x | $ 242,314,136 | 1.8x | 17% | 14% |
| *BREDS High-Yield (Various) (g) | $ 24,667,563 | $ 8,606,485 | $ 6,016,175 | 1.0x | — | $ 19,217,327 | 1.4x | $ 25,233,502 | 1.3x | 10% | 9% |
| **Private Equity** | | | | | | | | | | | |
| **Corporate Private Equity** | | | | | | | | | | | |
| BCP I (Oct 1987 / Oct 1993) | $ 859,081 | $ — | $ — | n/a | — | $ 1,741,738 | 2.6x | $ 1,741,738 | 2.6x | 19% | 19% |
| BCP II (Oct 1993 / Aug 1997) | 1,361,100 | — | — | n/a | — | 3,268,627 | 2.5x | 3,268,627 | 2.5x | 32% | 32% |
| BCP III (Aug 1997 / Nov 2002) | 3,967,422 | — | — | n/a | — | 9,228,707 | 2.3x | 9,228,707 | 2.3x | 14% | 14% |
| BCOM (Jun 2000 / Jun 2006) | 2,137,330 | 24,575 | 194 | n/a | — | 2,995,106 | 1.4x | 2,995,300 | 1.4x | 6% | 6% |
| BCP IV (Nov 2002 / Dec 2005) | 6,773,182 | 195,824 | 373 | n/a | — | 21,720,334 | 2.9x | 21,720,707 | 2.9x | 36% | 36% |
| BCP V (Dec 2005 / Jan 2011) | 21,009,112 | 1,035,259 | 62,513 | n/a | 100% | 38,806,330 | 1.9x | 38,868,843 | 1.9x | 8% | 8% |
| BCP VI (Jan 2011 / May 2016) | 15,195,243 | 1,341,026 | 4,571,438 | 2.1x | 22% | 28,457,325 | 2.2x | 33,028,763 | 2.2x | 15% | 12% |
| BCP VII (May 2016 / Feb 2020) | 18,857,108 | 1,693,906 | 18,687,754 | 1.6x | 19% | 16,827,034 | 2.6x | 35,514,788 | 2.0x | 27% | 13% |
| *BCP VIII (Feb 2020 / Feb 2026) | 25,907,791 | 10,984,120 | 21,094,309 | 1.4x | 6% | 1,507,061 | 2.5x | 22,601,370 | 1.4x | n/m | 11% |
| BCP IX (TBD) | 19,230,289 | 19,230,289 | — | n/a | — | — | n/a | — | n/a | n/a | n/a |
| Energy I (Aug 2011 / Feb 2015) | 2,441,558 | 174,492 | 524,555 | 1.6x | 58% | 4,182,579 | 2.0x | 4,707,134 | 2.0x | 14% | 11% |
| Energy II (Feb 2015 / Feb 2020) | 4,914,198 | 860,834 | 3,951,409 | 1.8x | 70% | 4,229,166 | 1.7x | 8,180,575 | 1.8x | 12% | 8% |
| *Energy III (Feb 2020 / Feb 2026) | 4,370,396 | 1,573,733 | 5,106,767 | 1.9x | 15% | 1,314,854 | 2.4x | 6,421,621 | 2.0x | 55% | 33% |
| Energy Transition IV (TBD) | 3,241,333 | 3,241,333 | — | n/a | — | — | n/a | — | n/a | n/a | n/a |
| BCP Asia I (Dec 2017 / Sep 2021) | 2,437,080 | 417,503 | 3,228,733 | 1.8x | 27% | 1,790,472 | 4.9x | 5,019,205 | 2.3x | 95% | 26% |
| *BCP Asia II (Sep 2021 / Sep 2027) | 6,770,483 | 4,982,956 | 2,317,215 | 1.5x | 6% | 25 | n/a | 2,317,240 | 1.5x | n/a | 19% |
| Core Private Equity I (Jan 2017 / Mar 2021) (h) | 4,760,247 | 1,169,489 | 7,265,294 | 1.9x | — | 2,830,764 | 5.1x | 10,096,058 | 2.3x | 58% | 18% |
| *Core Private Equity II (Mar 2021 / Mar 2026) (h) | 8,450,914 | 5,904,921 | 3,554,718 | 1.5x | — | 68,770 | n/a | 3,623,488 | 1.5x | n/a | 15% |
| Total Corporate Private Equity | $ 152,683,867 | $ 52,830,260 | $ 70,365,272 | 1.6x | 15% | $ 138,968,892 | 2.2x | $ 209,334,164 | 2.0x | 16% | 15% |

continued...

| Fund (Investment Period Beginning Date / Ending Date) (a) | Committed Capital | Available Capital (b) | Unrealized Investments | | | Realized Investments | | Total Investments | | Net IRRs (d) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Value | MOIC (c) | % Public | Value | MOIC (c) | Value | MOIC (c) | Realized | Total |
| | | | (Dollars/Euros in Thousands, Except Where Noted) | | | | | | | | |
| **Private Equity (continued)** | | | | | | | | | | | |
| **Tactical Opportunities** | | | | | | | | | | | |
| *Tactical Opportunities (Various) | $ 30,791,361 | $ 14,876,161 | $ 12,797,374 | 1.2x | 7% | $ 23,350,221 | 1.8x | $ 36,147,595 | 1.6x | 16% | 10% |
| *Tactical Opportunities Co-Investment and Other (Various) | 10,866,176 | 1,984,203 | 3,889,626 | 1.3x | 3% | 10,343,902 | 1.8x | 14,233,528 | 1.6x | 20% | 16% |
| Total Tactical Opportunities | $ 41,657,537 | $ 16,860,364 | $ 16,687,000 | 1.2x | 6% | $ 33,694,123 | 1.8x | $ 50,381,123 | 1.6x | 17% | 12% |
| **Growth** | | | | | | | | | | | |
| *BXG I (Jul 2020 / Jul 2025) | $ 5,117,385 | $ 1,229,251 | $ 3,490,110 | 1.0x | 2% | $ 509,532 | 2.6x | $ 3,999,642 | 1.0x | n/m | -3% |
| BXG II (TBD) | 4,117,735 | 4,117,735 | — | n/a | — | — | n/a | — | n/a | n/a | n/a |
| Total Growth | $ 9,235,120 | $ 5,346,986 | $ 3,490,110 | 1.0x | 2% | $ 509,532 | 2.6x | $ 3,999,642 | 1.0x | n/m | -3% |
| **Strategic Partners (Secondaries)** | | | | | | | | | | | |
| Strategic Partners I-V (Various) (i) | $ 11,035,527 | $ 139,208 | $ 7,902 | n/a | — | $ 16,782,783 | n/a | $ 16,790,685 | 1.7x | n/a | 13% |
| Strategic Partners VI (Apr 2014 / Apr 2016) (i) | 4,362,772 | 609,788 | 768,144 | n/a | — | 4,292,757 | n/a | 5,060,901 | 1.7x | n/a | 14% |
| Strategic Partners VII (May 2016 / Mar 2019) (i) | 7,489,970 | 1,572,428 | 4,126,974 | n/a | — | 6,722,300 | n/a | 10,849,274 | 1.9x | n/a | 17% |
| Strategic Partners Real Assets II (May 2017 / Jun 2020) (i) | 1,749,807 | 474,064 | 1,286,170 | n/a | — | 1,142,630 | n/a | 2,428,800 | 1.7x | n/a | 17% |
| Strategic Partners VIII (Mar 2019 / Oct 2021) (i) | 10,763,600 | 4,085,028 | 7,924,434 | n/a | — | 6,335,653 | n/a | 14,260,087 | 1.8x | n/a | 27% |
| *Strategic Partners Real Estate, SMA and Other (Various) (i) | 7,055,474 | 2,563,005 | 2,105,684 | n/a | — | 2,382,194 | n/a | 4,487,878 | 1.6x | n/a | 13% |
| *Strategic Partners Infrastructure III (Jun 2020 / Jul 2024) (i) | 3,250,100 | 708,817 | 1,980,800 | n/a | — | 249,542 | n/a | 2,230,342 | 1.4x | n/a | 26% |
| *Strategic Partners IX (Oct 2021 / Jan 2027) (i) | 19,542,126 | 9,574,305 | 5,693,178 | n/a | — | 662,344 | n/a | 6,355,522 | 1.4x | n/a | 18% |
| *Strategic Partners GP Solutions (Jun 2021 / Dec 2026) (i) | 2,095,211 | 881,849 | 854,004 | n/a | — | 3,947 | n/a | 857,951 | 1.0x | n/a | -2% |
| Total Strategic Partners (Secondaries) | $ 67,344,587 | $ 20,608,492 | $ 24,747,290 | n/a | — | $ 38,574,150 | n/a | $ 63,321,440 | 1.7x | n/a | 14% |
| **Life Sciences** | | | | | | | | | | | |
| Clarus IV (Jan 2018 / Jan 2020) | $ 910,000 | $ 73,154 | $ 793,632 | 1.9x | — | $ 369,363 | 1.1x | $ 1,162,995 | 1.6x | - | 9% |
| *BXLS V (Jan 2020 / Jan 2025) | 4,988,972 | 2,912,985 | 2,779,957 | 1.6x | 5% | 378,348 | 1.1x | 3,158,305 | 1.5x | n/m | 12% |

continued...

| Fund (Investment Period Beginning Date / Ending Date) (a) | Committed Capital | Available Capital (b) | Unrealized Investments | | | Realized Investments | | Total Investments | | Net IRRs (d) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Value | MOIC (c) | % Public | Value | MOIC (c) | Value | MOIC (c) | Realized | Total |
| | | | (Dollars/Euros in Thousands, Except Where Noted) | | | | | | | | |
| **Credit** | | | | | | | | | | | |
| Mezzanine / Opportunistic I (Jul 2007 / Oct 2011) | $ 2,000,000 | $ 97,114 | $ — | n/a | — | $ 4,809,113 | 1.6x | $ 4,809,113 | 1.6x | n/a | 17% |
| Mezzanine / Opportunistic II (Nov 2011 / Nov 2016) | 4,120,000 | 993,273 | 117,138 | 0.2x | — | 6,658,981 | 1.6x | 6,776,119 | 1.4x | n/a | 10% |
| Mezzanine / Opportunistic III (Sep 2016 / Jan 2021) | 6,639,133 | 1,148,209 | 2,114,634 | 1.0x | — | 7,844,281 | 1.6x | 9,958,915 | 1.4x | n/a | 10% |
| *Mezzanine / Opportunistic IV (Jan 2021 / Jan 2026) | 5,016,771 | 1,951,268 | 3,878,623 | 1.1x | — | 930,085 | 1.8x | 4,808,708 | 1.2x | n/a | 14% |
| Stressed / Distressed I (Sep 2009 / May 2013) | 3,253,143 | — | — | n/a | — | 5,777,098 | 1.3x | 5,777,098 | 1.3x | n/a | 9% |
| Stressed / Distressed II (Jun 2013 / Jun 2018) | 5,125,000 | 547,430 | 216,845 | 0.3x | — | 5,392,565 | 1.2x | 5,609,410 | 1.1x | n/a | 1% |
| Stressed / Distressed III (Dec 2017 / Dec 2022) | 7,356,380 | 826,481 | 4,162,531 | 1.2x | — | 2,356,768 | 1.3x | 6,519,299 | 1.2x | n/a | 9% |
| Energy I (Nov 2015 / Nov 2018) | 2,856,867 | 1,154,846 | 344,491 | 0.8x | — | 3,212,049 | 1.6x | 3,556,540 | 1.5x | n/a | 10% |
| Energy II (Feb 2019 / Jun 2023) | 3,616,081 | 1,503,865 | 1,731,457 | 1.0x | — | 1,937,938 | 1.6x | 3,669,395 | 1.3x | n/a | 16% |
| *Green Energy III (May 2023 / May 2028) | 6,477,000 | 5,488,866 | 1,005,818 | 1.0x | — | 20,437 | n/a | 1,026,255 | 1.0x | n/a | n/m |
| European Senior Debt I (Feb 2015 / Feb 2019) | € 1,964,689 | € 142,898 | € 515,052 | 0.7x | — | € 2,682,985 | 1.3x | € 3,198,037 | 1.2x | n/a | 2% |
| European Senior Debt II (Jun 2019 / Jun 2023) (j) | € 4,088,344 | € 949,277 | € 4,437,562 | 1.0x | — | € 2,113,662 | 2.3x | € 6,551,224 | 1.2x | n/a | 10% |
| Total Credit Drawdown Funds (k) | $ 53,366,033 | $ 14,890,901 | $ 18,904,358 | 1.0x | — | $ 44,464,994 | 1.5x | $ 63,369,352 | 1.3x | n/a | 10% |

*Selected Perpetual Capital Strategies (l)*

| Strategy (Inception Year) (a) | Investment Strategy | Total Assets Under Management | Total Net Return (m) |
|---|---|---|---|
| | | (Dollars in Thousands, Except Where Noted) | |
| **Real Estate** | | | |
| BPP—Blackstone Property Partners Platform (2013) (n) | Core+ Real Estate | $ 64,982 | 6% |
| BREIT—Blackstone Real Estate Income Trust (2017) (o) | Core+ Real Estate | 59,275 | 10% |
| *BREIT—Class I (p)* | *Core+ Real Estate* | | *10%* |
| BXMT—Blackstone Mortgage Trust (2013) (q) | Real Estate Debt | 6,134 | 6% |
| **Private Equity** | | | |
| BIP—Blackstone Infrastructure Partners (2019) (r) | Infrastructure | 34,292 | 15% |
| BXPE—Blackstone Private Equity Strategies Fund Program (s) | Private Equity | 2,715 | n/m |
| **Credit** | | | |
| BXSL—Blackstone Secured Lending Fund (2018) (t) | U.S. Direct Lending | 11,771 | 11% |
| BCRED—Blackstone Private Credit Fund (2021) (u) | U.S. Direct Lending | 66,357 | 10% |
| *BCRED—Class I (v)* | *U.S. Direct Lending* | | *10%* |
| **Multi-Asset Investing** | | | |
| BSCH—Blackstone Strategic Capital Holdings (2014) (w) | GP Stakes | 9,782 | 12% |

**The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.**

n/m Not meaningful generally due to the limited time since initial investment.
n/a Not applicable.
SMA Separately managed account.
* Represents funds that are currently in their investment period.
(a) Excludes investment vehicles where Blackstone does not earn fees.
(b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or recallable capital and may include leverage, less invested capital. This amount is not reduced by outstanding commitments to investments.
(c) Multiple of Invested Capital ("MOIC") represents carrying value, before management fees, expenses and Performance Revenues, divided by invested capital.
(d) Unless otherwise indicated, Net Internal Rate of Return ("IRR") represents the annualized inception to March 31, 2024 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues. IRRs are calculated using actual timing of limited partner cash flows. Initial inception date of cash flows may differ from the Investment Period Beginning Date.
(e) The 8% Realized Net IRR and 8% Total Net IRR exclude investors that opted out of the Hilton investment opportunity. Overall BREP International II performance reflects a 7% Realized Net IRR and a 7% Total Net IRR.
(f) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment's realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.
(g) BREDS High-Yield represents the flagship real estate debt drawdown funds only.
(h) Blackstone Core Equity Partners is a core private equity strategy which invests with a more modest risk profile and longer hold period than traditional private equity.
(i) Strategic Partners' Unrealized Investment Value, Realized Investment Value, Total Investment Value, Total MOIC and Total Net IRRs are reported on a three-month lag and therefore do not include the impact of economic and market activities in the current quarter. Realizations are treated as returns of capital until fully recovered and therefore Unrealized and Realized MOICs and Realized Net IRRs are not applicable. Committed Capital and Available Capital are presented as of the current quarter.

(j) European Senior Debt II Levered has a net return of 16%, European Senior Debt II Unlevered has a net return of 8%.

(k) Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the credit drawdown funds presented.

(l) Represents the performance for select Perpetual Capital Strategies; strategies excluded consist primarily of (1) investment strategies that have been investing for less than one year, (2) perpetual capital assets managed for certain insurance clients, and (3) investment vehicles where Blackstone does not earn fees.

(m) Unless otherwise indicated, Total Net Return represents the annualized inception to March 31, 2024 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues. IRRs are calculated using actual timing of investor cash flows. Initial inception date of cash flows occurred during the Inception Year.

(n) BPP represents the aggregate Total Assets Under Management and Total Net Return of the BPP Platform, which comprises over 30 funds, co-investment and separately managed account vehicles. It includes certain vehicles managed as part of the BPP Platform but not classified as Perpetual Capital. As of March 31, 2024, these vehicles represented $2.3 billion of Total Assets Under Management.

(o) The BREIT Total Net Return reflects a per share blended return, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. This return is not representative of the return experienced by any particular investor or share class. Total Net Return is presented on an annualized basis and is from January 1, 2017.

(p) Represents the Total Net Return for BREIT's Class I shares, its largest share class. Performance varies by share class. Class I Total Net Return assumes reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT, Class I Total Net Return is presented on an annualized basis and is from January 1, 2017.

(q) The BXMT Total Net Return reflects annualized market return of a shareholder invested in BXMT since inception, May 22, 2013, assuming reinvestment of all dividends received during the period.

(r) Including co-investment vehicles, BIP Total Assets Under Management is $43.9 billion.

(s) BXPE Fund Program's Total Assets Under Management reflects net asset value as of February 29, 2024 plus net subscriptions as of March 1, 2024. For purposes of segment Assets Under Management reporting, BXPE's Assets Under Management are reported by the business managing the assets.

(t) The BXSL Total Assets Under Management and Total Net Return are presented as of December 31, 2023. Refer to BXSL public filings for current quarter results. BXSL Total Net Return reflects the change in Net Asset Value ("NAV") per share, plus distributions per share (assuming dividends and distributions are reinvested in accordance with BXSL's dividend reinvestment plan) divided by the beginning NAV per share. Total Net Returns are presented on an annualized basis and are from November 20, 2018.

(u) The BCRED Total Net Return reflects a per share blended return, assuming BCRED had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BCRED. This return is not representative of the return experienced by any particular investor or share class. Total Net Return is presented on an annualized basis and is from January 7, 2021. Total Assets Under Management reflects gross asset value plus amounts borrowed or available to be borrowed under certain credit facilities. BCRED net asset value as of March 31, 2024 was $31.0 billion.

(v) Represents the Total Net Return for BCRED's Class I shares, its largest share class. Performance varies by share class. Class I Total Net Return assumes reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BCRED. Class I Total Net Return is presented on an annualized basis and is from January 7, 2021.

(w) BSCH represents the aggregate Total Assets Under Management and Total Net Return of BSCH I and BSCH II funds that invest as part of the GP Stakes strategy, which targets minority investments in the general partners of private equity and other private-market alternative asset management firms globally. Including co-investment vehicles that do not pay fees, BSCH Total Assets Under Management is $10.8 billion.

**Segment Analysis**

Discussed below is our Segment Distributable Earnings for each of our segments. This information is reflected in the manner utilized by our senior management to make operating decisions, assess performance and allocate resources. References to "our" sectors or investments may also refer to portfolio companies and investments of the underlying funds that we manage.

***Real Estate***

The following table presents the results of operations for our Real Estate segment:

| | Three Months Ended March 31, | | 2024 vs. 2023 | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| | (Dollars in Thousands) | | | |
| Management Fees, Net | | | | |
| Base Management Fees | $ 694,179 | $ 705,387 | $ (11,208) | -2% |
| Transaction and Other Fees, Net | 29,190 | 20,561 | 8,629 | 42% |
| Management Fee Offsets | (2,930) | (10,457) | 7,527 | -72% |
| Total Management Fees, Net | 720,439 | 715,491 | 4,948 | 1% |
| Fee Related Performance Revenues | 129,958 | 20,748 | 109,210 | 526% |
| Fee Related Compensation | (174,569) | (137,610) | (36,959) | 27% |
| Other Operating Expenses | (89,762) | (74,181) | (15,581) | 21% |
| **Fee Related Earnings** | 586,066 | 524,448 | 61,618 | 12% |
| Realized Performance Revenues | 49,967 | 11,096 | 38,871 | 350% |
| Realized Performance Compensation | (21,863) | (3,165) | (18,698) | 591% |
| Realized Principal Investment Income | 2,193 | 2,224 | (31) | -1% |
| **Net Realizations** | 30,297 | 10,155 | 20,142 | 198% |
| **Segment Distributable Earnings** | $ 616,363 | $ 534,603 | $ 81,760 | 15% |

n/m Not meaningful.

*Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023*

Segment Distributable Earnings were $616.4 million for the three months ended March 31, 2024, an increase of $81.8 million, compared to $534.6 million for the three months ended March 31, 2023. The increase in Segment Distributable Earnings was primarily attributable to increases of $61.6 million in Fee Related Earnings and $20.1 million in Net Realizations.

Our global opportunistic and Core+ real estate portfolios' concentration in high-conviction sectors where we see favorable long-term fundamentals helped support performance in the first quarter of 2024. Demand drivers remain in place across key sectors, including digital infrastructure, logistics and student housing. Nevertheless, the real estate market has been characterized by divergent performance across sectors. Growth has slowed and may moderate further in certain sectors with elevated near-term supply, including U.S. multifamily and life sciences office, which has negatively impacted valuations of such assets. Weak fundamentals persisted in the U.S. office market, where traditional office buildings remained particularly challenged. Traditional U.S. office, however, represents less than 2% of the aggregate net asset value of our global opportunistic and Core+ real estate

portfolios. High interest rates, which have negatively impacted real estate valuations, could continue to be a challenge should they remain at high levels for an extended period. The high interest rate environment has also contributed to lower realizations, and we expect a lag between an improving market environment and a reacceleration of realizations. With signs of the debt markets reopening, we believe a more favorable period for the cost and availability of financing, together with the steep decline in future new supply in certain sectors, should be supportive of real estate valuations over time.

In our perpetual capital strategies, in the first quarter of 2024, BREIT repurchase requests fell to their lowest in nearly two years, and the vehicle ceased to be in proration. While a deterioration of the current market environment could adversely affect net inflows in perpetual capital strategies, we believe that strong investment performance and investor under-allocation to such strategies should drive flows over the long-term.

*Fee Related Earnings*

Fee Related Earnings were $586.1 million for the three months ended March 31, 2024, an increase of $61.6 million, compared to $524.4 million for the three months ended March 31, 2023. The increase in Fee Related Earnings was primarily attributable to an increase of $109.2 million in Fee Related Performance Revenues, partially offset by increases of $37.0 million in Fee Related Compensation and $15.6 million in Other Operating Expenses.

Fee Related Performance Revenues were $130.0 million for the three months ended March 31, 2024, an increase of $109.2 million, compared to $20.7 million for the three months ended March 31, 2023. The increase was primarily due to higher Fee Related Performance Revenues in Core+ real estate.

Fee Related Compensation was $174.6 million for the three months ended March 31, 2024, an increase of $37.0 million, compared to $137.6 million for the three months ended March 31, 2023. The increase was primarily due to an increase in Fee Related Performance Revenues, on which a portion of Fee Related Compensation is based.

Other Operating Expenses were $89.8 million for the three months ended March 31, 2024, an increase of $15.6 million, compared to $74.2 million for the three months ended March 31, 2023. The increase was primarily due to occupancy costs and loan servicing expenses.

*Net Realizations*

Net Realizations were $30.3 million for the three months ended March 31, 2024, an increase of $20.1 million, compared to $10.2 million for the three months ended March 31, 2023. The increase in Net Realizations was primarily attributable to an increase of $38.9 million in Realized Performance Revenues, partially offset by an increase of $18.7 million in Realized Performance Compensation.

Realized Performance Revenues were $50.0 million for the three months ended March 31, 2024, an increase of $38.9 million, compared to $11.1 million for the three months ended March 31, 2023. The increase was primarily due to higher Realized Performance Revenues in BREDS and BPP and co-investment.

Realized Performance Compensation was $21.9 million for the three months ended March 31, 2024, an increase of $18.7 million, compared to $3.2 million for the three months ended March 31, 2023. The increase was primarily due to the increase in Realized Performance Revenues.

*Fund Returns*

Fund return information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following table presents the internal rates of return, except where noted, of our significant real estate funds:

| | Three Months Ended March 31, | | | | March 31, 2024 Inception to Date | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | Realized | | Total | |
| Fund (a) | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| BREP VII (b) | -5% | -5% | -7% | -6% | 27% | 20% | 21% | 14% |
| BREP VIII (b) | 1% | 1% | -2% | -2% | 31% | 24% | 20% | 14% |
| BREP IX (b) | - | - | - | - | 86% | 59% | 22% | 15% |
| BREP Europe IV (b)(c) | 2% | 1% | -3% | -3% | 27% | 19% | 18% | 12% |
| BREP Europe V (b)(c) | - | - | -2% | -2% | 49% | 41% | 13% | 9% |
| BREP Europe VI (b)(c) | 1% | 1% | 4% | 2% | 97% | 72% | 24% | 15% |
| BREP Asia I (b) | -1% | -1% | -1% | -1% | 23% | 16% | 18% | 12% |
| BREP Asia II (b) | -2% | -2% | - | 1% | 45% | 31% | 9% | 5% |
| BREP Asia III | -2% | -5% | n/m | n/m | n/a | n/a | -5% | -21% |
| BREP Co-Investment (b)(d) | -2% | -2% | 1% | 1% | 18% | 16% | 18% | 16% |
| BPP (e) | - | - | -3% | -3% | n/a | n/a | 8% | 6% |
| BREIT (f) | n/a | 2% | n/a | -1% | n/a | n/a | n/a | 10% |
| BREIT—Class I (g) | n/a | 2% | n/a | -1% | n/a | n/a | n/a | 10% |
| BREDS High-Yield (h) | 5% | 3% | 1% | - | 14% | 10% | 14% | 9% |
| BXMT (i) | n/a | -3% | n/a | -13% | n/a | n/a | n/a | 6% |

**The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.**

n/m Not meaningful generally due to the limited time since initial investment.

n/a Not applicable.

(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Revenues. Excludes investment vehicles where Blackstone does not earn fees.

(b) Fund return information for the BREP funds for the three months ended March 31, 2023 previously presented in our Quarterly Report on Form 10-Q for such period reflected computational errors that resulted in the presentation of annualized returns instead of quarterly returns. The corrected internal rates of return (gross and net) for such period for such funds are reflected in the table.

(c) Euro-based internal rates of return.

(d) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment's realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.

(e) The BPP platform, which comprises over 30 funds, co-investment and separately managed account vehicles, represents the Core+ real estate funds which invest with a more modest risk profile and lower leverage.

(f) Reflects a per share blended return for each respective period, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. These returns are not representative of the returns experienced by any particular investor or share class. Inception to date returns are presented on an annualized basis and are from January 1, 2017.

(g) Represents the Total Net Return for BREIT's Class I shares, its largest share class. Performance varies by share class. Class I Total Net Return assumes reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. Inception to date return is from January 1, 2017.

(h) BREDS High-Yield represents the flagship real estate debt drawdown funds only. Inception to date returns are from July 1, 2009.

(i) Reflects annualized return of a shareholder invested in BXMT as of the beginning of each period presented, assuming reinvestment of all dividends received during the period, and net of all fees and expenses incurred by BXMT. Return incorporates the closing NYSE stock price as of each period end. Inception to date returns are from May 22, 2013.

*Funds With Closed Investment Periods as of March 31, 2024*

The Real Estate segment has fourteen funds with closed investment periods as of March 31, 2024: BREP IX, BREP VIII, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe VI, BREP Europe V, BREP Europe IV, BREP Europe III, BREP Asia II, BREP Asia I, BREDS IV and BREDS III. As of March 31, 2024, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe IV, BREP Europe III and BREP Asia I were above their carried interest thresholds (i.e., the preferred return payable to its limited partners before the general partner is eligible to receive carried interest) and would have been above their carried interest thresholds even if all remaining investments were valued at zero. BREP IX, BREP VIII, BREP Europe VI, BREP Europe V, BREDS IV and BREDS III were above their carried interest thresholds as of March 31, 2024, and BREP Asia II was below its carried interest threshold. Funds are considered above their carried interest thresholds based on the aggregate fund position, although individual limited partners may be below their respective carried interest thresholds in certain funds.

***Private Equity***

The following table presents the results of operations for our Private Equity segment:

| | Three Months Ended March 31, | | 2024 vs. 2023 | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| | (Dollars in Thousands) | | | |
| Management and Advisory Fees, Net | | | | |
| Base Management Fees | $ 450,283 | $ 451,610 | $ (1,327) | - |
| Transaction, Advisory and Other Fees, Net | 26,149 | 14,784 | 11,365 | 77% |
| Management Fee Offsets | (267) | (1,310) | 1,043 | -80% |
| Total Management and Advisory Fees, Net | 476,165 | 465,084 | 11,081 | 2% |
| Fee Related Compensation | (157,392) | (161,626) | 4,234 | -3% |
| Other Operating Expenses | (86,879) | (76,763) | (10,116) | 13% |
| **Fee Related Earnings** | 231,894 | 226,695 | 5,199 | 2% |
| Realized Performance Revenues | 446,455 | 499,322 | (52,867) | -11% |
| Realized Performance Compensation | (218,938) | (232,934) | 13,996 | -6% |
| Realized Principal Investment Income | 22,208 | 32,889 | (10,681) | -32% |
| **Net Realizations** | 249,725 | 299,277 | (49,552) | -17% |
| **Segment Distributable Earnings** | $ 481,619 | $ 525,972 | $ (44,353) | -8% |

n/m Not meaningful.

*Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023*

Segment Distributable Earnings were $481.6 million for the three months ended March 31, 2024, a decrease of $44.4 million, compared to $526.0 million for the three months ended March 31, 2023. The decrease in Segment Distributable Earnings was attributable to a decrease of $49.6 million in Net Realizations, partially offset by an increase of $5.2 million in Fee Related Earnings.

Our Private Equity segment demonstrated resilient performance across nearly all of its strategies in the first quarter of 2024. In Corporate Private Equity, our operating companies saw resilient, albeit decelerating, revenue growth overall in the quarter. Economic uncertainty has contributed to muted realizations, and we expect a lag between improving markets and a re-acceleration of realizations. Investors' ability to allocate to private equity strategies amidst difficult market conditions and lower realizations have contributed to an already demanding fundraising environment, and these near-term headwinds have made fundraising for our flagship corporate private equity fund more difficult. Nevertheless, we believe that the long-term fundraising trajectory in our Private Equity segment remains positive, supported further by the recent expansion of our private wealth offerings in private equity.

*Fee Related Earnings*

Fee Related Earnings were $231.9 million for the three months ended March 31, 2024, an increase of $5.2 million, compared to $226.7 million for the three months ended March 31, 2023. The increase in Fee Related Earnings was primarily attributable to an increase of $11.1 million in Management and Advisory Fees, Net and a decrease of $4.2 million in Fee Related Compensation, partially offset by an increase of $10.1 million in Other Operating Expenses.

Management and Advisory Fees, Net were $476.2 million for the three months ended March 31, 2024, an increase of $11.1 million, compared to $465.1 million for the three months ended March 31, 2023, primarily driven by an increase in Transaction, Advisory and Other Fees, Net. Transaction, Advisory and Other Fees, Net increased $11.4 million primarily due to deal activity in BXCM.

Fee Related Compensation was $157.4 million for the three months ended March 31, 2024, a decrease of $4.2 million, compared to $161.6 million for the three months ended March 31, 2023. The decrease was primarily due to lower compensation accruals.

Other Operating Expenses were $86.9 million for the three months ended March 31, 2024, an increase of $10.1 million, compared to $76.8 million for the three months ended March 31, 2023. The increase was primarily due to occupancy costs and professional fees, including placement fees.

*Net Realizations*

Net Realizations were $249.7 million for the three months ended March 31, 2024, a decrease of $49.6 million, compared to $299.3 million for the three months ended March 31, 2023. The decrease in Net Realizations was primarily attributable to decreases of $52.9 million in Realized Performance Revenues and $10.7 million in Realized Principal Investment Income, partially offset by a decrease of $14.0 million in Realized Performance Compensation.

Realized Performance Revenues were $446.5 million for the three months ended March 31, 2024, a decrease of $52.9 million, compared to $499.3 million for the three months ended March 31, 2023. The decrease was primarily due to lower Realized Performance Revenues in Corporate Private Equity, partially offset by higher Realized Performance Revenues in Tactical Opportunities.

Realized Principal Investment Income was $22.2 million for the three months ended March 31, 2024, a decrease of $10.7 million, compared to $32.9 million for the three months ended March 31, 2023. The decrease was primarily due to lower Realized Principal Investment Income in Corporate Private Equity.

Realized Performance Compensation was $218.9 million for the three months ended March 31, 2024, a decrease of $14.0 million, compared to $232.9 million for the three months ended March 31, 2023. The decrease was primarily due to lower Realized Performance Revenues in Corporate Private Equity, partially offset by higher Realized Performance Revenues in Tactical Opportunities.

*Fund Returns*

Fund returns information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following table presents the internal rates of return of our significant private equity funds:

| | Three Months Ended March 31, | | | | March 31, 2024 Inception to Date | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | Realized | | Total | |
| **Fund (a)** | **Gross** | **Net** | **Gross** | **Net** | **Gross** | **Net** | **Gross** | **Net** |
| BCP VI | 4% | 4% | 2% | 1% | 19% | 15% | 17% | 12% |
| BCP VII | 4% | 3% | 5% | 4% | 37% | 27% | 19% | 13% |
| BCP VIII | 2% | 1% | 2% | 1% | n/m | n/m | 20% | 11% |
| BEP I | 11% | 10% | -15% | -13% | 18% | 14% | 15% | 11% |
| BEP II | 11% | 5% | 1% | 1% | 15% | 12% | 13% | 8% |
| BEP III | 5% | 4% | 9% | 7% | 78% | 55% | 49% | 33% |
| BCP Asia I | -3% | -2% | -3% | -3% | 128% | 95% | 37% | 26% |
| BCP Asia II | 5% | 3% | n/m | n/m | n/a | n/a | 54% | 19% |
| BCEP I (b) | 3% | 2% | 1% | 1% | 64% | 58% | 20% | 18% |
| BCEP II (b) | 2% | 2% | 6% | 4% | n/a | n/a | 21% | 15% |
| Tactical Opportunities | 2% | 1% | 2% | 2% | 19% | 16% | 15% | 10% |
| Tactical Opportunities Co-Investment and Other | 2% | 2% | 3% | 4% | 22% | 20% | 19% | 16% |
| BXG I | - | -1% | - | -1% | n/m | n/m | 2% | -3% |
| Strategic Partners VI (c) | 1% | - | -2% | -2% | n/a | n/a | 18% | 14% |
| Strategic Partners VII (c) | 2% | 2% | 1% | 1% | n/a | n/a | 22% | 17% |
| Strategic Partners Real Assets II (c) | 8% | 7% | 1% | - | n/a | n/a | 20% | 17% |
| Strategic Partners VIII (c) | - | - | 2% | 1% | n/a | n/a | 35% | 27% |
| Strategic Partners Real Estate, SMA and Other (c) | -1% | -1% | - | - | n/a | n/a | 15% | 13% |
| Strategic Partners Infrastructure III (c) | 1% | - | 1% | - | n/a | n/a | 39% | 26% |
| Strategic Partners IX (c) | 6% | 4% | 2% | - | n/a | n/a | 30% | 18% |
| Strategic Partners GP Solutions (c) | 3% | 1% | 1% | - | n/a | n/a | 3% | -2% |
| BIP | 5% | 4% | -3% | -2% | n/a | n/a | 20% | 15% |
| Clarus IV | 2% | 1% | 7% | 6% | 6% | - | 15% | 9% |
| BXLS V | 2% | 1% | 6% | 4% | n/m | n/m | 25% | 12% |

**The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.**

| | |
|---|---|
| n/m | Not meaningful generally due to the limited time since initial investment. |
| n/a | Not applicable. |
| SMA | Separately managed account. |
| (a) | Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Revenues. Excludes investment vehicles where Blackstone does not earn fees. |
| (b) | BCEP is a core private equity strategy which invests with a more modest risk profile and longer hold period than traditional private equity. |
| (c) | Gross and net returns are reported on a three-month lag, reflect Strategic Partners' fund financial performance as of the prior quarter and therefore do not include the impact of economic and market activities in the current quarter. Realizations are treated as returns of capital until fully recovered and therefore inception to date realized returns are not applicable. |

*Funds With Closed Investment Periods as of March 31, 2024*

The Corporate Private Equity funds have nine funds with closed investment periods: BCP IV, BCP V, BCP VI, BCP VII, BCOM, BEP I, BEP II, BCEP I and BCP Asia I. As of March 31, 2024, BCP IV was above its carried interest threshold (i.e., the preferred return payable to its limited partners before the general partner is eligible to receive carried interest) and would still be above its carried interest threshold even if all remaining investments were valued at zero. BCP V is comprised of two fund classes, the BCP V "main fund" and BCP V-AC fund. Within these fund classes, the general partner is subject to equalization such that (a) the general partner accrues carried interest when the respective carried interest for either fund class is positive and (b) the general partner realizes carried interest so long as clawback obligations, if any, for either of the respective fund classes are fully satisfied. BCP V, BCP VI, BCP VII, BCOM, BEP I, BEP II, BCEP I and BCP Asia I were above their respective carried interest thresholds. Funds are considered above their carried interest thresholds based on the aggregate fund position, although individual limited partners may be below their respective carried interest thresholds in certain funds.

The Tactical Opportunities funds have various funds with closed investment periods, including but not limited to: BTOF-POOL, BTOF-POOL II, and BTOF-POOL III, which are each above their carried interest thresholds based on aggregate fund position. Blackstone Growth funds have no funds with closed investment periods. Strategic Partners funds have various funds with closed investment periods, including but not limited to: Strategic Partners Real Assets II, Strategic Partners VIII and Strategic Partners Real Estate VII, which are above their respective carried interest thresholds based on aggregate fund position. Certain Strategic Partners funds with closed investment periods do not generate carried interest for Blackstone as agreed to at the time the Strategic Partners business was acquired. The Blackstone Life Sciences funds has one fund with a closed investment period: Clarus IV, which was above its carried interest threshold.

***Credit & Insurance***

The following table presents the results of operations for our Credit & Insurance segment:

| | Three Months Ended March 31, | | 2024 vs. 2023 | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| | (Dollars in Thousands) | | | |
| Management Fees, Net | | | | |
| Base Management Fees | $ 370,998 | $ 326,779 | $ 44,219 | 14% |
| Transaction and Other Fees, Net | 9,790 | 8,451 | 1,339 | 16% |
| Management Fee Offsets | (892) | (1,101) | 209 | -19% |
| Total Management Fees, Net | 379,896 | 334,129 | 45,767 | 14% |
| Fee Related Performance Revenues | 165,543 | 127,496 | 38,047 | 30% |
| Fee Related Compensation | (181,337) | (163,999) | (17,338) | 11% |
| Other Operating Expenses | (85,530) | (74,238) | (11,292) | 15% |
| **Fee Related Earnings** | 278,572 | 223,388 | 55,184 | 25% |
| Realized Performance Revenues | 15,120 | 125,181 | (110,061) | -88% |
| Realized Performance Compensation | (5,445) | (56,772) | 51,327 | -90% |
| Realized Principal Investment Income | 3,597 | 6,009 | (2,412) | -40% |
| **Net Realizations** | 13,272 | 74,418 | (61,146) | -82% |
| **Segment Distributable Earnings** | $ 291,844 | $ 297,806 | $ (5,962) | -2% |

n/m Not meaningful.

*Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023*

Segment Distributable Earnings were $291.8 million for the three months ended March 31, 2024, a decrease of $6.0 million, compared to $297.8 million for the three months ended March 31, 2023. The decrease in Segment Distributable Earnings was attributable to a decrease of $61.1 million in Net Realizations, partially offset by an increase of $55.2 million in Fee Related Earnings.

In an environment of tightening of credit spreads, our credit funds continued to demonstrate strong performance in the first quarter of 2024. Longer-term structural shifts in the lending market have contributed and are likely to continue to contribute to attractive and sizeable deployment opportunities for our credit funds. Default rates across corporate issuers in our credit funds' portfolios remained low in the first quarter of 2024 relative to our historical levels. A sustained period of high interest rates, while overall positive for revenues in the predominantly floating rate portfolios of our credit funds, could increase the potential for defaults by corporate issuers in such portfolios. Conversely, a material decline in interest rates and/or widening of credit spreads would make it more difficult for our credit funds to replicate their recent strong performance. In addition, a period of significant market dislocation could limit the liquidity of certain assets traded in the credit markets, which would impact our funds' ability to sell such assets at attractive prices or in a timely manner.

Fundraising in our Credit & Insurance segment, including in our perpetual capital strategies, continued to be positively impacted by the long-term structural shifts in the lending market. We continue to see strong interest in non-investment grade strategies such as opportunistic and direct lending as well as significant demand for investment grade private credit. In our perpetual capital strategies, compelling private credit fundamentals contributed to strong inflows in BCRED in the first quarter. We believe the long-term growth trajectory is positive and that strong investment performance and investor under-allocation to such private wealth strategies should continue to drive flows over the long-term.

*Fee Related Earnings*

Fee Related Earnings were $278.6 million for the three months ended March 31, 2024, an increase of $55.2 million, compared to $223.4 million for the three months ended March 31, 2023. The increase in Fee Related Earnings was attributable to increases of $45.8 million in Management Fees, Net and $38.0 million in Fee Related Performance Revenues, partially offset by increases of $17.3 million in Fee Related Compensation and $11.3 million in Other Operating Expenses.

Management Fees, Net were $379.9 million for the three months ended March 31, 2024, an increase of $45.8 million, compared to $334.1 million for the three months ended March 31, 2023, primarily driven by an increase in Base Management Fees. Base Management Fees increased $44.2 million primarily due to inflows from Fee-Earning Assets Under Management in direct lending and infrastructure and asset based credit strategies.

Fee Related Performance Revenues were $165.5 million for the three months ended March 31, 2024, an increase of $38.0 million, compared to $127.5 million for the three months ended March 31, 2023. The increase was primarily due to higher net investment income in BCRED.

Fee Related Compensation was $181.3 million for the three months ended March 31, 2024, an increase of $17.3 million, compared to $164.0 million for the three months ended March 31, 2023. The increase was primarily due to increases in Fee Related Performance Revenues and Management Fees, Net, both of which impact Fee Related Compensation.

Other Operating Expenses were $85.5 million for the three months ended March 31, 2024, an increase of $11.3 million, compared to $74.2 million for the three months ended March 31, 2023. The increase was primarily due to organizational and occupancy costs.

*Net Realizations*

Net Realizations were $13.3 million for the three months ended March 31, 2024, a decrease of $61.1 million, compared to $74.4 million for the three months ended March 31, 2023. The decrease in Net Realizations was primarily attributable to a decrease of $110.1 million in Realized Performance Revenues, partially offset by a decrease of $51.3 million in Realized Performance Compensation.

Realized Performance Revenues were $15.1 million for the three months ended March 31, 2024, a decrease of $110.1 million, compared to $125.2 million for the three months ended March 31, 2023. The decrease was primarily due to lower realized performance revenues in our mezzanine funds.

Realized Performance Compensation was $5.4 million for the three months ended March 31, 2024, a decrease of $51.3 million, compared to $56.8 million for the three months ended March 31, 2023. The decrease was primarily due to the decrease in Realized Performance Revenues.

*Composite Returns*

Composite returns information is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The composite returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future results of any particular fund or composite. An investment in Blackstone is not an investment in any of our funds or composites. There can be no assurance that any of our funds or composites or our other existing and future funds or composites will achieve similar returns.

The following table presents the return information for the Private Credit and Liquid Credit composites:

| | Three Months Ended March 31, | | | | March 31, 2024 Inception to Date | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | | |
| Composite (a) | Gross | Net | Gross | Net | Gross | Net |
| Private Credit (b) | 4% | 3% | 3% | 3% | 12% | 8% |
| Liquid Credit (b) | 2% | 2% | 3% | 3% | 5% | 5% |

**The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.**

(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Allocations, net of tax advances.

(b) Private Credit returns include mezzanine lending funds and middle market direct lending funds (including BXSL and BCRED), stressed/distressed strategies (including stressed/distressed funds and credit alpha strategies) and energy strategies. Liquid Credit returns include CLOs, closed-ended funds, open-ended funds and separately managed accounts. Only fee-earning funds exceeding $100 million of fair value at the beginning of each respective quarter-end are included. Funds in liquidation, funds investing primarily in investment grade corporate credit and asset based finance funds are excluded. Blackstone Funds that were contributed to BXC as part of Blackstone's acquisition of BXC in March 2008 and the pre-acquisition date performance for funds and vehicles acquired by BXC subsequent to March 2008, are also excluded. Private Credit and Liquid Credit's inception to date returns are from December 31, 2005.

*Operating Metrics*

The following table presents information regarding our Invested Performance Eligible Assets Under Management:

| | Invested Performance Eligible Assets Under Management | | Estimated % Above High Water Mark/ Hurdle (a) | |
|---|---|---|---|---|
| | As of March 31, | | As of March 31, | |
| | 2024 | 2023 | 2024 | 2023 |
| | (Dollars in Thousands) | | | |
| Credit & Insurance (b) | $ 92,811,285 | $ 85,672,809 | 96% | 93% |

(a) Estimated % Above High Water Mark/Hurdle represents the percentage of Invested Performance Eligible Assets Under Management that as of the dates presented would earn performance fees when the applicable Credit & Insurance managed fund has positive investment performance relative to a hurdle, where applicable. Incremental positive performance in the applicable Blackstone Funds may cause additional assets to reach their respective High Water Mark or clear a hurdle return, thereby resulting in an increase in Estimated % Above High Water Mark/Hurdle.

(b) For the Credit & Insurance managed funds, at March 31, 2024, the incremental appreciation needed for the 4% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles to reach their respective High Water Marks/Hurdles was $918.8 million, a decrease of $(939.9) million, compared to $1.9 billion at March 31, 2023. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles as of March 31, 2024, 3% were within 5% of reaching their respective High Water Mark.

***Multi-Asset Investing***

The following table presents the results of operations for our Multi-Asset Investing segment:

| | Three Months Ended March 31, | | 2024 vs. 2023 | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| | (Dollars in Thousands) | | | |
| Management Fees, Net | | | | |
| Base Management Fees | $ 129,270 | $ 135,771 | $ (6,501) | -5% |
| Transaction and Other Fees, Net | 1,809 | 1,914 | (105) | -5% |
| Management Fee Offsets | (8) | (2) | (6) | 300% |
| Total Management Fees, Net | 131,071 | 137,683 | (6,612) | -5% |
| Fee Related Compensation | (40,779) | (45,736) | 4,957 | -11% |
| Other Operating Expenses | (26,807) | (26,466) | (341) | 1% |
| **Fee Related Earnings** | 63,485 | 65,481 | (1,996) | -3% |
| Realized Performance Revenues | 24,851 | 5,927 | 18,924 | 319% |
| Realized Performance Compensation | (6,778) | (3,153) | (3,625) | 115% |
| Realized Principal Investment Income (Loss) | (18,060) | 2,569 | (20,629) | n/m |
| **Net Realizations** | 13 | 5,343 | (5,330) | -100% |
| **Segment Distributable Earnings** | $ 63,498 | $ 70,824 | $ (7,326) | -10% |

n/m Not meaningful.

*Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023*

Segment Distributable Earnings were $63.5 million for the three months ended March 31, 2024, a decrease of $7.3 million, compared to $70.8 million for the three months ended March 31, 2023. The decrease in Segment Distributable Earnings was attributable to decreases of $2.0 million in Fee Related Earnings and $5.3 million in Net Realizations.

Nearly all strategies across our Multi-Asset Investing segment exhibited positive performance in the first quarter of 2024, with significantly less volatility than the broader markets. The Absolute Return Composite had its best quarterly performance in over three years, benefiting from performance across strategies, including quantitative, equities, macro and credit. Segment Distributable Earnings in the Multi-Asset Investing segment would likely be negatively impacted, however, by a significant or sustained weak market environment or decline in asset prices, including as a result of concerns over macroeconomic factors. In addition, although certain of our strategies are designed to benefit from a high interest rate environment, a period of sustained high interest rates combined with weak equity markets would make it difficult for funds in certain of our strategies to exceed interest rate-based performance hurdles to which such funds are subject. This would negatively impact our Segment Distributable Earnings. In addition, if interest rates remain at sustained high levels for an extended period, certain investors may seek to reallocate capital away from traditional Multi-Asset Investing strategies in favor of fixed income investments. Conversely, outperformance by our Multi-Asset Investing segment strategies in a weak market environment has in some cases resulted in such strategies representing an increasing portion of the value of certain investors' portfolios, which may limit such investors' ability to allocate additional capital to certain funds in the segment, or result in such investors seeking to withdraw capital from such funds. The segment operates multiple business lines, manages strategies that are both long and short asset classes and generates a majority of its revenue through management fees. In that regard, the segment's revenues depend in part on our ability to successfully grow such existing, diverse business lines and strategies and to identify and scale new ones to meet evolving investor appetites. In recent years, however, we have shifted the mix of our product offerings to include more products whose performance-based fees represent a more significant proportion of the fees earned from such products than has historically been the case.

*Fee Related Earnings*

Fee Related Earnings were $63.5 million for the three months ended March 31, 2024, a decrease of $2.0 million, compared to $65.5 million for the three months ended March 31, 2023. The decrease in Fee Related Earnings was primarily attributable to a decrease of $6.6 million in Management Fees, Net, partially offset by a decrease of $5.0 million in Fee Related Compensation.

Management Fees, Net were $131.1 million for the three months ended March 31, 2024, a decrease of $6.6 million, compared to $137.7 million for the three months ended March 31, 2023. The decrease was primarily driven by a decrease in Base Management Fees. Base Management Fees decreased $6.5 million primarily due to a decrease in Fee-Earning Assets Under Management in Absolute Return.

Fee Related Compensation was $40.8 million for the three months ended March 31, 2024, a decrease of $5.0 million, compared to $45.7 million for the three months ended March 31, 2023. The decrease was primarily due to a decrease in Management Fees, Net, on which a portion of Fee Related Compensation is based.

*Net Realizations*

Net Realizations were $13.0 thousand for the three months ended March 31, 2024, a decrease of $5.3 million, compared to $5.3 million for the three months ended March 31, 2023. The decrease was primarily attributable to a decrease of $20.6 million in Realized Principal Investment Income (Loss), partially offset by an increase of $18.9 million in Realized Performance Revenues.

Realized Principal Investment Income (Loss) was $(18.1) million for the three months ended March 31, 2024, a decrease of $20.6 million, compared to $2.6 million for the three months ended March 31, 2023. The decrease was primarily due to realized losses in Multi-Strategy.

Realized Performance Revenues were $24.9 million for the three months ended March 31, 2024, an increase of $18.9 million, compared to $5.9 million for the three months ended March 31, 2023. The increase was primarily due to increased Realized Performance Revenues in Absolute Return and Multi-Strategy.

*Composite Returns*

Composite returns information is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The composite returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future results of any particular fund or composite. An investment in Blackstone is not an investment in any of our funds or composites. There can be no assurance that any of our funds or composites or our other existing and future funds or composites will achieve similar returns.

The following table presents the return information of the Absolute Return Composite:

| | Three Months Ended March 31, | | | | Average Annual Returns (a) Periods Ended March 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | One Year | | Three Year | | Five Year | | Historical | |
| Composite | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| Absolute Return Composite (b) | 5% | 4% | 1% | 1% | 12% | 11% | 8% | 7% | 7% | 6% | 7% | 6% |

**The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.**

(a) Composite returns present a summarized asset-weighted return measure to evaluate the overall performance of the applicable class of Blackstone Funds.

(b) Effective the first quarter of 2024, Blackstone Alternative Asset Management Principal Solutions ("BPS") Composite was renamed to "Absolute Return Composite." Absolute Return Composite covers the period from January 2000 to present, although BXMA's inception date is September 1990. The Absolute Return Composite includes only BXMA-managed commingled and customized multi-manager funds and accounts and does not include BXMA's liquid solutions, seeding and GP Stakes, Multi-Strategy, and advisory (non-discretionary) platforms, except for investments by Absolute Return funds directly into those platforms. BXMA-managed funds in liquidation and, in the case of net returns, non-fee-paying assets are also excluded. The funds/accounts that comprise the Absolute Return Composite are not managed within a single fund or account and are managed with different mandates. There is no guarantee that BXMA would have made the same mix of investments in a stand-alone fund/account. The Absolute Return Composite is not an investible product and, as such, the performance of the Absolute Return Composite does not represent the performance of an actual fund or account. The historical return is from January 1, 2000.

*Operating Metrics*

The following table presents information regarding our Invested Performance Eligible Assets Under Management:

| | Invested Performance Eligible Assets Under Management | | Estimated % Above High Water Mark/ Benchmark (a) | |
|---|---|---|---|---|
| | As of March 31, | | As of March 31, | |
| | 2024 | 2023 | 2024 | 2023 |
| | (Dollars in Thousands) | | | |
| Multi-Asset Investing Managed Funds (b) | $ 54,375,478 | $ 51,134,869 | 98% | 82% |

(a) Estimated % Above High Water Mark/Benchmark represents the percentage of Invested Performance Eligible Assets Under Management that as of the dates presented would earn performance fees when the applicable Multi-Asset Investing managed fund has positive investment performance relative to a benchmark, where applicable. Incremental positive performance in the applicable Blackstone Funds may cause additional assets to reach their respective High Water Mark or clear a benchmark return, thereby resulting in an increase in Estimated % Above High Water Mark/Benchmark.

(b) For the Multi-Asset Investing managed funds, at March 31, 2024, the incremental appreciation needed for the 2% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks to reach their respective High Water Marks/Benchmarks was $183.7 million, a decrease of $(458.7) million, compared to $642.4 million at March 31, 2023. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks as of March 31, 2024, 33% were within 5% of reaching their respective High Water Mark.

**Non-GAAP Financial Measures**

These non-GAAP financial measures are presented without the consolidation of any Blackstone Funds that are consolidated into the condensed consolidated financial statements. Consequently, all non-GAAP financial measures exclude the assets, liabilities and operating results related to the Blackstone Funds. See "—Key Financial Measures and Indicators" for our definitions of Distributable Earnings, Segment Distributable Earnings, Fee Related Earnings and Adjusted EBITDA.

The following table is a reconciliation of Net Income Attributable to Blackstone Inc. to Distributable Earnings, Total Segment Distributable Earnings, Fee Related Earnings and Adjusted EBITDA:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Dollars in Thousands) | |
| **Net Income Attributable to Blackstone Inc.** | $ 847,386 | $ 85,812 |
| Net Income Attributable to Non-Controlling Interests in Blackstone Holdings | 685,439 | 56,700 |
| Net Income Attributable to Non-Controlling Interests in Consolidated Entities | 102,827 | 74,869 |
| Net Loss Attributable to Redeemable Non-Controlling Interests in Consolidated Entities | (39,669) | (6,700) |
| **Net Income** | 1,595,983 | 210,681 |
| Provision for Taxes | 283,671 | 47,675 |
| **Net Income Before Provision for Taxes** | 1,879,654 | 258,356 |
| Transaction-Related and Non-Recurring Items (a) | 52,197 | 8,621 |
| Amortization of Intangibles (b) | 7,333 | 11,341 |
| Impact of Consolidation (c) | (63,158) | (68,169) |
| Unrealized Performance Revenues (d) | (445,936) | 759,316 |
| Unrealized Performance Allocations Compensation (e) | 180,900 | (313,249) |
| Unrealized Principal Investment (Income) Loss (f) | (442,976) | 479,120 |
| Other Revenues (g) | (44,747) | 14,180 |
| Equity-Based Compensation (h) | 317,779 | 268,134 |
| Administrative Fee Adjustment (i) | 2,477 | 2,447 |
| Taxes and Related Payables (j) | (177,145) | (171,005) |
| **Distributable Earnings** | 1,266,378 | 1,249,092 |
| Taxes and Related Payables (j) | 177,145 | 171,005 |
| Net Interest and Dividend Loss (k) | 9,801 | 9,108 |
| **Total Segment Distributable Earnings** | 1,453,324 | 1,429,205 |
| Realized Performance Revenues (l) | (536,393) | (641,526) |
| Realized Performance Compensation (m) | 253,024 | 296,024 |
| Realized Principal Investment Income (n) | (9,938) | (43,691) |
| **Fee Related Earnings** | $ 1,160,017 | $ 1,040,012 |
| **Adjusted EBITDA Reconciliation** | | |
| **Distributable Earnings** | $ 1,266,378 | $ 1,249,092 |
| Interest Expense (o) | 107,640 | 104,209 |
| Taxes and Related Payables (j) | 177,145 | 171,005 |
| Depreciation and Amortization (p) | 26,053 | 23,175 |
| **Adjusted EBITDA** | $ 1,577,216 | $ 1,547,481 |

(a) This adjustment removes Transaction-Related and Non-Recurring Items, which are excluded from Blackstone's segment presentation. Transaction-Related and Non-Recurring Items arise from corporate actions including acquisitions, divestitures, Blackstone's initial public offering and non-recurring gains, losses, or other charges, if any. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change

in tax law or similar event, transaction costs, gains or losses associated with these corporate actions and non-recurring gains, losses or other charges that affect period-to-period comparability and are not reflective of Blackstone's operational performance. For the three months ended March 31, 2024, this adjustment includes removal of an accrual for an estimated liability for a legal matter.

(b) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation.

(c) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone's segment presentation. This adjustment includes the elimination of Blackstone's interest in these funds and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

(d) This adjustment removes Unrealized Performance Revenues on a segment basis. The Segment Adjustment represents the add back of performance revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Dollars in Thousands) | |
| GAAP Unrealized Performance Allocations | $ 445,943 | $ (759,212) |
| Segment Adjustment | (7) | (104) |
| Unrealized Performance Revenues | $ 445,936 | $ (759,316) |

(e) This adjustment removes Unrealized Performance Allocations Compensation.

(f) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis. The Segment Adjustment represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Dollars in Thousands) | |
| GAAP Unrealized Principal Investment Income (Loss) | $ 461,623 | $ (491,417) |
| Segment Adjustment | (18,647) | 12,297 |
| Unrealized Principal Investment Income (Loss) | $ 442,976 | $ (479,120) |

(g) This adjustment removes Other Revenues on a segment basis. The Segment Adjustment represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of certain Transaction-Related and Non-Recurring Items.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Dollars in Thousands) | |
| GAAP Other Revenue | $ 44,820 | $ (14,154) |
| Segment Adjustment | (73) | (26) |
| Other Revenues | $ 44,747 | $ (14,180) |

(h) This adjustment removes Equity-Based Compensation on a segment basis.

(i) This adjustment adds an amount equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

(j) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and adjusted to exclude the tax impact of any divestitures. For interim periods, taxes are calculated using the preferred annualized effective tax rate approach. Related Payables represent tax-related payables including the amount payable under the Tax Receivable Agreement. See "—Key Financial Measures and Indicators — Distributable Earnings" for the full definition of Taxes and Related Payables.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Dollars in Thousands) | |
| Taxes | $ 155,873 | $ 151,002 |
| Related Payables | 21,272 | 20,003 |
| Taxes and Related Payables | $ 177,145 | $ 171,005 |

(k) This adjustment removes Interest and Dividend Revenue less Interest Expense on a segment basis. The Segment Adjustment represents (1) the add back of Interest and Dividend Revenue earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of interest expense associated with the Tax Receivable Agreement.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Dollars in Thousands) | |
| GAAP Interest and Dividend Revenue | $ 97,839 | $ 90,485 |
| Segment Adjustment | — | 4,616 |
| Interest and Dividend Revenue | 97,839 | 95,101 |
| GAAP Interest Expense | 108,203 | 104,441 |
| Segment Adjustment | (563) | (232) |
| Interest Expense | 107,640 | 104,209 |
| Net Interest and Dividend Loss | $ (9,801) | $ (9,108) |

(l) This adjustment removes the total segment amount of Realized Performance Revenues.

(m) This adjustment removes the total segment amount of Realized Performance Compensation.

(n) This adjustment removes the total segment amount of Realized Principal Investment Income.

(o) This adjustment adds back Interest Expense on a segment basis, excluding interest expense related to the Tax Receivable Agreement.

(p) This adjustment adds back Depreciation and Amortization on a segment basis.

The following tables are a reconciliation of Total GAAP Investments to Net Accrued Performance Revenues. Total GAAP Investments and Net Accrued Performance Revenues consist of the following:

| | March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Dollars in Thousands) | |
| Investments of Consolidated Blackstone Funds | $ 3,458,911 | $ 5,443,867 |
| Equity Method Investments | | |
| Partnership Investments | 6,100,640 | 5,598,552 |
| Accrued Performance Allocations | 11,163,116 | 11,517,750 |
| Corporate Treasury Investments | 197,976 | 958,632 |
| Other Investments | 5,001,647 | 3,467,150 |
| Total GAAP Investments | $ 25,922,290 | $ 26,985,951 |
| | | |
| Accrued Performance Allocations - GAAP | $ 11,163,116 | $ 11,517,750 |
| Due from Affiliates - GAAP (a) | 249,968 | 190,337 |
| Less: Net Realized Performance Revenues (b) | (448,811) | (379,453) |
| Less: Accrued Performance Compensation - GAAP (c) | (4,880,191) | (4,956,515) |
| Net Accrued Performance Revenues | $ 6,084,082 | $ 6,372,119 |

(a) Represents GAAP accrued performance revenue recorded within Due from Affiliates.
(b) Represents Performance Revenues realized but not yet distributed as of the reporting date and are included in Distributable Earnings in the period they are realized.
(c) Represents GAAP accrued performance compensation associated with Accrued Performance Allocations and is recorded within Accrued Compensation and Benefits and Due to Affiliates.

**Liquidity and Capital Resources**

***General***

Blackstone's business model derives revenue primarily from third party Assets Under Management. Blackstone is not a capital or balance sheet intensive business and targets operating expense levels such that total management and advisory fees exceed total operating expenses each period. As a result, we require limited capital resources to support the working capital or operating needs of our businesses. We draw primarily on the long-term committed or invested capital of investors in our investment vehicles to fund the investment requirements of the Blackstone Funds and use our own realizations and cash flows to invest in growth initiatives, make commitments to our own funds, where our minimum general partner commitments are generally less than 5% of the limited partner commitments of a fund, and pay dividends to stockholders and distributions to holders of Holdings Units.

Fluctuations in our statement of financial condition result primarily from activities of the Blackstone Funds that are consolidated as well as business transactions, such as the issuance of senior notes. The majority economic ownership interests of such consolidated Blackstone Funds are reflected as Redeemable Non-Controlling Interests in Consolidated Entities, and Non-Controlling Interests in Consolidated Entities in the Consolidated Financial Statements. The consolidation of these Blackstone Funds has no net effect on Blackstone's Net Income or Equity. Additionally, fluctuations in our statement of financial condition also include appreciation or depreciation in Blackstone investments in the non-consolidated Blackstone Funds, additional investments and redemptions of such interests in the non-consolidated Blackstone Funds and the collection of receivables related to management and advisory fees.

Total Assets were $39.7 billion as of March 31, 2024, a decrease of $581.2 million from December 31, 2023. The decrease in Total Assets was principally due to a decrease of $1.0 billion in total assets attributable to consolidated Blackstone Funds, partially offset by an increase of $387.4 million in total assets attributable to consolidated operating partnerships. The decrease in total assets attributable to consolidated Blackstone Funds was primarily due to decreases of $860.6 million in Investments and $148.5 million in Cash and Cash Equivalents, which were primarily due to the deconsolidation of two CLOs during the three months ended March 31, 2024. The increase in total assets attributable to consolidated operating partnerships was primarily due to increases of $593.1 million in Investments and $228.9 million in Due from Affiliates, partially offset by a decrease of $451.4 million in Cash and Cash Equivalents. The increase in Investments was primarily due to unrealized appreciation across our Credit & Insurance segment, partially offset by unrealized depreciation in our Real Estate segment. The increase in Due from Affiliates was primarily due to an increase in management fees, performance revenues and reimbursable expenses due from non-consolidated Blackstone Funds. The decrease in Cash and Cash Equivalents was primarily due to ongoing operating activities.

Total Liabilities were $21.2 billion as of March 31, 2024, a decrease of $983.4 million from December 31, 2023. The decrease in Total Liabilities was principally due to a decrease of $902.4 million in total liabilities attributable to consolidated Blackstone Funds. The decrease in total liabilities attributable to consolidated Blackstone Funds was primarily due to decreases of $517.3 million in Loans Payable and $322.2 million in Accounts Payable, Accrued Expenses and Other Liabilities, which were primarily due to the deconsolidation of two CLOs during the three months ended March 31, 2024.

***Sources and Uses of Liquidity***

We have multiple sources of liquidity to meet our capital needs, including annual cash flows, accumulated earnings in our businesses, the proceeds from our issuances of senior notes, liquid investments we hold on our balance sheet and access to our $4.325 billion committed revolving credit facility. As of March 31, 2024, Blackstone had $2.5 billion in Cash and Cash Equivalents, $198.0 million invested in Corporate Treasury Investments and $5.0 billion in Other Investments (which included $4.6 billion of liquid investments), against $10.7 billion in borrowings from our bond issuances, and no borrowings outstanding under our revolving credit facility.

In addition to the cash we receive from our notes offerings and availability under our revolving credit facility, we expect to receive (a) cash generated from operating activities, (b) Performance Revenue realizations, and (c) realizations on the fund investments that we make. The amounts received from these three sources in particular may vary substantially from year to year and quarter to quarter depending on the frequency and size of realization events or net returns experienced by our investment funds. Our available capital could be adversely affected if there are prolonged periods of few substantial realizations from our investment funds accompanied by substantial capital calls for new investments from those investment funds. Therefore, Blackstone's commitments to our funds are taken into consideration when managing our overall liquidity and cash position.

We expect that our primary liquidity needs will be cash to (a) provide capital to facilitate the growth of our existing businesses, which principally includes funding our general partner and co-investment commitments to our funds, (b) provide capital for business expansion, (c) pay operating expenses, including cash compensation to our employees and other obligations as they arise, (d) fund modest capital expenditures, (e) repay borrowings and related interest costs, (f) pay income taxes, (g) repurchase shares of our common stock and Blackstone Holdings Partnership Units pursuant to our repurchase program and (h) pay dividends to our stockholders and distributions to the holders of Blackstone Holdings Partnership Units. For a tabular presentation of Blackstone's contractual obligations and the expected timing of such see "—Contractual Obligations."

*Capital Commitments*

Our own capital commitments to our funds, the funds we invest in and our investment strategies as of March 31, 2024 consisted of the following:

| Fund | Blackstone and General Partner (a) | | Senior Managing Directors and Certain Other Professionals (b) | |
|---|---|---|---|---|
| | Original Commitment | Remaining Commitment | Original Commitment | Remaining Commitment |
| | (Dollars in Thousands) | | | |
| **Real Estate** | | | | |
| BREP VII | $ 300,000 | $ 27,172 | $ 100,000 | $ 9,057 |
| BREP VIII | 300,000 | 39,452 | 100,000 | 13,151 |
| BREP IX | 300,000 | 47,414 | 100,000 | 15,805 |
| BREP X | 300,000 | 276,826 | 100,000 | 92,275 |
| BREP Europe III | 100,000 | 11,257 | 35,000 | 3,752 |
| BREP Europe IV | 130,000 | 19,077 | 43,333 | 6,359 |
| BREP Europe V | 150,000 | 21,616 | 43,333 | 6,245 |
| BREP Europe VI | 130,000 | 44,439 | 43,333 | 14,813 |
| BREP Europe VII | 130,000 | 120,025 | 43,333 | 40,008 |
| BREP Asia I | 50,392 | 10,342 | 16,797 | 3,447 |
| BREP Asia II | 70,707 | 12,877 | 23,569 | 4,292 |
| BREP Asia III | 81,078 | 66,882 | 27,026 | 22,294 |
| BREDS III | 50,000 | 13,499 | 16,667 | 4,500 |
| BREDS IV | 50,000 | 15,702 | 49,113 | 15,423 |
| BREDS V | 50,000 | 50,000 | 48,070 | 48,070 |
| BPP | 310,581 | 18,279 | — | — |
| Other (c) | 35,156 | 14,935 | — | — |
| Total Real Estate | 2,537,914 | 809,794 | 789,574 | 299,491 |

continued...

| Fund | Blackstone and General Partner (a) | | Senior Managing Directors and Certain Other Professionals (b) | |
|---|---|---|---|---|
| | Original Commitment | Remaining Commitment | Original Commitment | Remaining Commitment |
| | (Dollars in Thousands) | | | |
| **Private Equity** | | | | |
| BCP V | $ 629,356 | $ 30,642 | $ — | $ — |
| BCP VI | 719,718 | 81,400 | 250,000 | 28,275 |
| BCP VII | 500,000 | 36,635 | 225,000 | 16,486 |
| BCP VIII | 500,000 | 197,551 | 225,000 | 88,898 |
| BCP IX | 500,000 | 500,000 | 225,000 | 225,000 |
| BEP I | 50,000 | 4,728 | — | — |
| BEP II | 80,000 | 12,018 | 26,667 | 4,006 |
| BEP III | 80,000 | 27,907 | 26,667 | 9,302 |
| BETP IV | 64,827 | 64,827 | 21,609 | 21,609 |
| BCEP I | 117,747 | 27,016 | 18,992 | 4,358 |
| BCEP II | 160,000 | 112,965 | 32,640 | 23,045 |
| BCP Asia I | 40,000 | 5,869 | 13,333 | 1,956 |
| BCP Asia II | 100,000 | 74,993 | 33,333 | 24,998 |
| Tactical Opportunities | 491,600 | 219,906 | 163,867 | 73,302 |
| Strategic Partners | 1,269,930 | 697,008 | 1,165,195 | 633,919 |
| BIP | 356,738 | 65,912 | — | — |
| BXLS | 142,057 | 83,247 | 37,351 | 25,941 |
| BXG | 162,861 | 106,032 | 54,119 | 35,333 |
| Other (c) | 290,209 | 22,534 | — | — |
| Total Private Equity | 6,255,043 | 2,371,190 | 2,518,773 | 1,216,428 |
| **Credit & Insurance** | | | | |
| Mezzanine / Opportunistic II | 120,000 | 29,182 | 110,101 | 26,774 |
| Mezzanine / Opportunistic III | 130,783 | 34,664 | 98,127 | 26,008 |
| Mezzanine / Opportunistic IV | 122,000 | 60,699 | 115,928 | 57,677 |
| European Senior Debt I | 63,000 | 5,084 | 56,882 | 4,590 |
| European Senior Debt II | 92,503 | 34,771 | 89,599 | 33,703 |
| European Senior Debt III | 22,835 | 18,644 | 7,612 | 6,215 |
| Stressed / Distressed II | 125,000 | 51,612 | 119,878 | 49,497 |
| Stressed / Distressed III | 151,000 | 93,835 | 146,432 | 90,997 |
| Energy I | 80,000 | 36,785 | 75,445 | 34,691 |
| Energy II | 150,000 | 104,262 | 148,577 | 103,273 |
| Energy III | 127,000 | 118,110 | 117,935 | 109,680 |
| Credit Alpha Fund | 52,102 | 19,752 | 50,670 | 19,209 |
| Credit Alpha Fund II | 25,500 | 12,550 | 24,385 | 12,001 |
| Insurance Platform | 501,600 | 129,053 | 1,600 | 412 |
| Other (c) | 180,904 | 80,479 | 47,700 | 11,673 |
| Total Credit & Insurance | 1,944,227 | 829,482 | 1,210,871 | 586,400 |

continued...

| Fund | Blackstone and General Partner (a) | | Senior Managing Directors and Certain Other Professionals (b) | |
|---|---|---|---|---|
| | Original Commitment | Remaining Commitment | Original Commitment | Remaining Commitment |
| | (Dollars in Thousands) | | | |
| **Multi-Asset Investing** | | | | |
| Strategic Alliance II | $ 50,000 | $ 1,482 | $ — | $ — |
| Strategic Alliance III | 22,000 | 17,515 | — | — |
| Strategic Alliance IV | 15,000 | 13,411 | — | — |
| Strategic Holdings I | 154,610 | 19,678 | — | — |
| Strategic Holdings II | 50,000 | 18,845 | — | — |
| Dislocation | 20,000 | 12,274 | — | — |
| Other (c) | 7,498 | 2,230 | — | — |
| Total Multi-Asset Investing | 319,108 | 85,435 | — | — |
| **Other** | | | | |
| Treasury (d) | 654,415 | 573,955 | — | — |
| | $ 11,710,707 | $ 4,669,856 | $ 4,519,218 | $ 2,102,319 |

(a) We expect our commitments to be drawn down over time and to be funded by available cash and cash generated from operations and realizations. Taking into account prevailing market conditions and both the liquidity and cash or liquid investment balances, we believe that the sources of liquidity described above will be more than sufficient to fund our working capital requirements. Additionally, for some of the general partner commitments shown in the table above, we require our senior managing directors and certain other professionals to fund a portion of the commitment even though the ultimate obligation to fund the aggregate commitment is ours pursuant to the governing agreements of the respective funds. The amounts of the aggregate applicable general partner original and remaining commitment are shown in the table above.

(b) Includes the full portion of our commitments (i) required to be funded by senior managing directors and certain other professionals and (ii) that are elected by such individuals to be funded for the life of a fund, where such fund permits such election. Excludes amounts that are elected by such individuals to be funded on an annual basis and certain de minimis commitments funded by such individuals in certain carry funds.

(c) Represents capital commitments to a number of other funds in each respective segment.

(d) Represents loan origination commitments, revolver commitments and capital market commitments.

For a tabular presentation of the timing of Blackstone's remaining capital commitments to our funds, the funds we invest in and our investment strategies see "—Contractual Obligations".

*Borrowings*

As of March 31, 2024, Blackstone Holdings Finance Co. L.L.C. (the "Issuer"), an indirect subsidiary of Blackstone, had issued and outstanding the following senior notes (collectively the "Notes"):

| Senior Notes (a) | Aggregate Principal Amount (Dollars/Euros in Thousands) |
|---|---|
| 2.000%, Due 5/19/2025 | € 300,000 |
| 1.000%, Due 10/5/2026 | € 600,000 |
| 3.150%, Due 10/2/2027 | $ 300,000 |
| 5.900%, Due 11/3/2027 | $ 600,000 |
| 1.625%, Due 8/5/2028 | $ 650,000 |
| 1.500%, Due 4/10/2029 | € 600,000 |
| 2.500%, Due 1/10/2030 | $ 500,000 |
| 1.600%, Due 3/30/2031 | $ 500,000 |
| 2.000%, Due 1/30/2032 | $ 800,000 |
| 2.550%, Due 3/30/2032 | $ 500,000 |
| 6.200%, Due 4/22/2033 | $ 900,000 |
| 3.500%, Due 6/1/2034 | € 500,000 |
| 6.250%, Due 8/15/2042 | $ 250,000 |
| 5.000%, Due 6/15/2044 | $ 500,000 |
| 4.450%, Due 7/15/2045 | $ 350,000 |
| 4.000%, Due 10/2/2047 | $ 300,000 |
| 3.500%, Due 9/10/2049 | $ 400,000 |
| 2.800%, Due 9/30/2050 | $ 400,000 |
| 2.850%, Due 8/5/2051 | $ 550,000 |
| 3.200%, Due 1/30/2052 | $ 1,000,000 |
| | $ 10,658,000 |

(a) The Notes are unsecured and unsubordinated obligations of the Issuer and are fully and unconditionally guaranteed, jointly and severally, by Blackstone Inc. and each of the Blackstone Holdings Partnerships. The Notes contain customary covenants and financial restrictions that, among other things, limit the Issuer and the guarantors' ability, subject to certain exceptions, to incur indebtedness secured by liens on voting stock or profit participating equity interests of their subsidiaries or merge, consolidate or sell, transfer or lease assets. The Notes also contain customary events of default. All or a portion of the Notes may be redeemed at our option, in whole or in part, at any time and from time to time, prior to their stated maturity, at the make-whole redemption price set forth in the Notes. If a change of control repurchase event occurs, the Notes are subject to repurchase at the repurchase price as set forth in the Notes.

Blackstone, through the Issuer, has a $4.325 billion unsecured revolving credit facility (the "Credit Facility") with Citibank, N.A., as administrative agent with a maturity date of December 15, 2028. Borrowings may also be made in U.K. sterling, euros, Swiss francs, Japanese yen or Canadian dollars, in each case subject to certain sub-limits. The Credit Facility contains customary representations, covenants and events of default. Financial covenants consist of a maximum net leverage ratio and a requirement to keep a minimum amount of fee-earning assets under management, each tested quarterly.

For a tabular presentation of the payment timing of principal and interest due on Blackstone's issued notes and the Credit Facility see "—Contractual Obligations".

*Contractual Obligations*

The following table sets forth information relating to our contractual obligations as of March 31, 2024 on a consolidated basis and on a basis deconsolidating the Blackstone Funds:

| Contractual Obligations | April 1, 2024 to December 31, 2024 | 2025-2026 | 2027-2028 | Thereafter | Total |
|---|---|---|---|---|---|
| | | | (Dollars in Thousands) | | |
| Operating Lease Obligations (a) | $ 124,596 | $ 338,022 | $ 326,584 | $ 571,429 | $ 1,360,631 |
| Purchase Obligations | 120,553 | 126,253 | 36,388 | 4,058 | 287,252 |
| Blackstone Operating Borrowings (b) | - | 985,371 | 1,575,679 | 8,136,900 | 10,697,950 |
| Interest on Blackstone Operating Borrowings (c) | 281,362 | 689,746 | 623,169 | 3,265,431 | 4,859,708 |
| Borrowings of Consolidated Blackstone Funds | - | - | - | 180,131 | 180,131 |
| Interest on Borrowings of Consolidated Blackstone Funds | 10,551 | 28,137 | 28,137 | 25,208 | 92,033 |
| Blackstone Funds Capital Commitments to Investee Funds (d) | 324,221 | - | - | - | 324,221 |
| Due to Certain Non-Controlling Interest Holders in Connection with Tax Receivable Agreements (e) | - | 194,364 | 261,796 | 1,168,595 | 1,624,755 |
| Unrecognized Tax Benefits, Including Interest and Penalties (f) | - | - | - | - | - |
| Blackstone Operating Entities Capital Commitments to Blackstone Funds and Other (g) | 4,669,856 | - | - | - | 4,669,856 |
| Consolidated Contractual Obligations | 5,531,139 | 2,361,893 | 2,851,753 | 13,351,752 | 24,096,537 |
| Borrowings of Consolidated Blackstone Funds | - | - | - | (180,131) | (180,131) |
| Interest on Borrowings of Consolidated Blackstone Funds | (10,551) | (28,137) | (28,137) | (25,208) | (92,033) |
| Blackstone Funds Capital Commitments to Investee Funds (d) | (324,221) | - | - | - | (324,221) |
| Blackstone Operating Entities Contractual Obligations | $ 5,196,367 | $ 2,333,756 | $ 2,823,616 | $ 13,146,413 | $ 23,500,152 |

(a) We lease our primary office space and certain office equipment under agreements that expire through 2043. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as building expenses and utilities. To the extent these are fixed or determinable they are included in the table above. The table above includes operating leases that are recognized as Operating Lease Liabilities, short-term leases that are not recorded as Operating Lease Liabilities and leases that have been signed but not yet commenced which are not recorded as Operating Lease Liabilities. The amounts in this table are presented net of contractual sublease commitments.

(b) Represents the principal amounts due on our senior notes and secured borrowings. For our senior notes, we assume no pre-payments and the borrowings are held until their final maturity. For our secured borrowings we project prepayments based on the performance of the underlying assets and principal may be paid down in full prior to their stated maturity. As of March 31, 2024, we had no borrowings outstanding under our revolver.

(c) Represents interest to be paid over the maturity of our senior notes and secured borrowings. For our senior notes, we assume no pre-payments and the borrowings are held until their final maturity. For our secured borrowings, we project pre-payments based on the performance of the underlying assets with interest payments based on the estimated principal outstanding, inclusive of projected pre-payments. These amounts include commitment fees for unutilized borrowings under our revolver.

(d) These obligations represent commitments of the consolidated Blackstone Funds to make capital contributions to investee funds and portfolio companies. These amounts are generally due on demand and are therefore presented in the less than one year category.

(e) Represents obligations by Blackstone's corporate subsidiary to make payments under the Tax Receivable Agreements to certain non-controlling interest holders for the tax savings realized from the taxable purchases of their interests in connection with the reorganization at the time of Blackstone's initial public offering ("IPO") in 2007 and subsequent purchases. The obligation represents the amount of the payments currently expected to be made, which are dependent on the tax savings actually realized as determined annually without discounting for the timing of the payments. As required by GAAP, the amount of the obligation included in the condensed consolidated financial statements and shown in Note 15. "Related Party Transactions" (see "Part I. Item 1. Financial Statements") differs to reflect the net present value of the payments due to certain non-controlling interest holders.

(f) Blackstone is not able to make a reasonably reliable estimate of the timing of payments in individual years in connection with gross unrecognized benefits of $223.7 million and interest of $66.3 million as of March 31, 2024; therefore, such amounts are not included in the above contractual obligations table.

(g) These obligations represent commitments by us to provide general partner capital funding to the Blackstone Funds, limited partner capital funding to other funds and Blackstone principal investment commitments. These amounts are generally due on demand and are therefore presented in the less than one year category; however, a substantial amount of the capital commitments are expected to be called over the next three years. We expect to continue to make these general partner capital commitments as we raise additional amounts for our investment funds over time.

*Guarantees*

Blackstone and certain of its consolidated funds provide financial guarantees. The amounts and nature of these guarantees are described in Note 16. "Commitments and Contingencies — Contingencies — Guarantees" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

*Indemnifications*

In many of its service contracts, Blackstone agrees to indemnify the third party service provider under certain circumstances. The terms of the indemnities vary from contract to contract and the amount of indemnification liability, if any, cannot be determined and has not been included in the above contractual obligations table or recorded in our condensed consolidated financial statements as of March 31, 2024.

*Clawback Obligations*

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceed the amount due to Blackstone based on cumulative results of that fund. The amounts and nature of Blackstone's clawback obligations are described in Note 16. "Commitments and Contingencies —Contingencies — Contingent Obligations (Clawback)" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

*Share Repurchase Program*

On December 7, 2021, Blackstone's board of directors authorized the repurchase of up to $2.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date.

During the three months ended March 31, 2024, Blackstone repurchased 0.7 million shares of common stock at a total cost of $88.4 million. As of March 31, 2024, the amount remaining available for repurchases under the program was $668.4 million.

*Dividends*

Our intention is to pay to holders of common stock a quarterly dividend representing approximately 85% of Blackstone Inc.'s share of Distributable Earnings, subject to adjustment by amounts determined by our board of directors to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and funds, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and dividends to stockholders for any ensuing quarter. The dividend amount could also be adjusted upward in any one quarter.

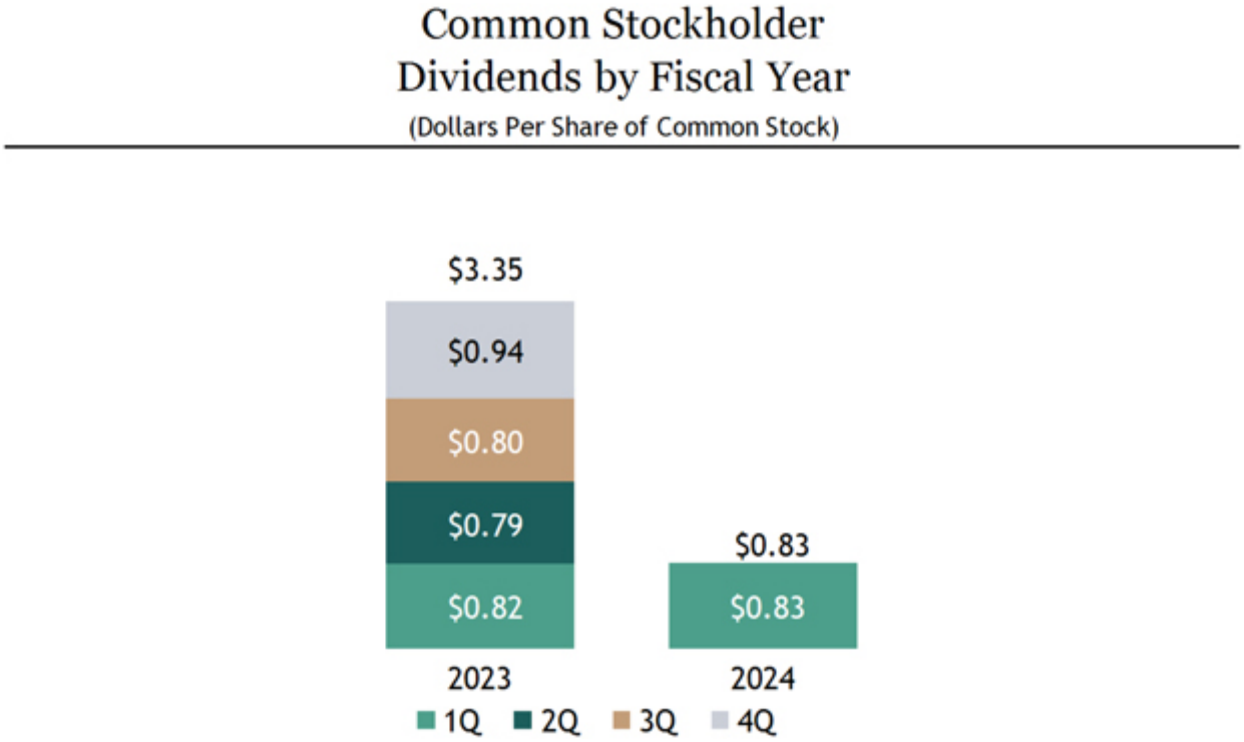
For Blackstone's definition of Distributable Earnings, see "—Key Financial Measures and Indicators."

All of the foregoing is subject to the qualification that the declaration and payment of any dividends are at the sole discretion of our board of directors, and our board of directors may change our dividend policy at any time, including, without limitation, to reduce such quarterly dividends or even to eliminate such dividends entirely.

Because the publicly traded entity and/or its wholly owned subsidiaries must pay taxes and make payments under the tax receivable agreements, the amounts ultimately paid as dividends by Blackstone to common stockholders in respect of each fiscal year are generally expected to be less, on a per share or per unit basis, than the amounts distributed by the Blackstone Holdings Partnerships to the Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships in respect of their Blackstone Holdings Partnership Units. Following Blackstone's conversion from a limited partnership to a corporation, we expect to pay more corporate income taxes than we would have as a limited partnership, which will increase this difference between the per share dividend and per unit distribution amounts.

Dividends are treated as qualified dividends to the extent of Blackstone's current and accumulated earnings and profits, with any excess dividends treated as a return of capital to the extent of the stockholder's basis.

The following graph shows fiscal quarterly and annual per common stockholder dividends for 2024 and 2023. Dividends are declared and paid in the quarter subsequent to the quarter in which they are earned.




With respect to the first quarter of fiscal year 2024, we paid to stockholders of our common stock a dividend of $0.83 per share. With respect to fiscal year 2023, we paid stockholders aggregate dividends of $3.35 per share.

***Leverage***

We may under certain circumstances use leverage opportunistically and over time to create the most efficient capital structure for Blackstone and our stockholders. In addition to the borrowings from our notes issuances and our revolving credit facility, we may use reverse repurchase agreements, repurchase agreements and securities sold, not yet purchased. Reverse repurchase agreements are entered into primarily to take advantage of opportunistic yields otherwise absent in the overnight markets and also to use the collateral received to cover securities sold, not yet purchased. Repurchase agreements are entered into primarily to opportunistically yield higher spreads on purchased securities. The balances held in these financial instruments fluctuate based on Blackstone's liquidity needs, market conditions and investment risk profiles.

The following table presents information regarding financial instruments which are included in Accounts Payable, Accrued Expenses and Other Liabilities in our Condensed Consolidated Statements of Financial Condition:

| | Securities Sold, Not Yet Purchased |
|---|---|
| | (Dollars in Millions) |
| Balance, March 31, 2024 | $ 3.9 |
| Balance, December 31, 2023 | $ 3.9 |
| Three Months Ended March 31, 2024 | |
| Average Daily Balance | $ 3.9 |
| Maximum Daily Balance | $ 3.9 |

**Critical Accounting Policies**

We prepare our condensed consolidated financial statements in accordance with GAAP. In applying many of these accounting principles, we need to make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our condensed consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective. Actual results may be affected negatively based on changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. We believe the following critical accounting policies could potentially produce materially different results if we were to change underlying assumptions, estimates and/or judgments. For a description of our accounting policies, see Note 2. “Summary of Significant Accounting Policies” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements” of this filing.

***Principles of Consolidation***

For a description of our accounting policy on consolidation, see Note 2. “Summary of Significant Accounting Policies — Consolidation” and Note 9. “Variable Interest Entities” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements” for detailed information on Blackstone’s involvement with VIEs. The following discussion is intended to provide supplemental information about how the application of consolidation principles impact our financial results, and management’s process for implementing those principles including areas of significant judgment.

The determination that Blackstone holds a controlling financial interest in a Blackstone Fund or investment vehicle significantly changes the presentation of our condensed consolidated financial statements. In our Condensed Consolidated Statements of Financial Position included in this filing, we present 100% of the assets and liabilities of consolidated VIEs along with a non-controlling interest which represents the portion of the consolidated vehicle’s interests held by third parties. However, assets of our consolidated VIEs can only be used to settle obligations of the consolidated VIE and are not available for general use by Blackstone. Further, the liabilities of our consolidated VIEs do not have recourse to the general credit of Blackstone. In the Condensed Consolidated Statements of Operations, we eliminate any management fees, Incentive Fees, or Performance Allocations received or accrued from consolidated VIEs as they are considered intercompany transactions. We recognize 100% of the consolidated VIE’s investment income (loss) and allocate the portion of that income (loss) attributable to third party ownership to non-controlling interests in arriving at Net Income Attributable to Blackstone Inc.

The assessment of whether we consolidate a Blackstone Fund or investment vehicle we manage requires the application of significant judgment. These judgments are applied both at the time we become involved with the VIE and on an ongoing basis and include, but are not limited to:

- Determining whether our management fees, Incentive Fees or Performance Allocations represent variable interests – We make judgments as to whether the fees we earn are commensurate with the level of effort required for those fees and at market rates. In making this judgment, we consider, among other things, the extent of third party investment in the entity and the terms of any other interests we hold in the VIE.
- Determining whether kick-out rights are substantive – We make judgments as to whether the third party investors in a partnership entity have the ability to remove the general partner, the investment manager or its equivalent, or to dissolve (liquidate) the partnership entity, through a simple majority vote. This includes an evaluation of whether barriers to exercise these rights exist.
- Concluding whether Blackstone has an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE – As there is no explicit threshold in GAAP to define "potentially significant," management must apply judgment and evaluate both quantitative and qualitative factors to conclude whether this threshold is met.

***Revenue Recognition***

For a description of our accounting policy on revenue recognition, see Note 2. "Summary of Significant Accounting Policies — Revenue Recognition" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements." For an additional description of the nature of our revenue arrangements, including how management fees, Incentive Fees, and Performance Allocations are generated, please refer to "Part I. Item 1. Business — Fee Structure/Incentive Arrangements" in our Annual Report on Form 10-K for the year ended December 31, 2023. The following discussion is intended to provide supplemental information about how the application of revenue recognition principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

*Management and Advisory Fees, Net* — Blackstone earns base management fees from its customers at a fixed percentage of a calculation base which is typically assets under management, net asset value, gross asset value, total assets, committed capital or invested capital. The range of management fee rates and the calculation base from which they are earned, generally, are as follows:

On private equity, real estate, and certain of our multi-asset investing and credit-focused funds:

- 0.25% to 1.75% of committed capital or invested capital during the investment period,
- 0.25% to 1.50% of invested capital, committed capital or investment fair value subsequent to the investment period for private equity and real estate funds, and
- 1.00% to 1.75% of invested capital or net asset value subsequent to the investment period for certain of our multi-asset investing and credit-focused funds.

On real estate and credit-focused funds structured like hedge funds:

- 0.50% to 1.00% of net asset value.

On credit separately managed accounts:

- 0.20% to 1.35% of net asset value or total assets.

On real estate separately managed accounts:

- 0.35% to 2.00% of invested capital, net operating income or net asset value.

On insurance separately managed accounts and investment vehicles:

- 0.25% to 1.00% of net asset value.

On funds of hedge funds, certain hedge funds and separately managed accounts invested in hedge funds:

- 0.20% to 1.50% of net asset value.

On CLO vehicles:

- 0.20% to 0.50% of the aggregate par amount of collateral assets, including principal cash.

On credit-focused registered and non-registered investment companies:

- 0.25% to 1.25% of total assets or net asset value.

On certain real estate and private equity-focused registered funds or companies:

- 1.25% of net asset value.

The investment adviser of BXMT receives annual management fees based on 1.50% of BXMT's net proceeds received from equity offerings and accumulated "distributable earnings" (which is generally equal to its GAAP net income excluding certain non-cash and other items), subject to certain adjustments.

Management fee calculations based on committed capital or invested capital are mechanical in nature and therefore do not require the use of significant estimates or judgments. Management fee calculations based on net asset value, total assets, or investment fair value depend on the fair value of the underlying investments within the funds. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used as well as economic conditions. See "—Fair Value" below for further discussion of the judgment required for determining the fair value of the underlying investments.

*Investment Income (Loss)* — Performance Allocations are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. Blackstone has concluded that investments made alongside its limited partners in a partnership which entitle Blackstone to a Performance Allocation represent equity method investments that are not in the scope of the GAAP guidance on accounting for revenues from contracts with customers. Blackstone accounts for these arrangements under the equity method of accounting. Under the equity method, Blackstone's share of earnings (losses) from equity method investments is determined using a balance sheet approach referred to as the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, at the end of each reporting period Blackstone calculates the accrued Performance Allocations that would be due to Blackstone for each fund pursuant to the fund agreements as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. Performance Allocations are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to Blackstone based on cumulative results.

The change in the fair value of the investments held by certain Blackstone Funds is a significant input into the accrued Performance Allocation calculation and accrual for potential repayment of previously received Performance Allocations. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds. See "—Fair Value" below for further discussion related to significant estimates and assumptions used for determining fair value of the underlying investments.

***Fair Value***

Blackstone uses fair value throughout the reporting process. For a description of our accounting policies related to valuation, see Note 2. "Summary of Significant Accounting Policies — Fair Value of Financial Instruments" and "Summary of Significant Accounting Policies — Investments, at Fair Value" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing. The following discussion is intended to provide supplemental information about how the application of fair value principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

The fair value of the investments held by Blackstone Funds is the primary input to the calculation of certain of our management fees, Incentive Fees, Performance Allocations and the related Compensation we recognize. Generally, Blackstone Funds are accounted for as investment companies under the American Institute of Certified Public Accountants Audit and Accounting Guide, *Investment Companies*, and in accordance with the GAAP guidance on investment companies and reflect their investments, including majority-owned and controlled investments (the "Portfolio Companies"), at fair value. In the absence of observable market prices, we utilize valuation methodologies applied on a consistent basis and assumptions that we believe market participants would use to determine the fair value of the investments. For investments where little market activity exists management's determination of fair value is based on the best information available in the circumstances, which may incorporate management's own assumptions and involves a significant degree of judgment, and the consideration of a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks.

Blackstone has also elected the fair value option for certain instruments it owns directly, including loans and receivables, investments in private debt securities and other proprietary investments. Blackstone is required to measure certain financial instruments at fair value, including debt instruments, equity securities and freestanding derivatives.

*Fair Value of Investments or Instruments that are Publicly Traded*

Securities that are publicly traded and for which a quoted market exists will be valued at the closing price of such securities in the principal market in which the security trades, or in the absence of a principal market, in the most advantageous market on the valuation date. When a quoted price in an active market exists, no block discounts or control premiums are permitted regardless of the size of the public security held. In some cases, securities will include legal and contractual restrictions limiting their purchase and sale for a period of time. A discount to publicly traded price may be appropriate in instances where a legal restriction is a characteristic of the security, such as may be required under SEC Rule 144. The amount of the discount, if taken, shall be determined based on the time period that must pass before the restricted security becomes unrestricted or otherwise available for sale.

*Fair Value of Investments or Instruments that are not Publicly Traded*

Investments for which market prices are not observable include private investments in the equity or debt of operating companies or real estate properties. Our primary methodology for determining the fair values of such investments is generally the income approach which provides an indication of fair value based on the present value of cash flows that a business, security, or property is expected to generate in the future. The most widely used methodology under the income approach is the discounted cash flow method which includes significant assumptions about the underlying investment's projected net earnings or cash flows, discount rate, capitalization rate and exit multiple. Our secondary methodology, generally used to corroborate the results of the income approach, is typically the market approach. The most widely used methodology under the market approach relies upon valuations for comparable public companies, transactions, or assets, and includes making judgments about

which companies, transactions, or assets are comparable. Depending on the facts and circumstances associated with the investment, different primary and secondary methodologies may be used including option value, contingent claims or scenario analysis, yield analysis, projected cash flow through maturity or expiration, discount to sale, probability weighted methods or recent round of financing.

In certain cases debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments.

*Management Process on Fair Value*

Due to the importance of fair value throughout the condensed consolidated financial statements and the significant judgment required to be applied in arriving at those fair values, we have developed a process around valuation that incorporates several levels of approval and review from both internal and external sources. Investments held by Blackstone Funds and investment vehicles are valued on at least a quarterly basis by our internal valuation or asset management teams, which are independent from our investment teams. For investments held by vehicles managed by more than one business unit, Blackstone has developed a process designed to facilitate coordination and alignment, as appropriate, of the fair value of in-scope investments across business units.

For investments valued utilizing the income method and where Blackstone has information rights, we generally have a direct line of communication with each of the Portfolio Companies' and underlying assets' finance teams and collect financial data used to support projections used in a discounted cash flow analysis. The valuation team then analyzes the data received and updates the valuation models reflecting any changes in the underlying cash flow projections, weighted-average cost of capital, exit multiple or capitalization rate, and any other valuation input relevant to economic conditions.

The results of all valuations of investments held by Blackstone Funds and investment vehicles are reviewed by the relevant business unit's valuation sub-committee, which is comprised of key personnel from the business unit, typically the chief investment officer, chief operating officer, chief financial officer, chief compliance officer (or their respective equivalents where applicable) and other senior managing directors in the business. To further corroborate results, each business unit also generally obtains either a positive assurance opinion or a range of value from an independent valuation party, at least annually for internally prepared valuations for investments that have been held by Blackstone Funds and investment vehicles for greater than a year and quarterly for certain investments. Our firmwide valuation committee, chaired by our Chief Financial Officer and comprised of senior members of our businesses and representatives from corporate functions, including legal and finance, reviews the valuation process for investments held by us and our investment vehicles, including the application of appropriate valuation standards on a consistent basis. Each quarter, the valuation process is also reviewed by the audit committee of our board of directors, which is comprised of our non-employee directors.

***Income Tax***

For a description of our accounting policy on taxes and additional information on taxes see Note 2. "Summary of Significant Accounting Policies" and Note 12. "Income Taxes" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Our provision for income taxes is composed of current and deferred taxes. Current income taxes approximate taxes to be paid or refunded for the current period. Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the applicable enacted tax rates and laws that will be in effect when such differences are expected to reverse.

Additionally, significant judgment is required in estimating the provision for (benefit from) income taxes, current and deferred tax balances (including valuation allowance), accrued interest or penalties and uncertain tax positions. In evaluating these judgments, we consider, among other items, projections of taxable income (including the character of such income), beginning with historic results and incorporating assumptions of the amount of future pretax operating income. These assumptions about future taxable income require significant judgment and are consistent with the plans and estimates that Blackstone uses to manage its business. To the extent any portion of the deferred tax assets are not considered to be more likely than not to be realized, a valuation allowance is recorded.

Revisions in estimates and/or actual costs of a tax assessment may ultimately be materially different from the recorded accruals and unrecognized tax benefits, if any.

**Recent Accounting Developments**

Information regarding recent accounting developments and their impact on Blackstone, if any, can be found in Note 2. “Summary of Significant Accounting Policies” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements” of this filing.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Our predominant exposure to market risk is related to our role as general partner or investment adviser to the Blackstone Funds and the sensitivities to movements in the fair value of their investments, including the effect on management fees, performance revenues and investment income. There were no material changes in our market risks as of March 31, 2024 as compared to December 31, 2023. For additional information, refer to our Annual Report on Form 10-K for the year ended December 31, 2023.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

We maintain “disclosure controls and procedures,” as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective at the reasonable assurance level to accomplish their objectives of ensuring that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

**Changes in Internal Control over Financial Reporting**

No change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during our most recent quarter, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## Part II. Other Information

**Item 1. Legal Proceedings**

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. See "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. We are not currently subject to any pending legal (including judicial, regulatory, administrative or arbitration) proceedings that we expect to have a material impact on our condensed consolidated financial statements. However, given the inherent unpredictability of these types of proceedings and the potentially large and/or indeterminate amounts that could be sought, an adverse outcome in certain matters could have a material effect on Blackstone's financial results in any particular period. See "Part I. Item 1. Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 16. Commitments and Contingencies — Contingencies — Litigation."

**Item 1A. Risk Factors**

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 and in our subsequently filed periodic reports as such factors may be updated from time to time, all of which are accessible on the Securities and Exchange Commission's website at www.sec.gov.

See "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Business Environment" in this report for a discussion of the conditions in the financial markets and economic conditions affecting our businesses. This discussion updates, and should be read together with, the risk factor entitled "Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition." in our Annual Report on Form 10-K for the year ended December 31, 2023.

The risks described in our Annual Report on Form 10-K and in our subsequently filed periodic reports are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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

The following table sets forth information regarding repurchases of shares of our common stock during the three months ended March 31, 2024:

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a) | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (Dollars in Thousands) (a) |
|---|---|---|---|---|
| Jan. 1 - Jan. 31, 2024 | — | $ — | — | $ 756,769 |
| Feb. 1 - Feb. 29, 2024 | 263,156 | $ 126.05 | 263,156 | $ 723,597 |
| Mar. 1 - Mar. 31, 2024 | 436,844 | $ 126.44 | 436,844 | $ 668,363 |
| | 700,000 | | 700,000 | |

(a) On December 7, 2021, Blackstone's board of directors authorized the repurchase of up to $2.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date. See "Part I. Item 1. Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 13. Earnings Per Share and Stockholders' Equity — Share Repurchase Program" and "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Share Repurchase Program" for further information regarding this repurchase program.

As permitted by our policies and procedures governing transactions in our securities by our directors, executive officers and other employees, from time to time some of these persons may establish plans or arrangements complying with Rule 10b5-1 under the Exchange Act, and similar plans and arrangements relating to our common stock and Blackstone Holdings Partnership Units.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

**Section 13(r) Disclosure**

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, Blackstone hereby incorporates by reference herein Exhibit 99.1 of this report, which includes disclosures provided to us by Mundys S.p.A.

**Item 6. Exhibits**

| Exhibit Number | Exhibit Description |
|---|---|
| 10.1*+ | Amended and Restated Limited Partnership Agreement of BMA IX GP L.P., dated as of May 3, 2024. |
| 10.2*+ | Amended and Restated Agreement of Exempted Limited Partnership of BREA Europe VII (Cayman) L.P., dated as of May 3, 2024 and deemed effective as of June 30, 2023. |
| 31.1* | Certification of the Chief Executive Officer pursuant to Rule 13a-14(a). |
| 31.2* | Certification of the Chief Financial Officer pursuant to Rule 13a-14(a). |
| 32.1** | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 99.1* | Section 13(r) Disclosure. |
| 101.INS* | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104* | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith.
** Furnished herewith.
\+ Management contract or compensatory plan or arrangement in which directors or executive officers are eligible to participate.

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

**Signatures**

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

Date: May 3, 2024

Blackstone Inc.

/s/ Michael S. Chae

Name: Michael S. Chae
Title: Chief Financial Officer
(Principal Financial Officer and
Authorized Signatory)

**Exhibit 10.1**

***Execution Version***

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**HIGHLY CONFIDENTIAL & TRADE SECRET**

BMA IX GP L.P.

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

DATED AS OF MAY 3, 2024

THE LIMITED PARTNERSHIP INTERESTS (THE "INTERESTS") OF BMA IX GP L.P. (THE "PARTNERSHIP") HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES OR ANY OTHER APPLICABLE SECURITIES LAWS IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. SUCH INTERESTS MUST BE ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH (I) THE SECURITIES ACT, ANY APPLICABLE STATE SECURITIES LAWS, AND ANY OTHER APPLICABLE SECURITIES LAWS; AND (II) THE TERMS AND CONDITIONS OF THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT. THE INTERESTS MAY NOT BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SUCH LAWS AND THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT. THEREFORE, PURCHASERS OF SUCH INTERESTS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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**(Continued)**

**BMA IX GP L.P.**

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT of BMA IX GP L.P., a Delaware limited partnership (the "Partnership"), dated as of May 3, 2024, by and among BMA IX L.L.C., a Delaware limited liability company, as general partner of the Partnership (in its capacity as general partner of the Partnership (the "General Partner")), Blackstone Holdings II L.P., a Delaware limited partnership, as limited partner, and such other persons that are admitted to the Partnership as partners after the date hereof in accordance herewith.

W I T N E S S E T H

WHEREAS, the Partnership was formed pursuant to the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. § 17-101, et seq., as it may be amended from time to time (the "Partnership Act"), pursuant to a certificate of limited partnership filed in the office of the Secretary of State of the State of Delaware on January 18, 2022;

WHEREAS, the General Partner and Blackstone Holdings II L.P. entered into a Limited Partnership Agreement dated as of January 18, 2022 (the "Original Agreement");

WHEREAS, the parties hereto desire to enter into this Agreement, and hereby amend and restate the Original Agreement in its entirety; and

NOW, THEREFORE, in consideration of the mutual promises and agreements herein made and intending to be legally bound hereby, the parties hereto agree that the Original Agreement shall be amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

"Adjustment Amount" has the meaning set forth in Section 8.1(b)(ii).

"Advancing Party" has the meaning set forth in Section 7.1(c).

"Affiliate" when used with reference to another person means any person (other than the Partnership), directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with, such other person, which may include, for greater certainty and as the context requires, endowment funds, estate planning vehicles (including any trusts, family members, family investment vehicles, descendant, trusts and other related persons and entities), charitable programs and other similar and/or related vehicles or accounts associated with or established by Blackstone and/or its affiliates, partners and current and/or former employees and/or related persons.

"Agreement" means this Amended and Restated Limited Partnership Agreement, as it may be further amended, supplemented, restated or otherwise modified from time to time.

"Applicable Collateral Percentage" with respect to any Firm Collateral or Special Firm Collateral, has the meaning set forth in the books and records of the Partnership with respect thereto.

"Associates IX" means Blackstone Management Associates IX L.P., a Delaware limited partnership and the general partner of BCP IX, or any other entity that serves as the general partner or managing member of a vehicle indicated in the definition of BCP IX.

"Associates IX LP Agreement" means the limited partnership agreement, dated as of the date set forth therein, of Associates IX, as it may be amended, supplemented, restated or otherwise modified from time to time.

"Bankruptcy" means, with respect to any person, the occurrence of any of the following events: (i) the filing of an application by such person for, or a consent to, the appointment of a trustee or custodian of his or her assets; (ii) the filing by such person of a voluntary petition in Bankruptcy or the seeking of relief under Title 11 of the United States Code, as now constituted or hereafter amended, or the filing of a pleading in any court of record admitting in writing his or her inability to pay his or her debts as they become due; (iii) the failure of such person to pay his or her debts as such debts become due; (iv) the making by such person of a general assignment for the benefit of creditors; (v) the filing by such person of an answer admitting the material allegations of, or his or her consenting to, or defaulting in answering, a Bankruptcy petition filed against him or her in any Bankruptcy proceeding or petition seeking relief under Title 11 of the United States Code, as now constituted or as hereafter amended; or (vi) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such person a bankrupt or insolvent or for relief in respect of such person or appointing a trustee or custodian of his or her assets and the continuance of such order, judgment or decree unstayed and in effect for a period of 60 consecutive days.

"BCP IX" means (i) Blackstone Capital Partners IX L.P., a Delaware limited partnership, (ii) any alternative investment vehicles relating to, or formed in connection with, any of the partnerships referred to in clauses (i) and (iii) of this definition, (iii) any parallel fund, managed account or other capital vehicle relating to, or formed in connection with, the partnership referred to in clause (i) of this definition and (iv) any other limited partnership, limited liability company or other entity (in each case, whether now or hereafter established) of which Associates IX or the General Partner serves, directly or indirectly, as the general partner, special general partner, manager, managing member or in a similar capacity.

"BCP IX Agreements" means the collective reference to (i) the BCP IX Partnership Agreement and (ii) any other BCP IX partnership, limited liability company or other governing agreements, as each may be amended, supplemented, restated or otherwise modified from time to time.

"BCP IX Partnership Agreement" means the partnership agreement of the limited partnership named in clause (i) of the definition of "BCP IX," as it may be amended, supplemented, restated or otherwise modified from time to time.

"BE Agreement" means the limited partnership agreement, limited liability company agreement or other governing document of any limited partnership, limited liability company or other entity referred to in the definition of "Blackstone Entity," as such limited partnership agreement, limited liability company agreement or other governing document may be amended, supplemented, restated or otherwise modified to date, and as such limited partnership agreement, limited liability company agreement or other governing document may be further amended, supplemented, restated or otherwise modified from time to time.

"BE Investment" means any direct or indirect investment by any Blackstone Entity.

"Blackstone" means, collectively, Blackstone Inc., a Delaware corporation, and any predecessor or successor thereto, and any Affiliate thereof (excluding any natural persons and any portfolio companies, investments or similar entities of any Blackstone-sponsored fund (or any affiliate thereof that is not otherwise an Affiliate of Blackstone Inc.)).

"Blackstone Capital Commitment" has the meaning set forth in the BCP IX Partnership Agreement.

"Blackstone Entity" means any partnership, limited liability company or other entity (excluding any natural persons and any portfolio companies of any Blackstone-sponsored fund) that is an Affiliate of Blackstone Inc., as designated by the General Partner in its sole discretion.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks are authorized or required by law to be closed in New York, New York.

"Capital Commitment Associates IX Partner Interest" means the interest of the Partnership, if any, as a limited partner of Associates IX with respect to any Capital Commitment BCP IX Interest that may be held by Associates IX.

"Capital Commitment BCP IX Commitment" means the Capital Commitment (as defined in the BCP IX Partnership Agreement), if any, of the Partnership or Associates IX to BCP IX that relates solely to the Capital Commitment BCP IX Interest, if any.

"Capital Commitment BCP IX Interest" means the Interest (as defined in the BCP IX Partnership Agreement), if any, of the Partnership or Associates IX as a capital partner in BCP IX.

"Capital Commitment BCP IX Investment" means the Partnership's interest in a specific investment of BCP IX, which interest may be held by the Partnership (i) through the Partnership's direct interest in BCP IX through the Partnership's Capital Commitment BCP IX Interest, if the Partnership holds the Capital Commitment BCP IX Interest, or (ii) through the Partnership's interest in Associates IX and Associates IX's interest in BCP IX through Associates IX's Capital Commitment BCP IX Interest, if Associates IX holds the Capital Commitment BCP IX Interest.

"Capital Commitment Capital Account" means, with respect to each Capital Commitment Investment for each Partner, the account maintained for such Partner to which are credited such Partner's contributions to the Partnership with respect to such Capital Commitment Investment and any net income allocated to such Partner pursuant to Section 7.3 with respect to such Capital Commitment Investment and from which are debited any distributions with respect to such Capital Commitment Investment to such Partner and any net losses allocated to such Partner with respect to such Capital Commitment Investment pursuant to Section 7.3. In the case of any such distribution in kind, the Capital Commitment Capital Accounts for the related Capital Commitment Investment shall be adjusted as if the asset distributed had been sold in a taxable transaction and the proceeds distributed in cash, and any resulting gain or loss on such sale shall be allocated to the Partners participating in such Capital Commitment Investment pursuant to Section 7.3.

"Capital Commitment Class A Interest" has the meaning set forth in Section 7.4(f).

"Capital Commitment Class B Interest" has the meaning set forth in Section 7.4(f).

"Capital Commitment Defaulting Party" has the meaning set forth in Section 7.4(g)(ii)(A).

"Capital Commitment Deficiency Contribution" has the meaning set forth in Section 7.4(g)(ii)(A).

"Capital Commitment Disposable Investment" has the meaning set forth in Section 7.4(f).

"Capital Commitment Distributions" means, with respect to each Capital Commitment Investment, all amounts of distributions received by the Partnership with respect to such Capital Commitment Investment solely in respect of the Capital Commitment BCP IX Interest, if any, less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto, in each case which the General Partner may allocate to all or any portion of such Capital Commitment Investment as it may determine in good faith is appropriate.

"Capital Commitment Giveback Amount" has the meaning set forth in Section 7.4(g)(i).

"Capital Commitment Interest" means the interest of a Partner in a specific Capital Commitment Investment as provided herein.

"Capital Commitment Investment" means any Capital Commitment BCP IX Investment, but shall exclude any GP-Related Investment.

"Capital Commitment Liquidating Share" means, with respect to each Capital Commitment Investment, in the case of dissolution of the Partnership, the related Capital Commitment Capital Account of a Partner (less amounts reserved in accordance with Section 9.3) immediately prior to dissolution.

"Capital Commitment Net Income (Loss)" means, with respect to each Capital Commitment Investment, all amounts of income received by the Partnership with respect to such Capital Commitment Investment, including without limitation gain or loss in respect of the disposition, in whole or in part, of such Capital Commitment Investment, less any costs, fees and expenses of the Partnership allocated thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership anticipated to be allocated thereto.

"Capital Commitment Partner Carried Interest" means, with respect to any Partner, the aggregate amount of distributions or payments received by such Partner (in any capacity) from Affiliates of the Partnership in respect of or relating to "carried interest." Capital Commitment Partner Carried Interest includes any amount initially received by an Affiliate of the Partnership from any fund (including BCP IX, any similar funds formed after the date hereof, and any Other Blackstone Clients (as defined in the BCP IX Partnership Agreement), whether or not in existence as of the date hereof) to which such Affiliate serves as general partner (or in another similar capacity) that exceeds such Affiliate's *pro rata* share of distributions from such fund based upon capital contributions thereto (or the capital contributions to make the investment of such fund giving rise to such "carried interest").

"Capital Commitment Partner Interest" means a Partner's interest in the Partnership which relates (i) to any Capital Commitment BCP IX Interest held by the Partnership or (ii) through the Partnership and Associates IX, to any Capital Commitment BCP IX Interest that may be held by Associates IX.

"Capital Commitment Profit Sharing Percentage" means, with respect to each Capital Commitment Investment, the percentage interest of a Partner in Capital Commitment Net Income (Loss) from such Capital Commitment Investment set forth in the books and records of the Partnership.

"Capital Commitment Recontribution Amount" has the meaning set forth in Section 7.4(g)(i).

"Capital Commitment-Related Capital Contributions" has the meaning set forth in Section 7.1(b).

"Capital Commitment-Related Commitment" means, with respect to any Partner, such Partner's commitment to the Partnership relating to such Partner's Capital Commitment Partner Interest, as set forth in the books and records of the Partnership, including, without limitation, any such commitment that may be set forth in such Partner's Commitment Agreement or SMD Agreement, if any.

"Capital Commitment Special Distribution" has the meaning set forth in Section 7.7(a).

"Capital Commitment Value" has the meaning set forth in Section 7.5.

"Carried Interest" means (i) "Carried Interest Distributions" as defined in the BCP IX Partnership Agreement, and (ii) any other carried interest distribution to a Fund GP pursuant to any BCP IX Agreement. In the case of each of (i) and (ii) above, except as determined by the General Partner, the amount shall not be less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto (in each case which the General Partner may allocate among all or any portion of the GP-Related Investments as it determines in good faith is appropriate).

"Carried Interest Give Back Percentage" means, for any Partner or Withdrawn Partner, subject to Section 5.8(e), the percentage determined by dividing (A) the aggregate amount of distributions received by such Partner or Withdrawn Partner from the Partnership or any Other Fund GPs or their Affiliates in respect of Carried Interest by (B) the aggregate amount of distributions made to all Partners, Withdrawn Partners or any other person by the Partnership or any Other Fund GP or any of their Affiliates (in any capacity) in respect of Carried Interest. For purposes of determining any "Carried Interest Give Back Percentage" hereunder, all Trust Amounts contributed to the Trust by the Partnership or any Other Fund GPs on behalf of a Partner or Withdrawn Partner (but not the Trust Income thereon) shall be deemed to have been initially distributed or paid to the Partners and Withdrawn Partners as members, partners or other equity interest owners of the Partnership or any of the Other Fund GPs or their Affiliates.

"Carried Interest Sharing Percentage" means, with respect to each GP-Related Investment, the percentage interest of a Partner in Carried Interest from such GP-Related Investment set forth in the books and records of the Partnership.

"Cause" means the occurrence or existence of any of the following with respect to any Partner, as determined fairly, reasonably, on an informed basis and in good faith by the General Partner: (i) (w) any breach by any Partner of any provision of any non-competition agreement, (x) any material breach of this Agreement or any rules or regulations applicable to such Partner that are established by the General Partner, (y) such Partner's deliberate failure to perform his or her duties to the Partnership or any of its Affiliates, or (z) such Partner's committing to or engaging in any conduct or behavior that is or may be harmful to the Partnership or any of its Affiliates in a material way as determined by the General Partner; *provided,* that in the case of any of the foregoing clauses (w), (x), (y) and (z), the General Partner has given such Partner written notice (a "Notice of Breach") within 15 days after the General Partner becomes aware of such action and such Partner fails to cure such breach, failure to perform or conduct or behavior within 15 days after receipt of such Notice of Breach from the General Partner (or such longer period, not to exceed an additional 15 days, as shall be reasonably required for such cure; *provided,* that such Partner is diligently pursuing such cure); (ii) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Partnership or any of its

Affiliates; or (iii) conviction (on the basis of a trial or by an accepted plea of guilty or *nolo contendere*) of a felony (under U.S. law or its equivalent in any jurisdiction) or crime (including any misdemeanor charge involving moral turpitude, false statements or misleading omissions, forgery, wrongful taking, embezzlement, extortion or bribery), or a determination by a court of competent jurisdiction, by a regulatory body or by a self-regulatory body having authority with respect to securities laws, rules or regulations of the applicable securities industry, that such Partner individually has violated any applicable securities laws or any rules or regulations thereunder, or any rules of any such self-regulatory body (including, without limitation, any licensing requirement), if such conviction or determination has a material adverse effect on (A) such Partner's ability to function as a Partner of the Partnership, taking into account the services required of such Partner and the nature of the business of the Partnership and its Affiliates or (B) the business of the Partnership and its Affiliates or (iv) becoming subject to an event described in Rule 506(d)(1)(i)-(viii) of Regulation D under the Securities Act.

"Clawback Adjustment Amount" has the meaning set forth in Section 5.8(e)(ii)(C).

"Clawback Amount" means the "Clawback Amount", as defined in the BCP IX Partnership Agreement, and any other clawback amount payable to the limited partners of BCP IX or to BCP IX pursuant to any BCP IX Agreement, as applicable.

"Clawback Provisions" means paragraph 9.2.8 of the BCP IX Partnership Agreement and any other similar provisions in any other BCP IX Agreement existing heretofore or hereafter entered into.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code means, where appropriate, the corresponding provision in any successor statute.

"Commitment Agreements" means the agreements between the Partnership or an Affiliate thereof and Partners, pursuant to which each Partner undertakes certain obligations, including the obligation to make capital contributions pursuant to Section 4.1 and/or Section 7.1. Each Commitment Agreement is hereby incorporated by reference as between the Partnership and the relevant Partner.

"Contingent" means subject to repurchase rights and/or other requirements.

The term "control" when used with reference to any person means the power to direct the management and policies of such person, directly or indirectly, by or through stock or other equity interest ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other persons by or through stock or other equity interest ownership, agency or otherwise; and the terms "*controlling*" and "*controlled*" shall have meanings correlative to the foregoing.

"Controlled Entity" when used with reference to another person means any person controlled by such other person.

"Covered Person" has the meaning set forth in Section 3.5(a).

"Deceased Partner" means any Partner or Withdrawn Partner who has died or who suffers from Incompetence. For purposes hereof, references to a Deceased Partner shall refer collectively to the Deceased Partner and the estate and heirs or legal representative of such Deceased Partner, as the case may be, that have received such Deceased Partner's interest in the Partnership.

"Default Interest Rate" means the lower of (i) the sum of (a) the Prime Rate and (b) 5%, or (ii) the highest rate of interest permitted under applicable law.

"Delaware Arbitration Act" has the meaning set forth in Section 10.1(d).

"Electronic Signature" has the meaning set forth in Section 10.9.

"Estate Planning Vehicle" has the meaning set forth in Section 6.3(a).

"Excess Holdback" has the meaning set forth in Section 4.1(d)(v)(A).

"Excess Holdback Percentage" has the meaning set forth in Section 4.1(d)(v)(A).

"Excess Tax-Related Amount" has the meaning set forth in Section 5.8(e).

"Existing Partner" means any Partner who is neither a Retaining Withdrawn Partner nor a Deceased Partner.

"Final Event" means the death, Total Disability, Incompetence, Bankruptcy, liquidation, dissolution or Withdrawal from the Partnership of any person who is a Partner.

"Firm Advances" has the meaning set forth in Section 7.1(c).

"Firm Collateral" means a Partner's or Withdrawn Partner's interest in one or more partnerships or limited liability companies, in either case affiliated with the Partnership, and certain other assets of such Partner or Withdrawn Partner, in each case that has been pledged or made available to the Trustee(s) to satisfy all or any portion of the Excess Holdback of such Partner or Withdrawn Partner as more fully described in the Partnership's books and records; provided, that for all purposes hereof (and any other agreement (*e.g.*, the Trust Agreement) that incorporates the meaning of the term "Firm Collateral" by reference), references to "Firm Collateral" shall include "Special Firm Collateral", excluding references to "Firm Collateral" in Section 4.1(d)(v) and Section 4.1(d)(viii).

"Firm Collateral Realization" has the meaning set forth in Section 4.1(d)(v)(B).

"Fiscal Year" means a calendar year, or any other period chosen by the General Partner.

"Fund GP" means the Partnership (only with respect to the GP-Related BCP IX Interest) and the Other Fund GPs.

"GAAP" means U.S. generally accepted accounting principles.

"General Partner" means BMA IX L.L.C. and any person admitted to the Partnership as an additional or substitute general partner of the Partnership in accordance with the provisions of this Agreement (until such time as such person ceases to be a general partner of the Partnership as provided herein or in the Partnership Act).

"Giveback Amount(s)" means the amount(s) payable by partners of BCP IX pursuant to the Giveback Provisions.

"Giveback Provisions" means paragraph 3.4.3 of the BCP IX Partnership Agreement and any other similar provisions in any other BCP IX Agreement existing heretofore or hereafter entered into.

"Governmental Entity" has the meaning set forth in Section 10.7(b).

"GP-Related Associates IX Interest" means the interest of the Partnership as a limited partner of Associates IX with respect to the GP-Related BCP IX Interest, but does not include any interest of the Partnership in Associates IX with respect to any Capital Commitment BCP IX Interest that may be held by Associates IX.

"GP-Related BCP IX Interest" means the interest of Associates IX in BCP IX as general partner of BCP IX, excluding any Capital Commitment BCP IX Interest that may be held by Associates IX.

"GP-Related BCP IX Investment" means the Partnership's indirect interest in Associates IX's indirect interest in an Investment (for purposes of this definition, as defined in the BCP IX Partnership Agreement) in Associates IX's capacity as general partner of BCP IX, but does not include any Capital Commitment Investment.

"GP-Related Capital Account" has the meaning set forth in Section 5.2(a).

"GP-Related Capital Contributions" has the meaning set forth in Section 4.1(a).

"GP-Related Class A Interest" has the meaning set forth in Section 5.8(a)(ii).

"GP-Related Class B Interest" has the meaning set forth in Section 5.8(a)(ii).

"GP-Related Commitment", with respect to any Partner, means such Partner's commitment to the Partnership relating to such Partner's GP-Related Partner Interest, as set forth in the books and records of the Partnership, including, without limitation, any such commitment that may be set forth in such Partner's Commitment Agreement or SMD Agreement, if any.

"GP-Related Defaulting Party" has the meaning set forth in Section 5.8(d)(ii)(A).

"GP-Related Deficiency Contribution" has the meaning set forth in Section 5.8(d)(ii)(A).

"GP-Related Disposable Investment" has the meaning set forth in Section 5.8(a)(ii).

"GP-Related Giveback Amount" has the meaning set forth in Section 5.8(d)(i)(A).

"GP-Related Investment" means any investment (direct or indirect) of the Partnership in respect of the GP-Related BCP IX Interest (including, without limitation, any GP-Related BCP IX Investment, but excluding any Capital Commitment Investment).

"GP-Related Net Income (Loss)" has the meaning set forth in Section 5.1(b).

"GP-Related Partner Interest" of a Partner means all interests of such Partner in the Partnership (other than such Partner's Capital Commitment Partner Interest), including, without limitation, such Partner's interest in the Partnership with respect to the GP-Related BCP IX Interest and with respect to all GP-Related Investments.

"GP-Related Profit Sharing Percentage" means the "Carried Interest Sharing Percentage" and "Non-Carried Interest Sharing Percentage" of each Partner; provided, that any references in this Agreement to GP-Related Profit Sharing Percentages made (i) in connection with voting or voting rights or (ii) GP-Related Capital Contributions with respect to GP-Related Investments (including Section 5.3(b)) means the "Non-Carried Interest Sharing Percentage" of each Partner; provided further, that the term "GP-Related Profit Sharing Percentage" shall not include any Capital Commitment Profit Sharing Percentage.

"GP-Related Recontribution Amount" has the meaning set forth in Section 5.8(d)(i)(A).

"GP-Related Required Amounts" has the meaning set forth in Section 4.1(a).

"GP-Related Unallocated Percentage" has the meaning set forth in Section 5.3(b).

"GP-Related Unrealized Net Income (Loss)" attributable to any GP-Related BCP IX Investment as of any date means the GP-Related Net Income (Loss) that would be realized by the Partnership with respect to such GP-Related BCP IX Investment if BCP IX's entire portfolio of investments were sold on such date for cash in an amount equal to their aggregate value on such date (determined in accordance with Section 5.1(e)) and all distributions payable by BCP IX to the Partnership (indirectly through the general partner of BCP IX) pursuant to any BCP IX Partnership Agreement with respect to such GP-Related BCP IX Investment were made on such date. "GP-Related Unrealized Net Income (Loss)" attributable to any other GP-Related Investment (other than any Capital Commitment Investment) as of any date means the GP-Related Net Income (Loss) that would be realized by the Partnership with respect to such GP-Related Investment if such GP-Related Investment were sold on such date for cash in an amount equal to its value on such date (determined in accordance with Section 5.1(e)).

"Holdback" has the meaning set forth in Section 4.1(d)(i).

"Holdback Percentage" has the meaning set forth in Section 4.1(d)(i).

"Holdback Vote" has the meaning set forth in Section 4.1(d)(iv)(A).

"Holdings" means Blackstone Holdings II L.P., a Delaware limited partnership.

"Incompetence" means, with respect to any Partner, the determination by the General Partner in its sole discretion, after consultation with a qualified medical doctor, that such Partner is incompetent to manage his or her person or his or her property.

"Initial Holdback Percentages" has the meaning set forth in Section 4.1(d)(i).

"Interest" means a partnership interest (as defined in §17-101(13) of the Partnership Act) in the Partnership, including any interest that is held by a Retaining Withdrawn Partner and including any Partner's GP-Related Partner Interest and Capital Commitment Partner Interest.

"Investment" means any investment (direct or indirect) of the Partnership designated by the General Partner from time to time as an investment in which the Partners' respective interests shall be established and accounted for on a basis separate from the Partnership's other businesses, activities and investments, including (a) GP-Related Investments, and (b) Capital Commitment Investments.

"Investor Note" means a promissory note of a Partner evidencing indebtedness incurred by such Partner to purchase a Capital Commitment Interest, the terms of which were or are approved by the General Partner and which is secured by such Capital Commitment Interest, all other Capital Commitment Interests of such Partner and all other interests of such Partner in Blackstone Entities; provided, that such promissory note may also evidence indebtedness relating to other interests of such Partner in Blackstone Entities, and such indebtedness shall be prepayable with Capital Commitment Net Income (whether or not such indebtedness relates to Capital Commitment Investments) as set forth in this Agreement, the Investor Note, the other BE Agreements and any documentation relating to Other Sources; provided further, that references to "Investor Notes" herein refer to multiple loans made pursuant to such note, whether made with respect to Capital Commitment Investments or other BE Investments, and references to an "Investor Note" refer to one such loan as the context requires. In no way shall any indebtedness incurred to acquire Capital Commitment Interests or other interests in Blackstone Entities be considered part of the Investor Notes for purposes hereof if the Lender or Guarantor is not the lender or guarantor with respect thereto.

"Investor Special Partner" means any Special Partner so designated at the time of its admission by the General Partner as a Partner of the Partnership.

"Issuer" means the issuer of any Security comprising part of an Investment.

"L/C" has the meaning set forth in Section 4.1(d)(vi).

"L/C Partner" has the meaning set forth in Section 4.1(d)(vi).

"Lender or Guarantor" means Blackstone Holdings I L.P., in its capacity as lender or guarantor under the Investor Notes, or any other Affiliate of the Partnership that makes or guarantees loans to enable a Partner to acquire Capital Commitment Interests or other interests in Blackstone Entities.

"Limited Partner" means each of the parties listed as Limited Partners in the books and records of the Partnership or any person that has been admitted to the Partnership as a substituted or additional Limited Partner in accordance with the terms of this Agreement, each in its capacity as a limited partner of the Partnership. For the avoidance of doubt, the term "Limited Partner" does not include the General Partner or any Special Partners (notwithstanding the fact that Special Partners are limited partners of the Partnership).

"Loss Amount" has the meaning set forth in Section 5.8(e)(i)(A).

"Loss Investment" has the meaning set forth in Section 5.8(e).

"Losses" has the meaning set forth in Section 3.5(b)(i).

"Majority in Interest of the Partners" on any date (a "*vote date*") means one or more persons who are Partners (including the General Partner but excluding Nonvoting Special Partners) on the vote date and who, as of the last day of the most recent accounting period ending on or prior to the vote date (or as of such later date on or prior to the vote date selected by the General Partner as of which the Partners' capital account balances can be determined), have aggregate capital account balances representing at least a majority in amount of the total capital account balances of all the persons who are Partners (including the General Partner but excluding Nonvoting Special Partners) on the vote date.

"Moody's" means Moody's Investors Service, Inc., or any successor thereto.

"Net Carried Interest Distribution" has the meaning set forth in Section 5.8(e)(i)(C).

"Net Carried Interest Distribution Recontribution Amount" has the meaning set forth in Section 5.8(e).

"Net GP-Related Recontribution Amount" has the meaning set forth in Section 5.8(d)(i)(A).

"Non-Carried Interest" means, with respect to each GP-Related Investment, all amounts of distributions, other than Carried Interest and other than Capital Commitment Distributions, received by the Partnership with respect to such GP-Related Investment, less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto, in each case which the General Partner may allocate to all or any portion of the GP-Related Investments as it may determine in good faith is appropriate.

"Non-Carried Interest Sharing Percentage" means, with respect to each GP-Related Investment, the percentage interest of a Partner in Non-Carried Interest from such GP-Related Investment set forth in the books and records of the Partnership.

"Non-Contingent" means generally not subject to repurchase rights or other requirements.

"Nonvoting Partner" has the meaning set forth in Section 8.2.

"Nonvoting Special Partner" has the meaning set forth in Section 6.1(a).

"Original Agreement" has the meaning set forth in the recitals.

"Other Fund GPs" means Associates IX and any other entity (other than the Partnership) through which any Partner, Withdrawn Partner or any other person directly receives any amounts of Carried Interest, and any successor thereto; provided, that this includes any other entity which has in its organizational documents a provision which indicates that it is a "Fund GP" or an "Other Fund GP"; provided further, that notwithstanding any of the foregoing, neither BMA IX L.L.C. nor Holdings nor any Estate Planning Vehicle established for the benefit of family members of any Partner or of any member or partner of any Other Fund GP shall be considered an "Other Fund GP" for purposes hereof.

"Other Sources" means (i) distributions or payments of Capital Commitment Partner Carried Interest (which shall include amounts of Capital Commitment Partner Carried Interest which are not distributed or paid to a Partner but are instead contributed to a trust (or similar arrangement) to satisfy any "holdback" obligation with respect thereto), and (ii) distributions from Blackstone Entities (other than the Partnership) to such Partner.

"Partner" means any person who is a partner of the Partnership, including the Limited Partners, the General Partner and the Special Partners. Except as otherwise specifically provided herein, no group of Partners, including the Special Partners and any group of Partners in the same Partner Category, shall have any right to vote as a class on any matter relating to the Partnership, including, but not limited to, any merger, reorganization, dissolution or liquidation.

"Partner Category" means the General Partner, Existing Partners, Retaining Withdrawn Partners or Deceased Partners, each referred to as a group for purposes hereof.

"Partnership" has the meaning set forth in the preamble hereto.

"Partnership Act" has the meaning set forth in the preamble hereto.

"Partnership Affiliate" has the meaning set forth in Section 3.3(b).

"Partnership Affiliate Governing Agreement" has the meaning set forth in Section 3.3(b).

"Pledgable Blackstone Interests" has the meaning set forth in Section 4.1(d)(v)(A).

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate.

"Qualifying Fund" means any fund designated by the General Partner as a "Qualifying Fund".

"Repurchase Period" has the meaning set forth in Section 5.8(c).

"Required Rating" has the meaning set forth in Section 4.1(d)(vi).

"Retained Portion" has the meaning set forth in Section 7.6(a).

"Retaining Withdrawn Partner" means a Withdrawn Partner who has retained a GP-Related Partner Interest, pursuant to Section 6.5(f) or otherwise. A Retaining Withdrawn Partner shall be considered a Nonvoting Special Partner for all purposes hereof.

"S&P" means Standard & Poor's Ratings Group, and any successor thereto.

"Securities" means any debt or equity securities of an Issuer and its subsidiaries and other Controlled Entities constituting part of an Investment, including without limitation common and preferred stock, interests in limited partnerships and interests in limited liability companies (including warrants, rights, put and call options and other options relating thereto or any combination thereof), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action, other property or interests commonly regarded as securities, interests in real property, whether improved or unimproved, interests in oil and gas properties and mineral properties, short-term investments commonly regarded as money-market investments, bank deposits and interests in personal property of all kinds, whether tangible or intangible.

"Securities Act" means the U.S. Securities Act of 1933, as amended from time to time, or any successor statute.

"Settlement Date" has the meaning set forth in Section 6.5(a).

"SMD Agreements" means the agreements between the Partnership and/or one or more of its Affiliates and certain of the Partners, pursuant to which each such Partner undertakes certain obligations with respect to the Partnership and/or its Affiliates. The SMD Agreements are hereby incorporated by reference as between the Partnership and the relevant Partner.

"Special Firm Collateral" means interests in a Qualifying Fund or other assets that have been pledged to the Trustee(s) to satisfy all or any portion of a Partner's or Withdrawn Partner's Holdback obligation (excluding any Excess Holdback) as more fully described in the Partnership's books and records.

"Special Firm Collateral Realization" has the meaning set forth in Section 4.1(d)(viii)(B).

"Special Partner" means any person shown in the books and records of the Partnership as a Special Partner of the Partnership, including any Nonvoting Special Partner and any Investor Special Partner.

"Subject Investment" has the meaning set forth in Section 5.8(e)(i).

"Subject Partner" has the meaning set forth in Section 4.1(d)(iv)(A).

"Successor in Interest" means any (i) shareholder of; (ii) trustee, custodian, receiver or other person acting in any Bankruptcy or reorganization proceeding with respect to; (iii) assignee for the benefit of the creditors of; (iv) officer, director or partner of; (v) trustee or receiver, or former officer, director or partner, or other fiduciary acting for or with respect to the dissolution, liquidation or termination of; or (vi) other executor, administrator, committee, legal representative or other successor or assign of, any Partner, whether by operation of law or otherwise.

"Tax Advances" has the meaning set forth in Section 6.7(d).

"Tax Matters Partner" has the meaning set forth in Section 6.7(b).

"TM" has the meaning set forth in Section 10.2.

"Total Disability" means the inability of a Limited Partner substantially to perform the services required of such Limited Partner (in its capacity as such or in any other capacity with respect to any Affiliate of the Partnership) for a period of six consecutive months by reason of physical or mental illness or incapacity and whether arising out of sickness, accident or otherwise.

"Transfer" has the meaning set forth in Section 8.2.

"Trust Account" has the meaning set forth in the Trust Agreement.

"Trust Agreement" means the Trust Agreement, dated as of the date set forth therein, as amended, supplemented, restated or otherwise modified from time to time, among the Partners, the Trustee(s) and certain other persons that may receive distributions in respect of or relating to Carried Interest from time to time.

"Trust Amount" has the meaning set forth in the Trust Agreement.

"Trust Income" has the meaning set forth in the Trust Agreement.

"Trustee(s)" has the meaning set forth in the Trust Agreement.

"Unadjusted Carried Interest Distribution" has the meaning set forth in Section 5.8(e)(i)(B).

"Unallocated Capital Commitment Interests" has the meaning set forth in Section 8.1(f).

"U.S." means the United States of America.

"W-8BEN" has the meaning set forth in Section 3.7.

"W-8BEN-E" has the meaning set forth in Section 3.7.

"W-8IMY" has the meaning set forth in Section 3.7.

"W-9" has the meaning set forth in Section 3.7.

"Withdraw" or "Withdrawal" means, with respect to a Partner, such Partner ceasing to be a partner of the Partnership (except as a Retaining Withdrawn Partner) for any reason (including death, disability, removal, resignation or retirement, whether such is voluntary or involuntary), unless the context shall limit the type of withdrawal to a specific reason, and "Withdrawn" with respect to a Partner means, as aforesaid, such Partner ceasing to be a partner of the Partnership.

"Withdrawal Date" means the date of the Withdrawal from the Partnership of a Withdrawn Partner.

"Withdrawn Partner" means a Limited Partner whose GP-Related Partner Interest or Capital Commitment Partner Interest in the Partnership has been terminated for any reason, including the occurrence of an event specified in Section 6.2, and shall include, unless the context requires otherwise, the estate or legal representatives of any such Partner.

Section 1.2. Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term "*person*" includes individuals, partnerships (including limited liability partnerships), companies (including limited liability companies), joint ventures, corporations, trusts, governments (or agencies or political subdivisions thereof) and other associations and entities. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

## ARTICLE II

## GENERAL PROVISIONS

Section 2.1. General Partner, Limited Partner, Special Partner. The Partners may be General Partners, Limited Partners or Special Partners. The General Partner as of the date hereof is BMA IX L.L.C. and the Limited Partners as of the date hereof are those persons shown as Limited Partners in the books and records of the Partnership and the Special Partners as of the date hereof are those persons shown as Special Partners in the books and records of the Partnership as of the date hereof. The books and records of the Partnership contain the GP-Related Profit Sharing Percentage and GP-Related Commitment of each Partner (including, without limitation, the General Partner) with respect to the GP-Related Investments of the Partnership as of the date hereof. The books and records of the Partnership contain the Capital Commitment Profit Sharing Percentage and Capital Commitment-Related Commitment of each Partner (including, without limitation, the General Partner) with respect to the Capital Commitment Investments of the Partnership as of the date hereof. The books and records of the Partnership shall be amended by the General Partner from time to time to reflect additional GP-Related Investments, additional Capital Commitment Investments, dispositions by the Partnership of GP-Related Investments, dispositions by the Partnership of Capital Commitment Investments, the GP-Related Profit Sharing

Percentages of the Partners (including, without limitation, the General Partner), as modified from time to time, the Capital Commitment Profit Sharing Percentages of the Partners (including, without limitation, the General Partner), as modified from time to time, the admission of additional Partners, the Withdrawal of Partners and the transfer or assignment of interests in the Partnership pursuant to the terms of this Agreement. At the time of admission of each additional Partner, the General Partner shall determine in its sole discretion the GP-Related Investments and Capital Commitment Investments in which such Partner shall participate and such Partner's GP-Related Commitment, Capital Commitment-Related Commitment, GP-Related Profit Sharing Percentage with respect to each such GP-Related Investment and Capital Commitment Profit Sharing Percentage with respect to each such Capital Commitment Investment. Each Partner may have a GP-Related Partner Interest and/or a Capital Commitment Partner Interest.

Section 2.2. Formation; Name; Foreign Jurisdictions. The Partnership is hereby continued as a limited partnership pursuant to the Partnership Act and shall conduct its activities on and after the date hereof under the name of BMA IX GP L.P. The certificate of limited partnership of the Partnership may be amended and/or restated from time to time by the General Partner, as an "authorized person" (within the meaning of the Partnership Act). The General Partner is further authorized to execute and deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Partnership to qualify to do business in a jurisdiction in which the Partnership may wish to conduct business.

Section 2.3. Term. The term of the Partnership shall continue until December 31, 2069, unless earlier dissolved and its affairs wound up in accordance with this Agreement and the Partnership Act.

Section 2.4. Purposes; Powers. (a) The purposes of the Partnership shall be, directly or indirectly through subsidiaries or Affiliates:

(i) to serve as a limited partner or general partner of Associates IX and perform the functions of a limited partner or general partner of Associates IX specified in the Associates IX LP Agreement and, if applicable, the BCP IX Agreements;

(ii) if applicable, to serve as, and hold the Capital Commitment BCP IX Interest as, a capital partner (and, if applicable, a limited partner and/or a general partner) of BCP IX and perform the functions of a capital partner (and, if applicable, a limited partner and/or a general partner) of BCP IX specified in the BCP IX Agreements;

(iii) to invest in Capital Commitment Investments and/or GP-Related Investments and acquire and invest in Securities or other property directly or indirectly through Associates IX and/or BCP IX;

(iv) to make the Blackstone Capital Commitment or a portion thereof, directly or indirectly, and to invest in GP-Related Investments, Capital Commitment Investments and other Investments and acquire and invest in Securities or other property either directly or indirectly through Associates IX or another entity;

(v) to serve as a general partner or limited partner of BCP IX and/or other partnerships and perform the functions of a general partner or limited partner, member, shareholder or other equity interest owner specified in the respective partnership agreement, limited liability company agreement, charter or other governing documents, as amended, supplemented, restated or otherwise modified from time to time, of any such partnership;

(vi) to serve as a member, shareholder or other equity interest owner of limited liability companies, other companies, corporations or other entities and perform the functions of a member, shareholder or other equity interest owner specified in the respective limited liability company agreement, charter or other governing documents, as amended, supplemented, restated or otherwise modified from time to time, of any such limited liability company, company, corporation or other entity;

(vii) to carry on such other businesses, perform such other services and make such other investments as are deemed desirable by the General Partner and as are permitted under the Partnership Act, the Associates IX LP Agreement, the BCP IX Agreements, and any applicable partnership agreement, limited liability company agreement, charter or other governing document referred to in clause (v) or (vi) above, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time;

(viii) any other lawful purpose; and

(ix) to do all things necessary, desirable, convenient or incidental thereto.

(b) In furtherance of its purposes, the Partnership shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, as principal or agent, including the following:

(i) to be and become a general partner or limited partner of partnerships, a member of limited liability companies, a holder of common and preferred stock of corporations and/or an investor in the foregoing entities or other entities, in connection with the making of Investments or the acquisition, holding or disposition of Securities or other property or as otherwise deemed appropriate by the General Partner in the conduct of the Partnership's business, and to take any action in connection therewith;

(ii) to acquire and invest in general partner or limited partner interests, in limited liability company interests, in common and preferred stock of corporations and/or in other interests in or obligations of the foregoing entities or other entities and in Investments and Securities or other property or direct or indirect interests therein, whether such Investments and Securities or other property are readily marketable or not, and to receive, hold, sell, dispose of or otherwise transfer any such partner interests, limited liability company interests, stock, interests, obligations, Investments or Securities or other property and any dividends and distributions thereon and to purchase and sell, on margin, and be long or short, futures contracts and to purchase and sell, and be long or short, options on futures contracts;

(iii) to buy, sell and otherwise acquire investments, whether such investments are readily marketable or not;

(iv) to invest and reinvest the cash assets of the Partnership in money-market or other short-term investments;

(v) to hold, receive, mortgage, pledge, grant security interests over, lease, transfer, exchange or otherwise dispose of, grant options with respect to, and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, all property held or owned by the Partnership;

(vi) to borrow or raise money from time to time and to issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness, to secure payment of the principal of any such indebtedness and the interest thereon by mortgage, pledge, conveyance or assignment in trust of, or the granting of a security interest in, the whole or any part of the property of the Partnership, whether at the time owned or thereafter acquired, to guarantee the obligations of others and to buy, sell, pledge or otherwise dispose of any such instrument or evidence of indebtedness;

(vii) to lend any of its property or funds, either with or without security, at any legal rate of interest or without interest;

(viii) to have and maintain one or more offices within or without the State of Delaware, and in connection therewith, to rent or acquire office space, engage personnel and compensate them and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;

(ix) to open, maintain and close accounts, including margin accounts, with brokers;

(x) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys;

(xi) to engage accountants, auditors, custodians, investment advisers, attorneys and any and all other agents and assistants, both professional and nonprofessional, and to compensate any of them as may be necessary or advisable;

(xii) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, to form or cause to be formed and to participate in partnerships and joint ventures, whether foreign or domestic and to form or cause to be formed and be a member or manager or both of one or more limited liability companies;

(xiii) to enter into, make and perform all contracts, agreements and other undertakings as may be necessary, convenient, advisable or incident to carrying out its purposes;

(xiv) to sue and be sued, to prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment to claims against the Partnership, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(xv) to distribute, subject to the terms of this Agreement, at any time and from time to time to the Partners cash or investments or other property of the Partnership, or any combination thereof; and

(xvi) to take such other actions necessary, desirable, convenient or incidental thereto and to engage in such other businesses as may be permitted under Delaware and other applicable law.

Section 2.5. Place of Business. The Partnership shall maintain a registered office at c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. The Partnership shall maintain an office and principal place of business at such place or places as the General Partner specifies from time to time and as set forth in the books and records of the Partnership. The name and address of the Partnership's registered agent is Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. The General Partner may from time to time change the registered agent or office by an amendment to the certificate of limited partnership of the Partnership.

## ARTICLE III

## MANAGEMENT

Section 3.1. General Partner. (a) BMA IX L.L.C. is the General Partner as of the date hereof. The General Partner shall cease to be the General Partner only if (i) it Withdraws from the Partnership for any reason, (ii) it consents in its sole discretion to resign as the General Partner, or (iii) a Final Event with respect to it occurs. The General Partner may not be removed without its consent. There may be one or more General Partners. In the event that one or more other General Partners is admitted to the Partnership as such, all references herein to the "General Partner" in the singular form shall be deemed to also refer to such other General Partners as may be appropriate. The relative rights and responsibilities of such General Partners will be as agreed upon from time to time between them.

(b) Upon the Withdrawal from the Partnership or voluntary resignation of the last remaining General Partner, all of the powers formerly vested therein pursuant to this Agreement and the Partnership Act shall be exercised by a Majority in Interest of the Partners.

Section 3.2. Partner Voting, etc. (a) Except as otherwise expressly provided herein and except as may be expressly required by the Partnership Act, Partners (including Special Partners), other than General Partners, as such shall have no right to, and shall not, take part in the management or control of the Partnership's business or act for or bind the Partnership, and shall have only the rights and powers granted to Partners of the applicable class herein.

(b) To the extent a Partner is entitled to vote with respect to any matter relating to the Partnership, such Partner shall not be obligated to abstain from voting on any matter (or vote in any particular manner) because of any interest (or conflict of interest) of such Partner (or any Affiliate thereof) in such matter.

(c) Meetings of the Partners may be called only by the General Partner.

(d) Notwithstanding any other provision of this Agreement, any Limited Partner or Withdrawn Partner that fails to respond to a notice provided by the General Partner requesting the consent, approval or vote of such Limited Partner or Withdrawn Partner within 14 days after such notice is sent to such Limited Partner or Withdrawn Partner shall be deemed to have given its affirmative consent or approval thereto.

Section 3.3. Management. (a) The management, control and operation of the Partnership and the formulation and execution of business and investment policy shall be vested in the General Partner. The General Partner shall, in its discretion, exercise all powers necessary and convenient for the purposes of the Partnership, including those enumerated in Section 2.4, on behalf and in the name of the Partnership. All decisions and determinations (howsoever described herein) to be made by the General Partner pursuant to this Agreement shall be made in its sole discretion, subject only to the express terms and conditions of this Agreement.

(b) Notwithstanding any provision in this Agreement to the contrary, the Partnership is hereby authorized, without the need for any further act, vote or consent of any person (directly or indirectly through one or more other entities, in the name and on behalf of the Partnership, on its own behalf or in its capacity as a partner of Associates IX on Associates IX's own behalf or in Associates IX's capacity as general partner, capital partner and/or limited partner of BCP IX or as general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate or, if applicable, in the Partnership's capacity as a capital partner of BCP IX or as general or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate): (i) to execute and deliver, and to perform the Partnership's obligations under the Associates IX LP Agreement, including, without limitation, serving as a partner of Associates IX, (ii) to execute and deliver, and to cause Associates IX to perform Associates IX's obligations under, the BCP IX Agreements, including, without limitation, serving as a general partner of BCP IX and, if applicable, a capital partner of BCP IX, (iii) if applicable, to execute and deliver, and to perform the Partnership's obligations under, the BCP IX Agreements, including, without limitation, serving as a capital partner of BCP IX, (iv) to execute and deliver, and to perform, or, if applicable, to cause Associates IX to perform, the Partnership's or Associates IX's obligations under, the governing agreement, as amended, supplemented, restated or otherwise modified (each a "Partnership Affiliate Governing Agreement"), of any other partnership, limited liability company, other company, corporation or other entity (each a "Partnership Affiliate") of which the Partnership or Associates IX is, or is to become, a general partner or limited partner, member, shareholder or other equity interest owner, including, without limitation, serving as a general partner or limited partner, member, shareholder or other equity interest owner of each Partnership Affiliate, and (v) to take any action, in the applicable capacity, contemplated by or arising out of this Agreement, the Associates IX LP Agreement, the BCP IX Agreements or each Partnership Affiliate Governing Agreement (and any amendment, supplement, restatement and/or other modification of any of the foregoing).

(c) The General Partner and any other person designated by the General Partner, each acting individually, is hereby authorized and empowered, as an authorized person of the Partnership within the meaning of the Partnership Act, or otherwise, or as an authorized representative of the General Partner (the General Partner hereby authorizing and ratifying any of the following actions):

(i) to execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Partnership, on its own behalf, or in its capacity as a partner of Associates IX on Associates IX's own behalf, or in Associates IX's capacity as general partner, special general partner, capital partner and/or limited partner of BCP IX or as general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate or, if applicable, in the Partnership's capacity as a capital partner of BCP IX or as a general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate), any of the following:

(A) any agreement, certificate, instrument or other document of the Partnership, Associates IX, BCP IX or any Partnership Affiliate (and any amendments, supplements, restatements and/or other modifications thereof), including, without limitation, the following: (I) the Associates IX LP Agreement, the BCP IX Agreements and each Partnership Affiliate Governing Agreement, (II) subscription agreements and documents on behalf of BCP IX or Associates IX, (III) side letters issued in connection with investments in BCP IX, and (IV) such other agreements, certificates, instruments and other documents as may be necessary or desirable in furtherance of the purposes of the Partnership, Associates IX, BCP IX or any Partnership Affiliate (and any amendments, supplements, restatements and/or other modifications of any of the foregoing referred to in (I) through (IV) above) and for the avoidance of doubt, this Agreement may be amended by the General Partner in its sole discretion;

(B) the certificates of formation, certificates of limited partnership and/or other organizational documents of the Partnership, Associates IX, BCP IX and any Partnership Affiliate (and any amendments, supplements, restatements and/or other modifications of any of the foregoing); and

(C) any other certificates, notices, applications and other documents (and any amendments, supplements, restatements and/or other modifications thereof) to be filed with any government or governmental or regulatory body, including, without limitation, any such document that may be necessary for the Partnership, Associates IX, BCP IX or any Partnership Affiliate to qualify to do business in a jurisdiction in which the Partnership, Associates IX, BCP IX or such Partnership Affiliate desires to do business;

(ii) to prepare or cause to be prepared, and to sign, execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Partnership, on its own behalf or in its capacity as a partner of Associates IX on Associates IX's own behalf or in Associates IX's capacity

as general partner, capital partner and/or limited partner of BCP IX, or as general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate or, if applicable, in the Partnership's capacity as a capital partner of BCP IX or as general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate): (A) any certificates, forms, notices, applications and other documents to be filed with any government or governmental or regulatory body on behalf of the Partnership, Associates IX, BCP IX and/or any Partnership Affiliate, (B) any certificates, forms, notices, applications and other documents that may be necessary or advisable in connection with any bank account of the Partnership, Associates IX, BCP IX or any Partnership Affiliate or any banking facilities or services that may be utilized by the Partnership, Associates IX, BCP IX or any Partnership Affiliate, and all checks, notes, drafts and other documents of the Partnership, Associates IX, BCP IX or any Partnership Affiliate that may be required in connection with any such bank account or banking facilities or services and (C) resolutions with respect to any of the foregoing matters (which resolutions, when executed by any person authorized as provided in this Section 3.3(c), each acting individually, shall be deemed to have been duly adopted by the General Partner, the Partnership, Associates IX, BCP IX or any Partnership Affiliate, as applicable, for all purposes).

(d) The authority granted to any person (other than the General Partner) in Section 3.3(c) may be revoked at any time by the General Partner by an instrument in writing signed by the General Partner.

Section 3.4. Responsibilities of Partners. (a) Unless otherwise determined by the General Partner in a particular case, each Limited Partner (other than a Special Partner) shall devote substantially all of his or her time and attention to the businesses of the Partnership and its Affiliates, and each Special Partner shall not be required to devote any time or attention to the businesses of the Partnership or its Affiliates.

(b) All outside business or investment activities of the Partners (including outside directorships or trusteeships) shall be subject to such rules and regulations as are established by the General Partner from time to time.

(c) The General Partner may from time to time establish such other rules and regulations applicable to Partners or other employees as the General Partner deems appropriate, including rules governing the authority of Partners or other employees to bind the Partnership to financial commitments or other obligations.

Section 3.5. Exculpation and Indemnification.

(a) Liability to Partners. Notwithstanding any other provision of this Agreement, whether express or implied, to the fullest extent permitted by law, no Partner nor any of such Partner's representatives, agents or advisors nor any partner, member, officer, employee, representative, agent or advisor of the Partnership or any of its Affiliates (individually, a "Covered Person" and collectively, the "Covered Persons") shall be liable to the Partnership or any other Partner for any act or omission (in relation to the Partnership, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a

Covered Person (other than any act or omission constituting Cause), unless there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Partnership and within the authority granted to such Covered Person by this Agreement. Each Covered Person shall be entitled to rely in good faith on the advice of legal counsel to the Partnership, accountants and other experts or professional advisors, and no action taken by any Covered Person in reliance on such advice shall in any event subject such person to any liability to any Partner or the Partnership. To the extent that, at law or in equity, a Partner has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to another Partner, to the fullest extent permitted by law, such Partner acting under this Agreement shall not be liable to the Partnership or to any such other Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Partner otherwise existing at law or in equity, are agreed by the Partners, to the fullest extent permitted by law, to modify to that extent such other duties and liabilities of such Partner. To the fullest extent permitted by law, the parties hereto agree that the General Partner shall be held to have acted in good faith for the purposes of this Agreement and its duties under the Partnership Act if it believes that it has acted honestly and in accordance with the specific terms of this Agreement.

(b) Indemnification. (i) To the fullest extent permitted by law, the Partnership shall indemnify and hold harmless (but only to the extent of the Partnership's assets (including, without limitation, the remaining capital commitments of the Partners)) each Covered Person from and against any and all claims, damages, losses, costs, expenses and liabilities (including, without limitation, amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim), joint and several, of any nature whatsoever, known or unknown, liquidated or unliquidated (collectively, for purposes of this Section 3.5(b), "Losses"), arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of such Covered Person's management of the affairs of the Partnership or which relate to or arise out of or in connection with the Partnership, its property, its business or affairs (other than claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, arising out of any act or omission of such Covered Person constituting Cause); provided, that a Covered Person shall not be entitled to indemnification under this Section 3.5(b) with respect to any claim, issue or matter if there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Partnership and within the authority granted to such Covered Person by this Agreement; provided further, that if such Covered Person is a Partner or a Withdrawn Partner, such Covered Person shall bear its share of such Losses in accordance with such Covered Person's GP-Related Profit Sharing Percentage in the Partnership as of the time of the actions or omissions that gave rise to such Losses. To the fullest extent permitted by law, expenses (including legal fees) incurred by a Covered Person (including, without limitation, the General Partner) in defending any claim, demand, action, suit or proceeding may, with the approval of the General Partner, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of a written undertaking by or on behalf of the Covered Person to repay such amount to the extent that it shall be

subsequently determined that the Covered Person is not entitled to be indemnified as authorized in this Section 3.5(b), and the Partnership and its Affiliates shall have a continuing right of offset against such Covered Person's interests/investments in the Partnership and such Affiliates and shall have the right to withhold amounts otherwise distributable to such Covered Person to satisfy such repayment obligation. If a Partner institutes litigation against a Covered Person which gives rise to an indemnity obligation hereunder, such Partner shall be responsible, up to the amount of such Partner's Interests and remaining capital commitments, for such Partner's *pro rata* share of the Partnership's expenses related to such indemnity obligation, as determined by the General Partner. The Partnership may purchase insurance, to the extent available at reasonable cost, to cover losses, claims, damages or liabilities covered by the foregoing indemnification provisions. Partners will not be personally obligated with respect to indemnification pursuant to this Section 3.5(b). The General Partner shall have the authority to enter into separate agreements with any Covered Person in order to give effect to the obligations to indemnify pursuant to this Section 3.5(b).

(ii) (A) Notwithstanding anything to the contrary herein, for greater certainty, it is understood and/or agreed that the Partnership's obligations hereunder are not intended to render the Partnership as a primary indemnitor for purposes of the indemnification, advancement of expenses and related provisions under applicable law governing BCP IX and/or a particular portfolio entity through which an Investment is indirectly held. It is further understood and/or agreed that a Covered Person shall first seek to be so indemnified and have such expenses advanced in the following order of priority: first, out of proceeds available in respect of applicable insurance policies maintained by the applicable portfolio entity and/or BCP IX; second, by the applicable portfolio entity through which such investment is indirectly held; third, by BCP IX and fourth by Associates IX (only to the extent the foregoing sources are exhausted).

(B) The Partnership's obligation, if any, to indemnify or advance expenses to any Covered Person shall be reduced by any amount that such Covered Person may collect as indemnification or advancement from BCP IX and/or the applicable portfolio entity (including by virtue of any applicable insurance policies maintained thereby), and to the extent the Partnership (or any Affiliate thereof) pays or causes to be paid any amounts that should have been paid by Associates IX, BCP IX and/or the applicable portfolio entity (including by virtue of any applicable insurance policies maintained thereby), it is agreed among the Partners that the Partnership shall have a subrogation claim against Associates IX and/or BCP IX and/or such portfolio entity in respect of such advancement or payments. The General Partner and the Partnership shall be specifically empowered to structure any such advancement or payment as a loan or other arrangement (except for a loan to an executive officer of Blackstone Inc. or any of its Affiliates, which shall not be permitted) as the General Partner may determine necessary or advisable to give effect to or otherwise implement the foregoing.

Section 3.6. Representations of Partners. (a) Each Limited Partner and Special Partner by execution of this Agreement (or by otherwise becoming bound by the terms and conditions hereof as provided herein or in the Partnership Act) represents and warrants to every other Partner and to the Partnership, except as may be waived by the General Partner, that such

Partner is acquiring each of such Partner's Interests for such Partner's own account for investment and not with a view to resell or distribute the same or any part hereof, and that no other person has any interest in any such Interest or in the rights of such Partner hereunder; *provided,* that a Partner may choose to make transfers for estate and charitable planning purposes (pursuant to Section 6.3(a) and otherwise in accordance with the terms hereof). Each Limited Partner and Special Partner represents and warrants that such Partner understands that the Interests have not been registered under the Securities Act and therefore such Interests may not be resold without registration under the Securities Act or exemption from such registration, and that accordingly such Partner must bear the economic risk of an investment in the Partnership for an indefinite period of time. Each Limited Partner and Special Partner represents that such Partner has such knowledge and experience in financial and business matters, that such Partner is capable of evaluating the merits and risks of an investment in the Partnership, and that such Partner is able to bear the economic risk of such investment. Each Limited Partner and Special Partner represents that such Partner's overall commitment to the Partnership and other investments which are not readily marketable is not disproportionate to the Partner's net worth and the Partner has no need for liquidity in the Partner's investment in Interests. Each Limited Partner and Special Partner represents that to the full satisfaction of the Partner, the Partner has been furnished any materials that such Partner has requested relating to the Partnership, any Investment and the offering of Interests and has been afforded the opportunity to ask questions of representatives of the Partnership concerning the terms and conditions of the offering of Interests and any matters pertaining to each Investment and to obtain any other additional information relating thereto. Each Limited Partner and Special Partner represents that the Partner has consulted to the extent deemed appropriate by the Partner with the Partner's own advisers as to the financial, tax, legal and related matters concerning an investment in Interests and on that basis believes that an investment in the Interests is suitable and appropriate for the Partner.

(b) Each Limited Partner and Special Partner agrees that the representations and warranties contained in paragraph (a) above shall be true and correct as of any date that such Partner (1) makes a capital contribution to the Partnership (whether as a result of Firm Advances made to such Partner or otherwise) with respect to any Investment, and such Partner hereby agrees that such capital contribution shall serve as confirmation thereof and/or (2) repays any portion of the principal amount of a Firm Advance, and such Partner hereby agrees that such repayment shall serve as confirmation thereof.

Section 3.7. Tax Representation and Further Assurances. (a) Each Limited Partner and Special Partner, upon the request of the General Partner, agrees to perform all further acts and to execute, acknowledge and deliver any documents that may be reasonably necessary to comply with the General Partner's or the Partnership's obligations under applicable law or to carry out the provisions of this Agreement.

(b) Each Limited Partner and Special Partner certifies that (A) if the Limited Partner or Special Partner is a United States person (as defined in the Code) (x) (i) the Limited Partner or Special Partner's name, social security number (or, if applicable, employer identification number) and address provided to the Partnership and its Affiliates pursuant to an IRS Form W-9, Request for Taxpayer Identification Number Certification ("W-9") or otherwise are correct and (ii) the Limited Partner or Special Partner will complete and return a W-9 and (y) (i) the Limited Partner or Special Partner is a United States person (as defined in the Code) and (ii) the Limited

Partner or Special Partner will notify the Partnership within 60 days of a change to foreign (non-United States) status or (B) if the Limited Partner or Special Partner is not a United States person (as defined in the Code) (x) (i) the information on the completed IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals) ("W-8BEN"), IRS Form W-8BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) ("W-8BEN-E"), or other applicable form, including but not limited to IRS Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting ("W-8IMY"), or otherwise is correct and (ii) the Limited Partner or Special Partner will complete and return the applicable IRS form, including but not limited to a W-8BEN, W-8BEN-E or W-8IMY, and (y) (i) the Limited Partner or Special Partner is not a United States person (as defined in the Code) and (ii) the Limited Partner or Special Partner will notify the Partnership within 60 days of any change of such status. Each Limited Partner and Special Partner agrees to provide such cooperation and assistance, including but not limited to properly executing and providing to the Partnership in a timely manner any tax or other documentation or information that may be reasonably requested by the Partnership or the General Partner.

(c) Each Limited Partner and Special Partner acknowledges and agrees that the Partnership and the General Partner may release confidential information or other information about the Limited Partner or Special Partner or related to such Limited Partner or Special Partner's investment in the Partnership if the Partnership or the General Partner, in its or their sole discretion, determines that such disclosure is required by applicable law or regulation or in order to comply for an exception from, or reduced tax rate of, tax or other tax benefit. Any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on any such person by law or otherwise, and a Limited Partner or Special Partner shall have no claim against the Partnership, the General Partner or any of their Affiliates for any form of damages or liability as a result of actions taken by the foregoing in order to comply with any disclosure obligations that the foregoing reasonably believe are required by law, regulation or otherwise.

(d) Each Limited Partner and Special Partner acknowledges and agrees that if it provides information that is in anyway materially misleading, or if it fails to provide the Partnership or its agents with any information requested hereunder, in either case in order to satisfy the Partnership's obligations, the General Partner reserves the right to take any action and pursue any remedies at its disposal, including (i) requiring such Limited Partner or Special Partner to Withdraw for Cause and (ii) withholding or deducting any costs caused by such Limited Partner's or Special Partner's action or inaction from amounts otherwise distributable to such Limited Partner or Special Partner from the Partnership and its Affiliates.

## ARTICLE IV

## CAPITAL OF THE PARTNERSHIP

Section 4.1. Capital Contributions by Partners. (a) Each Partner shall be required to make capital contributions to the Partnership ("GP-Related Capital Contributions") at such times and in such amounts (the "GP-Related Required Amounts") as are required to satisfy the Partnership's obligation to make capital contributions to Associates IX in respect of the GP-Related Associates IX Interest to fund Associates IX's capital contributions with respect to any

GP-Related BCP IX Investment and as are otherwise determined by the General Partner from time to time or as may be set forth in such Limited Partner's Commitment Agreement or SMD Agreement, if any, or otherwise; provided, that additional GP-Related Capital Contributions in excess of the GP-Related Required Amounts may be made *pro rata* among the Partners based upon each Partner's Carried Interest Sharing Percentage. GP-Related Capital Contributions in excess of the GP-Related Required Amounts which are to be used for ongoing business operations (as distinct from financing, legal or other specific liabilities of the Partnership (including those specifically set forth in Section 4.1(d) and Section 5.8(d))) shall be determined by the General Partner. Special Partners shall not be required to make additional GP-Related Capital Contributions to the Partnership in excess of the GP-Related Required Amounts, except (i) as a condition of an increase in such Special Partner's GP-Related Profit Sharing Percentage or (ii) as specifically set forth in this Agreement; provided, that the General Partner and any Special Partner may agree from time to time that such Special Partner shall make an additional GP-Related Capital Contribution to the Partnership; provided further, that each Investor Special Partner shall maintain its GP-Related Capital Accounts at an aggregate level equal to the product of (i) its GP-Related Profit Sharing Percentage from time to time and (ii) the total capital of the Partnership related to the GP-Related BCP IX Interest.

(b) Each GP-Related Capital Contribution by a Partner shall be credited to the appropriate GP-Related Capital Account of such Partner in accordance with Section 5.2, subject to Section 5.10.

(c) The General Partner may elect on a case by case basis to (i) cause the Partnership to loan any Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners who are also executive officers of Blackstone Inc. or any Affiliate thereof) the amount of any GP-Related Capital Contribution required to be made by such Partner or (ii) permit any Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners who are also executive officers of Blackstone Inc. or any Affiliate thereof) to make a required GP-Related Capital Contribution to the Partnership in installments, in each case on terms determined by the General Partner.

(d) (i) The Partners and the Withdrawn Partners have entered into the Trust Agreement, pursuant to which certain amounts of the distributions relating to Carried Interest will be paid to the Trustee(s) for deposit in the Trust Account (such amounts to be paid to the Trustee(s) for deposit in the Trust Account constituting a "Holdback"). The General Partner shall determine, as set forth below, the percentage of each distribution of Carried Interest that shall be withheld for any General Partner and/or Holdings and each Partner Category (such withheld percentage constituting the General Partner's and such Partner Category's "Holdback Percentage"). The applicable Holdback Percentages initially shall be 0% for any General Partner, 15% for Existing Partners (other than the General Partner), 21% for Retaining Withdrawn Partners (other than the General Partner) and 24% for Deceased Partners (the "Initial Holdback Percentages"). Any provision of this Agreement to the contrary notwithstanding, the Holdback Percentage for the General Partner and/or Holdings shall not be subject to change pursuant to clause (ii), (iii) or (iv) of this Section 4.1(d).

(ii) The Holdback Percentage may not be reduced for any individual Partner as compared to the other Partners in his or her Partner Category (except as provided in clause (iv) below). The General Partner may only reduce the Holdback Percentages among the Partner Categories on a proportionate basis. For example, if the Holdback Percentage for Existing Partners is decreased to 12.5%, the Holdback Percentage for Retaining Withdrawn Partners and Deceased Partners shall be reduced to 17.5% and 20%, respectively. Any reduction in the Holdback Percentage for any Partner shall apply only to distributions relating to Carried Interest made after the date of such reduction.

(iii) The Holdback Percentage may not be increased for any individual Partner as compared to the other Partners in his or her Partner Category (except as provided in clause (iv) below). The General Partner may not increase the Retaining Withdrawn Partners' Holdback Percentage beyond 21% unless the General Partner concurrently increases the Existing Partners' Holdback Percentage to 21%. The General Partner may not increase the Deceased Partners' Holdback Percentage beyond 24% unless the General Partner increases the Holdback Percentage for both Existing Partners and Retaining Withdrawn Partners to 24%. The General Partner may not increase the Holdback Percentage of any Partner Category beyond 24% unless such increase applies equally to all Partner Categories. Any increase in the Holdback Percentage for any Partner shall apply only to distributions relating to Carried Interest made after the date of such increase. The foregoing shall in no way prevent the General Partner from proportionately increasing the Holdback Percentage of any Partner Category (following a reduction of the Holdback Percentages below the Initial Holdback Percentages), if the resulting Holdback Percentages are consistent with the above. For example, if the General Partner reduces the Holdback Percentages for Existing Partners, Retaining Withdrawn Partners and Deceased Partners to 12.5%, 17.5% and 20%, respectively, the General Partner shall have the right to subsequently increase the Holdback Percentages to the Initial Holdback Percentages.

(iv) (A) Notwithstanding anything contained herein to the contrary, the General Partner may increase or decrease the Holdback Percentage for any Partner in any Partner Category (in such capacity, the "Subject Partner") pursuant to a majority vote of the Limited Partners (a "Holdback Vote"); provided, that, notwithstanding anything to the contrary contained herein, the Holdback Percentage applicable to any General Partner shall not be increased or decreased without its prior written consent; provided further, that a Subject Partner's Holdback Percentage shall not be (I) increased prior to such time as such Subject Partner (x) is notified by the Partnership of the decision to increase such Subject Partner's Holdback Percentage and (y) has, if requested by such Subject Partner, been given 30 days to gather and provide information to the Partnership for consideration before a second Holdback Vote (requested by the Subject Partner) or (II) decreased unless such decrease occurs subsequent to an increase in a Subject Partner's Holdback Percentage pursuant to a Holdback Vote under this clause (iv); provided further, that such decrease shall not exceed an amount such that such Subject Partner's Holdback Percentage is less than the prevailing Holdback Percentage for the Partner Category of such Subject Partner; provided further, that a Partner shall not vote to increase a Subject Partner's Holdback Percentage unless such voting Partner determines, in such Partner's good faith judgment, that the facts and circumstances indicate that it is reasonably likely that such Subject Partner, or any of such Subject Partner's successors or assigns (including such Subject Partner's estate or heirs) who at the time of such vote holds the GP-Related Partner Interest or otherwise has the right to receive distributions relating thereto, will not be capable of satisfying any GP-Related Recontribution Amounts that may become due.

(B) A Holdback Vote shall take place at a Partnership meeting. Each of the Limited Partners shall be entitled to cast one vote with respect to the Holdback Vote regardless of such Limited Partner's interest in the Partnership. Such vote may be cast by any such Partner in person or by proxy.

(C) If the result of the second Holdback Vote is an increase in a Subject Partner's Holdback Percentage, such Subject Partner may submit the decision to an arbitrator, the identity of which is mutually agreed upon by both the Subject Partner and the Partnership; provided, that if the Partnership and the Subject Partner cannot agree upon a mutually satisfactory arbitrator within 10 days of the second Holdback Vote, each of the Partnership and the Subject Partner shall request its candidate for arbitrator to select a third arbitrator satisfactory to such candidates; provided further, that if such candidates fail to agree upon a mutually satisfactory arbitrator within 30 days of such request, the then sitting President of the American Arbitration Association shall unilaterally select the arbitrator. Each Subject Partner that submits the decision of the Partnership pursuant to the second Holdback Vote to arbitration and the Partnership shall estimate their reasonably projected out-of-pocket expenses relating thereto, and each such party shall, to the satisfaction of the arbitrator and prior to any determination being made by the arbitrator, pay the total of such estimated expenses (i.e., both the Subject Partner's and the Partnership's expenses) into an escrow account. The arbitrator shall direct the escrow agent to pay out of such escrow account all expenses associated with such arbitration (including costs leading thereto) and to return to the "victorious" party the entire amount of funds such party paid into such escrow account. If the amount contributed to the escrow account by the losing party is insufficient to cover the expenses of such arbitration, such "losing" party shall then provide any additional funds necessary to cover such costs to such "victorious" party. For purposes hereof, the "victorious" party shall be the Partnership if the Holdback Percentage ultimately determined by the arbitrator is closer to the percentage determined in the second Holdback Vote than it is to the prevailing Holdback Percentage for the Subject Partner's Partner Category; otherwise, the Subject Partner shall be the "victorious" party. The party that is not the "victorious" party shall be the "losing" party.

(D) In the event of a decrease in a Subject Partner's Holdback Percentage (1) pursuant to a Holdback Vote under this clause (iv) or (2) pursuant to a decision of an arbitrator under paragraph (C) of this clause (iv), the Partnership shall release and distribute to such Subject Partner any Trust Amounts (and the Trust Income thereon (except as expressly provided herein with respect to using Trust Income as Firm Collateral)) which exceed the required Holdback of such Subject Partner (in accordance with such Subject Partner's reduced Holdback Percentage) as though such reduced Holdback Percentage had applied since the increase of the Subject Partner's Holdback Percentage pursuant to a previous Holdback Vote under this clause (iv).

(v) (A) If a Partner's Holdback Percentage exceeds 15% (such percentage in excess of 15% constituting the "Excess Holdback Percentage"), such Partner may satisfy the portion of his or her Holdback obligation in respect of his or her Excess Holdback Percentage (such portion constituting such Partner's "Excess Holdback"), and such Partner (or a Withdrawn Partner with respect to amounts contributed to the Trust Account while he or she was a Partner), to the extent his or her Excess Holdback obligation has previously been satisfied in cash, may obtain the release of the Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or Withdrawn Partner) satisfying such Partner's or Withdrawn Partner's Excess Holdback obligation, by pledging, granting a security interest or otherwise making available to the General Partner, on a first priority basis (except as provided below), all or any portion of his or her Firm Collateral in satisfaction of his or her Excess Holdback obligation. Any Partner seeking to satisfy all or any portion of the Excess Holdback utilizing Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the General Partner) to perfect a first priority security interest in, and otherwise assure the ability of the Partnership to realize on (if required), such Firm Collateral; provided, that, in the case of entities listed in the Partnership's books and records in which Partners are permitted to pledge or grant a security interest over their interests therein to finance all or a portion of their capital contributions thereto ("Pledgable Blackstone Interests"), to the extent a first priority security interest is unavailable because of an existing lien on such Firm Collateral, the Partner or Withdrawn Partner seeking to utilize such Firm Collateral shall grant the General Partner a second priority security interest therein in the manner provided above; provided further, that (x) in the case of Pledgable Blackstone Interests, to the extent that neither a first priority nor a second priority security interest is available, or (y) if the General Partner otherwise determines in its good faith judgment that a security interest in Firm Collateral (and the corresponding documents and actions) are not necessary or appropriate, the Partner or Withdrawn Partner shall (in the case of either clause (x) or (y) above) irrevocably instruct in writing the relevant partnership, limited liability company or other entity listed in the Partnership's books and records to remit any and all net proceeds resulting from a Firm Collateral Realization on such Firm Collateral to the Trustee(s) as more fully provided in clause (B) below. The Partnership shall, at the request of any Partner or Withdrawn Partner, assist such Partner or Withdrawn Partner in taking such action as is necessary to enable such Partner or Withdrawn Partner to use Firm Collateral as provided hereunder.

(B) If upon a sale or other realization of all or any portion of any Firm Collateral (a "Firm Collateral Realization"), the remaining Firm Collateral is insufficient to cover any Partner's or Withdrawn Partner's Excess Holdback requirement, then up to 100% of the net proceeds otherwise distributable to such Partner or Withdrawn Partner from such Firm Collateral Realization (including distributions subject to the repayment of financing sources as in the case of Pledgable Blackstone Interests) shall be paid into the Trust Account to fully satisfy such Excess Holdback requirement (allocated to such Partner or Withdrawn Partner) and shall be deemed to be Trust Amounts for purposes hereunder. Any net proceeds from such Firm Collateral Realization in excess of the amount necessary to satisfy such Excess Holdback requirement shall be distributed to such Partner or Withdrawn Partner.

(C) Upon any valuation or revaluation of Firm Collateral that results in a decreased valuation of such Firm Collateral so that such Firm Collateral is insufficient to cover any Partner's or Withdrawn Partner's Excess Holdback requirement (including upon a Firm Collateral Realization, if net proceeds therefrom and the remaining Firm Collateral are insufficient to cover any Partner's or Withdrawn Partner's Excess Holdback requirement), the Partnership shall provide notice of the foregoing to such Partner or Withdrawn Partner and such Partner or Withdrawn Partner shall, within 30 days of receiving such notice, contribute cash (or additional Firm Collateral) to the Trust Account in an amount necessary to satisfy his or her Excess Holdback requirement. If any such Partner or Withdrawn Partner defaults upon his or her obligations under this clause (C), then Section 5.8(d)(ii) shall apply thereto; provided, that clause (A) of Section 5.8(d)(ii) shall be deemed inapplicable to a default under this clause (C); provided further, that for purposes of applying Section 5.8(d)(ii) to a default under this clause (C): (I) the term "GP-Related Defaulting Party" where such term appears in such Section 5.8(d)(ii) shall be construed as "defaulting party" for purposes hereof and (II) the terms "Net GP-Related Recontribution Amount" and "GP-Related Recontribution Amount" where such terms appear in such Section 5.8(d)(ii) shall be construed as the amount due pursuant to this clause (C).

(vi) Any Partner or Withdrawn Partner may (A) obtain the release of any Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or Withdrawn Partner) or Firm Collateral, in each case, held in the Trust Account for the benefit of such Partner or Withdrawn Partner or (B) require the Partnership to distribute all or any portion of amounts otherwise required to be placed in the Trust Account (whether cash or Firm Collateral), by obtaining a letter of credit (an "L/C") for the benefit of the Trustee(s) in such amounts. Any Partner or Withdrawn Partner choosing to furnish an L/C to the Trustee(s) (in such capacity, an "L/C Partner") shall deliver to the Trustee(s) an unconditional and irrevocable L/C from a commercial bank whose (x) short-term deposits are rated at least A-1 by S&P or P-1 by Moody's (if the L/C is for a term of 1 year or less), or (y) long-term deposits are rated at least A+ by S&P or A1 by Moody's (if the L/C is for a term of 1 year or more) (each a "Required Rating"). If the relevant rating of the commercial bank issuing such L/C drops below the relevant Required Rating, the L/C Partner shall supply to the Trustee(s), within 30 days of such occurrence, a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, in lieu of the insufficient L/C. In addition, if the L/C has a term expiring on a date earlier than the latest possible termination date of BCP IX, the Trustee(s) shall be permitted to drawdown on such L/C if the L/C Partner fails to provide a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, at least 30 days prior to the stated expiration date of such existing L/C. The Trustee(s) shall notify an L/C Partner 10 days prior to drawing on any L/C. The Trustee(s) may (as directed by the Partnership in the case of clause (I) below) draw down on an L/C only if (I) such a drawdown is necessary to satisfy an L/C Partner's obligation relating to the Partnership's obligations under the Clawback Provisions or (II) an L/C

Partner has not provided a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating (or the requisite amount of cash and/or Firm Collateral (to the extent permitted hereunder)), at least 30 days prior to the stated expiration of an existing L/C in accordance with this clause (vi). The Trustee(s), as directed by the Partnership, shall return to any L/C Partner his or her L/C upon (1) the termination of the Trust Account and satisfaction of the Partnership's obligations, if any, in respect of the Clawback Provisions, (2) an L/C Partner satisfying his or her entire Holdback obligation in cash and Firm Collateral (to the extent permitted hereunder), or (3) the release, by the Trustee(s), as directed by the Partnership, of all amounts in the Trust Account to the Partners or Withdrawn Partners. If an L/C Partner satisfies a portion of his or her Holdback obligation in cash and/or Firm Collateral (to the extent permitted hereunder) or if the Trustee(s), as directed by the Partnership, release a portion of the amounts in the Trust Account to the Partners or Withdrawn Partners in the Partner Category of such L/C Partner, the L/C of an L/C Partner may be reduced by an amount corresponding to such portion satisfied in cash and/or Firm Collateral (to the extent permitted hereunder) or such portion released by the Trustee(s), as directed by the Partnership; provided, that in no way shall the general release of any Trust Income cause an L/C Partner to be permitted to reduce the amount of an L/C by any amount.

(vii) (A) Any in-kind distributions by the Partnership relating to Carried Interest shall be made in accordance herewith as though such distributions consisted of cash. The Partnership may direct the Trustee(s) to dispose of any in-kind distributions held in the Trust Account at any time. The net proceeds therefrom shall be treated as though initially contributed to the Trust Account.

(B) In lieu of the foregoing, any Existing Partner may pledge or grant a security interest with respect to any in-kind distribution the Special Firm Collateral referred to in the applicable category in the Partnership's books and records; provided, that the initial contribution of such Special Firm Collateral shall initially equal 130% of the required Holdback for a period of 90 days, and thereafter shall equal at least 115% of the required Holdback. Sections 4.1(d)(viii)(C) and (D) shall apply to such Special Firm Collateral. To the extent such Special Firm Collateral exceeds the applicable minimum percentage of the required Holdback specified in the first sentence of this clause (vii)(B), the related Partner may obtain a release of such excess amount from the Trust Account.

(viii) (A) Any Limited Partner or Withdrawn Partner may satisfy all or any portion of his or her Holdback (excluding any Excess Holdback), and such Partner or a Withdrawn Partner may, to the extent his or her Holdback (excluding any Excess Holdback) has been previously satisfied in cash or by the use of an L/C as provided herein, obtain a release of Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or Withdrawn Partner) that satisfy such Partner's or Withdrawn Partner's Holdback (excluding any Excess Holdback) by pledging or granting a security interest to the Trustee(s) on a first priority basis all of his or her Special Firm Collateral in a particular Qualifying Fund, which at all times must equal or exceed the amount of the Holdback distributed to the Partner or Withdrawn Partner (as more fully set forth below). Any Partner seeking

to satisfy such Partner's Holdback utilizing Special Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the General Partner) to perfect a first priority security interest in, and otherwise assure the ability of the Trustee(s) to realize on (if required), such Special Firm Collateral.

(B) If upon a distribution, withdrawal, sale, liquidation or other realization of all or any portion of any Special Firm Collateral (a "Special Firm Collateral Realization"), the remaining Special Firm Collateral (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund and is being used in connection with an Excess Holdback) is insufficient to cover any Partner's or Withdrawn Partner's Holdback (when taken together with other means of satisfying the Holdback as provided herein (i.e., cash contributed to the Trust Account or an L/C in the Trust Account)), then up to 100% of the net proceeds otherwise distributable to such Partner or Withdrawn Partner from such Special Firm Collateral Realization (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund or other asset and is being used in connection with an Excess Holdback) shall be paid into the Trust (and allocated to such Partner or Withdrawn Partner) to fully satisfy such Holdback and shall be deemed thereafter to be Trust Amounts for purposes hereunder. Any net proceeds from such Special Firm Collateral Realization in excess of the amount necessary to satisfy such Holdback (excluding any Excess Holdback) shall be distributed to such Partner or Withdrawn Partner. To the extent a Qualifying Fund distributes Securities to a Partner or Withdrawn Partner in connection with a Special Firm Collateral Realization, such Partner or Withdrawn Partner shall be required to promptly fund such Partner's or Withdrawn Partner's deficiency with respect to his or her Holdback in cash or an L/C.

(C) Upon any valuation or revaluation of the Special Firm Collateral and/or any adjustment in the Applicable Collateral Percentage applicable to a Qualifying Fund (as provided in the Partnership's books and records), if such Partner's or Withdrawn Partner's Special Firm Collateral is valued at less than such Partner's Holdback (excluding any Excess Holdback) as provided in the Partnership's books and records, taking into account other permitted means of satisfying the Holdback hereunder, the Partnership shall provide notice of the foregoing to such Partner or Withdrawn Partner and, within 10 Business Days of receiving such notice, such Partner or Withdrawn Partner shall contribute cash or additional Special Firm Collateral to the Trust Account in an amount necessary to make up such deficiency. If any such Partner or Withdrawn Partner defaults upon his or her obligations under this clause (C), then Section 5.8(d)(ii) shall apply thereto; provided, that the first sentence of Section 5.8(d)(ii)(A) shall be deemed inapplicable to such default; provided further, that for purposes of applying Section 5.8(d)(ii) to a default under this clause (C): (I) the term "GP-Related Defaulting Party" where such term appears in such Section 5.8(d)(ii) shall be construed as "defaulting party" for purposes hereof and (II) the terms "Net GP-Related Recontribution Amount" and "GP-Related Recontribution Amount" where such terms appear in such Section 5.8(d)(ii) shall be construed as the amount due pursuant to this clause (C).

(D) Upon a Partner becoming a Withdrawn Partner, at any time thereafter the General Partner may revoke the ability of such Withdrawn Partner to use Special Firm Collateral as set forth in this Section 4.1(d)(viii), notwithstanding anything else in this Section 4.1(d)(viii). In that case the provisions of clause (C) above shall apply to the Withdrawn Partner's obligation to satisfy the Holdback (except that 30 days' notice of such revocation shall be given), given that the Special Firm Collateral is no longer available to satisfy any portion of the Holdback (excluding any Excess Holdback).

(E) Nothing in this Section 4.1(d)(viii) shall prevent any Partner or Withdrawn Partner from using any amount of such Partner's interest in a Qualifying Fund as Firm Collateral; provided, that at all times Section 4.1(d)(v) and this Section 4.1(d)(viii) are each satisfied.

Section 4.2. Interest. Interest on the balances of the Partners' capital related to the Partners' GP-Related Partner Interests (excluding capital invested in GP-Related Investments and, if deemed appropriate by the General Partner, capital invested in any other investment of the Partnership) shall be credited to the Partners' GP-Related Capital Accounts at the end of each accounting period pursuant to Section 5.2, or at any other time as determined by the General Partner, at rates determined by the General Partner from time to time, and shall be charged as an expense of the Partnership.

Section 4.3. Withdrawals of Capital. No Partner may withdraw capital related to such Partner's GP-Related Partner Interests from the Partnership except (i) for distributions of cash or other property pursuant to Section 5.8, (ii) as otherwise expressly provided in this Agreement or (iii) as determined by the General Partner.

## ARTICLE V

## PARTICIPATION IN PROFITS AND LOSSES

Section 5.1. General Accounting Matters. (a) GP-Related Net Income (Loss) shall be determined by the General Partner at the end of each accounting period and shall be allocated as described in Section 5.4.

(b) "GP-Related Net Income (Loss)" means:

(i) from any activity of the Partnership related to the GP-Related BCP IX Interest for any accounting period (other than GP-Related Net Income (Loss) from GP-Related Investments described below), (x) the gross income realized by the Partnership from such activity during such accounting period less (y) all expenses of the Partnership, and all other items that are deductible from gross income, for such accounting period that are allocable to such activity (determined as provided below);

(ii) from any GP-Related Investment for any accounting period in which such GP-Related Investment has not been sold or otherwise disposed of, (x) the gross amount of dividends, interest or other income received by the Partnership from such GP-Related Investment during such accounting period less (y) all expenses of the Partnership for such accounting period that are allocable to such GP-Related Investment (determined as provided below); and

(iii) from any GP-Related Investment for the accounting period in which such GP-Related Investment is sold or otherwise disposed of, (x) the sum of the gross proceeds from the sale or other disposition of such GP-Related Investment and the gross amount of dividends, interest or other income received by the Partnership from such GP-Related Investment during such accounting period less (y) the sum of the cost or other basis to the Partnership of such GP-Related Investment and all expenses of the Partnership for such accounting period that are allocable to such GP-Related Investment.

(c) GP-Related Net Income (Loss) shall be determined in accordance with the accounting method used by the Partnership for U.S. federal income tax purposes with the following adjustments: (i) any income of the Partnership that is exempt from U.S. federal income taxation and not otherwise taken into account in computing GP-Related Net Income (Loss) shall be added to such taxable income or loss; (ii) if any asset has a value in the books of the Partnership that differs from its adjusted tax basis for U.S. federal income tax purposes, any depreciation, amortization or gain resulting from a disposition of such asset shall be calculated with reference to such value; (iii) upon an adjustment to the value of any asset in the books of the Partnership pursuant to Treasury Regulations Section 1.704-1(b)(2), the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (iv) any expenditures of the Partnership not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing GP-Related Net Income (Loss) pursuant to this definition shall be treated as deductible items; (v) any income from a GP-Related Investment that is payable to Partnership employees in respect of "phantom interests" in such GP-Related Investment awarded by the General Partner to employees shall be included as an expense in the calculation of GP-Related Net Income (Loss) from such GP-Related Investment, and (vi) items of income and expense (including interest income and overhead and other indirect expenses) of the Partnership, Holdings and other Affiliates of the Partnership shall be allocated among the Partnership, Holdings and such Affiliates, among various Partnership activities and GP-Related Investments and between accounting periods, in each case as determined by the General Partner. Any adjustments to GP-Related Net Income (Loss) by the General Partner, including adjustments for items of income accrued but not yet received, unrealized gains, items of expense accrued but not yet paid, unrealized losses, reserves (including reserves for taxes, bad debts, actual or threatened litigation, or any other expenses, contingencies or obligations) and other appropriate items shall be made in accordance with GAAP; provided, that the General Partner shall not be required to make any such adjustment.

(d) An accounting period shall be a Fiscal Year, except that, at the option of the General Partner, an accounting period will terminate and a new accounting period will begin on the admission date of an additional Partner or the Settlement Date of a Withdrawn Partner, if any such date is not the first day of a Fiscal Year. If any event referred to in the preceding sentence occurs and the General Partner does not elect to terminate an accounting period and begin a new accounting period, then the General Partner may make such adjustments as it deems appropriate to the Partners' GP-Related Profit Sharing Percentages for the accounting period in which such event occurs (prior to any allocations of GP-Related Unallocated Percentages or adjustments to GP-Related Profit Sharing Percentages pursuant to Section 5.3) to reflect the Partners' average

GP-Related Profit Sharing Percentages during such accounting period; provided, that the GP-Related Profit Sharing Percentages of Partners in GP-Related Net Income (Loss) from GP-Related Investments acquired during such accounting period will be based on GP-Related Profit Sharing Percentages in effect when each such GP-Related Investment was acquired.

(e) In establishing GP-Related Profit Sharing Percentages and allocating GP-Related Unallocated Percentages pursuant to Section 5.3, the General Partner may consider such factors as it deems appropriate.

(f) All determinations, valuations and other matters of judgment required to be made for accounting purposes under this Agreement shall be made by the General Partner and approved by the Partnership's independent accountants. Such approved determinations, valuations and other accounting matters shall be conclusive and binding on all Partners, all Withdrawn Partners, their successors, heirs, estates or legal representatives and any other person, and to the fullest extent permitted by law no such person shall have the right to an accounting or an appraisal of the assets of the Partnership or any successor thereto.

Section 5.2. GP-Related Capital Accounts. (a) There shall be established for each Partner in the books of the Partnership, to the extent and at such times as may be appropriate, one or more capital accounts as the General Partner may deem to be appropriate for purposes of accounting for such Partner's interests in the capital of the Partnership related to the GP-Related BCP IX Interest and the GP-Related Net Income (Loss) of the Partnership (each a "GP-Related Capital Account").

(b) As of the end of each accounting period or, in the case of a contribution to the Partnership by one or more of the Partners with respect to such Partner or Partners' GP-Related Partner Interests or a distribution by the Partnership to one or more of the Partners with respect to such Partner or Partners' GP-Related Partner Interests, at the time of such contribution or distribution, (i) the appropriate GP-Related Capital Accounts of each Partner shall be credited with the following amounts: (A) the amount of cash and the value of any property contributed by such Partner to the capital of the Partnership related to such Partner's GP-Related Partner Interest during such accounting period, (B) the GP-Related Net Income allocated to such Partner for such accounting period and (C) the interest credited on the balance of such Partner's capital related to such Partner's GP-Related Partner Interest for such accounting period pursuant to Section 4.2; and (ii) the appropriate GP-Related Capital Accounts of each Partner shall be debited with the following amounts: (x) the amount of cash, the principal amount of any subordinated promissory note of the Partnership referred to in Section 6.5 (as such amount is paid) and the value of any property distributed to such Partner during such accounting period with respect to such Partner's GP-Related Partner Interest and (y) the GP-Related Net Loss allocated to such Partner for such accounting period.

Section 5.3. GP-Related Profit Sharing Percentages. (a) Prior to the beginning of each annual accounting period, the General Partner shall establish the profit sharing percentage (the "GP-Related Profit Sharing Percentage") of each Partner in each category of GP-Related Net Income (Loss) for such annual accounting period pursuant to Section 5.1(a) taking into account such factors as the General Partner deems appropriate; provided, that (i) the General Partner may elect to establish GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from

any GP-Related Investment acquired by the Partnership during such accounting period at the time such GP-Related Investment is acquired in accordance with paragraph (c) below and (ii) GP-Related Net Income (Loss) for such accounting period from any GP-Related Investment shall be allocated in accordance with the GP-Related Profit Sharing Percentages in such GP-Related Investment established in accordance with paragraph (c) below. The General Partner may establish different GP-Related Profit Sharing Percentages for any Partner in different categories of GP-Related Net Income (Loss). In the case of the Withdrawal of a Partner, such former Partner's GP-Related Profit Sharing Percentages shall be allocated by the General Partner to one or more of the remaining Partners as the General Partner shall determine. In the case of the admission of any Partner to the Partnership as an additional Partner, the GP-Related Profit Sharing Percentages of the other Partners shall be reduced by an amount equal to the GP-Related Profit Sharing Percentage allocated to such new Partner pursuant to Section 6.1(b); such reduction of each other Partner's GP-Related Profit Sharing Percentage shall be *pro rata* based upon such Partner's GP-Related Profit Sharing Percentage as in effect immediately prior to the admission of the new Partner. Notwithstanding the foregoing, the General Partner may also adjust the GP-Related Profit Sharing Percentage of any Partner for any annual accounting period at the end of such annual accounting period in its sole discretion.

(b) The General Partner may elect to allocate to the Partners less than 100% of the GP-Related Profit Sharing Percentages of any category for any annual accounting period at the time specified in Section 5.3(a) for the annual fixing of GP-Related Profit Sharing Percentages (any remainder of such GP-Related Profit Sharing Percentages being called a "GP-Related Unallocated Percentage"); provided, that any GP-Related Unallocated Percentage in any category of GP-Related Net Income (Loss) for any annual accounting period that is not allocated by the General Partner within 90 days after the end of such accounting period shall be deemed to be allocated among all the Partners (including the General Partner) in the manner determined by the General Partner in its sole discretion.

(c) Unless otherwise determined by the General Partner in a particular case, (i) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment shall be allocated in proportion to the Partners' respective GP-Related Capital Contributions in respect of such GP-Related Investment and (ii) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from each GP-Related Investment shall be fixed at the time such GP-Related Investment is acquired and shall not thereafter change, subject to any repurchase rights established by the General Partner pursuant to Section 5.7.

Section 5.4. Allocations of GP-Related Net Income (Loss). (a) Except as provided in Section 5.4(d), GP-Related Net Income of the Partnership for each GP-Related Investment shall be allocated to the GP-Related Capital Accounts related to such GP-Related Investment of all the Partners participating in such GP-Related Investment (including the General Partner): first, in proportion to and to the extent of the amount of Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest distributed to the Partners; second, to Partners that received Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest in years prior to the years such GP-Related Net Income is being allocated to the extent such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest exceeded GP-Related Net Income allocated to such Partners in such earlier years; and third, to the Partners in the same manner that such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest would have been distributed if cash were available to distribute with respect thereto.

(b) GP-Related Net Loss of the Partnership shall be allocated as follows: (i) GP-Related Net Loss relating to realized losses suffered by BCP IX and allocated to the Partnership with respect to its *pro rata* share thereof (based on capital contributions made by the Partnership to BCP IX with respect to the GP-Related BCP IX Interest) shall be allocated to the Partners in accordance with each Partner's Non-Carried Interest Sharing Percentage with respect to the GP-Related Investment giving rise to such loss suffered by BCP IX and (ii) GP-Related Net Loss relating to realized losses suffered by BCP IX and allocated to the Partnership with respect to the Carried Interest shall be allocated in accordance with a Partner's (including a Withdrawn Partner's) Carried Interest Give Back Percentage (as of the date of such loss) (subject to adjustment pursuant to Section 5.8(e)).

(c) Notwithstanding Section 5.4(a) above, GP-Related Net Income relating to Carried Interest allocated after the allocation of a GP-Related Net Loss pursuant to clause (ii) of Section 5.4(b) shall be allocated in accordance with such Carried Interest Give Back Percentages until such time as the Partners have been allocated GP-Related Net Income relating to Carried Interest equal to the aggregate amount of GP-Related Net Loss previously allocated in accordance with clause (ii) of Section 5.4(b). Withdrawn Partners shall remain Partners for purposes of allocating such GP-Related Net Loss with respect to Carried Interest.

(d) To the extent the Partnership has any GP-Related Net Income (Loss) for any accounting period unrelated to BCP IX, such GP-Related Net Income (Loss) will be allocated in accordance with GP-Related Profit Sharing Percentages prevailing at the beginning of such accounting period.

(e) The General Partner may authorize from time to time advances to Partners (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners who are also executive officers of Blackstone Inc. or any Affiliate thereof) against their allocable shares of GP-Related Net Income (Loss).

(f) Notwithstanding the foregoing, the General Partner may make such allocations as it deems reasonably necessary to give economic effect to the provisions of this Agreement, taking into account facts and circumstances as the General Partner deems reasonably necessary for this purpose.

Section 5.5. Liability of Partners. Except as otherwise provided in the Partnership Act or as expressly provided in this Agreement, no Partner shall be personally obligated for any debt, obligation or liability of the Partnership or of any other Partner solely by reason of being a Partner. In no event shall any Partner or Withdrawn Partner (i) be obligated to make any capital contribution or payment to or on behalf of the Partnership or (ii) have any liability to return distributions received by such Partner from the Partnership, in each case except as specifically provided in Section 4.1(d) or Section 5.8 or otherwise in this Agreement, as such Partner shall otherwise expressly agree in writing or as may be required by applicable law.

Section 5.6. [Intentionally omitted.]

Section 5.7. Repurchase Rights, etc. The General Partner may from time to time establish such repurchase rights and/or other requirements with respect to the Partners' GP-Related Partner Interests relating to GP-Related BCP IX Investments as the General Partner may determine. The General Partner shall have authority to (a) withhold any distribution otherwise payable to any Partner until any such repurchase rights have lapsed or any such requirements have been satisfied, (b) pay any distribution to any Partner that is Contingent as of the distribution date and require the refund of any portion of such distribution that is Contingent as of the Withdrawal Date of such Partner, (c) amend any previously established repurchase rights or other requirements from time to time and (d) make such exceptions thereto as it may determine on a case by case basis.

Section 5.8. Distributions. (a) (i) The Partnership shall make distributions of available cash (subject to reserves and other adjustments as provided herein) or other property to Partners with respect to such Partners' GP-Related Partner Interests at such times and in such amounts as are determined by the General Partner. The General Partner shall, if it deems it appropriate, determine the availability for distribution of, and distribute, cash or other property separately for each category of GP-Related Net Income (Loss) established pursuant to Section 5.1(a). Distributions of cash or other property with respect to Non-Carried Interest shall be made among the Partners in accordance with their respective Non-Carried Interest Sharing Percentages, and, subject to Section 4.1(d) and Section 5.8(e), distributions of cash or other property with respect to Carried Interest shall be made among Partners in accordance with their respective Carried Interest Sharing Percentages.

(ii) At any time that a sale, exchange, transfer or other disposition by BCP IX of a portion of a GP-Related Investment is being considered by the Partnership (a "GP-Related Disposable Investment"), at the election of the General Partner each Partner's GP-Related Partner Interest with respect to such GP-Related Investment shall be vertically divided into two separate GP-Related Partner Interests, a GP-Related Partner Interest attributable to the GP-Related Disposable Investment (a Partner's "GP-Related Class B Interest"), and a GP-Related Partner Interest attributable to such GP-Related Investment excluding the GP-Related Disposable Investment (a Partner's "GP-Related Class A Interest"). Distributions (including those resulting from a sale, transfer, exchange or other disposition by BCP IX) relating to a GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class B Interests with respect to such GP-Related Investment in accordance with their GP-Related Profit Sharing Percentages relating to such GP-Related Class B Interests, and distributions (including those resulting from the sale, transfer, exchange or other disposition by BCP IX) relating to a GP-Related Investment excluding such GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class A Interests with respect to such GP-Related Investment in accordance with their respective GP-Related Profit Sharing Percentages relating to such GP-Related Class A Interests. Except as provided above, distributions of cash or other property with respect to each category of GP-Related Net Income (Loss) shall be allocated among the Partners in the same proportions as the allocations of GP-Related Net Income (Loss) of each such category.

(b) Subject to the Partnership's having sufficient available cash in the reasonable judgment of the General Partner, the Partnership shall make cash distributions to each Partner with respect to each Fiscal Year of the Partnership in an aggregate amount at least equal to the total U.S. federal, New York State and New York City income and other taxes that would be payable by such Partner with respect to all categories of GP-Related Net Income (Loss) allocated to such Partner for such Fiscal Year, the amount of which shall be calculated (i) on the assumption that each Partner is an individual subject to the then prevailing maximum rate of U.S. federal, New York State and New York City and other income taxes (including, without limitation, taxes under Sections 1401 and 1411 of the Code), (ii) taking into account (x) the limitations on the deductibility of expenses and other items for U.S. federal income tax purposes and (y) the character (e.g., long-term or short-term capital gain or ordinary or exempt) of the applicable income) and (iii) taking into account any differential in applicable rates due to the type and character of GP-Related Net Income (Loss) allocated to such Partner. Notwithstanding the provisions of the foregoing sentence, the General Partner may refrain from making any distribution if, in the reasonable judgment of the General Partner, such distribution is prohibited by applicable law.

(c) The General Partner may provide that the GP-Related Partner Interest of any Partner or employee (including such Partner's or employee's right to distributions and investments of the Partnership related thereto) may be subject to repurchase by the Partnership during such period as the General Partner shall determine (a "Repurchase Period"). Any Contingent distributions from GP-Related Investments subject to repurchase rights will be withheld by the Partnership and will be distributed to the recipient thereof (together with interest thereon at rates determined by the General Partner from time to time) as the recipient's rights to such distributions become Non-Contingent (by virtue of the expiration of the applicable Repurchase Period or otherwise). The General Partner may elect in an individual case to have the Partnership distribute any Contingent distribution to the applicable recipient thereof irrespective of whether the applicable Repurchase Period has lapsed. If a Partner Withdraws from the Partnership for any reason other than his or her death, Total Disability or Incompetence, the undistributed share of any GP-Related Investment that remains Contingent as of the applicable Withdrawal Date shall be repurchased by the Partnership at a purchase price determined at such time by the General Partner. Unless determined otherwise by the General Partner, the repurchased portion thereof will be allocated among the remaining Partners with interests in such GP-Related Investment in proportion to their respective percentage interests in such GP-Related Investment, or if no other Partner has a percentage interest in such specific GP-Related Investment, to the General Partner; provided, that the General Partner may allocate the Withdrawn Partner's share of unrealized investment income from a repurchased GP-Related Investment attributable to the period after the Withdrawn Partner's Withdrawal Date on any basis it may determine, including to existing or new Partners who did not previously have interests in such GP-Related Investment, except that, in any event, each Investor Special Partner shall be allocated a share of such unrealized investment income equal to its respective GP-Related Profit Sharing Percentage of such unrealized investment income.

(d) (i) (A) If Associates IX is obligated under the Clawback Provisions or Giveback Provisions to contribute to BCP IX a Clawback Amount or a Giveback Amount (other than a Capital Commitment Giveback Amount) and the Partnership is obligated to contribute any such amount to Associates IX in respect of the Partnership's GP-Related Associates IX Interest (the amount of any such obligation of the Partnership with respect to such a Giveback Amount

being herein called a "GP-Related Giveback Amount"), the General Partner shall call for such amounts as are necessary to satisfy such obligations of the Partnership as determined by the General Partner, in which case each Partner and Withdrawn Partner shall contribute to the Partnership, in cash, when and as called by the General Partner, such an amount of prior distributions by the Partnership (and the Other Fund GPs) with respect to Carried Interest (and/or Non-Carried Interest in the case of a GP-Related Giveback Amount) (the "GP-Related Recontribution Amount") which equals (I) the product of (a) a Partner's or Withdrawn Partner's Carried Interest Give Back Percentage and (b) the aggregate Clawback Amount payable by the Partnership in the case of Clawback Amounts and (II) with respect to a GP-Related Giveback Amount, such Partner's *pro rata* share of prior distributions of Carried Interest and/or Non-Carried Interest in connection with (a) the GP-Related BCP IX Investment giving rise to the GP-Related Giveback Amount, (b) if the amounts contributed pursuant to clause (II)(a) above are insufficient to satisfy such GP-Related Giveback Amount, GP-Related BCP IX Investments other than the one giving rise to such obligation, but only those amounts received by the Partners with an interest in the GP-Related BCP IX Investment referred to in clause (II)(a) above, and (c) if the GP-Related Giveback Amount pursuant to an applicable BCP IX Agreement is unrelated to a specific GP-Related BCP IX Investment, all GP-Related BCP IX Investments. Each Partner and Withdrawn Partner shall promptly contribute to the Partnership, along with satisfying his or her comparable obligations to the Other Fund GPs, if any, upon such call such Partner's or Withdrawn Partner's GP-Related Recontribution Amount, less the amount paid out of the Trust Account on behalf of such Partner or Withdrawn Partner by the Trustee(s) pursuant to written instructions from the Partnership, or if applicable, any of the Other Fund GPs with respect to Carried Interest (and/or Non-Carried Interest in the case of GP-Related Giveback Amounts) (the "Net GP-Related Recontribution Amount"), irrespective of the fact that the amounts in the Trust Account may be sufficient on an aggregate basis to satisfy the Partnership's and the Other Fund GPs' obligation under the Clawback Provisions and/or Giveback Provisions; provided, that to the extent a Partner's or Withdrawn Partner's share of the amount paid with respect to the Clawback Amount or the GP-Related Giveback Amount exceeds his or her GP-Related Recontribution Amount, such excess shall be repaid to such Partner or Withdrawn Partner as promptly as reasonably practicable, subject to clause (ii) below; provided further, that such written instructions from the General Partner shall specify each Partner's and Withdrawn Partner's GP-Related Recontribution Amount. Prior to such time, the General Partner may, in its discretion (but shall be under no obligation to), provide notice that in the General Partner's judgment, the potential obligations in respect of the Clawback Provisions or the Giveback Provisions will probably materialize (and an estimate of the aggregate amount of such obligations); provided further, that any amount from a Partner's Trust Account used to pay any GP-Related Giveback Amount (or such lesser amount as may be required by the General Partner) shall be contributed by such Partner to such Partner's Trust Account no later than 30 days after the Net GP-Related Recontribution Amount is paid with respect to such GP-Related Giveback Amount.

(B) To the extent any Partner or Withdrawn Partner has satisfied any Holdback obligation with Firm Collateral, such Partner or Withdrawn Partner shall, within 10 days of the General Partner's call for GP-Related Recontribution Amounts, make a cash payment into the Trust Account in an amount equal to the amount of the Holdback obligation satisfied with such Firm Collateral, or such lesser amount such that the amount in the Trust Account allocable to such Partner or Withdrawn Partner equals the sum of (I) such Partner's or Withdrawn Partner's

GP-Related Recontribution Amount and (II) any similar amounts payable to any of the Other Fund GPs. Immediately upon receipt of such cash, the Trustee(s) shall take such steps as are necessary to release such Firm Collateral of such Partner or Withdrawn Partner equal to the amount of such cash payment. If the amount of such cash payment is less than the amount of Firm Collateral of such Partner or Withdrawn Partner, the balance of such Firm Collateral if any, shall be retained to secure the payment of GP-Related Deficiency Contributions, if any, and shall be fully released upon the satisfaction of the Partnership's and the Other Fund GPs' obligation to pay the Clawback Amount. The failure of any Partner or Withdrawn Partner to make a cash payment in accordance with this clause (B) (to the extent applicable) shall constitute a default under Section 5.8(d)(ii) as if such cash payment hereunder constitutes a Net GP-Related Recontribution Amount under Section 5.8(d)(ii). Solely to the extent required by the BCP IX Partnership Agreement, each partner of the General Partner shall have the same obligations as a Partner (which obligations shall be subject to the same limitations as the obligations of a Partner) under this Section 5.8(d)(i)(B) and under Section 5.8(d)(ii)(A) with respect to such partner's pro rata share of any Clawback Amount and solely to the extent that the Partnership has insufficient funds to meet the Partnership's obligations under the BCP IX Partnership Agreement.

(ii) (A) In the event any Partner or Withdrawn Partner (a "GP-Related Defaulting Party") fails to recontribute all or any portion of such GP-Related Defaulting Party's Net GP-Related Recontribution Amount for any reason, the General Partner shall require all other Partners and Withdrawn Partners to contribute, on a *pro rata* basis (based on each of their respective Carried Interest Give Back Percentages in the case of Clawback Amounts, and GP-Related Profit Sharing Percentages in the case of GP-Related Giveback Amounts (as more fully described in clause (II) of Section 5.8(d)(i)(A) above)), such amounts as are necessary to fulfill the GP-Related Defaulting Party's obligation to pay such GP-Related Defaulting Party's Net GP-Related Recontribution Amount (a "GP-Related Deficiency Contribution") if the General Partner determines in its good faith judgment that the Partnership (or an Other Fund GP) will be unable to collect such amount in cash from such GP-Related Defaulting Party for payment of the Clawback Amount or GP-Related Giveback Amount, as the case may be, at least 20 Business Days prior to the latest date that the Partnership, and the Other Fund GPs, if applicable, are permitted to pay the Clawback Amount or GP-Related Giveback Amount, as the case may be; provided, that, subject to Section 5.8(e), no Partner or Withdrawn Partner shall as a result of such GP-Related Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Net GP-Related Recontribution Amount initially requested from such Partner or Withdrawn Partner in respect of such default.

(B) Thereafter, the General Partner shall determine in its good faith judgment that the Partnership should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the General Partner or (2) pursue any and all remedies (at law or equity) available to the Partnership against the GP-Related Defaulting Party, the cost of which shall be a Partnership expense to the extent not ultimately reimbursed by the GP-Related Defaulting

Party. It is agreed that the Partnership shall have the right (effective upon such GP-Related Defaulting Party becoming a GP-Related Defaulting Party) to set-off as appropriate and apply against such GP-Related Defaulting Party's Net GP-Related Recontribution Amount any amounts otherwise payable to the GP-Related Defaulting Party by the Partnership or any Affiliate thereof (including amounts unrelated to Carried Interest, such as returns of capital and profit thereon). Each Partner and Withdrawn Partner hereby grants to the General Partner a security interest, effective upon such Partner or Withdrawn Partner becoming a GP-Related Defaulting Party, in all accounts receivable and other rights to receive payment from any Affiliate of the Partnership and agrees that, upon the effectiveness of such security interest, the General Partner may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Partner and Withdrawn Partner hereby appoints the General Partner as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Partner or Withdrawn Partner or in the name of the General Partner, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The General Partner shall be entitled to collect interest on the Net GP-Related Recontribution Amount of a GP-Related Defaulting Party from the date such Net GP-Related Recontribution Amount was required to be contributed to the Partnership at a rate equal to the Default Interest Rate.

(C) Any Partner's or Withdrawn Partner's failure to make a GP-Related Deficiency Contribution shall cause such Partner or Withdrawn Partner to be a GP-Related Defaulting Party with respect to such amount. The Partnership shall first seek any remaining Trust Amounts (and Trust Income thereon) allocated to such Partner or Withdrawn Partner to satisfy such Partner's or Withdrawn Partner's obligation to make a GP-Related Deficiency Contribution before seeking cash contributions from such Partner or Withdrawn Partner in satisfaction of such Partner's or Withdrawn Partner's obligation to make a GP-Related Deficiency Contribution.

(iii) In the event any Partner or Withdrawn Partner initially fails to recontribute all or any portion of such Partner or Withdrawn Partner's *pro rata* share of any Clawback Amount pursuant to Section 5.8(d)(i)(A), the Partnership shall use its reasonable efforts to collect the amount which such Partner or Withdrawn Partner so fails to recontribute.

(iv) A Partner's or Withdrawn Partner's obligation to make contributions to the Partnership under this Section 5.8(d) shall survive the termination of the Partnership.

(e) The Partners acknowledge that the General Partner will (and is hereby authorized to) take such steps as it deems appropriate, in its good faith judgment, to further the objective of providing for the fair and equitable treatment of all Partners, including by allocating Aggregate Net Losses from Writedowns (as defined in the BCP IX Agreements) and Losses (as defined in the BCP IX Agreements) on GP-Related BCP IX Investments that have been the subject of a writedown and/or Net Loss (as defined in the BCP IX Agreements) (each, a "Loss

Investment") to those Partners who participated in such Loss Investments based on their Carried Interest Sharing Percentage therein to the extent that such Partners receive or have received Carried Interest distributions from other GP-Related BCP IX Investments. Consequently and notwithstanding anything herein to the contrary, adjustments to Carried Interest distributions shall be made as set forth in this Section 5.8(e).

(i) At the time the Partnership is making Carried Interest distributions in connection with a GP-Related BCP IX Investment (the "Subject Investment") that have been reduced under any BCP IX Agreement as a result of one or more Loss Investments, the General Partner shall calculate amounts distributable to or due from each such Partner as follows:

(A) determine each Partner's share of each such Loss Investment based on his or her Carried Interest Sharing Percentage in each such Loss Investment (which may be zero) to the extent such Loss Investment has reduced the Carried Interest distributions otherwise available for distribution to all Partners (indirectly through the Partnership from BCP IX) from the Subject Investment (such reduction, the "Loss Amount");

(B) determine the amount of Carried Interest distributions otherwise distributable to such Partner with respect to the Subject Investment (indirectly through the Partnership from BCP IX) before any reduction in respect of the amount determined in clause (A) above (the "Unadjusted Carried Interest Distributions"); and

(C) subtract (I) the Loss Amounts relating to all Loss Investments from (II) the Unadjusted Carried Interest Distributions for such Partner, to determine the amount of Carried Interest distributions to actually be paid to such Partner ("Net Carried Interest Distribution").

To the extent that the Net Carried Interest Distribution for a Partner as calculated in this clause (i) is a negative number, the General Partner shall (I) notify such Partner, at or prior to the time such Carried Interest distributions are actually made to the Partners, of his or her obligation to recontribute to the Partnership prior Carried Interest distributions (a "Net Carried Interest Distribution Recontribution Amount"), up to the amount of such negative Net Carried Interest Distribution, and (II) to the extent amounts recontributed pursuant to clause (I) are insufficient to satisfy such negative Net Carried Interest Distribution amount, reduce future Carried Interest distributions otherwise due such Partner, up to the amount of such remaining negative Net Carried Interest Distribution. If a Partner's (x) Net Carried Interest Distribution Recontribution Amount exceeds (y) the aggregate amount of prior Carried Interest distributions less the amount of tax thereon, calculated based on the Assumed Tax Rate (as defined in the BCP IX Agreements) in effect in the Fiscal Years of such distributions (the "Excess Tax-Related Amount"), then such Partner may, in lieu of paying such Partner's Excess Tax-Related Amount, defer such amounts as set forth below. Such deferred amount shall accrue interest at the Prime Rate. Such deferred amounts shall be reduced and repaid by the amount of Carried Interest otherwise distributable to such Partner in connection with future Carried Interest distributions until such balance is reduced to zero. Any deferred amounts shall be payable in full upon the earlier of (i) such time as the Clawback Amount is determined (as provided herein) and (ii) such time as the Partner becomes a Withdrawn Partner.

To the extent there is an amount of negative Net Carried Interest Distribution with respect to a Partner remaining after the application of this clause (i), notwithstanding clause (II) of the preceding paragraph, such remaining amount of negative Net Carried Interest Distribution shall be allocated to the other Partners *pro rata* based on each of their Carried Interest Sharing Percentages in the Subject Investment.

A Partner who fails to pay a Net Carried Interest Distribution Recontribution Amount promptly upon notice from the General Partner (as provided above) shall be deemed a GP-Related Defaulting Party for all purposes hereof.

A Partner may satisfy in part any Net Carried Interest Distribution Recontribution Amount from cash that is then subject to a Holdback, to the extent that the amounts that remain subject to a Holdback satisfy the Holdback requirements hereof as they relate to the reduced amount of aggregate Carried Interest distributions received by such Partner (taking into account any Net Carried Interest Distribution Recontribution Amount contributed to the Partnership by such Partner).

Any Net Carried Interest Distribution Recontribution Amount contributed by a Partner, including amounts of cash subject to a Holdback as provided above, shall increase the amount available for distribution to the other Partners as Carried Interest distributions with respect to the Subject Investment; provided, that any such amounts then subject to a Holdback may be so distributed to the other Partners to the extent a Partner receiving such distribution has satisfied the Holdback requirements with respect to such distribution (taken together with the other Carried Interest distributions received by such Partner to date).

(ii) In the case of Clawback Amounts which are required to be contributed to the Partnership as otherwise provided herein, the obligation of the Partners with respect to any Clawback Amount shall be adjusted by the General Partner as follows:

(A) determine each Partner's share of any Net Losses (as defined in the BCP IX Agreements) in any GP-Related BCP IX Investments which gave rise to the Clawback Amount (i.e., the Losses that followed the last GP-Related BCP IX Investment with respect to which Carried Interest distributions were made), based on such Partner's Carried Interest Sharing Percentage in such GP-Related BCP IX Investments;

(B) determine each Partner's obligation with respect to the Clawback Amount based on such Partner's Carried Interest Give Back Percentage as otherwise provided herein; and

(C) subtract the amount determined in clause (B) above from the amount determined in clause (A) above with respect to each Partner to determine the amount of adjustment to each Partner's share of the Clawback Amount (a Partner's "Clawback Adjustment Amount").

A Partner's share of the Clawback Amount shall for all purposes hereof be decreased by such Partner's Clawback Adjustment Amount, to the extent it is a negative number (except to the extent expressly provided below). A Partner's share of the Clawback Amount shall for all purposes hereof be increased by such Partner's Clawback Adjustment Amount (to the extent it is a positive number); provided, that in no way shall a Partner's aggregate obligation to satisfy a Clawback Amount as a result of this clause (ii) exceed the aggregate Carried Interest distributions received by such Partner. To the extent a positive Clawback Adjustment Amount remains after the application of this clause (ii) with respect to a Partner, such remaining Clawback Adjustment Amount shall be allocated to the Partners (including any Partner whose Clawback Amount was increased pursuant to this clause (ii)) *pro rata* based on their Carried Interest Give Back Percentages (determined without regard to this clause (ii)).

Any distribution or contribution adjustments pursuant to this Section 5.8(e) by the General Partner shall be based on its good faith judgment, and no Partner shall have any claim against the Partnership, the General Partner or any other Partners as a result of any adjustment made as set forth above. This Section 5.8(e) applies to all Partners, including Withdrawn Partners.

It is agreed and acknowledged that this Section 5.8(e) is an agreement among the Partners and in no way modifies the obligations of each Partner regarding the Clawback Amount as provided in the BCP IX Agreements.

Section 5.9. Business Expenses. The Partnership shall reimburse the Partners for reasonable travel, entertainment and miscellaneous expenses incurred by them in the conduct of the Partnership's business in accordance with rules and regulations established by the General Partner from time to time.

Section 5.10. Tax Capital Accounts; Tax Allocations. (a) For U.S. federal income tax purposes, there shall be established for each Partner a single capital account combining such Partner's Capital Commitment Capital Account and GP-Related Capital Account, with such adjustments as the General Partner determines are appropriate so that such single capital account is maintained in compliance with the principles and requirements of Section 704(b) of the Code and the Treasury Regulations thereunder. In furtherance of the foregoing and in accordance with Treasury Regulations Section 1.1061-3(c)(3)(ii)(B), the Partnership shall (i) calculate separate allocations attributable to (A) the Carried Interest and any other distribution entitlements that are not commensurate with capital contributed to the Partnership, and (B) any distribution entitlements of the Partners that are commensurate with capital contributed to the Partnership (in each case, within the meaning of Treasury Regulations Section 1.1061-3(c)(3)(ii)(B) and as reasonably determined by the General Partner), and (ii) consistently reflect each such allocation in its books and records.

(b) All items of income, gain, loss, deduction and credit of the Partnership shall be allocated among the Partners for U.S. federal, state and local income tax purposes in the same manner as such items of income, gain, loss, deduction and credit shall be allocated among the Partners pursuant to this Agreement, except as may otherwise be provided herein or by the Code or other applicable law. In the event there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Treasury Regulations Sections 1.704-2(d) and 1.704-2(i)) during any taxable year of the Partnership, each

Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to its respective share of such net decrease during such year, determined pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(f). In addition, this Agreement shall be considered to contain a "qualified income offset" as provided in Treasury Regulations Section 1.704-1(b)(2)(ii)(d). Notwithstanding the foregoing, the General Partner in its sole discretion shall make allocations for tax purposes as may be needed to ensure that allocations are in accordance with the interests of the Partners within the meaning of the Code and the Treasury Regulations.

(c) For U.S. federal, state and local income tax purposes only, Partnership income, gain, loss, deduction or expense (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in a manner corresponding to the manner in which corresponding items are allocated among the Partners pursuant to the other provisions of this Section 5.10; provided, that the General Partner may in its sole discretion make such allocations for tax purposes as it determines are appropriate so that allocations have substantial economic effect or are in accordance with the interests of the Partners, within the meaning of the Code and the Treasury Regulations thereunder. To the extent there is an adjustment by a taxing authority to any item of income, gain, loss, deduction or credit of the Partnership (or an adjustment to any Partner's distributive share thereof), the General Partner may reallocate the adjusted items among each Partner or former Partner (as determined by the General Partner) in accordance with the final resolution of such audit adjustment.

## ARTICLE VI

## ADDITIONAL PARTNERS; WITHDRAWAL OF PARTNERS; SATISFACTION AND DISCHARGE OF PARTNERSHIP INTERESTS; TERMINATION

Section 6.1. Additional Partners. (a) Effective on the first day of any month (or on such other date as shall be determined by the General Partner in its sole discretion), the General Partner shall have the right to admit one or more additional or substitute persons into the Partnership as Limited Partners or Special Partners. Each such person shall make the representations and certifications with respect to itself set forth in Section 3.6 and Section 3.7. The General Partner shall determine and negotiate with the additional Partner (which term shall include, without limitation, any substitute Partner) all terms of such additional Partner's participation in the Partnership, including the additional Partner's initial GP-Related Capital Contribution, Capital Commitment-Related Capital Contribution, GP-Related Profit Sharing Percentage and Capital Commitment Profit Sharing Percentage. Each additional Partner shall have such voting rights as may be determined by the General Partner from time to time unless, upon the admission to the Partnership of any Special Partner, the General Partner shall designate that such Special Partner shall not have such voting rights (any such Special Partner being called a "Nonvoting Special Partner"). Any additional Partner shall, as a condition to becoming a Partner, agree to become a party to, and be bound by the terms and conditions of, the Trust Agreement. If Blackstone or another or subsequent holder of an Investor Note approved by the General Partner for purposes of this Section 6.1(a) shall foreclose upon a Limited Partner's Investor Note issued to finance such Limited Partner's purchase of his or her Capital Commitment Interests, Blackstone

or such other or subsequent holder shall succeed to such Limited Partner's Capital Commitment Interests and shall be deemed to have become a Limited Partner to such extent. Any additional Partner may have a GP-Related Partner Interest or a Capital Commitment Partner Interest, without having the other such interest.

(b) The GP-Related Profit Sharing Percentages, if any, to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the *pro rata* reduction in all other Partners' GP-Related Profit Sharing Percentages as of such date, shall be established by the General Partner pursuant to Section 5.3. The Capital Commitment Profit Sharing Percentages, if any, to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the pro rata reduction in all other Partners' Capital Commitment Profit Sharing Percentages as of such date, shall be established by the General Partner. Notwithstanding any provision in this Agreement to the contrary, the General Partner is authorized, without the need for any further act, vote or consent of any person, to make adjustments to the GP-Related Profit Sharing Percentages as it determines necessary in its sole discretion in connection with any additional Partners admitted to the Partnership, adjustments with respect to other Partners of the Partnership and to give effect to other matters set forth herein, as applicable.

(c) An additional Partner shall be required to contribute to the Partnership his or her pro rata share of the Partnership's total capital, excluding capital in respect of GP-Related Investments and Capital Commitment Investments in which such Partner does not acquire any interests, at such times and in such amounts as shall be determined by the General Partner in accordance with Section 4.1 and Section 7.1.

(d) The admission of an additional Partner will be evidenced by (i) the execution of a counterpart copy of this Agreement by such additional Partner, (ii) the execution of an amendment to this Agreement by the General Partner and the additional Partner, as determined by the General Partner, (iii) the execution by such additional Partner of any other writing evidencing the intent of such person to become an additional Partner and to be bound by the terms of this Agreement and such writing being acceptable to the General Partner on behalf of the Partnership or (iv) the listing of such additional Partner in the books and records of the Partnership by the General Partner. In addition, each additional Partner shall sign a counterpart copy of the Trust Agreement or any other writing evidencing the intent of such person to become a party to the Trust Agreement that is acceptable to the General Partner on behalf of the Partnership.

Section 6.2. Withdrawal of Partners. (a) Any Partner may Withdraw voluntarily from the Partnership subject to the prior written consent of the General Partner, including if such Withdrawal would (i) cause the Partnership to be in default under any of its contractual obligations or (ii) in the reasonable judgment of the General Partner, have a material adverse effect on the Partnership or its business. Without limiting the foregoing sentence, the General Partner generally intends to permit voluntary Withdrawals on the last day of any calendar month (or on such other date as shall be determined by the General Partner in its sole discretion), on not less than 15 days' prior written notice by such Partner to the General Partner (or on such shorter notice period as may be mutually agreed upon between such Partner and the General Partner); provided, that a Partner may Withdraw from the Partnership with respect to such Partner's GP-Related Partner Interest without Withdrawing from the Partnership with respect to such Partner's Capital Commitment Partner Interest, and a Partner may Withdraw from the Partnership with respect to such Partner's Capital Commitment Partner Interest without Withdrawing from the Partnership with respect to such Partner's GP-Related Partner Interest.

(b) Upon the Withdrawal of any Partner, including by the occurrence of any withdrawal event under the Partnership Act with respect to any Partner, such Partner shall thereupon cease to be a Partner, except as expressly provided herein.

(c) Upon the Total Disability of a Limited Partner, such Partner shall thereupon cease to be a Limited Partner with respect to such person's GP-Related Partner Interest; provided, that the General Partner may elect to admit such Withdrawn Partner to the Partnership as a Nonvoting Special Partner with respect to such person's GP-Related Partner Interest, with such GP-Related Partner Interest as the General Partner may determine. The determination of whether any Partner has suffered a Total Disability shall be made by the General Partner in its sole discretion after consultation with a qualified medical doctor. In the absence of agreement between the General Partner and such Partner, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Total Disability.

(d) If the General Partner determines that it shall be in the best interests of the Partnership for any Partner (including any Partner who has given notice of voluntary Withdrawal pursuant to paragraph (a) above) to Withdraw from the Partnership (whether or not Cause exists) with respect to such person's GP-Related Partner Interest and/or with respect to such person's Capital Commitment Partner Interest, such Partner, upon written notice by the General Partner to such Partner, shall be required to Withdraw with respect to such person's GP-Related Partner Interest and/or with respect to such person's Capital Commitment Partner Interest, as of a date specified in such notice, which date shall be on or after the date of such notice. If the General Partner requires any Partner to Withdraw for Cause with respect to such person's GP-Related Partner Interest and/or with respect to such person's Capital Commitment Partner Interest, such notice shall state that it has been given for Cause and shall describe the particulars thereof in reasonable detail.

(e) The Withdrawal from the Partnership of any Partner shall not, in and of itself, affect the obligations of the other Partners to continue the Partnership during the remainder of its term. A Withdrawn General Partner shall remain liable for all obligations of the Partnership incurred while it was a General Partner and resulting from its acts or omissions as a General Partner to the fullest extent provided by law.

Section 6.3. GP-Related Partner Interests Not Transferable. (a) No Partner may sell, assign, pledge, grant a security interest over or otherwise transfer or encumber all or any portion of such Partner's GP-Related Partner Interest other than as permitted by written agreement between such Partner and the Partnership; provided, that this Section 6.3 shall not impair transfers by operation of law, transfers by will or by other testamentary instrument occurring by virtue of the death or dissolution of a Partner, or transfers required by trust agreements; provided further, that, subject to the prior written consent of the General Partner, which shall not be unreasonably withheld, a Limited Partner may transfer, for estate planning purposes, up to 25% of his or her GP-Related Profit Sharing Percentage to any estate planning trust, limited partnership, or limited liability company with respect to which a Limited Partner controls investments related to any interest in the Partnership held therein (an "Estate Planning Vehicle"). Each Estate Planning

Vehicle will be a Nonvoting Special Partner. Such Limited Partner and the Nonvoting Special Partner shall be jointly and severally liable for all obligations of both such Limited Partner and such Nonvoting Special Partner with respect to the Partnership (including the obligation to make additional GP-Related Capital Contributions), as the case may be. The General Partner may at its sole option exercisable at any time require any Estate Planning Vehicle to Withdraw from the Partnership on the terms of this Article VI. Except as provided in the second proviso to the first sentence of this Section 6.3, no assignee, legatee, distributee, heir or transferee (by conveyance, operation of law or otherwise) of the whole or any portion of any Partner's GP-Related Partner Interest shall have any right to be a Partner without the prior written consent of the General Partner (which consent may be given or withheld in its sole discretion without giving any reason therefor). Notwithstanding the granting of a security interest in the entire Interest of any Partner, such Partner shall continue to be a Partner of the Partnership.

(b) Notwithstanding any provision hereof to the contrary, no sale or transfer of any GP-Related Partner Interest in the Partnership may be made except in compliance with all federal, state and other applicable laws, including U.S. federal and state securities laws.

Section 6.4. Consequences upon Withdrawal of a Partner. (a) Subject to the Partnership Act, the General Partner may not transfer or assign its interest as a General Partner in the Partnership or its right to manage the affairs of the Partnership, except that the General Partner may, subject to the Partnership Act, with the prior written approval of a Majority in Interest of the Partners, admit another person as an additional or substitute General Partner who makes such representations with respect to itself as the General Partner deems necessary or appropriate (with regard to compliance with applicable law or otherwise); provided however, that the General Partner may, in its sole discretion, transfer all or part of its interest in the Partnership to a person who makes such representations with respect to itself as the General Partner deems necessary or appropriate (with regard to compliance with applicable law or otherwise) and who owns, directly or indirectly, the principal part of the business then conducted by the General Partner in connection with any liquidation, dissolution or reorganization of the General Partner, and, upon the assumption by such person of liability for all the obligations of the General Partner under this Agreement, such person shall be admitted as the General Partner. A person who is so admitted as an additional or substitute General Partner shall thereby become a General Partner and shall have the right to manage the affairs of the Partnership and to vote as a Partner to the extent of the interest in the Partnership so acquired. The General Partner shall not cease to be the general partner of the Partnership upon the collateral assignment of or the pledging or granting of a security interest in its entire Interest in the Partnership.

(b) Except as contemplated by Section 6.4(a) above, Withdrawal by a General Partner is not permitted. The Withdrawal of a Partner shall not dissolve the Partnership if at the time of such Withdrawal there are one or more remaining Partners and any one or more of such remaining Partners continue the business of the Partnership (any and all such remaining Partners being hereby authorized to continue the business of the Partnership without dissolution and hereby agreeing to do so). Notwithstanding Section 6.4(c), if upon the Withdrawal of a Partner there shall be no remaining Limited Partners, the Partnership shall be dissolved and shall be wound up unless, within 90 days after the occurrence of such Withdrawal, all remaining Special Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of such Withdrawal, of one or more Limited Partners.

(c) The Partnership shall not be dissolved, in and of itself, by the Withdrawal of any Partner, but shall continue with the surviving or remaining Partners as partners thereof in accordance with and subject to the terms and provisions of this Agreement.

Section 6.5. Satisfaction and Discharge of a Withdrawn Partner's GP-Related Partner Interests. (a) The terms of this Section 6.5 shall apply to the GP-Related Partner Interest of a Withdrawn Partner, but, except as otherwise expressly provided in this Section 6.5, shall not apply to the Capital Commitment Partner Interest of a Withdrawn Partner. For purposes of this Section 6.5, the term "Settlement Date" means the date as of which a Withdrawn Partner's GP-Related Partner Interest in the Partnership is settled as determined under paragraph (b) below. Notwithstanding the foregoing, any Limited Partner who Withdraws from the Partnership, and all or any portion of whose GP-Related Partner Interest is retained as a Special Partner, shall be considered a Withdrawn Partner for all purposes hereof.

(b) Except where a later date for the settlement of a Withdrawn Partner's GP-Related Partner Interest in the Partnership may be agreed to by the General Partner and a Withdrawn Partner, a Withdrawn Partner's Settlement Date shall be his or her Withdrawal Date; provided, that if a Withdrawn Partner's Withdrawal Date is not the last day of a month, then the General Partner may elect for such Withdrawn Partner's Settlement Date to be the last day of the month in which his or her Withdrawal Date occurs. During the interval, if any, between a Withdrawn Partner's Withdrawal Date and Settlement Date, such Withdrawn Partner shall have the same rights and obligations with respect to GP-Related Capital Contributions, interest on capital, allocations of GP-Related Net Income (Loss) and distributions as would have applied had such Withdrawn Partner remained a Partner of the Partnership during such period.

(c) In the event of the Withdrawal of a Partner, with respect to such Withdrawn Partner's GP-Related Partner Interest, the General Partner shall promptly after such Withdrawn Partner's Settlement Date (i) determine and allocate to the Withdrawn Partner's GP-Related Capital Accounts such Withdrawn Partner's allocable share of the GP-Related Net Income (Loss) of the Partnership for the period ending on such Settlement Date in accordance with Article V and (ii) credit the Withdrawn Partner's GP-Related Capital Accounts with interest in accordance with Section 5.2. In making the foregoing calculations, the General Partner shall be entitled to establish such reserves (including reserves for taxes, bad debts, unrealized losses, actual or threatened litigation or any other expenses, contingencies or obligations) as it deems appropriate. Unless otherwise determined by the General Partner in a particular case, a Withdrawn Partner shall not be entitled to receive any GP-Related Unallocated Percentage in respect of the accounting period during which such Partner Withdraws from the Partnership (whether or not previously awarded or allocated) or any GP-Related Unallocated Percentage in respect of prior accounting periods that have not been paid or allocated (whether or not previously awarded) as of such Withdrawn Partner's Withdrawal Date.

(d) From and after the Settlement Date of the Withdrawn Partner, the Withdrawn Partner's GP-Related Profit Sharing Percentages shall, unless otherwise allocated by the General Partner pursuant to Section 5.3(a), be deemed to be GP-Related Unallocated Percentages (except for GP-Related Profit Sharing Percentages with respect to GP-Related Investments as provided in paragraph (f) below).

(e) (i) Upon the Withdrawal from the Partnership of a Partner with respect to such Partner's GP-Related Partner Interest, such Withdrawn Partner thereafter shall not, except as expressly provided in this Section 6.5, have any rights of a Partner (including voting rights) with respect to such Partner's GP-Related Partner Interest, and, except as expressly provided in this Section 6.5, such Withdrawn Partner shall not have any interest in the Partnership's GP-Related Net Income (Loss), or in distributions related to such Partner's GP-Related Partner Interest, GP-Related Investments or other assets related to such Partner's GP-Related Partner Interest. If a Partner Withdraws from the Partnership with respect to such Partner's GP-Related Partner Interest for any reason other than for Cause pursuant to Section 6.2, then the Withdrawn Partner shall be entitled to receive, at the time or times specified in Section 6.5(i) below, in satisfaction and discharge in full of the Withdrawn Partner's GP-Related Partner Interest in the Partnership, (x) payment equal to the aggregate credit balance, if any, as of the Settlement Date of the Withdrawn Partner's GP-Related Capital Accounts, (excluding any GP-Related Capital Account or portion thereof attributable to any GP-Related Investment) and (y) the Withdrawn Partner's percentage interest attributable to each GP-Related Investment in which the Withdrawn Partner has an interest as of the Settlement Date as provided in paragraph (f) below (which shall be settled in accordance with paragraph (f) below), subject to all the terms and conditions of paragraphs (a)-(r) of this Section 6.5. If the amount determined pursuant to clause (x) above is an aggregate negative balance, the Withdrawn Partner shall pay the amount thereof to the Partnership upon demand by the General Partner on or after the date of the statement referred to in Section 6.5(i) below; provided, that if the Withdrawn Partner was solely a Special Partner on his or her Withdrawal Date, such payment shall be required only to the extent of any amounts payable to such Withdrawn Partner pursuant to this Section 6.5. Any aggregate negative balance in the GP-Related Capital Accounts of a Withdrawn Partner who was solely a Special Partner, upon the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5, shall be allocated among the other Partners' GP-Related Capital Accounts in accordance with their respective GP-Related Profit Sharing Percentages in the categories of GP-Related Net Income (Loss) giving rise to such negative balance as determined by the General Partner as of such Withdrawn Partner's Settlement Date. In the settlement of any Withdrawn Partner's GP-Related Partner Interest in the Partnership, no value shall be ascribed to goodwill, the Partnership name or the anticipation of any value the Partnership or any successor thereto might have in the event the Partnership or any interest therein were to be sold in whole or in part.

(ii) Notwithstanding clause (i) of this Section 6.5(e), in the case of a Partner whose Withdrawal with respect to such Partner's GP-Related Partner Interest resulted from such Partner's death or Incompetence, such Partner's estate or legal representative, as the case may be, may elect, at the time described below, to receive a Nonvoting Special Partner GP-Related Partner Interest and retain such Partner's GP-Related Profit Sharing Percentage in all (but not less than all) illiquid investments of the Partnership in lieu of a cash payment (or Investor Note) in settlement of that portion of the Withdrawn Partner's GP-Related Partner Interest. The election referred to above shall be made within 60 days after the Withdrawn Partner's Settlement Date, based on a statement of the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5.

(f) For purposes of clause (y) of paragraph (e)(i) above, a Withdrawn Partner's "percentage interest" means his or her GP-Related Profit Sharing Percentage as of the Settlement Date in the relevant GP-Related Investment. The Withdrawn Partner shall retain his or her percentage interest in such GP-Related Investment and shall retain his or her GP-Related Capital Account or portion thereof attributable to such GP-Related Investment, in which case such Withdrawn Partner (a "Retaining Withdrawn Partner") shall become and remain a Special Partner for such purpose (and, if the General Partner so designates, such Special Partner shall be a Nonvoting Special Partner). The GP-Related Partner Interest of a Retaining Withdrawn Partner pursuant to this paragraph (f) shall be subject to the terms and conditions applicable to GP-Related Partner Interests of any kind hereunder and such other terms and conditions as are established by the General Partner. At the option of the General Partner in its sole discretion, the General Partner and the Retaining Withdrawn Partner may agree to have the Partnership acquire such GP-Related Partner Interest without the approval of the other Partners; provided, that the General Partner shall reflect in the books and records of the Partnership the terms of any acquisition pursuant to this sentence.

(g) The General Partner may elect, in lieu of payment in cash of any amount payable to a Withdrawn Partner pursuant to paragraph (e) above, to (i) have the Partnership issue to the Withdrawn Partner a subordinated promissory note and/or to (ii) distribute in kind to the Withdrawn Partner such Withdrawn Partner's pro rata share (as determined by the General Partner) of any securities or other investments of the Partnership in relation to such Partner's GP-Related Partner Interest. If any securities or other investments are distributed in kind to a Withdrawn Partner under this paragraph (g), the amount described in clause (x) of paragraph (e)(i) shall be reduced by the value of such distribution as valued on the latest balance sheet of the Partnership in accordance with generally accepted accounting principles or, if not appearing on such balance sheet, as reasonably determined by the General Partner.

(h) [Intentionally omitted.]

(i) Within 120 days after each Settlement Date, the General Partner shall submit to the Withdrawn Partner a statement of the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5 together with any cash payment, subordinated promissory note and in kind distributions to be made to such Partner as shall be determined by the General Partner. The General Partner shall submit to the Withdrawn Partner supplemental statements with respect to additional amounts payable to or by the Withdrawn Partner in respect of the settlement of his or her GP-Related Partner Interest in the Partnership (e.g., payments in respect of GP-Related Investments pursuant to paragraph (f) above or adjustments to reserves pursuant to paragraph (j) below) promptly after such amounts are determined by the General Partner. To the fullest extent permitted by law, such statements and the valuations on which they are based shall be accepted by the Withdrawn Partner without examination of the accounting books and records of the Partnership or other inquiry. Any amounts payable by the Partnership to a Withdrawn Partner pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment or provision for payment in full of claims of all present or future creditors of the Partnership or any successor thereto arising out of matters occurring prior to the applicable date of payment or distribution; provided, that such Withdrawn Partner shall otherwise rank *pari passu* in right of payment (x) with all persons who become Withdrawn Partners and whose Withdrawal Date is within one year before the Withdrawal Date of the Withdrawn Partner in question and (y) with all persons who become Withdrawn Partners and whose Withdrawal Date is within one year after the Withdrawal Date of the Withdrawn Partner in question.

(j) If the aggregate reserves established by the General Partner as of the Settlement Date in making the foregoing calculations should prove, in the determination of the General Partner, to be excessive or inadequate, the General Partner may elect, but shall not be obligated, to pay the Withdrawn Partner or his or her estate such excess, or to charge the Withdrawn Partner or his or her estate such deficiency, as the case may be.

(k) Any amounts owed by the Withdrawn Partner to the Partnership at any time on or after the Settlement Date (*e.g.*, outstanding Partnership loans or advances to such Withdrawn Partner) shall be offset against any amounts payable or distributable by the Partnership to the Withdrawn Partner at any time on or after the Settlement Date or shall be paid by the Withdrawn Partner to the Partnership, in each case as determined by the General Partner. All cash amounts payable by a Withdrawn Partner to the Partnership under this Section 6.5 shall bear interest from the due date to the date of payment at a floating rate equal to the lesser of (x) the Prime Rate or (y) the maximum rate of interest permitted by applicable law. The "due date" of amounts payable by a Withdrawn Partner pursuant to Section 6.5(i) above shall be 120 days after a Withdrawn Partner's Settlement Date. The "due date" of amounts payable to or by a Withdrawn Partner in respect of GP-Related Investments for which the Withdrawn Partner has retained a percentage interest in accordance with paragraph (f) above shall be 120 days after realization with respect to such GP-Related Investment. The "due date" of any other amounts payable by a Withdrawn Partner shall be 60 days after the date such amounts are determined to be payable.

(l) At the time of the settlement of any Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5, the General Partner may, to the fullest extent permitted by applicable law, impose any restrictions it deems appropriate on the assignment, pledge, grant of security interest, encumbrance or other transfer by such Withdrawn Partner of any interest in any GP-Related Investment retained by such Withdrawn Partner, any securities or other investments distributed in kind to such Withdrawn Partner or such Withdrawn Partner's right to any payment from the Partnership.

(m) If a Partner is required to Withdraw from the Partnership with respect to such Partner's GP-Related Partner Interest for Cause pursuant to Section 6.2(d), then his or her GP-Related Partner Interest shall be settled in accordance with paragraphs (a)-(r) of this Section 6.5; provided, that the General Partner may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) In settling the Withdrawn Partner's interest in any GP-Related Investment in which he or she has an interest as of his or her Settlement Date, the General Partner may elect to (A) determine the GP-Related Unrealized Net Income (Loss) attributable to each such GP-Related Investment as of the Settlement Date and allocate to the appropriate GP-Related Capital Account of the Withdrawn Partner his or her allocable share of such GP-Related Unrealized Net Income (Loss) for purposes of calculating the aggregate balance of such Withdrawn Partner's GP-Related Capital Account pursuant to clause (x) of paragraph (e)(i) above, (B) credit or debit, as applicable, the Withdrawn Partner with the balance of his or her GP-Related Capital Account or portion thereof

attributable to each such GP-Related Investment as of his or her Settlement Date without giving effect to the GP-Related Unrealized Net Income (Loss) from such GP-Related Investment as of his or her Settlement Date, which shall be forfeited by the Withdrawn Partner or (C) apply the provisions of paragraph (f) above; provided, that the maximum amount of GP-Related Net Income (Loss) allocable to such Withdrawn Partner with respect to any GP-Related Investment shall equal such Partner's percentage interest of the GP-Related Unrealized Net Income, if any, attributable to such GP-Related Investment as of the Settlement Date (the balance of such GP-Related Net Income (Loss), if any, shall be allocated as determined by the General Partner). The Withdrawn Partner shall not have any continuing interest in any GP-Related Investment to the extent an election is made pursuant to (A) or (B) above.

(ii) Any amounts payable by the Partnership to the Withdrawn Partner pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment in full of claims of all present or future creditors of the Partnership or any successor thereto arising out of matters occurring prior to or on or after the applicable date of payment or distribution.

(n) The payments to a Withdrawn Partner pursuant to this Section 6.5 may be conditioned on the compliance by such Withdrawn Partner with any lawful and reasonable (under the circumstances) restrictions against engaging or investing in a business competitive with that of the Partnership or any of its subsidiaries and Affiliates for a period not exceeding two years determined by the General Partner. Upon written notice to the General Partner, any Withdrawn Partner who is subject to noncompetition restrictions established by the General Partner pursuant to this paragraph (n) may elect to forfeit the principal amount payable in the final installment of his or her subordinated promissory note, together with interest to be accrued on such installment after the date of forfeiture, in lieu of being bound by such restrictions.

(o) In addition to the foregoing, the General Partner shall have the right to pay a Withdrawn Partner (other than the General Partner) a discretionary additional payment in an amount and based upon such circumstances and conditions as it determines to be relevant.

(p) The provisions of this Section 6.5 shall apply to any Investor Special Partner relating to a Limited Partner or Special Partner and to any transferee of any GP-Related Partner Interest of such Partner pursuant to Section 6.3 if such Partner Withdraws from the Partnership.

(q) (i) The Partnership will assist a Withdrawn Partner or his or her estate or guardian, as the case may be, in the settlement of the Withdrawn Partner's GP-Related Partner Interest in the Partnership. Third party costs incurred by the Partnership in providing this assistance will be borne by the Withdrawn Partner or his or her estate.

(ii) The General Partner may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Partners or their estates or guardians, as referred to above. In such instances, the General Partner will obtain the prior approval of a Withdrawn Partner or his or her estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Partner (or his or her estate or guardian) declines to incur such costs, the General Partner will provide such reasonable assistance as and when it can so as not to interfere with the Partnership's day-to-day operating, financial, tax and other related responsibilities to the Partnership and the Partners.

(r) Each Partner (other than the General Partner) hereby irrevocably appoints the General Partner as such Partner's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Partner's name, place and stead, to make, execute, sign and file, on behalf of such Partner, any and all agreements, instruments, consents, ratifications, documents and certificates which the General Partner deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 6.5, including, without limitation, the performance of any obligation of such Partner or the Partnership or the exercise of any right of such Partner or the Partnership. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Partnership of any Partner for any reason and shall not be affected by the death, disability or incapacity of such Partner.

Section 6.6. Dissolution of the Partnership. The General Partner may dissolve the Partnership prior to the expiration of its term at any time on not less than 60 days' notice of the dissolution date given to the other Partners. Upon the dissolution of the Partnership, the Partners' respective interests in the Partnership shall be valued and settled in accordance with the procedures set forth in Section 6.5.

Section 6.7. Certain Tax Matters. (a) The General Partner shall determine all matters concerning allocations for tax purposes not expressly provided for herein in its sole discretion.

(b) The General Partner shall cause to be prepared all federal, state and local tax returns of the Partnership for each year for which such returns are required to be filed and, after approval of such returns by the General Partner, shall cause such returns to be timely filed. The General Partner shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Partnership and the accounting methods and conventions under the tax laws of the United States, the several States and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The General Partner may cause the Partnership to make or refrain from making any and all elections permitted by such tax laws. Each Partner agrees that he or she shall not, unless he or she provides prior notice of such action to the Partnership, (i) treat, on his or her individual income tax returns, any item of income, gain, loss, deduction or credit relating to his or her interest in the Partnership in a manner inconsistent with the treatment of such item by the Partnership as reflected on the Form K-1 or other information statement furnished by the Partnership to such Partner for use in preparing his or her income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Partnership, the filing of any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Partnership, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Tax Matters Partner (as defined below) shall be authorized to act for, and his or her decision shall be final and binding upon, the Partnership and all Partners except to the extent a Partner shall properly elect to

be excluded from such proceeding pursuant to the Code, (B) all expenses incurred by the Tax Matters Partner in connection therewith (including, without limitation, attorneys', accountants' and other experts' fees and disbursements) shall be expenses of the Partnership and (C) no Partner shall have the right to (1) participate in the audit of any Partnership tax return, (2) file any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Partnership (unless he or she provides prior notice of such action to the Partnership as provided above), (3) participate in any administrative or judicial proceedings conducted by the Partnership or the Tax Matters Partner arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, or (4) appeal, challenge or otherwise protest any adverse findings in any such audit conducted by the Partnership or the Tax Matters Partner or with respect to any such amended return or claim for refund filed by the Partnership or the Tax Matters Partner or in any such administrative or judicial proceedings conducted by the Partnership or the Tax Matters Partner. The Partnership and each Partner hereby designate any Partner selected by the General Partner as the "partnership representative" (as defined under the Code) (the "Tax Matters Partner"). To the fullest extent permitted by applicable law, each Partner agrees to indemnify and hold harmless the Partnership and all other Partners from and against any and all liabilities, obligations, damages, deficiencies and expenses resulting from any breach or violation by such Partner of the provisions of this Section 6.7 and from all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including reasonable attorneys' fees and disbursements, incident to any such breach or violation.

(c) Each individual Partner shall provide to the Partnership copies of each federal, state and local income tax return of such Partner (including any amendment thereof) within 30 days after filing such return.

(d) To the extent the General Partner reasonably determines that the Partnership (or any entity in which the Partnership holds an interest) is or may be required by law to withhold or to make tax payments, including interest and penalties on such amounts, on behalf of or with respect to any Partner, or as a result of a Partner's participation in the Partnership or as a result of a Partner's failure to provide requested tax information, including pursuant to Section 6225 or Section 1446(f) of the Code ("Tax Advances"), the General Partner may withhold or escrow such amounts or make such tax payments as so required. All Tax Advances made on behalf of a Partner shall, at the option of the General Partner, (i) be promptly paid to the Partnership by the Partner on whose behalf such Tax Advances were made or (ii) be repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made to such Partner or, if such distributions are not sufficient for that purpose, by so reducing the proceeds upon dissolution of the Partnership otherwise payable to such Partner. Whenever the General Partner selects option (ii) pursuant to the preceding sentence for repayment of a Tax Advance by a Partner, for all other purposes of this Agreement such Partner shall be treated as having received all distributions (whether before or upon dissolution of the Partnership) unreduced by the amount of such Tax Advance. To the fullest extent permitted by law, each Partner hereby agrees to indemnify and hold harmless the Partnership and the other Partners from and against any liability (including, without limitation, any liability for taxes, penalties, additions to tax or interest) with respect to income attributable to or distributions or other payments to such Partner. The obligations of a Partner set forth in this Section 6.7(d) shall survive the Withdrawal of any Partner from the Partnership or any Transfer of a Partner's interest.

(e) To the extent that any taxes are imposed on the Partnership (or any entity in which the Partnership invests that is treated as a flow-through entity for relevant tax purposes) with respect to income of the Partnership (or such entity) in lieu of taxes imposed directly on a Partner with respect to such income (including any state or local income taxes), whether by election of the Partnership or the General Partner or otherwise, such amounts shall be deemed to have been distributed to such Partner. To the fullest extent permitted by law, each Partner hereby agrees to indemnify and hold harmless the Partnership and the other Partners from and against any liability (including, without limitation, any liability for taxes, penalties, additions to tax or interest) with respect to any such tax payments. The obligations of a Partner set forth in this Section 6.7(e) shall survive the Withdrawal of any Partner from the Partnership or any Transfer of a Partner's interest.

Section 6.8. Special Basis Adjustments. In connection with any assignment or transfer of a Partnership interest permitted by the terms of this Agreement, the General Partner may cause the Partnership, on behalf of the Partners and at the time and in the manner provided in Treasury Regulations Section 1.754-1(b), to make an election to adjust the basis of the Partnership's property in the manner provided in Sections 734(b) and 743(b) of the Code.

## ARTICLE VII

## CAPITAL COMMITMENT INTERESTS; CAPITAL CONTRIBUTIONS; ALLOCATIONS; DISTRIBUTIONS

Section 7.1. Capital Commitment Interests, etc. (a) This Article VII and Article VIII hereof set forth certain terms and conditions with respect to the Capital Commitment Partner Interests and the Capital Commitment BCP IX Interest and matters related to the Capital Commitment Partner Interests and the Capital Commitment BCP IX Interest. Except as otherwise expressly provided in this Article VII or in Article VIII, the terms and provisions of this Article VII and Article VIII shall not apply to the GP-Related Partner Interests or the GP-Related BCP IX Interest.

(b) Each Partner, severally, agrees to make contributions of capital to the Partnership ("Capital Commitment-Related Capital Contributions") as required to fund the Partnership's capital contributions to BCP IX or Associates IX in respect of the Capital Commitment BCP IX Interest, if any, and the related Capital Commitment BCP IX Commitment, if any (including, without limitation, funding all or a portion of the Blackstone Capital Commitment). No Partner shall be obligated to make Capital Commitment-Related Capital Contributions to the Partnership in an amount in excess of such Partner's Capital Commitment-Related Commitment. The Commitment Agreements and SMD Agreements, if any, of the Partners may include provisions with respect to the foregoing matters. It is understood that a Partner will not necessarily participate in each Capital Commitment Investment (which may include additional amounts invested in an existing Capital Commitment Investment) nor will a Partner necessarily have the same Capital Commitment Profit Sharing Percentage with respect to (i) the Partnership's portion of the Blackstone Capital Commitment or (ii) the making of each Capital Commitment Investment in which such Partner participates; provided, that this in no way limits the terms of any Commitment Agreement or SMD Agreement. In addition, nothing contained herein shall be construed to give any Partner the right to obtain financing with respect to the purchase of any Capital Commitment Interest, and nothing contained herein shall limit or

dictate the terms upon which the Partnership and its Affiliates may provide such financing. The acquisition of a Capital Commitment Interest by a Partner shall be evidenced by receipt by the Partnership of funds equal to such Partner's Capital Commitment-Related Commitment then due with respect to such Capital Commitment Interest and such appropriate documentation as the General Partner may submit to the Partners from time to time.

(c) The Partnership or one of its Affiliates (in such capacity, the "Advancing Party") may in its sole discretion advance to any Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners that are also executive officers of Blackstone) all or any portion of the Capital Commitment-Related Capital Contributions due to the Partnership from such Partner with respect to any Capital Commitment Investment ("Firm Advances"). Each such Partner shall pay interest to the Advancing Party on each Firm Advance from the date of such Firm Advance until the repayment thereof by such Partner. Each Firm Advance shall be repayable in full, including accrued interest to the date of such repayment, upon prior written notice by the Advancing Party. The making and repayment of each Firm Advance shall be recorded in the books and records of the Partnership, and such recording shall be conclusive evidence of each such Firm Advance, binding on the Partner and the Advancing Party absent manifest error. Except as provided below, the interest rate applicable to a Firm Advance shall equal the cost of funds of the Advancing Party at the time of the making of such Firm Advance. The Advancing Party shall inform any Partner of such rate upon such Partner's request; provided, that such interest rate shall not exceed the maximum interest rate allowable by applicable law; provided further, that amounts that are otherwise payable to such Partner pursuant to Section 7.4(a) shall be used to repay such Firm Advance (including interest thereon). The Advancing Party may, in its sole discretion, change the terms of Firm Advances (including the terms contained herein) and/or discontinue the making of Firm Advances; provided, that (i) the Advancing Party shall notify the relevant Partners of any material changes to such terms and (ii) the interest rate applicable to such Firm Advances and overdue amounts thereon shall not exceed the maximum interest rate allowable by applicable law.

Section 7.2. Capital Commitment Capital Accounts. (a) There shall be established for each Partner in the books of the Partnership as of the date of formation of the Partnership, or such later date on which such Partner is admitted to the Partnership, and on each such other date as such Partner first acquires a Capital Commitment Interest in a particular Capital Commitment Investment, a Capital Commitment Capital Account for each Capital Commitment Investment in which such Partner acquires a Capital Commitment Interest on such date. Each Capital Commitment-Related Capital Contribution of a Partner shall be credited to the appropriate Capital Commitment Capital Account of such Partner on the date such Capital Commitment-Related Capital Contribution is paid to the Partnership. Capital Commitment Capital Accounts shall be adjusted to reflect any transfer of a Partner's interest in the Partnership related to his or her Capital Commitment Partner Interest as provided in this Agreement.

(b) A Partner shall not have any obligation to the Partnership or to any other Partner to restore any negative balance in the Capital Commitment Capital Account of such Partner. Until distribution of any such Partner's interest in the Partnership with respect to a Capital Commitment Interest as a result of the disposition by the Partnership of the related Capital Commitment Investment and in whole upon the dissolution of the Partnership, neither such Partner's Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption except with the consent of the General Partner.

Section 7.3. Allocations. (a) Capital Commitment Net Income (Loss) of the Partnership for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Partners (including the General Partner) participating in such Capital Commitment Investment in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment. Capital Commitment Net Income (Loss) on any Unallocated Capital Commitment Interest shall be allocated to each Partner in the proportion which such Partner's aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Partners; provided, that if any Partner makes the election provided for in Section 7.6, Capital Commitment Net Income (Loss) of the Partnership for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Partners participating in such Capital Commitment Investment who do not make such election in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment.

(b) Any special costs relating to distributions pursuant to Section 7.6 or Section 7.7 shall be specially allocated to the electing Partner.

(c) Notwithstanding the foregoing, the General Partner may make such allocations as it deems reasonably necessary to give economic effect to the provisions of this Agreement, taking into account facts and circumstances as the General Partner deems reasonably necessary for this purpose.

Section 7.4. Distributions.

(a) Each Partner's allocable portion of Capital Commitment Net Income received from his or her Capital Commitment Investments, distributions to such Partner that constitute returns of capital, and other Capital Commitment Net Income of the Partnership (including, without limitation, Capital Commitment Net Income attributable to Unallocated Capital Commitment Interests) during a Fiscal Year of the Partnership will be credited to payment of the Investor Notes to the extent required below as of the last day of such Fiscal Year (or on such earlier date as related distributions are made in the sole discretion of the General Partner) with any cash amount distributable to such Partner pursuant to clauses (ii) and (vii) below to be distributed within 45 days after the end of each Fiscal Year of the Partnership (or in each case on such earlier date as selected by the General Partner in its sole discretion) as follows (subject to Section 7.4(c) below):

(i) First, to the payment of interest then due on all Investor Notes (relating to Capital Commitment Investments or otherwise) of such Partner (to the extent Capital Commitment Net Income and distributions or payments from Other Sources do not equal or exceed all interest payments due, the selection of those of such Partner's Investor Notes upon which interest is to be paid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor);

(ii) Second, to distribution to the Partner of an amount equal to the U.S. federal, state and local income taxes on income of the Partnership allocated to such Partner for such year in respect of such Partner's Capital Commitment Partner Interest (the aggregate amount of any such distribution shall be determined by the General Partner, subject to the limitation that the minimum aggregate amount of such distribution be the tax that would be payable if the taxable income of the Partnership related to all Partners' Capital Commitment Partner Interests were all allocated to an individual subject to the then-prevailing maximum rate of U.S. federal, New York State and New York City taxes (including, without limitation, taxes imposed under Section 1411 of the Code), taking into account the character of such taxable income allocated by the Partnership and the limitations on deductibility of expenses and other items for U.S. federal income tax purposes); provided, that additional amounts shall be paid to the Partner pursuant to this clause (ii) to the extent that such amount reduces the amount otherwise distributable to the Partner pursuant to a comparable provision in any other BE Agreement and there are not sufficient amounts to fully satisfy such provision from the relevant partnership or other entity; provided further, that amounts paid pursuant to the provisions in such other BE Agreements comparable to the immediately preceding proviso shall reduce those amounts otherwise distributable to the Partner pursuant to provisions in such other BE Agreements that are comparable to this clause (ii);

(iii) Third, to the payment in full of the principal amount of the Investor Note financing (A) any Capital Commitment Investment disposed of during or prior to such Fiscal Year or (B) any BE Investments (other than Capital Commitment Investments) disposed of during or prior to such Fiscal Year, to the extent not repaid from Other Sources;

(iv) Fourth, to the return to such Partner of (A) all Capital Commitment-Related Capital Contributions made in respect of the Capital Commitment Interest to which any Capital Commitment Investment disposed of during or prior to such Fiscal Year relates or (B) all capital contributions made to any Blackstone Entity (other than the Partnership) in respect of interests therein relating to BE Investments (other than Capital Commitment Investments) disposed of during or prior to such Fiscal Year (including all principal paid on the related Investor Notes), to the extent not repaid from amounts of Other Sources (other than amounts of Capital Commitment Partner Carried Interest);

(v) Fifth, to the payment of principal (including any previously deferred amounts) then owing under all other Investor Notes of such Partner (including those unrelated to the Partnership), the selection of those of such Partner's Investor Notes to be repaid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor;

(vi) Sixth, up to 50% of any Capital Commitment Net Income remaining after application pursuant to clauses (i) through (v) above shall be applied pro rata to prepayment of principal of all remaining Investor Notes of such Partner (including those unrelated to the Partnership), the selection of those of such Partner's Investor Notes to be repaid, the division of payments among such Investor Notes and the percentage of remaining Capital Commitment Net Income to be applied thereto to be determined by the Lender or Guarantor; and

(vii) Seventh, to such Partner to the extent of any amount of Capital Commitment Net Income remaining after making the distributions in clauses (i) through (vi) above, and such amount is not otherwise required to be applied to Investor Notes pursuant to the terms thereof.

To the extent there is a partial disposition of a Capital Commitment Investment or any other BE Investment, as applicable, the payments in clauses (iii) and (iv) above shall be based on that portion of the Capital Commitment Investment or other BE Investment, as applicable, disposed of, and the principal amount and related interest payments of such Investor Note shall be adjusted to reflect such partial payment so that there are equal payments over the remaining term of the related Investor Note. For a Partner who is no longer an employee or officer of Holdings or an Affiliate thereof, distributions shall be made pursuant to clauses (i) through (iii) above, and then, unless the Partnership or its Affiliate has exercised its rights pursuant to Section 8.1 hereof, any remaining income or other distribution in respect of such Partner's Capital Commitment Partner Interest shall be applied to the prepayment of the outstanding Investor Notes of such Partner, until all such Partner's Investor Notes have been repaid in full, with any such income or other distribution remaining thereafter distributed to such Partner.

Distributions of Capital Commitment Net Income may be made at any other time at the discretion of the General Partner. At the General Partner's discretion, any amounts distributed to a Partner in respect of such Partner's Capital Commitment Partner Interest will be net of any interest and principal payable on his or her Investor Notes for the full period in respect of which the distribution is made.

(b) [Intentionally omitted.]

(c) To the extent that the foregoing Partnership distributions and distributions and payments from Other Sources are insufficient to satisfy any principal and/or interest due on Investor Notes, and to the extent that the General Partner in its sole discretion elects to apply this paragraph (c) to any individual payments due, such unpaid interest will be added to the remaining principal amount of such Investor Notes and shall be payable on the next scheduled principal payment date (along with any deferred principal and any principal and interest due on such date); provided, that such deferral shall not apply to a Partner that is no longer an employee or officer of Holdings or its Affiliates. All unpaid interest on such Investor Notes shall accrue interest at the interest rate then in effect for such Investor Notes.

(d) [Intentionally omitted.]

(e) The Capital Commitment Capital Account of each Partner shall be reduced by the amount of any distribution to such Partner pursuant to Section 7.4(a).

(f) At any time that a sale, exchange, transfer or other disposition of a portion of a Capital Commitment Investment is being considered by the Partnership or BCP IX (a "Capital Commitment Disposable Investment"), at the election of the General Partner each Partner's Capital Commitment Interest with respect to such Capital Commitment Investment shall be vertically divided into two separate Capital Commitment Interests, a Capital Commitment Interest attributable to the Capital Commitment Disposable Investment (a Partner's "Capital Commitment

Class B Interest"), and a Capital Commitment Interest attributable to such Capital Commitment Investment excluding the Capital Commitment Disposable Investment (a Partner's "Capital Commitment Class A Interest"). Distributions (including those resulting from a direct or indirect sale, transfer, exchange or other disposition by the Partnership) relating to a Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class B Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class B Interests, and distributions (including those resulting from the direct or indirect sale, transfer, exchange or other disposition by the Partnership) relating to a Capital Commitment Investment excluding such Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class A Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class A Interests.

(g) (i) If (x) the Partnership is obligated under the Giveback Provisions to contribute a Giveback Amount to BCP IX in respect of any Capital Commitment BCP IX Interest that may be held by the Partnership or (y) Associates IX is obligated under the Giveback Provisions to contribute to BCP IX a Giveback Amount with respect to any Capital Commitment BCP IX Interest that may be held by Associates IX and the Partnership is obligated to contribute any such amount to Associates IX in respect of the Partnership's Capital Commitment Associates IX Partner Interest (the amount of any such obligation of the Partnership with respect to such a Giveback Amount in the case of either (x) or (y) being herein called a "Capital Commitment Giveback Amount"), the General Partner shall call for such amounts as are necessary to satisfy such obligation of the Partnership as determined by the General Partner, in which case, each Partner and Withdrawn Partner shall contribute to the Partnership, in cash, when and as called by the General Partner, such an amount of prior distributions by the Partnership with respect to the Capital Commitment BCP IX Interest (the "Capital Commitment Recontribution Amount") which equals such Partner's pro rata share of prior distributions in connection with (a) the Capital Commitment BCP IX Investment giving rise to the Capital Commitment Giveback Amount, (b) if the amounts contributed pursuant to clause (a) above are insufficient to satisfy such Capital Commitment Giveback Amount, Capital Commitment BCP IX Investments other than the one giving rise to such obligation, and (c) if the Capital Commitment Giveback Amount pursuant to an applicable BCP IX Agreement is unrelated to a specific Capital Commitment BCP IX Investment, all Capital Commitment BCP IX Investments. Each Partner shall promptly contribute to the Partnership upon notice thereof such Partner's Capital Commitment Recontribution Amount. Prior to such time, the General Partner may, at the General Partner's discretion (but shall be under no obligation to), provide notice that in the General Partner's judgment, the potential obligations in respect of the Capital Commitment Giveback Amount will probably materialize (and an estimate of the aggregate amount of such obligations).

(ii) (A) In the event any Partner (a "Capital Commitment Defaulting Party") fails to recontribute all or any portion of such Capital Commitment Defaulting Party's Capital Commitment Recontribution Amount for any reason, the General Partner shall require all other Partners and Withdrawn Partners to contribute, on a pro rata basis (based on each of their respective Capital Commitment Profit Sharing Percentages), such amounts as are necessary to fulfill the Capital Commitment Defaulting Party's obligation to pay such Capital Commitment Defaulting Party's Capital Commitment Recontribution

Amount (a "Capital Commitment Deficiency Contribution") if the General Partner determines in its good faith judgment that the Partnership will be unable to collect such amount in cash from such Capital Commitment Defaulting Party for payment of the Capital Commitment Giveback Amount at least 20 Business Days prior to the latest date that the Partnership is permitted to pay the Capital Commitment Giveback Amount; provided, that no Partner shall as a result of such Capital Commitment Deficiency Contribution be required to contribute an amount in excess of 150% of the amount of the Capital Commitment Recontribution Amount initially requested from such Partner in respect of such default. Thereafter, the General Partner shall determine in its good faith judgment that the Partnership should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the General Partner or (2) pursue any and all remedies (at law or equity) available to the Partnership against the Capital Commitment Defaulting Party, the cost of which shall be a Partnership expense to the extent not ultimately reimbursed by the Capital Commitment Defaulting Party. It is agreed that the Partnership shall have the right (effective upon such Capital Commitment Defaulting Party becoming a Capital Commitment Defaulting Party) to set-off as appropriate and apply against such Capital Commitment Defaulting Party's Capital Commitment Recontribution Amount any amounts otherwise payable to the Capital Commitment Defaulting Party by the Partnership or any Affiliate thereof. Each Partner hereby grants to the General Partner a security interest, effective upon such Partner becoming a Capital Commitment Defaulting Party, in all accounts receivable and other rights to receive payment from the Partnership or any Affiliate of the Partnership and agrees that, upon the effectiveness of such security interest, the General Partner may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Partner hereby appoints the General Partner as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Partner or in the name of the Partnership, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The General Partner shall be entitled to collect interest on the Capital Commitment Recontribution Amount of a Capital Commitment Defaulting Party from the date such Capital Commitment Recontribution Amount was required to be contributed to the Partnership at a rate equal to the Default Interest Rate.

(B) Any Partner's failure to make a Capital Commitment Deficiency Contribution shall cause such Partner to be a Capital Commitment Defaulting Party with respect to such amount.

(iii) A Partner's obligation to make contributions to the Partnership under this Section 7.4(g) shall survive the termination of the Partnership.

Section 7.5. Valuations. Capital Commitment Investments shall be valued annually as of the end of each year (and at such other times as deemed appropriate by the General Partner) in accordance with the principles utilized by Associates IX (or any other Affiliate of the Partnership that is a general partner of BCP IX) in valuing investments of BCP IX or, in the case of investments not held by BCP IX, in the good faith judgment of the General Partner, subject in each case to the second proviso of the immediately succeeding sentence. The value of any Capital Commitment Interest as of any date (the "Capital Commitment Value") shall be based on the value

of the underlying Capital Commitment Investment as set forth above; provided, that the Capital Commitment Value may be determined as of an earlier date if determined appropriate by the General Partner in good faith; provided further, that such value may be adjusted by the General Partner to take into account factors relating solely to the value of a Capital Commitment Interest (as compared to the value of the underlying Capital Commitment Investment), such as restrictions on transferability, the lack of a market for such Capital Commitment Interest and lack of control of the underlying Capital Commitment Investment. To the full extent permitted by applicable law such valuations shall be final and binding on all Partners; provided further, that the immediately preceding proviso shall not apply to any Capital Commitment Interests held by a person who is or was at any time a direct member or partner of a General Partner of the Partnership.

Section 7.6. Disposition Election. (a) At any time prior to the date of the Partnership's execution of a definitive agreement to dispose of a Capital Commitment Investment, the General Partner may in its sole discretion permit a Partner to retain all or any portion of its *pro rata* share of such Capital Commitment Investment (as measured by such Partner's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment). If the General Partner so permits, such Partner shall instruct the General Partner in writing prior to such date (i) not to dispose of all or any portion of such Partner's pro rata share of such Capital Commitment Investment (the "Retained Portion") and (ii) either to (A) distribute such Retained Portion to such Partner on the closing date of such disposition or (B) retain such Retained Portion in the Partnership on behalf of such Partner until such time as such Partner shall instruct the General Partner upon 5 days' notice to distribute such Retained Portion to such Partner. Such Partner's Capital Commitment Capital Account shall not be adjusted in any way to reflect the retention in the Partnership of such Retained Portion or the Partnership's disposition of other Partners' *pro rata* shares of such Capital Commitment Investment; provided, that such Partner's Capital Commitment Capital Account shall be adjusted upon distribution of such Retained Portion to such Partner or upon distribution of proceeds with respect to a subsequent disposition thereof by the Partnership.

(b) No distribution of such Retained Portion shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such distribution.

Section 7.7. Capital Commitment Special Distribution Election. (a) From time to time during the term of this Agreement, the General Partner may in its sole discretion, upon receipt of a written request from a Partner, distribute to such Partner any portion of its pro rata share of a Capital Commitment Investment (as measured by such Partner's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment) (a "Capital Commitment Special Distribution"). Such Partner's Capital Commitment Capital Account shall be adjusted upon distribution of such Capital Commitment Special Distribution.

(b) No Capital Commitment Special Distributions shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such Capital Commitment Special Distribution.

ARTICLE VIII

WITHDRAWAL, ADMISSION OF NEW PARTNERS

Section 8.1. Partner Withdrawal; Repurchase of Capital Commitment Interests. (a) Capital Commitment Interests (or a portion thereof) that were financed by Investor Notes will be treated as Non-Contingent for purposes hereof based upon the proportion of (a) the sum of Capital Commitment-Related Capital Contributions not financed by an Investor Note with respect to each Capital Commitment Interest and principal payments on the related Investor Note to (b) the sum of the Capital Commitment-Related Capital Contributions not financed by an Investor Note with respect to such Capital Commitment Interest, the original principal amount of such Investor Note and all deferred amounts of interest which from time to time comprise part of the principal amount of the Investor Note. A Partner may prepay a portion of any outstanding principal on the Investor Notes; provided, that in the event that a Partner prepays all or any portion of the principal amount of the Investor Notes within nine months prior to the date on which such Partner is no longer an employee or officer of Holdings or an Affiliate thereof, the Partnership (or its designee) shall have the right, in its sole discretion, to purchase the Capital Commitment Interest that became Non-Contingent as a result of such prepayment; provided further, that the purchase price for such Capital Commitment Interest shall be determined in accordance with the determination of the purchase price of a Partner's Contingent Capital Commitment Interests as set forth in paragraph (b) below. Prepayments made by a Partner shall apply *pro rata* against all of such Partner's Investor Notes; provided, that such Partner may request that such prepayments be applied only to Investor Notes related to BE Investments that are related to one or more Blackstone Entities specified by such Partner. Except as expressly provided herein, Capital Commitment Interests that were not financed in any respect with Investor Notes shall be treated as Non-Contingent Capital Commitment Interests.

(b) (i) Upon a Partner ceasing to be an officer or employee of the Partnership or any of its Affiliates, other than as a result of such Partner dying or suffering a Total Disability, such Partner and the Partnership or any other person designated by the General Partner shall each have the right (exercisable by the Withdrawn Partner within 30 days and by the Partnership or its designee(s) within 45 days after such Partner's ceasing to be such an officer or employee) or any time thereafter, upon 30 days' notice, but not the obligation, to require the Partnership (subject to the prior consent of the General Partner, such consent not to be unreasonably withheld or delayed), subject to the Partnership Act, to buy (in the case of exercise of such right by such Withdrawn Partner) or the Withdrawn Partner to sell (in the case of exercise of such right by the Partnership or its designee(s)) all (but not less than all) such Withdrawn Partner's Contingent Capital Commitment Interests.

(ii) The purchase price for each such Contingent Capital Commitment Interest shall be an amount equal to (A) the outstanding principal amount of the related Investor Note plus accrued interest thereon to the date of purchase (such portion of the purchase price to be paid in cash) and (B) an additional amount (the "Adjustment Amount") equal to (x) all interest paid by the Partner on the portion of the principal amount of such Investor Note(s) relating to the portion of the related Capital Commitment Interest remaining Contingent and to be repurchased, plus (y) all Capital Commitment Net Losses allocated to the Withdrawn Partner on such Contingent portion of such Capital

Commitment Interest, minus (z) all Capital Commitment Net Income allocated to the Withdrawn Partner on the Contingent portion of such Capital Commitment Interest; provided, that, if the Withdrawn Partner was terminated from employment or his or her position as an officer for Cause, all amounts referred to in clause (x) or (y) of the Adjustment Amount, in the General Partner's sole discretion, may be deemed to equal zero. The Adjustment Amount shall, if positive, be payable by the holders of the purchased Capital Commitment Interests to the Withdrawn Partner from the next Capital Commitment Net Income received by such holders on the Contingent portion of such Withdrawn Partner's Capital Commitment Interests at the time such Capital Commitment Net Income is received. If the Adjustment Amount is negative, it shall be payable to the holders of the purchased Capital Commitment Interest by the Withdrawn Partner (A) from the next Capital Commitment Net Income on the Non-Contingent portion of the Withdrawn Partner's Capital Commitment Interests at the time such Capital Commitment Net Income is received by the Withdrawn Partner, or (B) if the Partnership or its designee(s) elect to purchase such Withdrawn Partner's Non-Contingent Capital Commitment Interests, in cash by the Withdrawn Partner at the time of such purchase; provided, that the Partnership and its Affiliates may offset any amounts otherwise owing to a Withdrawn Partner against any Adjustment Amount owed by such Withdrawn Partner. Until so paid, such remaining Adjustment Amount will not itself bear interest. At the time of such purchase of the Withdrawn Partner's Contingent Capital Commitment Interests, his or her related Investor Note shall be payable in full.

(iii) Upon such Partner ceasing to be such an officer or employee, all Investor Notes shall become fully recourse to the Withdrawn Partner in his or her individual capacity (whether or not the Withdrawn Partner or the Partnership or its designee(s) exercises the right to require repurchase of the Withdrawn Partner's Contingent Capital Commitment Interests).

(iv) If neither the Withdrawn Partner nor the Partnership nor its designee(s) exercises the right to require repurchase of such Contingent Capital Commitment Interests, then the Withdrawn Partner shall retain the Contingent portion of his or her Capital Commitment Interests and the Investor Notes shall remain outstanding, shall become fully recourse to the Withdrawn Partner in his or her individual capacity, shall be payable in accordance with their remaining original maturity schedules and shall be prepayable at any time by the Withdrawn Partner at his or her option, and the Partnership shall apply such prepayments against outstanding Investor Notes on a *pro rata* basis.

(v) To the extent that another Partner purchases a portion of a Capital Commitment Interest of a Withdrawn Partner, the purchasing Partner's Capital Commitment Capital Account and Capital Commitment Profit Sharing Percentage for such Capital Commitment Investment shall be correspondingly increased.

(c) Upon the occurrence of a Final Event with respect to any Partner, such Partner shall thereupon cease to be a Partner with respect to such Partner's Capital Commitment Partner Interest. If such a Final Event shall occur, no Successor in Interest to any such Partner shall for any purpose hereof become or be deemed to become a Partner. The sole right, as against the Partnership and the remaining Partners, acquired hereunder by, or resulting hereunder to, a

Successor in Interest to any Partner shall be to receive any distributions and allocations with respect to such Partner's Capital Commitment Partner Interest pursuant to Article VII and this Article VIII (subject to the right of the Partnership to purchase the Capital Commitment Interests of such former Partner pursuant to Section 8.1(b) or Section 8.1(d)), to the extent, at the time, in the manner and in the amount otherwise payable to such Partner had such a Final Event not occurred, and no other right shall be acquired hereunder by, or shall result hereunder to, a Successor in Interest to such Partner, whether by operation of law or otherwise and the Partnership shall be entitled to treat any Successor in Interest to such Partner as the only person entitled to receive distributions and allocations hereunder. Until distribution of any such Partner's interest in the Partnership upon the dissolution of the Partnership as provided in Section 9.2, neither his or her Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption without the consent of the General Partner. The General Partner shall be entitled to treat any Successor in Interest to such Partner as the only person entitled to receive distributions and allocations hereunder with respect to such Partner's Capital Commitment Partner Interest.

(d) If a Partner dies or suffers a Total Disability, all Contingent Capital Commitment Interests of such Partner shall be purchased by the Partnership or its designee (within 30 days of the first date on which the Partnership knows or has reason to know of such Partner's death or Total Disability) (and the purchase price for such Contingent Capital Commitment Interests shall be determined in accordance with Section 8.1(b) (except that any Adjustment Amount shall be payable by or to such Partner's estate, personal representative or other Successor in Interest, in cash)), and any Investor Notes financing such Contingent Capital Commitment Interests shall thereupon be prepaid as provided in Section 8.1(b). Upon such Partner's death or Total Disability, any Investor Note(s) financing such Contingent Capital Commitment Interests shall become fully recourse. In addition, in the case of the death or Total Disability of a Partner, if the estate, personal representative or other Successor in Interest of such Partner, so requests in writing within 180 days after the Partner's death or ceasing to be an employee or member (directly or indirectly) of the Partnership or any of its Affiliates by reason of Total Disability (such requests shall not exceed one per calendar year), the Partnership or its designee may but is not obligated to purchase for cash all (but not less than all) Non-Contingent Capital Commitment Interests of such Partner as of the last day of the Partnership's then current Fiscal Year at a price equal to the Capital Commitment Value thereof as of the most recent valuation prior to the date of purchase. Each Partner shall be required to include appropriate provisions in his or her will to reflect such provisions of this Agreement. In addition, the Partnership may, in the sole discretion of the General Partner, upon notice to the estate, personal representative or other Successor in Interest of such Partner, within 30 days of the first date on which the General Partner knows or has reason to know of such Partner's death or Total Disability, determine either (i) to distribute Securities or other property to the estate, personal representative or other Successor in Interest, in exchange for such Non-Contingent Capital Commitment Interests as provided in Section 8.1(e) or (ii) to require sale of such Non-Contingent Capital Commitment Interests to the Partnership or its designee as of the last day of any Fiscal Year of the Partnership (or earlier period, as determined by the General Partner in its sole discretion) for an amount in cash equal to the Capital Commitment Value thereof.

(e) In lieu of retaining a Withdrawn Partner as a Partner with respect to any Non-Contingent Capital Commitment Interests, the General Partner may, in its sole discretion, by notice to such Withdrawn Partner within 45 days of his or her ceasing to be an employee or officer of the Partnership or any of its Affiliates, or at any time thereafter, upon 30 days written notice,

determine (1) to distribute to such Withdrawn Partner the pro rata portion of the Securities or other property underlying such Withdrawn Partner's Non-Contingent Capital Commitment Interests, subject to any restrictions on distributions associated with the Securities or other property, in satisfaction of his or her Non-Contingent Capital Commitment Interests in the Partnership or (2) to cause, as of the last day of any Fiscal Year of the Partnership (or earlier period, as determined by the General Partner in its sole discretion), the Partnership or another person designated by the General Partner (who may be itself another Partner or another Affiliate of the Partnership) to purchase all (but not less than all) of such Withdrawn Partner's Non-Contingent Capital Commitment Interests for a price equal to the Capital Commitment Value thereof (determined in good faith by the General Partner as of the most recent valuation prior to the date of purchase). The General Partner shall condition any distribution or purchase of voting Securities pursuant to paragraph (d) above or this paragraph (e) upon the Withdrawn Partner's execution and delivery to the Partnership of an appropriate irrevocable proxy, in favor of the General Partner or its nominee, relating to such Securities.

(f) The Partnership may subsequently transfer any Unallocated Capital Commitment Interest or portion thereof which is purchased by it as described above to any other person approved by the General Partner. In connection with such purchase or transfer or the purchase of a Capital Commitment Interest or portion thereof by the General Partner's designee(s), Holdings may loan all or a portion of the purchase price of the transferred or purchased Capital Commitment Interest to the Partnership, the transferee or the designee-purchaser(s), as applicable (excluding any of the foregoing who is an executive officer of Blackstone Inc. or any Affiliate thereof). To the extent that a Withdrawn Partner's Capital Commitment Interests (or portions thereof) are repurchased by the Partnership and not transferred to or purchased by another person, all or any portion of such repurchased Capital Commitment Interests may, in the sole discretion of the General Partner, (i) be allocated to each Partner already participating in the Capital Commitment Investment to which the repurchased Capital Commitment Interest relates, (ii) be allocated to each Partner in the Partnership, whether or not already participating in such Capital Commitment Investment, and/or (iii) continue to be held by the Partnership itself as an unallocated Capital Commitment Investment (such Capital Commitment Interests being herein called "Unallocated Capital Commitment Interests"). To the extent that a Capital Commitment Interest is allocated to Partners as provided in clause (i) and/or (ii) above, any indebtedness incurred by the Partnership to finance such repurchase shall also be allocated to such Partners. All such Capital Commitment Interests allocated to Partners shall be deemed to be Contingent and shall become Non-Contingent as and to the extent that the principal amount of such related indebtedness is repaid. The Partners receiving such allocations shall be responsible for such related indebtedness only on a nonrecourse basis to the extent appropriate as provided in this Agreement, except as otherwise provided in this Section 8.1 and except as such Partners and the General Partner shall otherwise agree; provided, that such indebtedness shall become fully recourse to the extent and at the time provided in this Section 8.1. If the indebtedness financing such repurchased interests is not to be non-recourse or so limited, the Partnership may require an assumption by the Partners of such indebtedness on the terms thereof as a precondition to allocation of the related Capital Commitment Interests to such Partners; provided, that a Partner shall not, except as set forth in his or her Investor Note(s), be obligated to accept any obligation that is personally recourse (except as provided in this Section 8.1), unless his or her prior consent is obtained. So long as the Partnership itself retains the Unallocated Capital Commitment Interests pursuant to clause (iii) above, such Unallocated Capital Commitment Interests shall belong to the Partnership and any indebtedness

financing the Unallocated Capital Commitment Interests shall be an obligation of the Partnership to which all income of the Partnership is subject except as otherwise agreed by the lender of such indebtedness. Any Capital Commitment Net Income (Loss) on an Unallocated Capital Commitment Interest shall be allocated to each Partner in the proportion his or her aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Partners; debt service on such related financing will be an expense of the Partnership allocable to all Partners in such proportions.

(g) If a Partner is required to Withdraw from the Partnership with respect to such Partner's Capital Commitment Partner Interest for Cause, then his or her Capital Commitment Interest shall be settled in accordance with paragraphs (a)-(f) and (j) of this Section 8.1; provided, that if such Partner was not at any time a direct partner of a General Partner of the Partnership, the General Partner may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) purchase for cash all of such Withdrawn Partner's Non-Contingent Capital Commitment Interests. The purchase price for each such Non-Contingent Capital Commitment Interest shall be the lower of (A) the original cost of such Non-Contingent Capital Commitment Interest or (B) an amount equal to the Capital Commitment Value thereof (determined as of the most recent valuation prior to the date of the purchase of such Non-Contingent Capital Commitment Interest);

(ii) allow the Withdrawn Partner to retain such Non-Contingent Capital Commitment Interests; provided, that the maximum amount of Capital Commitment Net Income allocable to such Withdrawn Partner with respect to any Capital Commitment Investment shall equal the amount of Capital Commitment Net Income that would have been allocated to such Withdrawn Partner if such Capital Commitment Investment had been sold as of the Settlement Date at the then prevailing Capital Commitment Value thereof; or

(iii) in lieu of cash, purchase such Non-Contingent Capital Commitment Interests by providing the Withdrawn Partner with a promissory note in the amount determined in (i) above. Such promissory note shall have a maximum term of ten (10) years with interest at the Federal Funds Rate.

(h) The Partnership will assist a Withdrawn Partner or his or her estate or guardian, as the case may be, in the settlement of the Withdrawn Partner's Capital Commitment Partner Interest in the Partnership. Third party costs incurred by the Partnership in providing this assistance will be borne by the Withdrawn Partner or his or her estate.

(i) The General Partner may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Partners or their estates or guardians, as referred to above. In such instances, the General Partner will obtain the prior approval of a Withdrawn Partner or his or her estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Partner (or his or her estate or guardian) declines to incur such costs, the General Partner will provide such reasonable assistance as and when it can so as not to interfere with the Partnership's day-to-day operating, financial, tax and other related responsibilities to the Partnership and the Partners.

(j) Each Partner hereby irrevocably appoints the General Partner as such Partner's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Partner's name, place and stead, to make, execute, sign and file, on behalf of such Partner, any and all agreements, instruments, consents, ratifications, documents and certificates which such General Partner deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 8.1, including, without limitation, the performance of any obligation of such Partner or the Partnership or the exercise of any right of such Partner or the Partnership. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal from the Partnership of any Partner for any reason and shall not be affected by the death, disability or incapacity of such Partner.

Section 8.2. Transfer of Partner's Capital Commitment Interest. Except as otherwise agreed by the General Partner, no Partner or former Partner shall have the right to sell, assign, mortgage, pledge, grant a security interest over, or otherwise dispose of or transfer ("Transfer") all or part of any such Partner's Capital Commitment Partner Interest in the Partnership; provided, that this Section 8.2 shall in no way impair (i) Transfers as permitted in Section 8.1 above, in the case of the purchase of a Withdrawn Partner's or Deceased or Totally Disabled Partner's Capital Commitment Interests, (ii) with the prior written consent of the General Partner, which shall not be unreasonably withheld, Transfers by a Partner to another Partner of Non-Contingent Capital Commitment Interests, (iii) Transfers with the prior written consent of the General Partner (which consent may be granted or withheld in its sole discretion without giving any reason therefor) and (iv) with the prior written consent of the General Partner, which shall not be unreasonably withheld, Transfers of up to 25% of a Limited Partner's Capital Commitment Partner Interest to an Estate Planning Vehicle (it being understood that it shall not be unreasonable for the General Partner to condition any Transfer of an Interest pursuant to this clause (iv) on the satisfaction of certain conditions and/or requirements imposed by the General Partner in connection with any such Transfer, including, for example, a requirement that any transferee of an Interest hold such Interest as a passive, non-voting interest in the Partnership). The General Partner shall designate that each Estate Planning Vehicle shall not have voting rights (any such Partner being called a "Nonvoting Partner"). Such Partner shall be jointly and severally liable for all obligations of both such Partner and such Nonvoting Partner with respect to the interest transferred (including the obligation to make additional Capital Commitment-Related Capital Contributions). The General Partner may at its sole option exercisable at any time require such Estate Planning Vehicle to Withdraw from the Partnership on the terms of Section 8.1 and Article VI. No person acquiring an interest in the Partnership pursuant to this Section 8.2 shall become a Partner of the Partnership, or acquire such Partner's right to participate in the affairs of the Partnership, unless such person shall be admitted as a Partner pursuant to Section 6.1. A Partner shall not cease to be a Partner of the Partnership upon the collateral assignment of, or the pledging or granting of a security interest in, its entire Interest in the Partnership in accordance with the provisions of this Agreement.

Section 8.3. Compliance with Law. Notwithstanding any provision hereof to the contrary, no sale or Transfer of a Capital Commitment Interest in the Partnership may be made except in compliance with all U.S. federal, state and other applicable laws, including U.S. federal and state securities laws.

## ARTICLE IX

## DISSOLUTION

Section 9.1. Dissolution. The Partnership shall be dissolved and subsequently terminated:

(a) pursuant to Section 6.6; or

(b) upon the expiration of the term of the Partnership.

Section 9.2. Final Distribution. Upon the dissolution of the Partnership, and following the payment of creditors of the Partnership and the making of provisions for the payment of any contingent, conditional or unmatured claims known to the Partnership as required under the Partnership Act:

(a) The Partners' respective interests in the Partnership shall be valued and settled in accordance with the procedures set forth in Section 6.5 which provide for allocations to the GP-Related Capital Accounts of the Partners and distributions in accordance with the GP-Related Capital Account balances of the Partners; and

(b) With respect to each Partner's Capital Commitment Partner Interest, an amount shall be paid to such Partner in cash or Securities in an amount equal to such Partner's respective Capital Commitment Liquidating Share for each Capital Commitment Investment; provided, that if the remaining assets relating to any Capital Commitment Investment shall not be equal to or exceed the aggregate Capital Commitment Liquidating Shares for such Capital Commitment Investment, to each Partner in proportion to its Capital Commitment Liquidating Share for such Capital Commitment Investment; and the remaining assets of the Partnership related to the Partners' Capital Commitment Partner Interests shall be paid to the Partners in cash or Securities in proportion to their respective Capital Commitment Profit Sharing Percentages for each Capital Commitment Investment from which such cash or Securities are derived.

The General Partner shall be the liquidator. In the event that the General Partner is unable to serve as liquidator, a liquidating trustee shall be chosen by the affirmative vote of a Majority in Interest of the Partners voting at a meeting of Partners (excluding Nonvoting Special Partners).

Section 9.3. Amounts Reserved Related to Capital Commitment Partner Interests. (a) If there are any Securities or other property or other investments or securities related to the Partners' Capital Commitment Partner Interests which, in the judgment of the liquidator, cannot be sold, or properly distributed in kind in the case of dissolution, without sacrificing a significant portion of the value thereof, the value of a Partner's interest in each such Security or other investment or security may be excluded from the amount distributed to the Partners participating in the related Capital Commitment Investment pursuant to Section 9.2(b). Any interest of a Partner, including his or her *pro rata* interest in any gains, losses or distributions, in Securities or other property or other investments or securities so excluded shall not be paid or distributed until such time as the liquidator shall determine.

(b) If there is any pending transaction, contingent liability or claim by or against the Partnership related to the Partners' Capital Commitment Partner Interests as to which the interest or obligation of any Partner therein cannot, in the judgment of the liquidator, be then ascertained, the value thereof or probable loss therefrom may be deducted from the amount distributable to such Partner pursuant to Section 9.2(b). No amount shall be paid or charged to any such Partner on account of any such transaction or claim until its final settlement or such earlier time as the liquidator shall determine. The Partnership may meanwhile retain from other sums due such Partner in respect of such Partner's Capital Commitment Partner Interest an amount which the liquidator estimates to be sufficient to cover the share of such Partner in any probable loss or liability on account of such transaction or claim.

(c) Upon determination by the liquidator that circumstances no longer require the exclusion of any Securities or other property or retention of sums as provided in paragraphs (a) and (b) of this Section 9.3, the liquidator shall, at the earliest practicable time, distribute as provided in Section 9.2(b) such sums or such Securities or other property or the proceeds realized from the sale of such Securities or other property to each Partner from whom such sums or Securities or other property were withheld.

## ARTICLE X

## MISCELLANEOUS

Section 10.1. Submission to Jurisdiction; Waiver of Jury Trial. (a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision as well as any and all disputes arising out of, relating to or in connection with the termination, liquidation or winding up of the Partnership), whether arising during the existence of the Partnership or at or after its termination or during or after the liquidation or winding up of the Partnership, shall be finally settled by arbitration conducted by a single arbitrator in New York, New York U.S.A., in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within 30 days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the General Partner may bring, or may cause the Partnership to bring, on behalf of the General Partner or the Partnership or on behalf of one or more Partners, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Partner (i) expressly consents to the application of paragraph (c) of this Section 10.1 to any such action or proceeding, (ii) agrees that proof shall not be required that

monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the General Partner as such Partner's agent for service of process in connection with any such action or proceeding and agrees that service of process upon any such agent, who shall promptly advise such Partner of any such service of process, shall be deemed in every respect effective service of process upon the Partner in any such action or proceeding.

(c) (i) EACH PARTNER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (B) OF THIS SECTION 10.1, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the forum(s) designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c)(i) of this Section 10.1 and such parties agree not to plead or claim the same.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 10.1 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the "Delaware Arbitration Act"). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 10.1, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 10.1. In that case, this Section 10.1 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 10.1 shall be construed to omit such invalid or unenforceable provision.

Section 10.2. Ownership and Use of the Blackstone Name. The Partnership acknowledges that Blackstone TM L.L.C. ("TM"), a Delaware limited liability company with a principal place of business at 345 Park Avenue, New York, New York 10154 U.S.A., (or its successors or assigns) is the sole and exclusive owner of the mark and name BLACKSTONE and that the ownership of, and the right to use, sell or otherwise dispose of, the firm name or any abbreviation or modification thereof which consists of or includes BLACKSTONE, shall belong exclusively to TM, which company (or its predecessors, successors or assigns) has licensed the Partnership to use BLACKSTONE in its name. The Partnership acknowledges that TM owns the service mark BLACKSTONE for various services and that the Partnership is using the BLACKSTONE mark and name on a non-exclusive, non-sublicensable and non-assignable basis

in connection with its business and authorized activities with the permission of TM. All services rendered by the Partnership under the BLACKSTONE mark and name will be rendered in a manner and with quality levels that are consistent with the high reputation heretofore developed for the BLACKSTONE mark by TM and its Affiliates and licensees. The Partnership understands that TM may terminate its right to use BLACKSTONE at any time in TM's sole discretion by giving the Partnership written notice of termination. Promptly following any such termination, the Partnership will take all steps necessary to change its partnership name to one which does not include BLACKSTONE or any confusingly similar term and cease all use of BLACKSTONE or any term confusingly similar thereto as a service mark or otherwise.

Section 10.3. Written Consent. Any action required or permitted to be taken by a vote of Partners at a meeting may be taken without a meeting if a Majority in Interest of the Partners consent thereto in writing.

Section 10.4. Letter Agreements; Schedules. The General Partner may, or may cause the Partnership to, enter or has previously entered into separate letter agreements with individual Partners, officers or employees with respect to GP-Related Profit Sharing Percentages, Capital Commitment Profit Sharing Percentages, benefits or any other matter, which letter agreements have the effect of establishing rights under, or altering or supplementing, the terms of this Agreement with respect to any such Partner and such matters. The parties hereto agree that any rights established, or any terms of this Agreement altered or supplemented, in any such separate letter agreement, including any Commitment Agreement or SMD Agreement, shall govern solely with respect to such Partner notwithstanding any other provision of this Agreement. The General Partner may from time to time execute and deliver to the Partners schedules which set forth the then current capital balances, GP-Related Profit Sharing Percentages and Capital Commitment Profit Sharing Percentages of the Partners and any other matters deemed appropriate by the General Partner. Such schedules shall be for information purposes only and shall not be deemed to be part of this Agreement for any purpose whatsoever; provided, that this in no way limits the effectiveness of any Commitment Agreement or SMD Agreement.

Section 10.5. Governing Law; Separability of Provisions. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law. In particular, the Partnership has been formed pursuant to the Partnership Act, and the rights and liabilities of the Partners shall be as provided therein, except as herein otherwise expressly provided. If any provision of this Agreement shall be held to be invalid, such provision shall be given its meaning to the maximum extent permitted by law and the remainder of this Agreement shall not be affected thereby.

Section 10.6. Successors and Assigns; Third Party Beneficiaries. This Agreement shall be binding upon and shall, subject to the penultimate sentence of Section 6.3(a), inure to the benefit of the parties hereto, their respective heirs and personal representatives, and any successor to a trustee of a trust which is or becomes a party hereto; provided, that no person claiming by, through or under a Partner (whether such Partner's heir, personal representative or otherwise), as distinct from such Partner itself, shall have any rights as, or in respect to, a Partner (including the right to approve or vote on any matter or to notice thereof) except the right to receive only those distributions expressly payable to such person pursuant to Article VI and Article VIII. Any Partner or Withdrawn Partner shall remain liable for the obligations under this Agreement (including any

Net GP-Related Recontribution Amounts and any Capital Commitment Recontribution Amounts) of any transferee of all or any portion of such Partner's or Withdrawn Partner's interest in the Partnership, unless waived by the General Partner. The Partnership shall, if the General Partner determines in its good faith judgment, based on the standards set forth in Section 5.8(d)(ii)(A) and Section 7.4(g)(ii)(A), to pursue such transferee, pursue payment (including any Net GP-Related Recontribution Amounts and/or Capital Commitment Recontribution Amounts) from the transferee with respect to any such obligations. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, on any person other than the Partners and their respective legal representatives, heirs, successors and permitted assigns. Notwithstanding the foregoing, solely to the extent required by the BCP IX Agreements, (x) the limited partners in BCP IX shall be third-party beneficiaries of the provisions of Section 5.8(d)(i)(A) and Section 5.8(d)(ii)(A) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in paragraph 9.2.8(b) of the BCP IX Partnership Agreement), and (y) the amendment of the provisions of Section 5.8(d)(i)(A) and Section 5.8(d)(ii)(A) (and the definitions relating thereto), solely as they relate to any Clawback Amount (for purpose of this sentence, as defined in paragraph 9.2.8(b) of the BCP IX Partnership Agreement), shall be effective against such limited partners only with the 66 2/3% Combined Limited Partner Consent (as such term is used in the BCP IX Partnership Agreement) unless such amendment does not adversely affect the LPs' rights under paragraph 9.2.8 of the BCP IX Partnership Agreement.

Section 10.7. Confidentiality. (a) By executing this Agreement, each Partner expressly agrees, at all times during the term of the Partnership and thereafter and whether or not at the time a Partner of the Partnership, to maintain the confidentiality of, and not to disclose to any person other than the Partnership, another Partner or a person designated by the Partnership, any information relating to the business, financial structure, financial position or financial results, clients or affairs of the Partnership that shall not be generally known to the public or the securities industry, except as otherwise required by law or by any regulatory or self-regulatory organization having jurisdiction; provided, that any corporate Partner may disclose any such information it is required by law, rule, regulation or custom to disclose. Notwithstanding anything in this Agreement to the contrary, to comply with Treasury Regulations Section 1.6011-4(b)(3)(i), each Partner (and any employee, representative or other agent of such Partner) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the Partnership, it being understood and agreed, for this purpose, (1) the name of, or any other identifying information regarding (a) the Partners or any existing or future investor (or any Affiliate thereof) in any of the Partners, or (b) any investment or transaction entered into by the Partners; (2) any performance information relating to any of the Partners or their investments; and (3) any performance or other information relating to previous funds or investments sponsored by any of the Partners, does not constitute such tax treatment or tax structure information.

(b) Nothing in this Agreement shall prohibit or impede any Partner from communicating, cooperating or filing a complaint on possible violations of U.S. federal, state or local law or regulation to or with any governmental agency or regulatory authority (collectively, a "Governmental Entity"), including, but not limited to, the SEC, FINRA, EEOC or NLRB, or from making other disclosures to any Governmental Entity that are protected under the whistleblower provisions of U.S. federal, state or local law or regulation; provided, that in each case such communications and disclosures are consistent with applicable law. Each Partner understands and

acknowledges that (a) an individual shall not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a U.S. federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Moreover, a Partner shall not be required to give prior notice to (or get prior authorization from) Blackstone regarding any such communication or disclosure. Except as otherwise provided in this paragraph or under applicable law, under no circumstance is any Partner authorized to disclose any information covered by Blackstone or its affiliates' attorney-client privilege or attorney work product or Blackstone's trade secrets without the prior written consent of Blackstone.

Section 10.8. Notices. Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including telecopy or similar writing) and shall be given by hand delivery (including any courier service) or telecopy to any Partner at its address or telecopy number shown in the Partnership's books and records or, if given to the General Partner, at the address or telecopy number of the Partnership in New York City. Each such notice shall be effective (i) if given by telecopy, upon dispatch, and (ii) if given by hand delivery, when delivered to the address of such Partner, the General Partner or the Partnership specified as aforesaid.

Section 10.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute a single instrument. For the avoidance of doubt, a person's execution and delivery of this Agreement by electronic signature and electronic transmission (jointly, an "Electronic Signature"), including via DocuSign or other similar method, shall constitute the execution and delivery of a counterpart of this Agreement by or on behalf of such person and shall bind such person to the terms of this Agreement. The parties hereto agree that this Agreement and any additional information incidental hereto may be maintained as electronic records. Any person executing and delivering this Agreement by an Electronic Signature further agrees to take any and all reasonable additional actions, if any, evidencing its intent to be bound by the terms of this Agreement, as may be reasonably requested by the General Partner.

Section 10.10. Power of Attorney. Each Partner hereby irrevocably appoints the General Partner as such Partner's true and lawful representative and attorney-in-fact, each acting alone, in such Partner's name, place and stead, to make, execute, sign and file all instruments, documents and certificates which, from time to time, may be required to set forth any amendment to this Agreement or may be required by this Agreement or by the laws of the United States of America, the State of Delaware or any other state in which the Partnership shall determine to do business, or any political subdivision or agency thereof, to execute, implement and continue the valid and subsisting existence of the Partnership. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the subsequent Withdrawal from the Partnership of any Partner for any reason and shall not be affected by the subsequent disability or incapacity of such Partner.

Section 10.11. Partner's Will. Each Partner and Withdrawn Partner shall include in his or her will a provision that addresses certain matters in respect of his or her obligations relating to the Partnership that is satisfactory to the General Partner and each such Partner and Withdrawn Partner shall confirm annually to the Partnership, in writing, that such provision remains in his or her current will. Where applicable, any estate planning trust of such Partner or Withdrawn Partner to which a portion of such Partner's or Withdrawn Partner's Interest is transferred shall include a provision substantially similar to such provision and the trustee of such trust shall confirm annually to the Partnership, in writing, that such provision or its substantial equivalent remains in such trust. In the event any Partner or Withdrawn Partner fails to comply with the provisions of this Section 10.11 after the Partnership has notified such Partner or Withdrawn Partner of his or her failure to so comply and such failure to so comply is not cured within 30 days of such notice, the Partnership may withhold any and all distributions to such Partner until the time at which such party complies with the requirements of this Section 10.11.

Section 10.12. Cumulative Remedies. Rights and remedies under this Agreement are cumulative and do not preclude use of other rights and remedies available under applicable law.

Section 10.13. Legal Fees. Except as more specifically provided herein, in the event of a legal dispute (including litigation, arbitration or mediation) between any Partner or Withdrawn Partner and the Partnership, arising in connection with any party seeking to enforce Section 4.1(d) or any other provision of this Agreement relating to the Holdback, the Clawback Amount, the GP-Related Giveback Amount, the Capital Commitment Giveback Amount, the Net GP-Related Recontribution Amount or the Capital Commitment Recontribution Amount, the "losing" party to such dispute shall promptly reimburse the "victorious party" for all reasonable legal fees and expenses incurred in connection with such dispute (such determination to be made by the relevant adjudicator). Any amounts due under this Section 10.13 shall be paid within 30 days of the date upon which such amounts are due to be paid and such amounts remaining unpaid after such date shall accrue interest at the Default Interest Rate.

Section 10.14. Entire Agreement; Modifications. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Subject to Section 10.4, this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter. Except as provided herein, this Agreement may be amended or modified at any time by the General Partner in its sole discretion, upon notification thereof to the Limited Partners.

* * *

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written. In the event that it is impracticable to obtain the signature of any one or more of the Partners to this Agreement, this Agreement shall be binding among the other Partners executing the same.

GENERAL PARTNER:

BMA IX L.L.C.

By: Blackstone Holdings II L.P., its managing member

By: Blackstone Holdings I/II GP L.L.C., its general partner

By: /s/ John G. Finley
Name: John G. Finley
Title: Chief Legal Officer and Secretary

LIMITED PARTNER:

BLACKSTONE HOLDINGS II L.P.

By: Blackstone Holdings I/II GP L.L.C., its general partner

By: /s/ John G. Finley
Name: John G. Finley
Title: Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Limited Partnership Agreement of BMA IX GP L.P.]

LIMITED PARTNERS AND SPECIAL PARTNERS:

Limited Partners and Special Partners now admitted pursuant to powers of attorney now and hereafter granted to BMA IX L.L.C.

BMA IX L.L.C.

By: Blackstone Holdings II L.P., its managing member

By: Blackstone Holdings I/II GP L.L.C., its general partner

By: /s/ John G. Finley
Name: John G. Finley
Title: Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Limited Partnership Agreement of BMA IX GP L.P.]

**Exhibit 10.2**

***Execution Version***

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**HIGHLY CONFIDENTIAL & TRADE SECRET**

BREA EUROPE VII (CAYMAN) L.P.

AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP

DATED MAY 3, 2024
EFFECTIVE JUNE 30, 2023

THE EXEMPTED LIMITED PARTNERSHIP INTERESTS (THE "INTERESTS") OF BREA EUROPE VII (CAYMAN) L.P. (THE "PARTNERSHIP") HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES OR ANY OTHER APPLICABLE SECURITIES LAWS IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. SUCH INTERESTS MUST BE ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, CHARGED, HYPOTHECATED, SOLD, ASSIGNED OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH (I) THE SECURITIES ACT, THE EXEMPTED LIMITED PARTNERSHIP LAW OF THE CAYMAN ISLANDS, ANY APPLICABLE STATE SECURITIES LAWS, AND ANY OTHER APPLICABLE SECURITIES LAWS; AND (II) THE TERMS AND CONDITIONS OF THIS AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP. THE INTERESTS MAY NOT BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SUCH LAWS AND THIS AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP. THEREFORE, PURCHASERS OF SUCH INTERESTS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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**(continued)**

**BREA EUROPE VII (CAYMAN) L.P.**

AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP, dated May 3, 2024, and effective June 30, 2023, of BREA Europe VII (Cayman) L.P., a Cayman Islands exempted limited partnership (the "Partnership"), by and between Blackstone Real Estate Associates Europe (Delaware) VII L.L.C., a Delaware limited liability company, as general partner of the Partnership (the "General Partner"), Mapcal Limited, as initial limited partner (the "Initial Limited Partner"), the limited partners listed as Limited Partners in the books and records of the Partnership, and such other persons that are admitted to the Partnership as partners after the date hereof in accordance herewith.

W I T N E S S E T H

WHEREAS, the General Partner, as general partner, and Mapcal Limited, as initial limited partner, entered into an Exempted Limited Partnership Agreement dated November 1, 2022 (the "Original Agreement") and formed an exempted limited partnership under the laws of the Cayman Islands under the name of BREA Europe VII (Cayman) L.P.; and

WHEREAS, the parties hereto desire to enter into this Amended and Restated Agreement of Exempted Limited Partnership, effective on June 30, 2023, and hereby amend and restate the Original Agreement in its entirety and reflect the withdrawal of the Initial Limited Partner from the Partnership and the admission of certain limited partners to the Partnership and to further make the modifications hereinafter set forth, in each case effective on June 30, 2023;

NOW, THEREFORE, in consideration of the mutual promises and agreements herein made and intending to be legally bound hereby, the parties hereto agree that the Original Agreement shall be amended and restated in its entirety as follows:

ARTICLE

IDEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

"Adjustment Amount" has the meaning set forth in Section 8.1(b)(ii).

"Advancing Party" has the meaning set forth in Section 7.1(c).

"Affiliate" when used with reference to another person means any person (other than the Partnership), directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with, such other person, which may include, for greater certainty and as the context requires, endowment funds, estate planning vehicles (including any trusts, family members, family investment vehicles, descendant, trusts and other related persons and entities), charitable programs and other similar and/or related vehicles or accounts associated with or established by Blackstone and/or its affiliates, partners and current and/or former employees and/or related persons.

"Agreement" means this Amended and Restated Limited Agreement of Exempted Limited Partnership, as it may be further amended, supplemented, restated or otherwise modified from time to time.

"Applicable Collateral Percentage" with respect to any Firm Collateral or Special Firm Collateral, has the meaning set forth in the books and records of the Partnership with respect thereto.

"Associates Europe VII" means Blackstone Real Estate Associates Europe VII L.P., a Cayman Islands exempted limited partnership and the general partner of BREP Europe VII, or any other entity that serves as the general partner, special general partner or managing member of a vehicle indicated in the definition of BREP Europe VII.

"Associates Europe VII LP Agreement" means the limited partnership agreement, dated as of the date set forth therein, of Associates Europe VII, as it may be amended, supplemented, restated or otherwise modified from time to time.

"Bankruptcy" means, with respect to any person, the occurrence of any of the following events: (i) the filing of an application by such person for, or a consent to, the appointment of a trustee or custodian of his or her assets; (ii) the filing by such person of a voluntary petition in Bankruptcy or the seeking of relief under Title 11 of the United States Code, as now constituted or hereafter amended, or the filing of a pleading in any court of record admitting in writing his or her inability to pay his or her debts as they become due; (iii) the failure of such person to pay his or her debts as such debts become due; (iv) the making by such person of a general assignment for the benefit of creditors; (v) the filing by such person of an answer admitting the material allegations of, or his or her consenting to, or defaulting in answering, a Bankruptcy petition filed against him or her in any Bankruptcy proceeding or petition seeking relief under Title 11 of the United States Code, as now constituted or as hereafter amended; or (vi) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such person a bankrupt or insolvent or for relief in respect of such person or appointing a trustee or custodian of his or her assets and the continuance of such order, judgment or decree unstayed and in effect for a period of 60 consecutive days.

"BE Agreement" means the limited partnership agreement, limited liability company agreement or other governing document of any limited partnership, limited liability company or other entity referred to in the definition of "Blackstone Entity," as such limited partnership agreement, limited liability company agreement or other governing document may be amended, supplemented, restated or otherwise modified to date, and as such limited partnership agreement, limited liability company agreement or other governing document may be further amended, supplemented, restated or otherwise modified from time to time.

"BE Investment" means any direct or indirect investment by any Blackstone Entity.

"Blackstone" means, collectively, Blackstone Inc., a Delaware corporation, and any predecessor and successor thereto, and any Affiliate thereof (excluding any natural persons and any portfolio companies, investments or similar entities of any Blackstone-sponsored fund (or any affiliate thereof that is not otherwise an Affiliate of Blackstone Inc.)).

"Blackstone Capital Commitment" has the meaning set forth in the BREP Europe VII Partnership Agreement.

"Blackstone Entity" means any partnership, limited liability company or other entity (excluding any natural persons and any portfolio companies of any Blackstone-sponsored fund) that is an Affiliate of Blackstone Inc., as designated by the General Partner in its sole discretion.

"BREP Europe VII" means (i) Blackstone Real Estate Partners Europe VII SCSp, a special limited partnership (*société en commandite spéciale*) established under the laws of the Grand Duchy of Luxembourg, (ii) any other Alternative Investment Vehicles, Parallel Funds or other Supplemental Capital Vehicles (each as defined in the respective partnership agreements for the partnerships referred to in clause (i) of this definition), (iii) any other investment vehicle established pursuant to Article II of the respective partnership agreements for any of the partnerships referred to in clause (i) of this definition, and (iv) any other limited partnership, limited liability company or other entity (in each case, whether now or hereafter established) of which Associates Europe VII or the Partnership serves, directly or indirectly, as the general partner, special general partner, manager, managing member or in a similar capacity.

"BREP Europe VII Agreements" is the collective reference to the BREP Europe VII Partnership Agreement and any governing agreement of any of the partnerships or other entities referred to in clauses (ii), (iii) or (iv) of the definition of "BREP Europe VII."

"BREP Europe VII Partnership Agreement" means the partnership agreements of the limited partnerships named in clause (i) of the definition of "BREP Europe VII," as they may be amended, supplemented, restated or otherwise modified from time to time.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks are authorized or required by law to be closed in New York, New York.

"Capital Commitment Associates Europe VII Partner Interest" means the interest of the Partnership, if any, as a limited partner of Associates Europe VII with respect to any Capital Commitment BREP Europe VII Interest that may be held by Associates Europe VII.

"Capital Commitment BREP Europe VII Commitment" means the Capital Commitment (as defined in the BREP Europe VII Partnership Agreement), if any, of the Partnership or Associates Europe VII to BREP Europe VII that relates solely to the Capital Commitment BREP Europe VII Interest, if any.

"Capital Commitment BREP Europe VII Interest" means the Interest (as defined in the BREP Europe VII Partnership Agreement), if any, of the Partnership or Associates Europe VII as a capital partner in BREP Europe VII.

"Capital Commitment BREP Europe VII Investment" means the Partnership's interest in a specific investment of BREP Europe VII, which interest may be held by the Partnership (i) through the Partnership's direct interest in BREP Europe VII through the Partnership's Capital Commitment BREP Europe VII Interest, if the Partnership holds the Capital Commitment BREP Europe VII Interest, or (ii) through the Partnership's interest in Associates Europe VII and Associates Europe VII's interest in BREP Europe VII through Associates Europe VII's Capital Commitment BREP Europe VII Interest, if Associates Europe VII holds the Capital Commitment BREP Europe VII Interest.

"Capital Commitment Capital Account" means, with respect to each Capital Commitment Investment for each Partner, the account maintained for such Partner to which are credited such Partner's contributions to the Partnership with respect to such Capital Commitment Investment and any net income allocated to such Partner pursuant to Section 7.3 with respect to such Capital Commitment Investment and from which are debited any distributions with respect to such Capital Commitment Investment to such Partner and any net losses allocated to such Partner with respect to such Capital Commitment Investment pursuant to Section 7.3. In the case of any such distribution in kind, the Capital Commitment Capital Accounts for the related Capital Commitment Investment shall be adjusted as if the asset distributed had been sold in a taxable transaction and the proceeds distributed in cash, and any resulting gain or loss on such sale shall be allocated to the Partners participating in such Capital Commitment Investment pursuant to Section 7.3.

"Capital Commitment Class A Interest" has the meaning set forth in Section 7.4(f).

"Capital Commitment Class B Interest" has the meaning set forth in Section 7.4(f).

"Capital Commitment Defaulting Party" has the meaning set forth in Section 7.4(g)(ii)(A).

"Capital Commitment Deficiency Contribution" has the meaning set forth in Section 7.4(g)(ii)(A).

"Capital Commitment Disposable Investment" has the meaning set forth in Section 7.4(f).

"Capital Commitment Distributions" means, with respect to each Capital Commitment Investment, all amounts of distributions received by the Partnership with respect to such Capital Commitment Investment solely in respect of the Capital Commitment BREP Europe VII Interest, if any, less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto, in each case which the General Partner may allocate to all or any portion of such Capital Commitment Investment as it may determine in good faith is appropriate.

"Capital Commitment Giveback Amount" has the meaning set forth in Section 7.4(g)(i).

"Capital Commitment Interest" means the interest of a Partner in a specific Capital Commitment Investment as provided herein.

"Capital Commitment Investment" means any Capital Commitment BREP Europe VII Investment, but shall exclude any GP-Related Investment.

"Capital Commitment Liquidating Share" means, with respect to each Capital Commitment Investment, in the case of dissolution of the Partnership, the related Capital Commitment Capital Account of a Partner (less amounts reserved in accordance with Section 9.3) as of the close of business on the effective date of dissolution.

"Capital Commitment Net Income (Loss)" means, with respect to each Capital Commitment Investment, all amounts of income received by the Partnership with respect to such Capital Commitment Investment, including without limitation gain or loss in respect of the disposition, in whole or in part, of such Capital Commitment Investment, less any costs, fees and expenses of the Partnership allocated thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership anticipated to be allocated thereto.

"Capital Commitment Partner Carried Interest" means, with respect to any Partner, the aggregate amount of distributions or payments received by such Partner (in any capacity) from Affiliates of the Partnership in respect of or relating to "carried interest." Capital Commitment Partner Carried Interest includes any amount initially received by an Affiliate of the Partnership from any fund (including BREP Europe VII, any similar funds formed after the date hereof, and any Other Blackstone Funds (as defined in the BREP Europe VII Partnership Agreement), whether or not in existence as of the date hereof) to which such Affiliate serves as general partner (or in another similar capacity) that exceeds such Affiliate's *pro rata* share of distributions from such fund based upon capital contributions thereto (or the capital contributions to make the investment of such fund giving rise to such "carried interest").

"Capital Commitment Partner Interest" means a Partner's exempted limited partnership interest in the Partnership which relates (i) to any Capital Commitment BREP Europe VII Interest held by the Partnership or (ii) through the Partnership and Associates Europe VII, to any Capital Commitment BREP Europe VII Interest that may be held by Associates Europe VII.

"Capital Commitment Profit Sharing Percentage" means, with respect to each Capital Commitment Investment, the percentage interest of a Partner in Capital Commitment Net Income (Loss) from such Capital Commitment Investment set forth in the books and records of the Partnership.

"Capital Commitment Recontribution Amount" has the meaning set forth in Section 7.4(g)(i).

"Capital Commitment-Related Capital Contributions" has the meaning set forth in Section 7.1(b).

"Capital Commitment-Related Commitment" means, with respect to any Partner, such Partner's commitment to the Partnership relating to such Partner's Capital Commitment Partner Interest, as set forth in the books and records of the Partnership, including, without limitation, any such commitment that may be set forth in such Partner's Commitment Agreement or SMD Agreement, if any.

"Capital Commitment Special Distribution" has the meaning set forth in Section 7.7(a).

"Capital Commitment Value" has the meaning set forth in Section 7.5.

"Carried Interest" means (i) "Carried Interest Distributions" as defined in the BREP Europe VII Partnership Agreement, and (ii) any other carried interest distribution to a Fund GP pursuant to any BREP Europe VII Agreement. In the case of each of (i) and (ii) above, except as determined by the General Partner, the amount shall not be less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto (in each case which the General Partner may allocate among all or any portion of the GP-Related Investments as it determines in good faith is appropriate).

"Carried Interest Give Back Percentage" means, for any Partner or Withdrawn Partner, subject to Section 5.8(e), the percentage determined by dividing (A) the aggregate amount of distributions received by such Partner or Withdrawn Partner from the Partnership or any Other Fund GPs or their Affiliates in respect of Carried Interest by (B) the aggregate amount of distributions made to all Partners, Withdrawn Partners or any other person by the Partnership or any Other Fund GP or any of their Affiliates (in any capacity) in respect of Carried Interest. For purposes of determining any "Carried Interest Give Back Percentage" hereunder, all Trust Amounts contributed to the Trust by the Partnership or any Other Fund GPs on behalf of a Partner or Withdrawn Partner (but not the Trust Income thereon) shall be deemed to have been initially distributed or paid to the Partners and Withdrawn Partners as members, partners or other equity interest owners of the Partnership or any of the Other Fund GPs or their Affiliates.

"Carried Interest Sharing Percentage" means, with respect to each GP-Related Investment, the percentage interest of a Partner in Carried Interest from such GP-Related Investment set forth in the books and records of the Partnership.

"Cause" means the occurrence or existence of any of the following with respect to any Partner, as determined fairly, reasonably, on an informed basis and in good faith by the General Partner: (i) (w) any breach by any Partner of any provision of any non-competition agreement, (x) any material breach of this Agreement or any rules or regulations applicable to such Partner that are established by the General Partner, (y) such Partner's deliberate failure to perform his or her duties to the Partnership or any of its Affiliates, or (z) such Partner's committing to or engaging in any conduct or behavior that is or may be harmful to the Partnership or any of its Affiliates in a material way as determined by the General Partner; *provided*, that in the case of any of the foregoing clauses (w), (x), (y) and (z), the General Partner has given such Partner written notice (a "Notice

of Breach") within 15 days after the General Partner becomes aware of such action and such Partner fails to cure such breach, failure to perform or conduct or behavior within 15 days after receipt of such Notice of Breach from the General Partner (or such longer period, not to exceed an additional 15 days, as shall be reasonably required for such cure; *provided*, that such Partner is diligently pursuing such cure); (ii) any act of actual fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Partnership or any of its Affiliates; or (iii) conviction (on the basis of a trial or by an accepted plea of guilty or *nolo contendere*) of a felony (under U.S. law or its equivalent in any jurisdiction) or crime (including any misdemeanor charge involving moral turpitude, false statements or misleading omissions, forgery, wrongful taking, embezzlement, extortion or bribery), or a determination by a court of competent jurisdiction, by a regulatory body or by a self-regulatory body having authority with respect to securities laws, rules or regulations of the applicable securities industry, that such Partner individually has violated any applicable securities laws or any rules or regulations thereunder, or any rules of any such self-regulatory body (including, without limitation, any licensing requirement), if such conviction or determination has a material adverse effect on (A) such Partner's ability to function as a Partner of the Partnership, taking into account the services required of such Partner and the nature of the business of the Partnership and its Affiliates or (B) the business of the Partnership and its Affiliates or (iv) becoming subject to an event described in Rule 506(d)(1)(i)-(viii) of Regulation D under the Securities Act.

"Clawback Adjustment Amount" has the meaning set forth in Section 5.8(e)(ii)(C).

"Clawback Amount" means the "Clawback Amount" and the "Interim Clawback Amount", each as defined in the BREP Europe VII Partnership Agreement, and any other clawback amount payable to the limited partners of BREP Europe VII or to BREP Europe VII pursuant to any BREP Europe VII Agreement, as applicable.

"Clawback Provisions" means paragraphs 4.2.9 and 9.2.7 of the BREP Europe VII Partnership Agreement and any other similar provisions in any other BREP Europe VII Agreement existing heretofore or hereafter entered into.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code means, where appropriate, the corresponding provision in any successor statute.

"Commitment Agreements" means the agreements between the Partnership or an Affiliate thereof and Partners, pursuant to which each Partner undertakes certain obligations, including the obligation to make capital contributions pursuant to Section 4.1 and/or Section 7.1. Each Commitment Agreement is hereby incorporated by reference as between the Partnership and the relevant Partner.

"Contingent" means subject to repurchase rights and/or other requirements.

The term "control" when used with reference to any person means the power to direct the management and policies of such person, directly or indirectly, by or through stock or other equity interest ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other persons by or through stock or other equity interest ownership, agency or otherwise; and the terms "*controlling*" and "*controlled*" shall have meanings correlative to the foregoing.

"Controlled Entity" when used with reference to another person means any person controlled by such other person.

"Covered Person" has the meaning set forth in Section 3.5(a).

"Deceased Partner" means any Partner or Withdrawn Partner who has died or who suffers from Incompetence. For purposes hereof, references to a Deceased Partner shall refer collectively to the Deceased Partner and the estate and heirs or legal representative of such Deceased Partner, as the case may be, that have received such Deceased Partner's interest in the Partnership.

"Default Interest Rate" means the lower of (i) the sum of (a) the Prime Rate and (b) 5%, or (ii) the highest rate of interest permitted under applicable law.

"Delaware Arbitration Act" has the meaning set forth in Section 10.1(d).

"Electronic Signature" has the meaning set forth in Section 10.9.

"Estate Planning Vehicle" has the meaning set forth in Section 6.3(a).

"Excess Holdback" has the meaning set forth in Section 4.1(d)(v)(A).

"Excess Holdback Percentage" has the meaning set forth in Section 4.1(d)(v)(A).

"Excess Tax-Related Amount" has the meaning set forth in Section 5.8(e).

"Existing Partner" means any Partner who is neither a Retaining Withdrawn Partner nor a Deceased Partner.

"Final Event" means the death, Total Disability, Incompetence, Bankruptcy, liquidation, dissolution or Withdrawal from the Partnership of any person who is a Partner.

"Firm Advances" has the meaning set forth in Section 7.1(c).

"Firm Collateral" means a Partner's or Withdrawn Partner's interest in one or more partnerships or limited liability companies, in either case affiliated with the Partnership, and certain other assets of such Partner or Withdrawn Partner, in each case that has been pledged, charged or made available to the Trustee(s) to satisfy all or any portion of the Excess Holdback of such Partner or Withdrawn Partner as more fully described in the Partnership's books and records; provided, that for all purposes hereof (and any other agreement (*e.g.*, the Trust Agreement) that incorporates the meaning of the term "Firm Collateral" by reference), references to "Firm Collateral" shall include "Special Firm Collateral", excluding references to "Firm Collateral" in Section 4.1(d)(v) and Section 4.1(d)(viii).

"Firm Collateral Realization" has the meaning set forth in Section 4.1(d)(v)(B).

"Fiscal Year" means a calendar year, or any other period chosen by the General Partner.

"Fund GP" means the Partnership (only with respect to the GP-Related BREP Europe VII Interest) and the Other Fund GPs.

"GAAP" means U.S. generally accepted accounting principles.

"General Partner" means Blackstone Real Estate Associates Europe (Delaware) VII L.L.C. and any person admitted to the Partnership as an additional or substitute general partner of the Partnership in accordance with the provisions of this Agreement and the Partnership Act (until such time as such person ceases to be a general partner of the Partnership as provided herein or in the Partnership Act).

"Giveback Amount(s)" means the amount(s) payable by partners of BREP Europe VII pursuant to the Giveback Provisions.

"Giveback Provisions" means paragraph 3.4.3 of the BREP Europe VII Partnership Agreement and any other similar provisions in any other BREP Europe VII Agreement existing heretofore or hereafter entered into.

"Governmental Entity" has the meaning set forth in Section 10.7(b).

"GP-Related Associates Europe VII Interest" means the interest of the Partnership as a limited partner of Associates Europe VII with respect to the GP-Related BREP Europe VII Interest, but does not include any interest of the Partnership in Associates Europe VII with respect to any Capital Commitment BREP Europe VII Interest that may be held by Associates Europe VII.

"GP-Related BREP Europe VII Interest" means the interest of Associates Europe VII in BREP Europe VII as general partner of BREP Europe VII, excluding any Capital Commitment BREP Europe VII Interest that may be held by Associates Europe VII.

"GP-Related BREP Europe VII Investment" means the Partnership's indirect interest in Associates Europe VII's indirect interest in an Investment (for purposes of this definition, as defined in the BREP Europe VII Partnership Agreement) in Associates Europe VII's capacity as general partner and/or special general partner of BREP Europe VII, but does not include any Capital Commitment Investment.

"GP-Related Capital Account" has the meaning set forth in Section 5.2(a).

"GP-Related Capital Contributions" has the meaning set forth in Section 4.1(a).

"GP-Related Class A Interest" has the meaning set forth in Section 5.8(a)(ii).

"GP-Related Class B Interest" has the meaning set forth in Section 5.8(a)(ii).

"GP-Related Commitment", with respect to any Partner, means such Partner's commitment to the Partnership relating to such Partner's GP-Related Partner Interest, as set forth in the books and records of the Partnership, including, without limitation, any such commitment that may be set forth in such Partner's Commitment Agreement or SMD Agreement, if any.

"GP-Related Defaulting Party" has the meaning set forth in Section 5.8(d)(ii)(A).

"GP-Related Deficiency Contribution" has the meaning set forth in Section 5.8(d)(ii)(A).

"GP-Related Disposable Investment" has the meaning set forth in Section 5.8(a)(ii).

"GP-Related Giveback Amount" has the meaning set forth in Section 5.8(d)(i)(A).

"GP-Related Investment" means any investment (direct or indirect) of the Partnership in respect of the GP-Related BREP Europe VII Interest (including, without limitation, any GP-Related BREP Europe VII Investment, but excluding any Capital Commitment Investment).

"GP-Related Net Income (Loss)" has the meaning set forth in Section 5.1(b).

"GP-Related Partner Interest" of a Partner means all exempted limited partnership interests of such Partner in the Partnership (other than such Partner's Capital Commitment Partner Interest), including, without limitation, such Partner's exempted limited partnership interest in the Partnership with respect to the GP-Related BREP Europe VII Interest and with respect to all GP-Related Investments.

"GP-Related Profit Sharing Percentage" means the "Carried Interest Sharing Percentage" and "Non-Carried Interest Sharing Percentage" of each Partner; provided, that any references in this Agreement to GP-Related Profit Sharing Percentages made (i) in connection with voting or voting rights or (ii) GP-Related Capital Contributions with respect to GP-Related Investments (including Section 5.3(b)) means the "Non-Carried Interest Sharing Percentage" of each Partner; provided further, that the term "GP-Related Profit Sharing Percentage" shall not include any Capital Commitment Profit Sharing Percentage.

"GP-Related Recontribution Amount" has the meaning set forth in Section 5.8(d)(i)(A).

"GP-Related Required Amounts" has the meaning set forth in Section 4.1(a).

"GP-Related Unallocated Percentage" has the meaning set forth in Section 5.3(b).

"GP-Related Unrealized Net Income (Loss)" attributable to any GP-Related BREP Europe VII Investment as of any date means the GP-Related Net Income (Loss) that would be realized by the Partnership with respect to such GP-Related BREP Europe VII Investment if BREP Europe VII's entire portfolio of investments were sold on such date for cash in an amount equal to their aggregate value on such date (determined in accordance with Section 5.1(e)) and all distributions payable by BREP Europe VII to the Partnership (indirectly through the general partner of BREP Europe VII) pursuant to any BREP Europe VII Partnership Agreement with respect to such GP-Related BREP Europe VII Investment were made on such date.

"GP-Related Unrealized Net Income (Loss)" attributable to any other GP-Related Investment (other than any Capital Commitment Investment) as of any date means the GP-Related Net Income (Loss) that would be realized by the Partnership with respect to such GP-Related Investment if such GP-Related Investment were sold on such date for cash in an amount equal to its value on such date (determined in accordance with Section 5.1(e)).

"Holdback" has the meaning set forth in Section 4.1(d)(i).

"Holdback Percentage" has the meaning set forth in Section 4.1(d)(i).

"Holdback Vote" has the meaning set forth in Section 4.1(d)(iv)(A).

"Holdings" means Blackstone Holdings IV L.P., a Québec *société en commandite*.

"Incompetence" means, with respect to any Partner, the determination by the General Partner in its sole discretion, after consultation with a qualified medical doctor, that such Partner is incompetent to manage his or her person or his or her property.

"Initial Holdback Percentages" has the meaning set forth in Section 4.1(d)(i).

"Initial Limited Partner" has the meaning set forth in the recitals.

"Interest" means a Partner's exempted limited partnership interest in the Partnership (including the right of a Limited Partner to any and all benefits to which a Limited Partner may be entitled as provided in this Agreement, together with the obligations of such Limited Partner to comply with all the terms and provisions of this Agreement), including any interest that is held by a Retaining Withdrawn Partner and including any Partner's GP-Related Partner Interest and Capital Commitment Partner Interest.

"Investment" means any investment (direct or indirect) of the Partnership designated by the General Partner from time to time as an investment in which the Partners' respective interests shall be established and accounted for on a basis separate from the Partnership's other businesses, activities and investments, including (a) GP-Related Investments, and (b) Capital Commitment Investments.

"Investor Note" means a promissory note of a Partner evidencing indebtedness incurred by such Partner to purchase a Capital Commitment Interest, the terms of which were or are approved by the General Partner and which is secured by such Capital Commitment Interest, all other Capital Commitment Interests of such Partner and all other interests of such Partner in Blackstone Entities; provided, that such promissory note may also evidence indebtedness relating to other interests of such Partner in Blackstone Entities, and such indebtedness shall be prepayable with Capital Commitment Net Income (whether or not such indebtedness relates to Capital Commitment Investments) as set forth in this Agreement, the Investor Note, the other BE Agreements and any documentation relating to Other Sources; provided further, that references to "Investor Notes" herein refer to multiple loans made pursuant to such note, whether made with respect to Capital Commitment Investments or other BE Investments, and references to an "Investor Note" refer to one such loan as the context requires. In no way shall any indebtedness incurred to acquire Capital Commitment Interests or other interests in Blackstone Entities be considered part of the Investor Notes for purposes hereof if the Lender or Guarantor is not the lender or guarantor with respect thereto.

"Investor Special Partner" means any Special Partner so designated at the time of its admission by the General Partner as a Partner of the Partnership.

"Issuer" means the issuer of any Security comprising part of an Investment.

"L/C" has the meaning set forth in Section 4.1(d)(vi).

"L/C Partner" has the meaning set forth in Section 4.1(d)(vi).

"Lender or Guarantor" means Blackstone Holdings I L.P., in its capacity as lender or guarantor under the Investor Notes, or any other Affiliate of the Partnership that makes or guarantees loans to enable a Partner to acquire Capital Commitment Interests or other interests in Blackstone Entities.

"Limited Partner" means each of the parties listed as Limited Partners in the books and records of the Partnership or any person that has been admitted to the Partnership as a substituted or additional Limited Partner in accordance with the terms of this Agreement, each in its capacity as a limited partner of the Partnership. For the avoidance of doubt, the term "Limited Partner" does not include the General Partner or any Special Partners (notwithstanding the fact that Special Partners are limited partners of the Partnership).

"Loss Amount" has the meaning set forth in Section 5.8(e)(i)(A).

"Loss Investment" has the meaning set forth in Section 5.8(e).

"Losses" has the meaning set forth in Section 3.5(b)(i).

"Majority in Interest of the Partners" on any date (a "*vote date*") means one or more persons who are Partners (including the General Partner but excluding Nonvoting Special Partners) on the vote date and who, as of the last day of the most recent accounting period ending on or prior to the vote date (or as of such later date on or prior to the vote date selected by the General Partner as of which the Partners' capital account balances can be determined), have aggregate capital account balances representing at least a majority in amount of the total capital account balances of all the persons who are Partners (including the General Partner but excluding Nonvoting Special Partners) on the vote date.

"Moody's" means Moody's Investors Service, Inc., or any successor thereto.

"Net Carried Interest Distribution" has the meaning set forth in Section 5.8(e)(i)(C).

"Net Carried Interest Distribution Recontribution Amount" has the meaning set forth in Section 5.8(e).

"Net GP-Related Recontribution Amount" has the meaning set forth in Section 5.8(d)(i)(A).

"Non-Carried Interest" means, with respect to each GP-Related Investment, all amounts of distributions, other than Carried Interest and other than Capital Commitment Distributions, received by the Partnership with respect to such GP-Related Investment, less any costs, fees and expenses of the Partnership with respect thereto and less reasonable reserves for payment of costs, fees and expenses of the Partnership that are anticipated with respect thereto, in each case which the General Partner may allocate to all or any portion of the GP-Related Investments as it may determine in good faith is appropriate.

"Non-Carried Interest Sharing Percentage" means, with respect to each GP-Related Investment, the percentage interest of a Partner in Non-Carried Interest from such GP-Related Investment set forth in the books and records of the Partnership.

"Non-Contingent" means generally not subject to repurchase rights or other requirements.

"Nonvoting Partner" has the meaning set forth in Section 8.2.

"Nonvoting Special Partner" has the meaning set forth in Section 6.1(a).

"Original Agreement" has the meaning set forth in the recitals.

"Other Fund GPs" means Associates Europe VII and any other entity (other than the Partnership) through which any Partner, Withdrawn Partner or any other person directly receives any amounts of Carried Interest, and any successor thereto; provided, that this includes any other entity which has in its organizational documents a provision which indicates that it is a "Fund GP" or an "Other Fund GP"; provided further, that notwithstanding any of the foregoing, neither Blackstone Real Estate Associates Europe Delaware VII L.L.C. nor Holdings nor any Estate Planning Vehicle established for the benefit of family members of any Partner or of any member or partner of any Other Fund GP shall be considered an "Other Fund GP" for purposes hereof.

"Other Sources" means (i) distributions or payments of Capital Commitment Partner Carried Interest (which shall include amounts of Capital Commitment Partner Carried Interest which are not distributed or paid to a Partner but are instead contributed to a trust (or similar arrangement) to satisfy any "holdback" obligation with respect thereto), and (ii) distributions from Blackstone Entities (other than the Partnership) to such Partner.

"Parallel Fund" means any additional collective investment vehicle (or other similar arrangement) formed pursuant to paragraph 2.8 of the BREP Europe VII Partnership Agreement.

"Partner" means any person who is a partner of the Partnership, including the Limited Partners, the General Partner and the Special Partners. Except as otherwise specifically provided herein, no group of Partners, including the Special Partners and any group of Partners in the same Partner Category, shall have any right to vote as a class on any matter relating to the Partnership, including, but not limited to, any merger, reorganization, dissolution or liquidation.

"Partner Category" means the General Partner, Existing Partners, Retaining Withdrawn Partners or Deceased Partners, each referred to as a group for purposes hereof.

"Partnership" has the meaning set forth in the preamble hereto.

"Partnership Act" means the Exempted Limited Partnership Act (As Revised) of the Cayman Islands, as it may be amended from time to time, and any successor to such statute.

"Partnership Affiliate" has the meaning set forth in Section 3.3(b).

"Partnership Affiliate Governing Agreement" has the meaning set forth in Section 3.3(b).

"Pledgable Blackstone Interests" has the meaning set forth in Section 4.1(d)(v)(A).

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate.

"Qualifying Fund" means any fund designated by the General Partner as a "Qualifying Fund".

"Repurchase Period" has the meaning set forth in Section 5.8(c).

"Required Rating" has the meaning set forth in Section 4.1(d)(vi).

"Retained Portion" has the meaning set forth in Section 7.6(a).

"Retaining Withdrawn Partner" means a Withdrawn Partner who has retained a GP-Related Partner Interest, pursuant to Section 6.5(f) or otherwise. A Retaining Withdrawn Partner shall be considered a Nonvoting Special Partner for all purposes hereof.

"S&P" means Standard & Poor's Ratings Group, and any successor thereto.

"Securities" means any debt or equity securities of an Issuer and its subsidiaries and other Controlled Entities constituting part of an Investment, including without limitation common and preferred stock, interests in limited partnerships and interests in limited liability companies (including warrants, rights, put and call options and other options relating thereto or any combination thereof), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action, other property or interests commonly regarded as securities, interests in real property, whether improved or unimproved, interests in oil and gas properties and mineral properties, short-term investments commonly regarded as money-market investments, bank deposits and interests in personal property of all kinds, whether tangible or intangible.

"Securities Act" means the U.S. Securities Act of 1933, as amended from time to time, or any successor statute.

"Settlement Date" has the meaning set forth in Section 6.5(a).

"SMD Agreements" means the agreements between the Partnership and/or one or more of its Affiliates and certain of the Partners, pursuant to which each such Partner undertakes certain obligations with respect to the Partnership and/or its Affiliates. The SMD Agreements are hereby incorporated by reference as between the Partnership and the relevant Partner.

"Special Firm Collateral" means interests in a Qualifying Fund or other assets that have been pledged or charged to the Trustee(s) to satisfy all or any portion of a Partner's or Withdrawn Partner's Holdback obligation (excluding any Excess Holdback) as more fully described in the Partnership's books and records.

"Special Firm Collateral Realization" has the meaning set forth in Section 4.1(d)(viii)(B).

"Special Partner" means any person shown in the books and records of the Partnership as a Special Partner of the Partnership, including any Nonvoting Special Partner and any Investor Special Partner.

"Subject Investment" has the meaning set forth in Section 5.8(e)(i).

"Subject Partner" has the meaning set forth in Section 4.1(d)(iv)(A).

"Successor in Interest" means any (i) shareholder of; (ii) trustee, custodian, receiver or other person acting in any Bankruptcy or reorganization proceeding with respect to; (iii) assignee for the benefit of the creditors of; (iv) officer, director or partner of; (v) trustee or receiver, or former officer, director or partner, or other fiduciary acting for or with respect to the dissolution, liquidation or termination of; or (vi) other executor, administrator, committee, legal representative or other successor or assign of, any Partner, whether by operation of law or otherwise.

"Tax Advances" has the meaning set forth in Section 6.7(d).

"Tax Matters Partner" has the meaning set forth in Section 6.7(b).

"TM" has the meaning set forth in Section 10.2.

"Total Disability" means the inability of a Limited Partner substantially to perform the services required of such Limited Partner (in its capacity as such or in any other capacity with respect to any Affiliate of the Partnership) for a period of six consecutive months by reason of physical or mental illness or incapacity and whether arising out of sickness, accident or otherwise.

"Transfer" has the meaning set forth in Section 8.2.

"Trust Account" has the meaning set forth in the Trust Agreement.

"Trust Agreement" means the Trust Agreement, dated as of the date set forth therein, as amended, supplemented, restated or otherwise modified from time to time, among the Partners, the Trustee(s) and certain other persons that may receive distributions in respect of or relating to Carried Interest from time to time.

"Trust Amount" has the meaning set forth in the Trust Agreement.

"Trust Income" has the meaning set forth in the Trust Agreement.

"Trustee(s)" has the meaning set forth in the Trust Agreement.

"Unadjusted Carried Interest Distribution" has the meaning set forth in Section 5.8(e)(i)(B).

"Unallocated Capital Commitment Interests" has the meaning set forth in Section 8.1(f).

"U.S." means the United States of America.

"W-8BEN" has the meaning set forth in Section 3.7.

"W-8BEN-E" has the meaning set forth in Section 3.7.

"W-8IMY" has the meaning set forth in Section 3.7.

"W-9" has the meaning set forth in Section 3.7.

"Withdraw" or "Withdrawal" means, with respect to a Partner, such Partner ceasing to be a partner of the Partnership (except as a Retaining Withdrawn Partner) for any reason (including death, disability, removal, resignation, retirement or the occurrence of any other "event of withdrawal" of the General Partner pursuant to Section 36(7) of the Partnership Act, whether such is voluntary or involuntary), unless the context shall limit the type of withdrawal to a specific reason, and "Withdrawn" with respect to a Partner means, as aforesaid, such Partner ceasing to be a partner of the Partnership.

"Withdrawal Date" means the date of the Withdrawal from the Partnership of a Withdrawn Partner.

"Withdrawn Partner" means a Limited Partner whose GP-Related Partner Interest or Capital Commitment Partner Interest in the Partnership has been terminated for any reason, including the occurrence of an event specified in Section 6.2, and shall include, unless the context requires otherwise, the estate or legal representatives of any such Partner.

Section 1.2. Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term "*person*" includes individuals, partnerships (including limited liability partnerships), companies (including limited liability companies), joint ventures, corporations, trusts, governments (or agencies or political subdivisions thereof) and other associations and entities. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". Any reference in this Agreement to the Partnership taking any action, holding or dealing with any property or having or exercising any power shall be to the Partnership acting by the General Partner.

## ARTICLE II

## GENERAL PROVISIONS

Section 2.1. General Partner, Limited Partner, Special Partner. The Partners may be General Partners, Limited Partners or Special Partners. The General Partner as of the date hereof is Blackstone Real Estate Associates Europe (Delaware) VII L.L.C. The Limited Partners and Special Partners shall be as shown in the books and records of the Partnership which shall be maintained in accordance with the Partnership Act. The books and records of the Partnership contain the GP-Related Profit Sharing Percentage and GP-Related Commitment of each Partner (including, without limitation, the General Partner) with respect to the GP-Related Investments of the Partnership as of the date hereof. The books and records of the Partnership contain the Capital Commitment Profit Sharing Percentage and Capital Commitment-Related Commitment of each Partner (including, without limitation, the General Partner) with respect to the Capital Commitment Investments of the Partnership as of the date hereof. The books and records of the Partnership shall be amended by the General Partner from time to time, in accordance with the Partnership Act and this Agreement, to reflect additional GP-Related Investments, additional Capital Commitment Investments, dispositions by the Partnership of GP-Related Investments, dispositions by the Partnership of Capital Commitment Investments, the GP-Related Profit Sharing Percentages of the Partners (including, without limitation, the General Partner), as modified from time to time, the Capital Commitment Profit Sharing Percentages of the Partners (including, without limitation, the General Partner), as modified from time to time, the admission of additional Partners, the Withdrawal of Partners, the transfer or assignment of interests in the Partnership pursuant to the terms of this Agreement and any other matters required by the Partnership Act. At the time of admission of each additional Partner, the General Partner shall determine in its sole discretion the GP-Related Investments and Capital Commitment Investments in which such Partner shall participate and such Partner's GP-Related Commitment, Capital Commitment-Related Commitment, GP-Related Profit Sharing Percentage with respect to each such GP-Related Investment and Capital Commitment Profit Sharing Percentage with respect to each such Capital Commitment Investment. Each Partner may have a GP-Related Partner Interest and/or a Capital Commitment Partner Interest.

Section 2.2. Formation; Name; Foreign Jurisdictions. The Partnership was formed by the Original Agreement and registered as an exempted limited partnership, pursuant to the Partnership Act and is hereby continued as an exempted limited partnership pursuant to the Partnership Act and shall conduct its activities under the name of BREA Europe VII (Cayman) L.P. The General Partner shall have the power to change the name of the Partnership at any time, subject to compliance with the requirements of the Partnership Act, and shall thereupon file the requisite notice pursuant to the Partnership Act. The General Partner is further authorized to execute and deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Partnership to qualify to do business in a jurisdiction in which the Partnership may wish to conduct business.

Section 2.3. Term. The term of the Partnership shall continue until December 31, 2072, unless earlier wound up and subsequently dissolved in accordance with this Agreement and the Partnership Act.

Section 2.4. Purposes; Powers. (a) The purposes of the Partnership shall be, directly or indirectly through subsidiaries or Affiliates, subject to the Partnership Act:

(i) to serve as a limited partner or general partner of Associates Europe VII and perform the functions of a limited partner, special general partner or general partner of Associates Europe VII specified in the Associates Europe VII LP Agreement and, if applicable, the BREP Europe VII Agreements;

(ii) if applicable, to serve as, and hold the Capital Commitment BREP Europe VII Interest as, a capital partner (and, if applicable, a limited partner, special general partner and/or a general partner) of BREP Europe VII and perform the functions of a capital partner (and, if applicable, a limited partner, special general partner and/or a general partner) of BREP Europe VII specified in the BREP Europe VII Agreements;

(iii) to invest in Capital Commitment Investments and/or GP-Related Investments and acquire and invest in Securities or other property directly or indirectly through Associates Europe VII and/or BREP Europe VII or otherwise;

(iv) to make the Blackstone Capital Commitment or a portion thereof, directly or indirectly, and to invest in GP-Related Investments, Capital Commitment Investments and other Investments and acquire and invest in Securities or other property either directly or indirectly through Associates Europe VII or another entity;

(v) to serve as a general partner or limited partner of BREP Europe VII and/or other investment vehicles and perform the functions of a general partner or limited partner, member, shareholder or other equity interest owner specified in the respective partnership agreement, limited liability company agreement, charter or other governing documents, as amended, supplemented, restated or otherwise modified from time to time, of any such partnership;

(vi) to serve as a member, shareholder or other equity interest owner of limited liability companies, other companies, corporations or other entities and perform the functions of a member, shareholder or other equity interest owner specified in the respective limited liability company agreement, charter or other governing documents, as amended, supplemented, restated or otherwise modified from time to time, of any such limited liability company, company, corporation or other entity;

(vii) to carry on such other businesses, perform such other services and make such other investments as are deemed desirable by the General Partner and as are permitted under the Partnership Act, the Associates Europe VII LP Agreement, the BREP Europe VII Agreements, and any applicable partnership agreement, limited liability company agreement, charter or other governing document referred to in clause (v) or (vi) above, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time;

(viii) any other lawful purpose; and

(ix) to do all things necessary, desirable, convenient or incidental thereto.

(b) In furtherance of its purposes, the Partnership shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, as principal or agent, including the following, provided, that the Partnership shall not undertake business with the public in the Cayman Islands other than so far as may be necessary for the carrying on of business exterior to the Cayman Islands:

(i) to be and become a general partner or limited partner of partnerships, a member of limited liability companies, a holder of common and preferred stock of corporations and/or an investor in the foregoing entities or other entities, in connection with the making of Investments or the acquisition, holding or disposition of Securities or other property or as otherwise deemed appropriate by the General Partner in the conduct of the Partnership's business, and to take any action in connection therewith;

(ii) to acquire and invest in general partner or limited partner interests, in limited liability company interests, in common and preferred stock of corporations and/or in other interests in or obligations of the foregoing entities or other entities and in Investments and Securities or other property or direct or indirect interests therein, whether such Investments and Securities or other property are readily marketable or not, and to receive, hold, sell, dispose of or otherwise transfer any such partner interests, limited liability company interests, stock, interests, obligations, Investments or Securities or other property and any dividends and distributions thereon and to purchase and sell, on margin, and be long or short, futures contracts and to purchase and sell, and be long or short, options on futures contracts;

(iii) to buy, sell and otherwise acquire investments, whether such investments are readily marketable or not;

(iv) to invest and reinvest the cash assets of the Partnership in money-market or other short-term investments;

(v) to hold, receive, mortgage, pledge, charge, grant security interests over, lease, transfer, exchange or otherwise dispose of, grant options with respect to, and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, all property held or owned by the Partnership;

(vi) to borrow or raise money from time to time and to issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness, to secure payment of the principal of any such indebtedness and the interest thereon by mortgage, pledge, charge, conveyance or assignment in trust of, or the granting of a security interest in, the whole or any part of the property of the Partnership, whether at the time owned or thereafter acquired, to guarantee the obligations of others and to buy, sell, pledge, charge or otherwise dispose of any such instrument or evidence of indebtedness;

(vii) to lend any of its property or funds, either with or without security, at any legal rate of interest or without interest;

(viii) to have and maintain one or more offices within or without the Cayman Islands, and in connection therewith, to rent or acquire office space, engage personnel and compensate them and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;

(ix) to open, maintain and close accounts, including margin accounts, with brokers;

(x) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys;

(xi) to engage accountants, auditors, custodians, investment advisers, attorneys and any and all other agents and assistants, both professional and nonprofessional, and to compensate any of them as may be necessary or advisable;

(xii) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, to form or cause to be formed and to participate in partnerships and joint ventures, whether foreign or domestic and to form or cause to be formed and be a member or manager or both of one or more limited liability companies;

(xiii) to enter into, make and perform all contracts, agreements and other undertakings as may be necessary, convenient, advisable or incident to carrying out its purposes;

(xiv) to sue and be sued, to prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment to claims against the Partnership, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(xv) to distribute, subject to the terms of this Agreement, at any time and from time to time to the Partners cash or investments or other property of the Partnership, or any combination thereof; and

(xvi) to take such other actions necessary, desirable, convenient or incidental thereto and to engage in such other businesses as may be permitted under Cayman Islands and other applicable law.

Section 2.5. Place of Business. The Partnership shall maintain its principal place of business and office at 345 Park Avenue, New York, New York 10154, U.S.A. or such other place the General Partner determines. The registered office of the Partnership in the Cayman Islands is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands or at such other place or places as may from time to time be designated by the General Partner.

Section 2.6. Withdrawal of Initial Limited Partner. Upon the admission of one or more additional Limited Partners to the Partnership, the Initial Limited Partner shall (a) Withdraw as the Initial Limited Partner of the Partnership, and (b) have no further right, interest or obligation of any kind whatsoever as a Partner in the Partnership; provided, that the effective date of such Withdrawal shall be deemed as between the parties hereto to be June 30, 2023.

## ARTICLE III

## MANAGEMENT

Section 3.1. General Partner. Blackstone Real Estate Associates Europe (Delaware) VII L.L.C. shall be the "General Partner" as of the date hereof. The General Partner shall cease to be the General Partner only if (i) it Withdraws from the Partnership for any reason, (ii) it consents in its sole discretion to resign as the General Partner, or (iii) a Final Event with respect to it occurs. The General Partner may not be removed without its consent. There may be one or more General Partners. In the event that one or more other General Partners is admitted to the Partnership as such, all references herein to the "General Partner" in the singular form shall be deemed to also refer to such other General Partners as may be appropriate. The relative rights and responsibilities of the General Partners will be as agreed upon from time to time between them.

Section 3.2. Partner Voting, etc. (a) Except as otherwise expressly provided herein and except as may be expressly required by the Partnership Act, Partners (including Special Partners), other than the General Partner, as such shall have no right to, and shall not, take part in the management, conduct or control of the Partnership's business or act for or bind the Partnership, and shall have only the rights and powers granted to Partners of the applicable class herein, or, to the extent not waivable, in the Partnership Act.

(b) To the extent a Partner is entitled to vote with respect to any matter relating to the Partnership, such Partner shall not be obligated to abstain from voting on any matter (or vote in any particular manner) because of any interest (or conflict of interest) of such Partner (or any Affiliate thereof) in such matter.

(c) Meetings of the Partners may be called only by the General Partner.

(d) Notwithstanding any other provision of this Agreement, any Limited Partner or Withdrawn Partner that fails to respond to a notice provided by the General Partner requesting the consent, approval or vote of such Limited Partner or Withdrawn Partner within 14 days after such notice is sent to such Limited Partner or Withdrawn Partner shall be deemed to have given its affirmative consent or approval thereto.

Section 3.3. Management. (a) The General Partner shall have the powers, rights, obligations and liabilities of a general partner pursuant to the Partnership Act (including Section 4(2) of the Partnership Act); and without limiting the foregoing, the management, conduct of business, control and operation of the Partnership and the formulation and execution of business and investment policy shall be vested in the General Partner. The General Partner shall, in its discretion, exercise all powers necessary and convenient for the purposes of the Partnership, including those enumerated in Section 2.4, on behalf and in the name of the Partnership. All decisions and determinations (howsoever described herein) to be made by the General Partner pursuant to this Agreement shall be made in the General Partner's discretion, subject only to the express terms and conditions of this Agreement.

(b) All outside business or investment activities of the Partners (including outside directorships or trusteeships) shall be subject to such rules and regulations as are established by the General Partner from time to time.

(c) Notwithstanding any provision in this Agreement to the contrary, the Partnership is hereby authorized, without the need for any further act, vote or consent of any person (directly or indirectly through one or more other entities, in the name and on behalf of the Partnership, on its own behalf or in the Partnership's capacity as a partner of Associates Europe VII on Associates Europe VII's own behalf or in Associates Europe VII's capacity as general partner, special general partner, capital partner and/or limited partner of BREP Europe VII or as general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate or, if applicable, in the Partnership's capacity as a capital partner of BREP Europe VII or as general or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate): (i) to execute and deliver, and to perform the Partnership's obligations under the Associates Europe VII LP Agreement, including, without limitation, serving as a partner of Associates Europe VII, (ii) to execute and deliver, and to cause Associates Europe VII to perform Associates Europe VII's obligations under, the BREP Europe VII Agreements, including, without limitation, serving as a general partner or special general partner of BREP Europe VII and, if applicable, a capital partner of BREP Europe VII, (iii) if applicable, to execute and deliver, and to perform the Partnership's obligations under the BREP Europe VII Agreements, including, without limitation, serving as a capital partner of BREP Europe VII, (iv) to execute and deliver, and to perform, or, if applicable, to cause Associates Europe VII to perform, the Partnership's or Associates Europe VII's obligations under, the governing agreement, as amended, supplemented, restated or otherwise modified (each a "Partnership Affiliate Governing Agreement"), of any other partnership, limited liability company, other company, corporation or other entity (each a "Partnership Affiliate") of which the Partnership or Associates Europe VII is, or is to become, a general partner or limited partner, member, shareholder or other equity interest owner, including, without limitation, serving as a general partner, special general partner, or limited partner, member, shareholder or other equity interest owner of each Partnership Affiliate, and (v) to take any action, in the applicable capacity, contemplated by or arising out of this Agreement, the Associates Europe VII LP Agreement, the BREP Europe VII Agreements or each Partnership Affiliate Governing Agreement (and any amendment, supplement, restatement and/or other modification of any of the foregoing).

(d) The General Partner, and any other person designated by the General Partner as the General Partner's agent or delegate, each acting individually, is hereby authorized and empowered, as an authorized person or as an authorized representative of the General Partner (the General Partner hereby authorizing and ratifying any of the following actions):

(i) to execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Partnership, on its own behalf, or in its capacity as a limited partner or general partner of Associates Europe VII on Associates Europe VII's own behalf, or in Associates Europe VII's capacity as general partner, special general partner, capital partner and/or limited partner of BREP Europe VII or as general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate or, if applicable, in the Partnership's capacity as a capital partner of BREP Europe VII or as a general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate), any of the following:

(A) any agreement, certificate, instrument or other document of the Partnership, Associates Europe VII, BREP Europe VII or any Partnership Affiliate (and any amendments, supplements, restatements and/or other modifications thereof), including, without limitation, the following: (I) the Associates Europe VII LP Agreement, the BREP Europe VII Agreements and each Partnership Affiliate Governing Agreement, (II) subscription agreements and documents on behalf of BREP Europe VII or Associates Europe VII, (III) side letters issued in connection with investments in BREP Europe VII, and (IV) such other agreements, certificates, instruments and other documents as may be necessary or desirable in furtherance of the purposes of the Partnership, Associates Europe VII, BREP Europe VII or any Partnership Affiliate (and any amendments, supplements, restatements and/or other modifications of any of the foregoing referred to in (I) through (IV) above) and for the avoidance of doubt, this Agreement may be amended by the General Partner in its sole discretion;

(B) the certificates of formation, certificates of limited partnership and/or other organizational documents of the Partnership, Associates Europe VII, BREP Europe VII and any Partnership Affiliate (and any amendments, supplements, restatements and/or other modifications of any of the foregoing); and

(C) any other certificates, notices, applications and other documents (and any amendments, supplements, restatements and/or other modifications thereof) to be filed with any government or governmental or regulatory body, including, without limitation, any such document that may be necessary for the Partnership, Associates Europe VII, BREP Europe VII or any Partnership Affiliate to qualify to do business in a jurisdiction in which the Partnership, Associates Europe VII, BREP Europe VII or such Partnership Affiliate desires to do business;

(ii) to prepare or cause to be prepared, and to sign, execute and deliver and/or file (including any such action, directly or indirectly through one or more other entities, in the name and on behalf of the Partnership, on its own behalf or in its capacity as a limited partner or general partner of Associates Europe VII on Associates Europe VII's own behalf or in Associates Europe VII's capacity as general partner, special general partner, capital partner and/or limited partner of BREP Europe VII, or as general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate or, if applicable, in the Partnership's capacity as a capital partner of BREP Europe VII or as general partner or limited partner, member, shareholder or other equity interest owner of any Partnership Affiliate): (A) any certificates, forms, notices, applications and other documents to be filed with any government or governmental or regulatory body on behalf of the Partnership, Associates Europe VII, BREP Europe VII and/or any Partnership Affiliate, (B) any certificates, forms, notices, applications and other documents that may be necessary or advisable in connection with any bank account of the Partnership, Associates Europe VII, BREP Europe VII or any Partnership Affiliate or any banking facilities or services that may be utilized by the Partnership, Associates Europe VII, BREP Europe VII or any Partnership Affiliate, and all checks, notes, drafts and other documents of the Partnership, Associates Europe VII, BREP Europe VII or any Partnership Affiliate that may be required in connection with any such bank account or banking facilities or services and (C) resolutions with respect to any of the foregoing matters (which resolutions, when executed by any person authorized as provided in this Section 3.3(c), each acting individually, shall be deemed to have been duly adopted by the General Partner, the Partnership, Associates Europe VII, BREP Europe VII or any Partnership Affiliate, as applicable, for all purposes).

(e) The authority granted to any person (other than the General Partner) in Section 3.3(c) may be revoked at any time by the General Partner by an instrument in writing signed by the General Partner.

Section 3.4. Responsibilities of Partners. (a) Unless otherwise determined by the General Partner in a particular case, each Limited Partner (other than a Special Partner) shall devote substantially all of his or her time and attention to the businesses of the Partnership and its Affiliates, and each Special Partner shall not be required to devote any time or attention to the businesses of the Partnership or its Affiliates.

(b) All outside business or investment activities of the Partners (including outside directorships or trusteeships) shall be subject to such rules and regulations as are established by the General Partner from time to time.

(c) The General Partner may from time to time establish such other rules and regulations applicable to Partners or other employees as the General Partner deems appropriate, including rules governing the authority of Partners or other employees to bind the Partnership to financial commitments or other obligations.

Section 3.5. Exculpation and Indemnification.

(a) Liability to Partners. Notwithstanding any other provision of this Agreement, whether express or implied, to the fullest extent permitted by law, no Partner nor any of such Partner's representatives, agents or advisors nor any partner, member, officer, employee, representative, agent or advisor of the Partnership or any of its Affiliates (individually, a "Covered Person" and collectively, the "Covered Persons") shall be liable to the Partnership or any other Partner for any act or omission (in relation to the Partnership, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person (other than any act or omission constituting Cause), unless there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Partnership and within the authority granted to such Covered Person by this Agreement. Each Covered Person shall be entitled to rely in good faith on the advice of legal counsel to the Partnership, accountants and other experts or professional advisors, and no action taken by any Covered Person in reliance on such advice shall in any event subject such person to any liability to any Partner or the Partnership. To the extent that, at law or in equity, a Partner has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to another Partner, to the fullest extent permitted by law, such Partner acting under this Agreement shall not be liable to the Partnership or to any such other Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Partner otherwise existing at law or in equity, are agreed by the Partners, to the fullest extent permitted by law, to modify to that extent such other duties and liabilities of such Partner. To the fullest extent permitted by law, the parties hereto agree that the General Partner shall be held to have acted in good faith for the purposes of this Agreement and its duties under the Partnership Act if it believes that it has acted honestly and in accordance with the specific terms of this Agreement.

(b) Indemnification. (i) To the fullest extent permitted by law, the Partnership shall indemnify and hold harmless (but only to the extent of the Partnership's assets (including, without limitation, the remaining capital commitments of the Partners)) each Covered Person from and against any and all claims, damages, losses, costs, expenses and liabilities (including, without limitation, amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim), joint and several, of any nature whatsoever, known or unknown, liquidated or unliquidated (collectively, for purposes of this Section 3.5(b), "Losses"), arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of such Covered Person's management of the affairs of the Partnership or which relate to or arise out of or in connection with the Partnership, its property, its business or affairs (other than claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, arising out of any act or omission of such Covered Person constituting Cause); provided, that a Covered Person shall not be entitled to indemnification under this Section 3.5(b) with respect to any claim, issue or matter if there is a final and non-appealable judicial determination and/or determination of an arbitrator that such Covered Person did not act in good faith and in what such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Partnership and within the authority granted to such Covered Person by this

Agreement; provided further, that if such Covered Person is a Partner or a Withdrawn Partner, such Covered Person shall bear its share of such Losses in accordance with such Covered Person's GP-Related Profit Sharing Percentage in the Partnership as of the time of the actions or omissions that gave rise to such Losses. To the fullest extent permitted by law, expenses (including legal fees) incurred by a Covered Person (including, without limitation, the General Partner) in defending any claim, demand, action, suit or proceeding may, with the approval of the General Partner, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of a written undertaking by or on behalf of the Covered Person to repay such amount to the extent that it shall be subsequently determined that the Covered Person is not entitled to be indemnified as authorized in this Section 3.5(b), and the Partnership and its Affiliates shall have a continuing right of offset against such Covered Person's interests/investments in the Partnership and such Affiliates and shall have the right to withhold amounts otherwise distributable to such Covered Person to satisfy such repayment obligation. If a Partner institutes litigation against a Covered Person which gives rise to an indemnity obligation hereunder, such Partner shall be responsible, up to the amount of such Partner's Interests and remaining capital commitments, for such Partner's *pro rata* share of the Partnership's expenses related to such indemnity obligation, as determined by the General Partner. The Partnership may purchase insurance, to the extent available at reasonable cost, to cover losses, claims, damages or liabilities covered by the foregoing indemnification provisions. Partners will not be personally obligated with respect to indemnification pursuant to this Section 3.5(b). The General Partner shall have the authority to enter into separate agreements with any Covered Person in order to give effect to the obligations to indemnify pursuant to this Section 3.5(b).

(ii) (A) Notwithstanding anything to the contrary herein, for greater certainty, it is understood and/or agreed that the Partnership's obligations hereunder are not intended to render the Partnership as a primary indemnitor for purposes of the indemnification, advancement of expenses and related provisions under applicable law governing BREP Europe VII and/or a particular portfolio entity through which an Investment is indirectly held. It is further understood and/or agreed that a Covered Person shall first seek to be so indemnified and have such expenses advanced in the following order of priority: first, out of proceeds available in respect of applicable insurance policies maintained by the applicable portfolio entity and/or BREP Europe VII; second, by the applicable portfolio entity through which such investment is indirectly held; third, by BREP Europe VII and fourth by Associates Europe VII (only to the extent the foregoing sources are exhausted).

(B) The Partnership's obligation, if any, to indemnify or advance expenses to any Covered Person shall be reduced by any amount that such Covered Person may collect as indemnification or advancement from BREP Europe VII and/or the applicable portfolio entity (including by virtue of any applicable insurance policies maintained thereby), and to the extent the Partnership (or any Affiliate thereof) pays or causes to be paid any amounts that should have been paid by Associates Europe VII, BREP Europe VII and/or the applicable portfolio entity (including by virtue of any applicable insurance policies maintained thereby), it is agreed among the Partners that the Partnership shall have a subrogation claim against Associates Europe VII and/or BREP Europe VII and/or such portfolio entity

in respect of such advancement or payments. The General Partner and the Partnership shall be specifically empowered to structure any such advancement or payment as a loan or other arrangement (except for a loan to an executive officer of Blackstone Inc. or any of its Affiliates, which shall not be permitted) as the General Partner may determine necessary or advisable to give effect to or otherwise implement the foregoing.

Section 3.6. Representations of Partners. (a) Each Limited Partner and Special Partner by execution of this Agreement (or by otherwise becoming bound by the terms and conditions hereof as provided herein) represents and warrants to every other Partner and to the Partnership, except as may be waived by the General Partner, that such Partner is acquiring each of such Partner's Interests for such Partner's own account for investment and not with a view to resell or distribute the same or any part hereof, and that no other person has any interest in any such Interest or in the rights of such Partner hereunder; *provided*, that a Partner may choose to make transfers for estate and charitable planning purposes (pursuant to Section 6.3(a) and otherwise in accordance with the terms hereof). Each Limited Partner and Special Partner represents and warrants that such Partner understands that the Interests have not been registered under the Securities Act and therefore such Interests may not be resold without registration under the Securities Act or exemption from such registration, and that accordingly such Partner must bear the economic risk of an investment in the Partnership for an indefinite period of time. Each Limited Partner and Special Partner represents that such Partner has such knowledge and experience in financial and business matters, that such Partner is capable of evaluating the merits and risks of an investment in the Partnership, and that such Partner is able to bear the economic risk of such investment. Each Limited Partner and Special Partner represents that such Partner's overall commitment to the Partnership and other investments which are not readily marketable is not disproportionate to the Partner's net worth and the Partner has no need for liquidity in the Partner's investment in Interests. Each Limited Partner and Special Partner represents that to the full satisfaction of the Partner, the Partner has been furnished any materials that such Partner has requested relating to the Partnership, any Investment and the offering of Interests and has been afforded the opportunity to ask questions of representatives of the Partnership concerning the terms and conditions of the offering of Interests and any matters pertaining to each Investment and to obtain any other additional information relating thereto. Each Limited Partner and Special Partner represents that the Partner has consulted to the extent deemed appropriate by the Partner with the Partner's own advisers as to the financial, tax, legal and related matters concerning an investment in Interests and on that basis believes that an investment in the Interests is suitable and appropriate for the Partner.

(b) Each Limited Partner and Special Partner agrees that the representations and warranties contained in paragraph (a) above shall be true and correct as of any date that such Partner (1) makes a capital contribution to the Partnership (whether as a result of Firm Advances made to such Partner or otherwise) with respect to any Investment, and such Partner hereby agrees that such capital contribution shall serve as confirmation thereof and/or (2) repays any portion of the principal amount of a Firm Advance, and such Partner hereby agrees that such repayment shall serve as confirmation thereof.

Section 3.7. Tax Representation and Further Assurances. (a) Each Limited Partner and Special Partner, upon the request of the General Partner, agrees to perform all further acts and to execute, acknowledge and deliver any documents that may be reasonably necessary to comply with the General Partner's or the Partnership's obligations under applicable law or to carry out the provisions of this Agreement.

(b) Each Limited Partner and Special Partner certifies that (A) if the Limited Partner or Special Partner is a United States person (as defined in the Code) (x) (i) the Limited Partner or Special Partner's name, social security number (or, if applicable, employer identification number) and address provided to the Partnership and its Affiliates pursuant to an IRS Form W- 9, Request for Taxpayer Identification Number Certification ("W-9") or otherwise are correct and (ii) the Limited Partner or Special Partner will complete and return a W-9 and (y) (i) the Limited Partner or Special Partner is a United States person (as defined in the Code) and (ii) the Limited Partner or Special Partner will notify the Partnership within 60 days of a change to foreign (non-United States) status or (B) if the Limited Partner or Special Partner is not a United States person (as defined in the Code) (x) (i) the information on the completed IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals) ("W-8BEN"), IRS Form W-8BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) ("W-8BEN-E"), or other applicable form, including but not limited to IRS Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting ("W-8IMY"), or otherwise is correct and (ii) the Limited Partner or Special Partner will complete and return the applicable IRS form, including but not limited to a W-8BEN, W-8BEN-E or W-8IMY, and (y) (i) the Limited Partner or Special Partner is not a United States person (as defined in the Code) and (ii) the Limited Partner or Special Partner will notify the Partnership within 60 days of any change of such status. Each Limited Partner and Special Partner agrees to provide such cooperation and assistance, including but not limited to properly executing and providing to the Partnership in a timely manner any tax or other documentation or information that may be reasonably requested by the Partnership or the General Partner (including without limitation any self-certification forms required by the Partnership to comply with any obligations under the Common Reporting Standard issued by the Organisation for Economic Co-operation and Development, any similar legislation, regulations or guidance enacted in any other jurisdiction or any legislation, any associated intergovernmental agreement, treaty or any other arrangement and/or any regulations or guidance implemented in the Cayman Islands to give effect to the foregoing).

(c) Each Limited Partner and Special Partner acknowledges and agrees that the Partnership and the General Partner may release confidential information or other information about the Limited Partner or Special Partner or related to such Limited Partner or Special Partner's investment in the Partnership if the Partnership or the General Partner, in its or their sole discretion, determines that such disclosure is required by applicable law or regulation or in order to comply for an exception from, or reduced tax rate of, tax or other tax benefit. Any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on any such person by law or otherwise, and a Limited Partner or Special Partner shall have no claim against the Partnership, the General Partner or any of their Affiliates for any form of damages or liability as a result of actions taken by the foregoing in order to comply with any disclosure obligations that the foregoing reasonably believe are required by law, regulation or otherwise.

(d) Each Limited Partner and Special Partner acknowledges and agrees that if it provides information that is in anyway materially misleading, or if it fails to provide the Partnership or its agents with any information requested hereunder, in either case in order to satisfy the Partnership's obligations, the General Partner reserves the right to take any action and pursue any remedies at its disposal, including (i) requiring such Limited Partner or Special Partner to Withdraw for Cause and (ii) withholding or deducting any costs caused by such Limited Partner's or Special Partner's action or inaction from amounts otherwise distributable to such Limited Partner or Special Partner from the Partnership and its Affiliates.

## ARTICLE IV

## CAPITAL OF THE PARTNERSHIP

Section 4.1. Capital Contributions by Partners. (a) Each Partner shall be required to make capital contributions to the Partnership ("GP-Related Capital Contributions") at such times and in such amounts (the "GP-Related Required Amounts") as are required to satisfy the Partnership's obligation to make capital contributions to Associates Europe VII in respect of the GP-Related Associates Europe VII Interest to fund Associates Europe VII's capital contributions with respect to any GP-Related BREP Europe VII Investment and as are otherwise determined by the General Partner from time to time or as may be set forth in such Limited Partner's Commitment Agreement or SMD Agreement, if any, or otherwise; provided, that additional GP-Related Capital Contributions in excess of the GP-Related Required Amounts may be made *pro rata* among the Partners based upon each Partner's Carried Interest Sharing Percentage. GP-Related Capital Contributions in excess of the GP-Related Required Amounts which are to be used for ongoing business operations (as distinct from financing, legal or other specific liabilities of the Partnership (including those specifically set forth in Section 4.1(d) and Section 5.8(d))) shall be determined by the General Partner. Special Partners shall not be required to make additional GP-Related Capital Contributions to the Partnership in excess of the GP-Related Required Amounts, except (i) as a condition of an increase in such Special Partner's GP-Related Profit Sharing Percentage or (ii) as specifically set forth in this Agreement; provided, that the General Partner and any Special Partner may agree from time to time that such Special Partner shall make an additional GP-Related Capital Contribution to the Partnership; provided further, that each Investor Special Partner shall maintain its GP-Related Capital Accounts at an aggregate level equal to the product of (i) its GP-Related Profit Sharing Percentage from time to time and (ii) the total capital of the Partnership related to the GP-Related BREP Europe VII Interest.

(b) Each GP-Related Capital Contribution by a Partner shall be credited to the appropriate GP-Related Capital Account of such Partner in accordance with Section 5.2, subject to Section 5.10.

(c) The General Partner may elect on a case by case basis to (i) cause the Partnership to loan any Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners who are also executive officers of Blackstone Inc. or any Affiliate thereof) the amount of any GP-Related Capital Contribution required to be made by such Partner or (ii) permit any Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners who are also executive officers of Blackstone Inc. or any Affiliate thereof) to make a required GP-Related Capital Contribution to the Partnership in installments, in each case on terms determined by the General Partner.

(d) (i) The Partners and the Withdrawn Partners have entered into the Trust Agreement, pursuant to which certain amounts of the distributions relating to Carried Interest will be paid to the Trustee(s) for deposit in the Trust Account (such amounts to be paid to the Trustee(s) for deposit in the Trust Account constituting a "Holdback"). The General Partner shall determine, as set forth below, the percentage of each distribution of Carried Interest that shall be withheld for any General Partner and/or Holdings and each Partner Category (such withheld percentage constituting the General Partner's and such Partner Category's "Holdback Percentage"). The applicable Holdback Percentages initially shall be 0% for any General Partner, 15% for Existing Partners (other than the General Partner), 21% for Retaining Withdrawn Partners (other than the General Partner) and 24% for Deceased Partners (the "Initial Holdback Percentages"). Any provision of this Agreement to the contrary notwithstanding, the Holdback Percentage for the General Partner and/or Holdings shall not be subject to change pursuant to clause (ii), (iii) or (iv) of this Section 4.1(d).

(ii) The Holdback Percentage may not be reduced for any individual Partner as compared to the other Partners in his or her Partner Category (except as provided in clause (iv) below). The General Partner may only reduce the Holdback Percentages among the Partner Categories on a proportionate basis. For example, if the Holdback Percentage for Existing Partners is decreased to 12.5%, the Holdback Percentage for Retaining Withdrawn Partners and Deceased Partners shall be reduced to 17.5% and 20%, respectively. Any reduction in the Holdback Percentage for any Partner shall apply only to distributions relating to Carried Interest made after the date of such reduction.

(iii) The Holdback Percentage may not be increased for any individual Partner as compared to the other Partners in his or her Partner Category (except as provided in clause (iv) below). The General Partner may not increase the Retaining Withdrawn Partners' Holdback Percentage beyond 21% unless the General Partner concurrently increases the Existing Partners' Holdback Percentage to 21%. The General Partner may not increase the Deceased Partners' Holdback Percentage beyond 24% unless the General Partner increases the Holdback Percentage for both Existing Partners and Retaining Withdrawn Partners to 24%. The General Partner may not increase the Holdback Percentage of any Partner Category beyond 24% unless such increase applies equally to all Partner Categories. Any increase in the Holdback Percentage for any Partner shall apply only to distributions relating to Carried Interest made after the date of such increase. The foregoing shall in no way prevent the General Partner from proportionately increasing the Holdback Percentage of any Partner Category (following a reduction of the Holdback Percentages below the Initial Holdback Percentages), if the resulting Holdback Percentages are consistent with the above. For example, if the General Partner reduces the Holdback Percentages for Existing Partners, Retaining Withdrawn Partners and Deceased Partners to 12.5%, 17.5% and 20%, respectively, the General Partner shall have the right to subsequently increase the Holdback Percentages to the Initial Holdback Percentages.

(iv) (A) Notwithstanding anything contained herein to the contrary, the General Partner may increase or decrease the Holdback Percentage for any Partner in any Partner Category (in such capacity, the "Subject Partner") pursuant to a majority vote of the Limited Partners (a "Holdback Vote"); provided, that, notwithstanding anything to the contrary contained herein, the Holdback Percentage applicable to any General Partner shall not be increased or decreased without its prior written consent; provided further, that a Subject Partner's Holdback Percentage shall not be (I) increased prior to such time as such Subject Partner (x) is notified by the Partnership of the decision to increase such Subject Partner's Holdback Percentage and (y) has, if requested by such Subject Partner, been given 30 days to gather and provide information to the Partnership for consideration before a second Holdback Vote (requested by the Subject Partner) or (II) decreased unless such decrease occurs subsequent to an increase in a Subject Partner's Holdback Percentage pursuant to a Holdback Vote under this clause (iv); provided further, that such decrease shall not exceed an amount such that such Subject Partner's Holdback Percentage is less than the prevailing Holdback Percentage for the Partner Category of such Subject Partner; provided further, that a Partner shall not vote to increase a Subject Partner's Holdback Percentage unless such voting Partner determines, in such Partner's good faith judgment, that the facts and circumstances indicate that it is reasonably likely that such Subject Partner, or any of such Subject Partner's successors or assigns (including such Subject Partner's estate or heirs) who at the time of such vote holds the GP-Related Partner Interest or otherwise has the right to receive distributions relating thereto, will not be capable of satisfying any GP-Related Recontribution Amounts that may become due.

(B) A Holdback Vote shall take place at a Partnership meeting. Each of the Limited Partners shall be entitled to cast one vote with respect to the Holdback Vote regardless of such Limited Partner's interest in the Partnership. Such vote may be cast by any such Partner in person or by proxy.

(C) If the result of the second Holdback Vote is an increase in a Subject Partner's Holdback Percentage, such Subject Partner may submit the decision to an arbitrator, the identity of which is mutually agreed upon by both the Subject Partner and the Partnership; provided, that if the Partnership and the Subject Partner cannot agree upon a mutually satisfactory arbitrator within 10 days of the second Holdback Vote, each of the Partnership and the Subject Partner shall request its candidate for arbitrator to select a third arbitrator satisfactory to such candidates; provided further, that if such candidates fail to agree upon a mutually satisfactory arbitrator within 30 days of such request, the then sitting President of the American Arbitration Association shall unilaterally select the arbitrator. Each Subject Partner that submits the decision of the Partnership pursuant to the second Holdback Vote to arbitration and the Partnership shall estimate their reasonably projected out-of-pocket expenses relating thereto, and each such party shall, to the satisfaction of the arbitrator and prior to any determination being made by the arbitrator, pay the total of such estimated expenses (i.e., both the Subject Partner's and the Partnership's expenses) into an escrow account. The arbitrator shall direct the escrow agent to pay out of such escrow account all expenses associated with such arbitration (including costs leading thereto) and to return to the "victorious" party the entire amount of funds such party paid into such escrow account. If the amount contributed to the escrow account by the losing party is insufficient to cover the expenses of such arbitration, such "losing" party shall then provide any additional

funds necessary to cover such costs to such "victorious" party. For purposes hereof, the "victorious" party shall be the Partnership if the Holdback Percentage ultimately determined by the arbitrator is closer to the percentage determined in the second Holdback Vote than it is to the prevailing Holdback Percentage for the Subject Partner's Partner Category; otherwise, the Subject Partner shall be the "victorious" party. The party that is not the "victorious" party shall be the "losing" party.

(D) In the event of a decrease in a Subject Partner's Holdback Percentage (1) pursuant to a Holdback Vote under this clause (iv) or (2) pursuant to a decision of an arbitrator under paragraph (C) of this clause (iv), the Partnership shall release and distribute to such Subject Partner any Trust Amounts (and the Trust Income thereon (except as expressly provided herein with respect to using Trust Income as Firm Collateral)) which exceed the required Holdback of such Subject Partner (in accordance with such Subject Partner's reduced Holdback Percentage) as though such reduced Holdback Percentage had applied since the increase of the Subject Partner's Holdback Percentage pursuant to a previous Holdback Vote under this clause (iv).

(v) (A) If a Partner's Holdback Percentage exceeds 15% (such percentage in excess of 15% constituting the "Excess Holdback Percentage"), such Partner may satisfy the portion of his or her Holdback obligation in respect of his or her Excess Holdback Percentage (such portion constituting such Partner's "Excess Holdback"), and such Partner (or a Withdrawn Partner with respect to amounts contributed to the Trust Account while he or she was a Partner), to the extent his or her Excess Holdback obligation has previously been satisfied in cash, may obtain the release of the Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or Withdrawn Partner) satisfying such Partner's or Withdrawn Partner's Excess Holdback obligation, by pledging, charging, granting a security interest or otherwise making available to the General Partner, on a first priority basis (except as provided below), all or any portion of his or her Firm Collateral in satisfaction of his or her Excess Holdback obligation. Any Partner seeking to satisfy all or any portion of the Excess Holdback utilizing Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the General Partner) to perfect a first priority security interest in, and otherwise assure the ability of the Partnership to realize on (if required), such Firm Collateral; provided, that, in the case of entities listed in the Partnership's books and records in which Partners are permitted to pledge, charge or grant a security interest over their interests therein to finance all or a portion of their capital contributions thereto ("Pledgable Blackstone Interests"), to the extent a first priority security interest is unavailable because of an existing lien on such Firm Collateral, the Partner or Withdrawn Partner seeking to utilize such Firm Collateral shall grant the General Partner a second priority security interest therein in the manner provided above; provided further, that (x) in the case of Pledgable Blackstone Interests, to the extent that neither a first priority nor a second priority security interest is available, or (y) if the General Partner otherwise determines in its good faith judgment that a security interest in Firm Collateral (and the corresponding documents and actions) are not necessary or appropriate, the Partner or Withdrawn Partner shall (in the case of either clause (x) or (y) above) irrevocably instruct in writing the relevant partnership, limited liability

company or other entity listed in the Partnership's books and records to remit any and all net proceeds resulting from a Firm Collateral Realization on such Firm Collateral to the Trustee(s) as more fully provided in clause (B) below. The Partnership shall, at the request of any Partner or Withdrawn Partner, assist such Partner or Withdrawn Partner in taking such action as is necessary to enable such Partner or Withdrawn Partner to use Firm Collateral as provided hereunder.

(B) If upon a sale or other realization of all or any portion of any Firm Collateral (a "Firm Collateral Realization"), the remaining Firm Collateral is insufficient to cover any Partner's or Withdrawn Partner's Excess Holdback requirement, then up to 100% of the net proceeds otherwise distributable to such Partner or Withdrawn Partner from such Firm Collateral Realization (including distributions subject to the repayment of financing sources as in the case of Pledgable Blackstone Interests) shall be paid into the Trust Account to fully satisfy such Excess Holdback requirement (allocated to such Partner or Withdrawn Partner) and shall be deemed to be Trust Amounts for purposes hereunder. Any net proceeds from such Firm Collateral Realization in excess of the amount necessary to satisfy such Excess Holdback requirement shall be distributed to such Partner or Withdrawn Partner.

(C) Upon any valuation or revaluation of Firm Collateral that results in a decreased valuation of such Firm Collateral so that such Firm Collateral is insufficient to cover any Partner's or Withdrawn Partner's Excess Holdback requirement (including upon a Firm Collateral Realization, if net proceeds therefrom and the remaining Firm Collateral are insufficient to cover any Partner's or Withdrawn Partner's Excess Holdback requirement), the Partnership shall provide notice of the foregoing to such Partner or Withdrawn Partner and such Partner or Withdrawn Partner shall, within 30 days of receiving such notice, contribute cash (or additional Firm Collateral) to the Trust Account in an amount necessary to satisfy his or her Excess Holdback requirement. If any such Partner or Withdrawn Partner defaults upon his or her obligations under this clause (C), then Section 5.8(d)(ii) shall apply thereto; provided, that clause (A) of Section 5.8(d)(ii) shall be deemed inapplicable to a default under this clause (C); provided further, that for purposes of applying Section 5.8(d)(ii) to a default under this clause (C): (I) the term "GP-Related Defaulting Party" where such term appears in such Section 5.8(d)(ii) shall be construed as "defaulting party" for purposes hereof and (II) the terms "Net GP-Related Recontribution Amount" and "GP-Related Recontribution Amount" where such terms appear in such Section 5.8(d)(ii) shall be construed as the amount due pursuant to this clause (C).

(vi) Any Partner or Withdrawn Partner may (A) obtain the release of any Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or Withdrawn Partner) or Firm Collateral, in each case, held in the Trust Account for the benefit of such Partner or Withdrawn Partner or (B) require the Partnership to distribute all or any portion of amounts otherwise required to be placed in the Trust Account (whether cash or Firm Collateral), by obtaining a letter of credit (an "L/C") for the benefit of the Trustee(s) in such amounts. Any Partner or Withdrawn

Partner choosing to furnish an L/C to the Trustee(s) (in such capacity, an "L/C Partner") shall deliver to the Trustee(s) an unconditional and irrevocable L/C from a commercial bank whose (x) short-term deposits are rated at least A-1 by S&P or P-1 by Moody's (if the L/C is for a term of 1 year or less), or (y) long-term deposits are rated at least A+ by S&P or A1 by Moody's (if the L/C is for a term of 1 year or more) (each a "Required Rating"). If the relevant rating of the commercial bank issuing such L/C drops below the relevant Required Rating, the L/C Partner shall supply to the Trustee(s), within 30 days of such occurrence, a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, in lieu of the insufficient L/C. In addition, if the L/C has a term expiring on a date earlier than the latest possible termination date of BREP Europe VII, the Trustee(s) shall be permitted to drawdown on such L/C if the L/C Partner fails to provide a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating, at least 30 days prior to the stated expiration date of such existing L/C. The Trustee(s) shall notify an L/C Partner 10 days prior to drawing on any L/C. The Trustee(s) may (as directed by the Partnership in the case of clause (I) below) draw down on an L/C only if (I) such a drawdown is necessary to satisfy an L/C Partner's obligation relating to the Partnership's obligations under the Clawback Provisions or (II) an L/C Partner has not provided a new L/C from a commercial bank whose relevant rating is at least equal to the relevant Required Rating (or the requisite amount of cash and/or Firm Collateral (to the extent permitted hereunder)), at least 30 days prior to the stated expiration of an existing L/C in accordance with this clause (vi). The Trustee(s), as directed by the Partnership, shall return to any L/C Partner his or her L/C upon (1) the termination of the Trust Account and satisfaction of the Partnership's obligations, if any, in respect of the Clawback Provisions, (2) an L/C Partner satisfying his or her entire Holdback obligation in cash and Firm Collateral (to the extent permitted hereunder), or (3) the release, by the Trustee(s), as directed by the Partnership, of all amounts in the Trust Account to the Partners or Withdrawn Partners. If an L/C Partner satisfies a portion of his or her Holdback obligation in cash and/or Firm Collateral (to the extent permitted hereunder) or if the Trustee(s), as directed by the Partnership, release a portion of the amounts in the Trust Account to the Partners or Withdrawn Partners in the Partner Category of such L/C Partner, the L/C of an L/C Partner may be reduced by an amount corresponding to such portion satisfied in cash and/or Firm Collateral (to the extent permitted hereunder) or such portion released by the Trustee(s), as directed by the Partnership; provided, that in no way shall the general release of any Trust Income cause an L/C Partner to be permitted to reduce the amount of an L/C by any amount.

(vii) (A) Any in-kind distributions by the Partnership relating to Carried Interest shall be made in accordance herewith as though such distributions consisted of cash. The Partnership may direct the Trustee(s) to dispose of any in-kind distributions held in the Trust Account at any time. The net proceeds therefrom shall be treated as though initially contributed to the Trust Account.

(B) In lieu of the foregoing, any Existing Partner may pledge, charge or grant a security interest with respect to any in-kind distribution the Special Firm Collateral referred to in the applicable category in the Partnership's books and records; provided, that the initial contribution of such Special Firm Collateral shall initially equal 130% of the required Holdback for a period of 90

days, and thereafter shall equal at least 115% of the required Holdback. Sections 4.1(d)(viii)(C) and (D) shall apply to such Special Firm Collateral. To the extent such Special Firm Collateral exceeds the applicable minimum percentage of the required Holdback specified in the first sentence of this clause (vii)(B), the related Partner may obtain a release of such excess amount from the Trust Account.

(viii) (A) Any Limited Partner or Withdrawn Partner may satisfy all or any portion of his or her Holdback (excluding any Excess Holdback), and such Partner or a Withdrawn Partner may, to the extent his or her Holdback (excluding any Excess Holdback) has been previously satisfied in cash or by the use of an L/C as provided herein, obtain a release of Trust Amounts (but not the Trust Income thereon which shall remain in the Trust Account and allocated to such Partner or Withdrawn Partner) that satisfy such Partner's or Withdrawn Partner's Holdback (excluding any Excess Holdback) by pledging, charging or granting a security interest to the Trustee(s) on a first priority basis all of his or her Special Firm Collateral in a particular Qualifying Fund, which at all times must equal or exceed the amount of the Holdback distributed to the Partner or Withdrawn Partner (as more fully set forth below). Any Partner seeking to satisfy such Partner's Holdback utilizing Special Firm Collateral shall sign such documents and otherwise take such other action as is necessary or appropriate (in the good faith judgment of the General Partner) to perfect a first priority security interest in, and otherwise assure the ability of the Trustee(s) to realize on (if required), such Special Firm Collateral.

(B) If upon a distribution, withdrawal, sale, liquidation or other realization of all or any portion of any Special Firm Collateral (a "Special Firm Collateral Realization"), the remaining Special Firm Collateral (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund and is being used in connection with an Excess Holdback) is insufficient to cover any Partner's or Withdrawn Partner's Holdback (when taken together with other means of satisfying the Holdback as provided herein (i.e., cash contributed to the Trust Account or an L/C in the Trust Account)), then up to 100% of the net proceeds otherwise distributable to such Partner or Withdrawn Partner from such Special Firm Collateral Realization (which shall not include the amount of Firm Collateral that consists of a Qualifying Fund or other asset and is being used in connection with an Excess Holdback) shall be paid into the Trust (and allocated to such Partner or Withdrawn Partner) to fully satisfy such Holdback and shall be deemed thereafter to be Trust Amounts for purposes hereunder. Any net proceeds from such Special Firm Collateral Realization in excess of the amount necessary to satisfy such Holdback (excluding any Excess Holdback) shall be distributed to such Partner or Withdrawn Partner. To the extent a Qualifying Fund distributes Securities to a Partner or Withdrawn Partner in connection with a Special Firm Collateral Realization, such Partner or Withdrawn Partner shall be required to promptly fund such Partner's or Withdrawn Partner's deficiency with respect to his or her Holdback in cash or an L/C.

(C) Upon any valuation or revaluation of the Special Firm Collateral and/or any adjustment in the Applicable Collateral Percentage applicable to a Qualifying Fund (as provided in the Partnership's books and records), if such Partner's or Withdrawn Partner's Special Firm Collateral is valued at less than such Partner's Holdback (excluding any Excess Holdback) as provided in the Partnership's books and records, taking into account other permitted means of satisfying the Holdback hereunder, the Partnership shall provide notice of the foregoing to such Partner or Withdrawn Partner and, within 10 Business Days of receiving such notice, such Partner or Withdrawn Partner shall contribute cash or additional Special Firm Collateral to the Trust Account in an amount necessary to make up such deficiency. If any such Partner or Withdrawn Partner defaults upon his or her obligations under this clause (C), then Section 5.8(d)(ii) shall apply thereto; provided, that the first sentence of Section 5.8(d)(ii)(A) shall be deemed inapplicable to such default; provided further, that for purposes of applying Section 5.8(d)(ii) to a default under this clause (C): (I) the term "GP-Related Defaulting Party" where such term appears in such Section 5.8(d)(ii) shall be construed as "defaulting party" for purposes hereof and (II) the terms "Net GP-Related Recontribution Amount" and "GP-Related Recontribution Amount" where such terms appear in such Section 5.8(d)(ii) shall be construed as the amount due pursuant to this clause (C).

(D) Upon a Partner becoming a Withdrawn Partner, at any time thereafter the General Partner may revoke the ability of such Withdrawn Partner to use Special Firm Collateral as set forth in this Section 4.1(d)(viii), notwithstanding anything else in this Section 4.1(d)(viii). In that case the provisions of clause (C) above shall apply to the Withdrawn Partner's obligation to satisfy the Holdback (except that 30 days' notice of such revocation shall be given), given that the Special Firm Collateral is no longer available to satisfy any portion of the Holdback (excluding any Excess Holdback).

(E) Nothing in this Section 4.1(d)(viii) shall prevent any Partner or Withdrawn Partner from using any amount of such Partner's interest in a Qualifying Fund as Firm Collateral; provided, that at all times Section 4.1(d)(v) and this Section 4.1(d)(viii) are each satisfied.

Section 4.2. Interest. Interest on the balances of the Partners' capital related to the Partners' GP-Related Partner Interests (excluding capital invested in GP-Related Investments and, if deemed appropriate by the General Partner, capital invested in any other investment of the Partnership) shall be credited to the Partners' GP-Related Capital Accounts at the end of each accounting period pursuant to Section 5.2, or at any other time as determined by the General Partner, at rates determined by the General Partner from time to time, and shall be charged as an expense of the Partnership.

Section 4.3. Withdrawals of Capital. No Partner may withdraw capital related to such Partner's GP-Related Partner Interests from the Partnership except (i) for distributions of cash or other property pursuant to Section 5.8, (ii) as otherwise expressly provided in this Agreement or (iii) as determined by the General Partner.

ARTICLE V

PARTICIPATION IN PROFITS AND LOSSES

Section 5.1. General Accounting Matters. (a) GP-Related Net Income (Loss) shall be determined by the General Partner at the end of each accounting period and shall be allocated as described in Section 5.4.

(b) "GP-Related Net Income (Loss)" means:

(i) from any activity of the Partnership related to the GP-Related BREP Europe VII Interest for any accounting period (other than GP-Related Net Income (Loss) from GP-Related Investments described below), (x) the gross income realized by the Partnership from such activity during such accounting period less (y) all expenses of the Partnership, and all other items that are deductible from gross income, for such accounting period that are allocable to such activity (determined as provided below);

(ii) from any GP-Related Investment for any accounting period in which such GP-Related Investment has not been sold or otherwise disposed of, (x) the gross amount of dividends, interest or other income received by the Partnership from such GP-Related Investment during such accounting period less (y) all expenses of the Partnership for such accounting period that are allocable to such GP-Related Investment (determined as provided below); and

(iii) from any GP-Related Investment for the accounting period in which such GP-Related Investment is sold or otherwise disposed of, (x) the sum of the gross proceeds from the sale or other disposition of such GP-Related Investment and the gross amount of dividends, interest or other income received by the Partnership from such GP-Related Investment during such accounting period less (y) the sum of the cost or other basis to the Partnership of such GP-Related Investment and all expenses of the Partnership for such accounting period that are allocable to such GP-Related Investment.

(c) GP-Related Net Income (Loss) shall be determined in accordance with the accounting method used by the Partnership for U.S. federal income tax purposes with the following adjustments: (i) any income of the Partnership that is exempt from U.S. federal income taxation and not otherwise taken into account in computing GP-Related Net Income (Loss) shall be added to such taxable income or loss; (ii) if any asset has a value in the books of the Partnership that differs from its adjusted tax basis for U.S. federal income tax purposes, any depreciation, amortization or gain resulting from a disposition of such asset shall be calculated with reference to such value; (iii) upon an adjustment to the value of any asset in the books of the Partnership pursuant to Treasury Regulations Section 1.704-1(b)(2), the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (iv) any expenditures of the Partnership not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing GP-Related Net Income (Loss) pursuant to this definition shall be treated as deductible items; (v) any income from a GP-Related Investment that is payable to Partnership employees in respect of "phantom interests" in such GP-Related Investment awarded by the General Partner to employees shall be included as an expense in the

calculation of GP-Related Net Income (Loss) from such GP-Related Investment, and (vi) items of income and expense (including interest income and overhead and other indirect expenses) of the Partnership, Holdings and other Affiliates of the Partnership shall be allocated among the Partnership, Holdings and such Affiliates, among various Partnership activities and GP-Related Investments and between accounting periods, in each case as determined by the General Partner. Any adjustments to GP-Related Net Income (Loss) by the General Partner, including adjustments for items of income accrued but not yet received, unrealized gains, items of expense accrued but not yet paid, unrealized losses, reserves (including reserves for taxes, bad debts, actual or threatened litigation, or any other expenses, contingencies or obligations) and other appropriate items shall be made in accordance with GAAP; provided, that the General Partner shall not be required to make any such adjustment.

(d) An accounting period shall be a Fiscal Year, except that, at the option of the General Partner, an accounting period will terminate and a new accounting period will begin on the admission date of an additional Partner or the Settlement Date of a Withdrawn Partner, if any such date is not the first day of a Fiscal Year. If any event referred to in the preceding sentence occurs and the General Partner does not elect to terminate an accounting period and begin a new accounting period, then the General Partner may make such adjustments as it deems appropriate to the Partners' GP-Related Profit Sharing Percentages for the accounting period in which such event occurs (prior to any allocations of GP-Related Unallocated Percentages or adjustments to GP-Related Profit Sharing Percentages pursuant to Section 5.3) to reflect the Partners' average GP-Related Profit Sharing Percentages during such accounting period; provided, that the GP-Related Profit Sharing Percentages of Partners in GP-Related Net Income (Loss) from GP-Related Investments acquired during such accounting period will be based on GP-Related Profit Sharing Percentages in effect when each such GP-Related Investment was acquired.

(e) In establishing GP-Related Profit Sharing Percentages and allocating GP-Related Unallocated Percentages pursuant to Section 5.3, the General Partner may consider such factors as it deems appropriate.

(f) All determinations, valuations and other matters of judgment required to be made for accounting purposes under this Agreement shall be made by the General Partner and approved by the Partnership's independent accountants. Such approved determinations, valuations and other accounting matters shall be conclusive and binding on all Partners, all Withdrawn Partners, their successors, heirs, estates or legal representatives and any other person, and to the fullest extent permitted by law no such person shall have the right to an accounting or an appraisal of the assets of the Partnership or any successor thereto.

Section 5.2. GP-Related Capital Accounts. (a) There shall be established for each Partner in the books of the Partnership, to the extent and at such times as may be appropriate, one or more capital accounts as the General Partner may deem to be appropriate for purposes of accounting for such Partner's interests in the capital of the Partnership related to the GP-Related BREP Europe VII Interest and the GP-Related Net Income (Loss) of the Partnership (each a "GP-Related Capital Account").

(b) As of the end of each accounting period or, in the case of a contribution to the Partnership by one or more of the Partners with respect to such Partner or Partners' GP-Related Partner Interests or a distribution by the Partnership to one or more of the Partners with respect to such Partner or Partners' GP-Related Partner Interests, at the time of such contribution or distribution, (i) the appropriate GP-Related Capital Accounts of each Partner shall be credited with the following amounts: (A) the amount of cash and the value of any property contributed by such Partner to the capital of the Partnership related to such Partner's GP-Related Partner Interest during such accounting period, (B) the GP-Related Net Income allocated to such Partner for such accounting period and (C) the interest credited on the balance of such Partner's capital related to such Partner's GP-Related Partner Interest for such accounting period pursuant to Section 4.2; and (ii) the appropriate GP-Related Capital Accounts of each Partner shall be debited with the following amounts: (x) the amount of cash, the principal amount of any subordinated promissory note of the Partnership referred to in Section 6.5 (as such amount is paid) and the value of any property distributed to such Partner during such accounting period with respect to such Partner's GP-Related Partner Interest and (y) the GP-Related Net Loss allocated to such Partner for such accounting period.

Section 5.3. GP-Related Profit Sharing Percentages. (a) Prior to the beginning of each annual accounting period, the General Partner shall establish the profit sharing percentage (the "GP-Related Profit Sharing Percentage") of each Partner in each category of GP-Related Net Income (Loss) for such annual accounting period pursuant to Section 5.1(a) taking into account such factors as the General Partner deems appropriate; provided, that (i) the General Partner may elect to establish GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment acquired by the Partnership during such accounting period at the time such GP-Related Investment is acquired in accordance with paragraph (c) below and (ii) GP-Related Net Income (Loss) for such accounting period from any GP-Related Investment shall be allocated in accordance with the GP-Related Profit Sharing Percentages in such GP-Related Investment established in accordance with paragraph (c) below. The General Partner may establish different GP-Related Profit Sharing Percentages for any Partner in different categories of GP-Related Net Income (Loss). In the case of the Withdrawal of a Partner, such former Partner's GP-Related Profit Sharing Percentages shall be allocated by the General Partner to one or more of the remaining Partners as the General Partner shall determine. In the case of the admission of any Partner to the Partnership as an additional Partner, the GP-Related Profit Sharing Percentages of the other Partners shall be reduced by an amount equal to the GP-Related Profit Sharing Percentage allocated to such new Partner pursuant to Section 6.1(b); such reduction of each other Partner's GP-Related Profit Sharing Percentage shall be *pro rata* based upon such Partner's GP-Related Profit Sharing Percentage as in effect immediately prior to the admission of the new Partner. Notwithstanding the foregoing, the General Partner may also adjust the GP-Related Profit Sharing Percentage of any Partner for any annual accounting period at the end of such annual accounting period in its sole discretion.

(b) The General Partner may elect to allocate to the Partners less than 100% of the GP-Related Profit Sharing Percentages of any category for any annual accounting period at the time specified in Section 5.3(a) for the annual fixing of GP-Related Profit Sharing Percentages (any remainder of such GP-Related Profit Sharing Percentages being called a "GP-Related Unallocated Percentage"); provided, that any GP-Related Unallocated Percentage in any category of GP-Related Net Income (Loss) for any annual accounting period that is not allocated by the General Partner within 90 days after the end of such accounting period shall be deemed to be allocated among all the Partners (including the General Partner) in the manner determined by the General Partner in its sole discretion.

(c) Unless otherwise determined by the General Partner in a particular case, (i) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from any GP-Related Investment shall be allocated in proportion to the Partners' respective GP-Related Capital Contributions in respect of such GP-Related Investment and (ii) GP-Related Profit Sharing Percentages in GP-Related Net Income (Loss) from each GP-Related Investment shall be fixed at the time such GP-Related Investment is acquired and shall not thereafter change, subject to any repurchase rights established by the General Partner pursuant to Section 5.7.

Section 5.4. Allocations of GP-Related Net Income (Loss). (a) Except as provided in Section 5.4(d), GP-Related Net Income of the Partnership for each GP-Related Investment shall be allocated to the GP-Related Capital Accounts related to such GP-Related Investment of all the Partners participating in such GP-Related Investment (including the General Partner): first, in proportion to and to the extent of the amount of Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest distributed to the Partners; second, to Partners that received Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest in years prior to the years such GP-Related Net Income is being allocated to the extent such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest exceeded GP-Related Net Income allocated to such Partners in such earlier years; and third, to the Partners in the same manner that such Non-Carried Interest (other than amounts representing a return of GP-Related Capital Contributions) or Carried Interest would have been distributed if cash were available to distribute with respect thereto.

(b) GP-Related Net Loss of the Partnership shall be allocated as follows: (i) GP-Related Net Loss relating to realized losses suffered by BREP Europe VII and allocated to the Partnership with respect to its *pro rata* share thereof (based on capital contributions made by the Partnership to BREP Europe VII with respect to the GP-Related BREP Europe VII Interest) shall be allocated to the Partners in accordance with each Partner's Non-Carried Interest Sharing Percentage with respect to the GP-Related Investment giving rise to such loss suffered by BREP Europe VII and (ii) GP-Related Net Loss relating to realized losses suffered by BREP Europe VII and allocated to the Partnership with respect to the Carried Interest shall be allocated in accordance with a Partner's (including a Withdrawn Partner's) Carried Interest Give Back Percentage (as of the date of such loss) (subject to adjustment pursuant to Section 5.8(e)).

(c) Notwithstanding Section 5.4(a) above, GP-Related Net Income relating to Carried Interest allocated after the allocation of a GP-Related Net Loss pursuant to clause (ii) of Section 5.4(b) shall be allocated in accordance with such Carried Interest Give Back Percentages until such time as the Partners have been allocated GP-Related Net Income relating to Carried Interest equal to the aggregate amount of GP-Related Net Loss previously allocated in accordance with clause (ii) of Section 5.4(b). Withdrawn Partners shall remain Partners for purposes of allocating such GP-Related Net Loss with respect to Carried Interest.

(d) To the extent the Partnership has any GP-Related Net Income (Loss) for any accounting period unrelated to BREP Europe VII, such GP-Related Net Income (Loss) will be allocated in accordance with GP-Related Profit Sharing Percentages prevailing at the beginning of such accounting period.

(e) The General Partner may authorize from time to time advances to Partners (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners who are also executive officers of Blackstone Inc. or any Affiliate thereof) against their allocable shares of GP-Related Net Income (Loss).

(f) Notwithstanding the foregoing, the General Partner may make such allocations as it deems reasonably necessary to give economic effect to the provisions of this Agreement, taking into account facts and circumstances as the General Partner deems reasonably necessary for this purpose.

Section 5.5. Liability of Partners. Except as otherwise provided in the Partnership Act or as expressly provided in this Agreement, no Partner shall be personally obligated for any debt, obligation or liability of the Partnership or of any other Partner solely by reason of being a Partner. In no event shall any Partner or Withdrawn Partner (i) be obligated to make any capital contribution or payment to or on behalf of the Partnership or (ii) have any liability to return distributions received by such Partner from the Partnership, in each case except as specifically provided in Section 4.1(d) or Section 5.8 or otherwise in this Agreement, as such Partner shall otherwise expressly agree in writing or as may be required by applicable law.

Section 5.6. Liability of General Partner. The General Partner shall have unlimited liability for the satisfaction and discharge of all losses, liabilities and expenses of the Partnership.

Section 5.7. Repurchase Rights, etc. The General Partner may from time to time establish such repurchase rights and/or other requirements with respect to the Partners' GP-Related Partner Interests relating to GP-Related BREP Europe VII Investments as the General Partner may determine. The General Partner shall have authority to (a) withhold any distribution otherwise payable to any Partner until any such repurchase rights have lapsed or any such requirements have been satisfied, (b) pay any distribution to any Partner that is Contingent as of the distribution date and require the refund of any portion of such distribution that is Contingent as of the Withdrawal Date of such Partner, (c) amend any previously established repurchase rights or other requirements from time to time and (d) make such exceptions thereto as it may determine on a case by case basis.

Section 5.8. Distributions. (a) (i) The Partnership shall make distributions of available cash (subject to reserves and other adjustments as provided herein) or other property to Partners with respect to such Partners' GP-Related Partner Interests at such times and in such amounts as are determined by the General Partner. The General Partner shall, if it deems it appropriate, determine the availability for distribution of, and distribute, cash or other property separately for each category of GP-Related Net Income (Loss) established pursuant to Section 5.1(a). Distributions of cash or other property with respect to Non-Carried Interest shall be made among the Partners in accordance with their respective Non-Carried Interest Sharing Percentages, and, subject to Section 4.1(d) and Section 5.8(e), distributions of cash or other property with respect to Carried Interest shall be made among Partners in accordance with their respective Carried Interest Sharing Percentages.

(ii) At any time that a sale, exchange, transfer or other disposition by BREP Europe VII of a portion of a GP-Related Investment is being considered by the Partnership (a "GP-Related Disposable Investment"), at the election of the General Partner each Partner's GP-Related Partner Interest with respect to such GP-Related Investment shall be vertically divided into two separate GP-Related Partner Interests, a GP-Related Partner Interest attributable to the GP-Related Disposable Investment (a Partner's "GP-Related Class B Interest"), and a GP-Related Partner Interest attributable to such GP-Related Investment excluding the GP-Related Disposable Investment (a Partner's "GP-Related Class A Interest"). Distributions (including those resulting from a sale, transfer, exchange or other disposition by BREP Europe VII) relating to a GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class B Interests with respect to such GP-Related Investment in accordance with their GP-Related Profit Sharing Percentages relating to such GP-Related Class B Interests, and distributions (including those resulting from the sale, transfer, exchange or other disposition by BREP Europe VII) relating to a GP-Related Investment excluding such GP-Related Disposable Investment (with respect to both Carried Interest and Non-Carried Interest) shall be made only to holders of GP-Related Class A Interests with respect to such GP-Related Investment in accordance with their respective GP-Related Profit Sharing Percentages relating to such GP-Related Class A Interests. Except as provided above, distributions of cash or other property with respect to each category of GP-Related Net Income (Loss) shall be allocated among the Partners in the same proportions as the allocations of GP-Related Net Income (Loss) of each such category.

(b) Subject to the Partnership having sufficient available cash in the reasonable judgment of the General Partner, the Partnership shall make cash distributions to each Partner with respect to each Fiscal Year of the Partnership in an aggregate amount at least equal to the total U.S. federal, New York State and New York City income and other taxes that would be payable by such Partner with respect to all categories of GP-Related Net Income (Loss) allocated to such Partner for such Fiscal Year, the amount of which shall be calculated (i) on the assumption that each Partner is an individual subject to the then prevailing maximum rate of U.S. federal, New York State and New York City and other income taxes (including, without limitation, taxes under Sections 1401 and 1411 of the Code), (ii) taking into account (x) the limitations on the deductibility of expenses and other items for U.S. federal income tax purposes and (y) the character (e.g., long-term or short-term capital gain or ordinary or exempt) of the applicable income) and (iii) taking into account any differential in applicable rates due to the type and character of GP-Related Net Income (Loss) allocated to such Partner. Notwithstanding the provisions of the foregoing sentence, the General Partner may refrain from making any distribution if, in the reasonable judgment of the General Partner, such distribution is prohibited by applicable law.

(c) The General Partner may provide that the GP-Related Partner Interest of any Partner or employee (including such Partner's or employee's right to distributions and investments of the Partnership related thereto) may be subject to repurchase by the Partnership during such period as the General Partner shall determine (a "Repurchase Period"). Any

Contingent distributions from GP-Related Investments subject to repurchase rights will be withheld by the Partnership and will be distributed to the recipient thereof (together with interest thereon at rates determined by the General Partner from time to time) as the recipient's rights to such distributions become Non-Contingent (by virtue of the expiration of the applicable Repurchase Period or otherwise). The General Partner may elect in an individual case to have the Partnership distribute any Contingent distribution to the applicable recipient thereof irrespective of whether the applicable Repurchase Period has lapsed. If a Partner Withdraws from the Partnership for any reason other than his or her death, Total Disability or Incompetence, the undistributed share of any GP-Related Investment that remains Contingent as of the applicable Withdrawal Date shall be repurchased by the Partnership at a purchase price determined at such time by the General Partner. Unless determined otherwise by the General Partner, the repurchased portion thereof will be allocated among the remaining Partners with interests in such GP-Related Investment in proportion to their respective percentage interests in such GP-Related Investment, or if no other Partner has a percentage interest in such specific GP-Related Investment, to the General Partner; provided, that the General Partner may allocate the Withdrawn Partner's share of unrealized investment income from a repurchased GP-Related Investment attributable to the period after the Withdrawn Partner's Withdrawal Date on any basis it may determine, including to existing or new Partners who did not previously have interests in such GP-Related Investment, except that, in any event, each Investor Special Partner shall be allocated a share of such unrealized investment income equal to its respective GP-Related Profit Sharing Percentage of such unrealized investment income.

(d) (i) (A) If Associates Europe VII is obligated under the Clawback Provisions or Giveback Provisions to contribute to BREP Europe VII a Clawback Amount or a Giveback Amount (other than a Capital Commitment Giveback Amount) and the Partnership is obligated to contribute any such amount to Associates Europe VII, in respect of the Partnership's GP-Related Associates Europe VII Interest (the amount of any such obligation of the Partnership with respect to such a Giveback Amount being herein called a "GP-Related Giveback Amount"), the General Partner shall call for such amounts as are necessary to satisfy such obligations of the Partnership as determined by the General Partner, in which case each Partner and Withdrawn Partner shall contribute to the Partnership, in cash, when and as called by the General Partner, such an amount of prior distributions by the Partnership (and the Other Fund GPs) with respect to Carried Interest (and/or Non-Carried Interest in the case of a GP-Related Giveback Amount) (the "GP-Related Recontribution Amount") which equals (I) the product of (a) a Partner's or Withdrawn Partner's Carried Interest Give Back Percentage and (b) the aggregate Clawback Amount payable by the Partnership in the case of Clawback Amounts and (II) with respect to a GP-Related Giveback Amount, such Partner's *pro rata* share of prior distributions of Carried Interest and/or Non-Carried Interest in connection with (a) the GP-Related BREP Europe VII Investment giving rise to the GP-Related Giveback Amount, (b) if the amounts contributed pursuant to clause (II)(a) above are insufficient to satisfy such GP-Related Giveback Amount, GP-Related BREP Europe VII Investments other than the one giving rise to such obligation, but only those amounts received by the Partners with an interest in the GP-Related BREP Europe VII Investment referred to in clause (II)(a) above, and (c) if the GP-Related Giveback Amount pursuant to an applicable BREP Europe VII Agreement is unrelated to a specific GP-Related BREP Europe VII Investment, all GP-Related BREP Europe VII Investments. Each Partner and Withdrawn Partner shall promptly contribute to the Partnership, along with satisfying his or her comparable obligations to the Other Fund GPs, if any, upon such call such Partner's or Withdrawn Partner's GP-Related Recontribution Amount,

less the amount paid out of the Trust Account on behalf of such Partner or Withdrawn Partner by the Trustee(s) pursuant to written instructions from the Partnership, or if applicable, any of the Other Fund GPs with respect to Carried Interest (and/or Non-Carried Interest in the case of GP-Related Giveback Amounts) (the "Net GP-Related Recontribution Amount"), irrespective of the fact that the amounts in the Trust Account may be sufficient on an aggregate basis to satisfy the Partnership's and the Other Fund GPs' obligation under the Clawback Provisions and/or Giveback Provisions; provided, that to the extent a Partner's or Withdrawn Partner's share of the amount paid with respect to the Clawback Amount or the GP-Related Giveback Amount exceeds his or her GP-Related Recontribution Amount, such excess shall be repaid to such Partner or Withdrawn Partner as promptly as reasonably practicable, subject to clause (ii) below; provided further, that such written instructions from the General Partner shall specify each Partner's and Withdrawn Partner's GP-Related Recontribution Amount. Prior to such time, the General Partner may, in its discretion (but shall be under no obligation to), provide notice that in the General Partner's judgment, the potential obligations in respect of the Clawback Provisions or the Giveback Provisions will probably materialize (and an estimate of the aggregate amount of such obligations); provided further, that any amount from a Partner's Trust Account used to pay any GP-Related Giveback Amount (or such lesser amount as may be required by the General Partner) shall be contributed by such Partner to such Partner's Trust Account no later than 30 days after the Net GP-Related Recontribution Amount is paid with respect to such GP-Related Giveback Amount.

(B) To the extent any Partner or Withdrawn Partner has satisfied any Holdback obligation with Firm Collateral, such Partner or Withdrawn Partner shall, within 10 days of the General Partner's call for GP-Related Recontribution Amounts, make a cash payment into the Trust Account in an amount equal to the amount of the Holdback obligation satisfied with such Firm Collateral, or such lesser amount such that the amount in the Trust Account allocable to such Partner or Withdrawn Partner equals the sum of (I) such Partner's or Withdrawn Partner's GP-Related Recontribution Amount and (II) any similar amounts payable to any of the Other Fund GPs. Immediately upon receipt of such cash, the Trustee(s) shall take such steps as are necessary to release such Firm Collateral of such Partner or Withdrawn Partner equal to the amount of such cash payment. If the amount of such cash payment is less than the amount of Firm Collateral of such Partner or Withdrawn Partner, the balance of such Firm Collateral if any, shall be retained to secure the payment of GP-Related Deficiency Contributions, if any, and shall be fully released upon the satisfaction of the Partnership's and the Other Fund GPs' obligation to pay the Clawback Amount. The failure of any Partner or Withdrawn Partner to make a cash payment in accordance with this clause (B) (to the extent applicable) shall constitute a default under Section 5.8(d)(ii) as if such cash payment hereunder constitutes a Net GP-Related Recontribution Amount under Section 5.8(d)(ii). Solely to the extent required by the BREP Europe VII Partnership Agreement, each partner of the General Partner shall have the same obligations as a Partner (which obligations shall be subject to the same limitations as the obligations of a Partner) under this Section 5.8(d)(i)(B) and under Section 5.8(d)(ii)(A) with respect to such partner's pro rata share of any Clawback Amount and solely to the extent that the Partnership has insufficient funds to meet the Partnership's obligations under the BREP Europe VII Partnership Agreement.

(ii) (A) In the event any Partner or Withdrawn Partner (a "GP-Related Defaulting Party") fails to recontribute all or any portion of such GP-Related Defaulting Party's Net GP-Related Recontribution Amount for any reason, the General Partner shall require all other Partners and Withdrawn Partners to contribute, on a *pro rata* basis (based on each of their respective Carried Interest Give Back Percentages in the case of Clawback Amounts, and GP-Related Profit Sharing Percentages in the case of GP-Related Giveback Amounts (as more fully described in clause (II) of Section 5.8(d)(i)(A) above)), such amounts as are necessary to fulfill the GP-Related Defaulting Party's obligation to pay such GP-Related Defaulting Party's Net GP-Related Recontribution Amount (a "GP-Related Deficiency Contribution") if the General Partner determines in its good faith judgment that the Partnership (or an Other Fund GP) will be unable to collect such amount in cash from such GP-Related Defaulting Party for payment of the Clawback Amount or GP-Related Giveback Amount, as the case may be, at least 20 Business Days prior to the latest date that the Partnership, and the Other Fund GPs, if applicable, are permitted to pay the Clawback Amount or GP-Related Giveback Amount, as the case may be; provided, that, subject to Section 5.8(e), no Partner or Withdrawn Partner shall as a result of such GP-Related Deficiency Contribution be required to contribute an amount in excess of 167% of the amount of the Net GP-Related Recontribution Amount initially requested from such Partner or Withdrawn Partner in respect of such default.

(B) Thereafter, the General Partner shall determine in its good faith judgment that the Partnership should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the General Partner or (2) pursue any and all remedies (at law or equity) available to the Partnership against the GP-Related Defaulting Party, the cost of which shall be a Partnership expense to the extent not ultimately reimbursed by the GP-Related Defaulting Party. It is agreed that the Partnership shall have the right (effective upon such GP-Related Defaulting Party becoming a GP-Related Defaulting Party) to set-off as appropriate and apply against such GP-Related Defaulting Party's Net GP-Related Recontribution Amount any amounts otherwise payable to the GP-Related Defaulting Party by the Partnership or any Affiliate thereof (including amounts unrelated to Carried Interest, such as returns of capital and profit thereon). Each Partner and Withdrawn Partner hereby grants to the General Partner a security interest, effective upon such Partner or Withdrawn Partner becoming a GP-Related Defaulting Party, in all accounts receivable and other rights to receive payment from any Affiliate of the Partnership and agrees that, upon the effectiveness of such security interest, the General Partner may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Partner and Withdrawn Partner hereby appoints the General Partner as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Partner or Withdrawn Partner or in the name of the General Partner, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The General Partner shall be entitled to collect interest on the Net GP-Related Recontribution Amount of a GP-Related Defaulting Party from the date such Net GP-Related Recontribution Amount was required to be contributed to the Partnership at a rate equal to the Default Interest Rate.

(C) Any Partner's or Withdrawn Partner's failure to make a GP-Related Deficiency Contribution shall cause such Partner or Withdrawn Partner to be a GP-Related Defaulting Party with respect to such amount. The Partnership shall first seek any remaining Trust Amounts (and Trust Income thereon) allocated to such Partner or Withdrawn Partner to satisfy such Partner's or Withdrawn Partner's obligation to make a GP-Related Deficiency Contribution before seeking cash contributions from such Partner or Withdrawn Partner in satisfaction of such Partner's or Withdrawn Partner's obligation to make a GP-Related Deficiency Contribution.

(iii) In the event any Partner or Withdrawn Partner initially fails to recontribute all or any portion of such Partner or Withdrawn Partner's *pro rata* share of any Clawback Amount pursuant to Section 5.8(d)(i)(A), the Partnership shall use its reasonable efforts to collect the amount which such Partner or Withdrawn Partner so fails to recontribute.

(iv) A Partner's or Withdrawn Partner's obligation to make contributions to the Partnership under this Section 5.8(d) shall survive the commencement of winding up and subsequent dissolution of the Partnership.

(e) The Partners acknowledge that the General Partner will (and is hereby authorized to) take such steps as it deems appropriate, in its good faith judgment, to further the objective of providing for the fair and equitable treatment of all Partners, including by allocating Net Loss on Writedowns (as defined in the BREP Europe VII Agreements) on GP-Related BREP Europe VII Investments that have been the subject of a writedown and/or Net Loss (as defined in the BREP Europe VII Agreements) (each, a "Loss Investment") to those Partners who participated in such Loss Investments based on their Carried Interest Sharing Percentage therein to the extent that such Partners receive or have received Carried Interest distributions from other GP-Related BREP Europe VII Investments. Consequently and notwithstanding anything herein to the contrary, adjustments to Carried Interest distributions shall be made as set forth in this Section 5.8(e).

(i) At the time the Partnership is making Carried Interest distributions in connection with a GP-Related BREP Europe VII Investment (the "Subject Investment") that have been reduced under any BREP Europe VII Agreement as a result of one or more Loss Investments, the General Partner shall calculate amounts distributable to or due from each such Partner as follows:

(A) determine each Partner's share of each such Loss Investment based on his or her Carried Interest Sharing Percentage in each such Loss Investment (which may be zero) to the extent such Loss Investment has reduced the Carried Interest distributions otherwise available for distribution to all Partners (indirectly through the Partnership from BREP Europe VII) from the Subject Investment (such reduction, the "Loss Amount");

(B) determine the amount of Carried Interest distributions otherwise distributable to such Partner with respect to the Subject Investment (indirectly through the Partnership from BREP Europe VII) before any reduction in respect of the amount determined in clause (A) above (the "Unadjusted Carried Interest Distributions"); and

(C) subtract (I) the Loss Amounts relating to all Loss Investments from (II) the Unadjusted Carried Interest Distributions for such Partner, to determine the amount of Carried Interest distributions to actually be paid to such Partner ("Net Carried Interest Distribution").

To the extent that the Net Carried Interest Distribution for a Partner as calculated in this clause (i) is a negative number, the General Partner shall (I) notify such Partner, at or prior to the time such Carried Interest distributions are actually made to the Partners, of his or her obligation to recontribute to the Partnership prior Carried Interest distributions (a "Net Carried Interest Distribution Recontribution Amount"), up to the amount of such negative Net Carried Interest Distribution, and (II) to the extent amounts recontributed pursuant to clause (I) are insufficient to satisfy such negative Net Carried Interest Distribution amount, reduce future Carried Interest distributions otherwise due such Partner, up to the amount of such remaining negative Net Carried Interest Distribution. If a Partner's (x) Net Carried Interest Distribution Recontribution Amount exceeds (y) the aggregate amount of prior Carried Interest distributions less the amount of tax thereon, calculated based on the Assumed Tax Rate (as defined in the BREP Europe VII Agreements) in effect in the Fiscal Years of such distributions (the "Excess Tax-Related Amount"), then such Partner may, in lieu of paying such Partner's Excess Tax-Related Amount, defer such amounts as set forth below. Such deferred amount shall accrue interest at the Prime Rate. Such deferred amounts shall be reduced and repaid by the amount of Carried Interest otherwise distributable to such Partner in connection with future Carried Interest distributions until such balance is reduced to zero. Any deferred amounts shall be payable in full upon the earlier of (i) such time as the Clawback Amount is determined (as provided herein) and (ii) such time as the Partner becomes a Withdrawn Partner.

To the extent there is an amount of negative Net Carried Interest Distribution with respect to a Partner remaining after the application of this clause (i), notwithstanding clause (II) of the preceding paragraph, such remaining amount of negative Net Carried Interest Distribution shall be allocated to the other Partners pro rata based on each of their Carried Interest Sharing Percentages in the Subject Investment.

A Partner who fails to pay a Net Carried Interest Distribution Recontribution Amount promptly upon notice from the General Partner (as provided above) shall be deemed a GP-Related Defaulting Party for all purposes hereof.

A Partner may satisfy in part any Net Carried Interest Distribution Recontribution Amount from cash that is then subject to a Holdback, to the extent that the amounts that remain subject to a Holdback satisfy the Holdback requirements hereof as they relate to the reduced amount of aggregate Carried Interest distributions received by such Partner (taking into account any Net Carried Interest Distribution Recontribution Amount contributed to the Partnership by such Partner).

Any Net Carried Interest Distribution Recontribution Amount contributed by a Partner, including amounts of cash subject to a Holdback as provided above, shall increase the amount available for distribution to the other Partners as Carried Interest distributions with respect to the Subject Investment; provided, that any such amounts then subject to a Holdback may be so distributed to the other Partners to the extent a Partner receiving such distribution has satisfied the Holdback requirements with respect to such distribution (taken together with the other Carried Interest distributions received by such Partner to date).

(ii) In the case of Clawback Amounts which are required to be contributed to the Partnership as otherwise provided herein, the obligation of the Partners with respect to any Clawback Amount shall be adjusted by the General Partner as follows:

(A) determine each Partner's share of any Net Losses (as defined in the BREP Europe VII Agreements) in any GP-Related BREP Europe VII Investments which gave rise to the Clawback Amount (i.e., the Losses that followed the last GP-Related BREP Europe VII Investment with respect to which Carried Interest distributions were made), based on such Partner's Carried Interest Sharing Percentage in such GP-Related BREP Europe VII Investments;

(B) determine each Partner's obligation with respect to the Clawback Amount based on such Partner's Carried Interest Give Back Percentage as otherwise provided herein; and

(C) subtract the amount determined in clause (B) above from the amount determined in clause (A) above with respect to each Partner to determine the amount of adjustment to each Partner's share of the Clawback Amount (a Partner's "Clawback Adjustment Amount").

A Partner's share of the Clawback Amount shall for all purposes hereof be decreased by such Partner's Clawback Adjustment Amount, to the extent it is a negative number (except to the extent expressly provided below). A Partner's share of the Clawback Amount shall for all purposes hereof be increased by such Partner's Clawback Adjustment Amount (to the extent it is a positive number); provided, that in no way shall a Partner's aggregate obligation to satisfy a Clawback Amount as a result of this clause (ii) exceed the aggregate Carried Interest distributions received by such Partner. To the extent a positive Clawback Adjustment Amount remains after the application of this clause (ii) with respect to a Partner, such remaining Clawback Adjustment Amount shall be allocated to the Partners (including any Partner whose Clawback Amount was increased pursuant to this clause (ii)) *pro rata* based on their Carried Interest Give Back Percentages (determined without regard to this clause (ii)).

Any distribution or contribution adjustments pursuant to this Section 5.8(e) by the General Partner shall be based on its good faith judgment, and no Partner shall have any claim against the Partnership, the General Partner or any other Partners as a result of any adjustment made as set forth above. This Section 5.8(e) applies to all Partners, including Withdrawn Partners.

It is agreed and acknowledged that this Section 5.8(e) is an agreement among the Partners and in no way modifies the obligations of each Partner regarding the Clawback Amount as provided in the BREP Europe VII Agreements.

Section 5.9. Business Expenses. The Partnership shall reimburse the Partners for reasonable travel, entertainment and miscellaneous expenses incurred by them in the conduct of the Partnership's business in accordance with rules and regulations established by the General Partner from time to time.

Section 5.10. Tax Capital Accounts; Tax Allocations. (a) For U.S. federal income tax purposes, there shall be established for each Partner a single capital account combining such Partner's Capital Commitment Capital Account and GP-Related Capital Account, with such adjustments as the General Partner determines are appropriate so that such single capital account is maintained in compliance with the principles and requirements of Section 704(b) of the Code and the Treasury Regulations thereunder. In furtherance of the foregoing and in accordance with Treasury Regulations Section 1.1061-3(c)(3)(ii)(B), the Partnership shall (i) calculate separate allocations attributable to (A) the Carried Interest and any other distribution entitlements that are not commensurate with capital contributed to the Partnership, and (B) any distribution entitlements of the Partners that are commensurate with capital contributed to the Partnership (in each case, within the meaning of Treasury Regulations Section 1.1061-3(c)(3)(ii)(B) and as reasonably determined by the General Partner), and (ii) consistently reflect each such allocation in its books and records.

(b) All items of income, gain, loss, deduction and credit of the Partnership shall be allocated among the Partners for U.S. federal, state and local income tax purposes in the same manner as such items of income, gain, loss, deduction and credit shall be allocated among the Partners pursuant to this Agreement, except as may otherwise be provided herein or by the Code or other applicable law. In the event there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Treasury Regulations Sections 1.704-2(d) and 1.704-2(i)) during any taxable year of the Partnership, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to its respective share of such net decrease during such year, determined pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(f). In addition, this Agreement shall be considered to contain a "qualified income offset" as provided in Treasury Regulations Section 1.704-1(b)(2)(ii)(d). Notwithstanding the foregoing, the General Partner in its sole discretion shall make allocations for tax purposes as may be needed to ensure that allocations are in accordance with the interests of the Partners within the meaning of the Code and the Treasury Regulations.

(c) For U.S. federal, state and local income tax purposes only, Partnership income, gain, loss, deduction or expense (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in a manner corresponding to the manner in which corresponding items are allocated among the Partners pursuant to the other provisions of this Section 5.10; provided, that the General Partner may in its sole discretion make such allocations for tax purposes as it determines are appropriate so that allocations have substantial economic effect or are in accordance with the interests of the Partners, within the meaning of the Code and the Treasury Regulations thereunder. To the extent there is an adjustment by a taxing authority to any item of income, gain, loss, deduction or credit of the Partnership (or an adjustment to any Partner's distributive share thereof), the General Partner may reallocate the adjusted items among each Partner or former Partner (as determined by the General Partner) in accordance with the final resolution of such audit adjustment.

ARTICLE VI

ADDITIONAL PARTNERS; WITHDRAWAL OF PARTNERS;
SATISFACTION AND DISCHARGE OF
PARTNERSHIP INTERESTS; TERMINATION

Section 6.1. Additional Partners. (a) Effective on the first day of any month (or on such other date as shall be determined by the General Partner in its sole discretion), the General Partner shall have the right to admit one or more additional or substitute persons into the Partnership as Limited Partners or Special Partners. Each such person shall make the representations and certifications with respect to itself set forth in Section 3.6 and Section 3.7. The General Partner shall determine and negotiate with the additional Partner (which term shall include, without limitation, any substitute Partner) all terms of such additional Partner's participation in the Partnership, including the additional Partner's initial GP-Related Capital Contribution, Capital Commitment-Related Capital Contribution, GP-Related Profit Sharing Percentage and Capital Commitment Profit Sharing Percentage. Each additional Partner shall have such voting rights as may be determined by the General Partner from time to time unless, upon the admission to the Partnership of any Special Partner, the General Partner shall designate that such Special Partner shall not have such voting rights (any such Special Partner being called a "Nonvoting Special Partner"). Any additional Partner shall, as a condition to becoming a Partner, agree to become a party to, and be bound by the terms and conditions of, the Trust Agreement. If Blackstone or another or subsequent holder of an Investor Note approved by the General Partner for purposes of this Section 6.1(a) shall foreclose upon a Limited Partner's Investor Note issued to finance such Limited Partner's purchase of his or her Capital Commitment Interests, Blackstone or such other or subsequent holder shall succeed to such Limited Partner's Capital Commitment Interests and shall be deemed to have become a Limited Partner to such extent. Any additional Partner may have a GP-Related Partner Interest or a Capital Commitment Partner Interest, without having the other such interest.

(b) The GP-Related Profit Sharing Percentages, if any, to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the *pro rata* reduction in all other Partners' GP-Related Profit Sharing Percentages as of such date, shall be established by the General Partner pursuant to Section 5.3. The Capital Commitment Profit Sharing Percentages, if any, to be allocated to an additional Partner as of the date such Partner is admitted to the Partnership, together with the pro rata reduction in all other Partners' Capital Commitment Profit Sharing Percentages as of such date, shall be established by the General Partner. Notwithstanding any provision in this Agreement to the contrary, the General Partner is authorized, without the need for any further act, vote or consent of any person, to make adjustments to the GP-Related Profit Sharing Percentages as it determines necessary in its sole discretion in connection with any additional Partners admitted to the Partnership, adjustments with respect to other Partners of the Partnership and to give effect to other matters set forth herein, as applicable.

(c) An additional Partner shall be required to contribute to the Partnership his or her pro rata share of the Partnership's total capital, excluding capital in respect of GP-Related Investments and Capital Commitment Investments in which such Partner does not acquire any interests, at such times and in such amounts as shall be determined by the General Partner in accordance with Section 4.1 and Section 7.1.

(d) The admission of an additional Partner will be evidenced by (i) the execution of a deed of adherence to this Agreement by such additional Partner and/or such other documentation as may be required by the General Partner, or (ii) the execution of an amendment to this Agreement by the General Partner and the additional Partner, as determined by the General Partner, or (iii) the execution by such additional Partner of any other writing evidencing the intent of such person to become an additional Partner and to be bound by the terms of this Agreement and such writing being acceptable to the General Partner on behalf of the Partnership. In addition, each additional Partner shall sign a counterpart copy of the Trust Agreement or any other writing evidencing the intent of such person to become a party to the Trust Agreement that is acceptable to the General Partner on behalf of the Partnership.

Section 6.2. Withdrawal of Partners. (a) Any Partner may Withdraw voluntarily from the Partnership subject to the prior written consent of the General Partner, including if such Withdrawal would (i) cause the Partnership to be in default under any of its contractual obligations or (ii) in the reasonable judgment of the General Partner, have a material adverse effect on the Partnership or its business. Without limiting the foregoing sentence, the General Partner generally intends to permit voluntary Withdrawals on the last day of any calendar month (or on such other date as shall be determined by the General Partner in its sole discretion), on not less than 15 days' prior written notice by such Partner to the General Partner (or on such shorter notice period as may be mutually agreed upon between such Partner and the General Partner); provided, that a Partner may Withdraw from the Partnership with respect to such Partner's GP-Related Partner Interest without Withdrawing from the Partnership with respect to such Partner's Capital Commitment Partner Interest, and a Partner may Withdraw from the Partnership with respect to such Partner's Capital Commitment Partner Interest without Withdrawing from the Partnership with respect to such Partner's GP-Related Partner Interest.

(b) Upon the Withdrawal of any Partner, such Partner shall thereupon cease to be a Partner, except as expressly provided herein.

(c) Upon the Total Disability of a Limited Partner, such Partner shall thereupon cease to be a Limited Partner with respect to such person's GP-Related Partner Interest; provided, that the General Partner may elect to admit such Withdrawn Partner to the Partnership as a Nonvoting Special Partner with respect to such person's GP-Related Partner Interest, with such GP-Related Partner Interest as the General Partner may determine. The determination of whether any Partner has suffered a Total Disability shall be made by the General Partner in its sole discretion after consultation with a qualified medical doctor. In the absence of agreement between the General Partner and such Partner, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Total Disability.

(d) If the General Partner determines that it shall be in the best interests of the Partnership for any Partner (including any Partner who has given notice of voluntary Withdrawal pursuant to paragraph (a) above) to Withdraw from the Partnership (whether or not Cause exists) with respect to such person's GP-Related Partner Interest and/or with respect to such person's

Capital Commitment Partner Interest, such Partner, upon written notice by the General Partner to such Partner, shall be required to Withdraw with respect to such person's GP-Related Partner Interest and/or with respect to such person's Capital Commitment Partner Interest, as of a date specified in such notice, which date shall be on or after the date of such notice. If the General Partner requires any Partner to Withdraw for Cause with respect to such person's GP-Related Partner Interest and/or with respect to such person's Capital Commitment Partner Interest, such notice shall state that it has been given for Cause and shall describe the particulars thereof in reasonable detail.

(e) The Withdrawal from the Partnership of any Partner shall not, in and of itself, affect the obligations of the other Partners to continue the Partnership during the remainder of its term. A Withdrawn General Partner shall remain liable for all obligations of the Partnership incurred while it was a General Partner and resulting from its acts or omissions as a General Partner to the fullest extent provided by law.

Section 6.3. GP-Related Partner Interests Not Transferable. (a) No Partner may sell, assign, pledge, charge, grant a security interest over or otherwise transfer or encumber all or any portion of such Partner's GP-Related Partner Interest other than as permitted by written agreement between such Partner and the Partnership; provided, that subject to the Partnership Act, this Section 6.3 shall not impair transfers by operation of law, transfers by will or by other testamentary instrument occurring by virtue of the death or dissolution of a Partner, or transfers required by trust agreements; provided further, that, subject to the prior written consent of the General Partner, which shall not be unreasonably withheld, a Limited Partner may transfer, for estate planning purposes, up to 25% of his or her GP-Related Profit Sharing Percentage to any estate planning trust, limited partnership, or limited liability company with respect to which a Limited Partner controls investments related to any interest in the Partnership held therein (an "Estate Planning Vehicle"). Each Estate Planning Vehicle will be a Nonvoting Special Partner. Such Limited Partner and the Nonvoting Special Partner shall be jointly and severally liable for all obligations of both such Limited Partner and such Nonvoting Special Partner with respect to the Partnership (including the obligation to make additional GP-Related Capital Contributions), as the case may be. The General Partner may at its sole option exercisable at any time require any Estate Planning Vehicle to Withdraw from the Partnership on the terms of this Article VI. Except as provided in the second proviso to the first sentence of this Section 6.3, no assignee, legatee, distributee, heir or transferee (by conveyance, operation of law or otherwise) of the whole or any portion of any Partner's GP-Related Partner Interest shall have any right to be a Partner without the prior written consent of the General Partner (which consent may be given or withheld in its sole discretion without giving any reason therefor). Notwithstanding the granting of a security interest in the entire Interest of any Partner, such Partner shall continue to be a Partner of the Partnership.

(b) Notwithstanding any provision hereof to the contrary, no sale or transfer of any GP-Related Partner Interest in the Partnership may be made except in compliance with the Partnership Act, the laws of the Cayman Islands, and all U.S. federal, state and other applicable laws, including U.S. federal and state securities laws.

Section 6.4. Consequences upon Withdrawal of a Partner. (a) Subject to the Partnership Act, the General Partner may not transfer or assign its interest as a General Partner in the Partnership or its right to manage the affairs of the Partnership, except that the General Partner may, subject to the Partnership Act, with the prior written approval of a Majority in Interest of the Partners, admit another person as an additional or substitute General Partner who makes such representations with respect to itself as the General Partner deems necessary or appropriate (with regard to compliance with applicable law or otherwise); provided however, that the General Partner may, in its sole discretion, transfer all or part of its interest in the Partnership to a person who makes such representations with respect to itself as the General Partner deems necessary or appropriate (with regard to compliance with applicable law or otherwise) and who owns, directly or indirectly, the principal part of the business then conducted by the General Partner in connection with any liquidation, dissolution or reorganization of the General Partner, and, upon the assumption by such person of liability for all the obligations of the General Partner under, and its agreeing to be bound by, this Agreement and the filing of a statement pursuant to Section 10(2) of the Partnership Act, such person shall be admitted as the General Partner. A person who is so admitted as an additional or substitute General Partner shall thereby become a General Partner and shall have the right to manage the affairs of the Partnership and to vote as a Partner to the extent of the interest in the Partnership so acquired. The General Partner shall file, or cause to be filed, any statement required to be filed pursuant to Section 10 of the Partnership Act with the Cayman Islands Registrar of Exempted Limited Partnerships to give effect to the provisions of this Section 6.4(a). The General Partner shall not cease to be the general partner of the Partnership upon the collateral assignment of or the pledging, charging, or granting of a security interest in its entire Interest in the Partnership.

(b) Except as contemplated by Section 6.4(a) above, Withdrawal by a General Partner is not permitted. The Withdrawal of a Partner shall not commence the winding up of or dissolve the Partnership if at the time of such Withdrawal there are one or more remaining Partners satisfying the requirements of the Partnership Act, and any one or more of such remaining Partners continue the business of the Partnership (any and all such remaining Partners being hereby authorized to continue the business of the Partnership without commencement of winding up or dissolution and hereby agreeing to do so). Notwithstanding Section 6.4(c), if upon the Withdrawal of a Partner there shall be no remaining Limited Partners, the Partnership shall be wound up and subsequently dissolved unless, within 90 days after the occurrence of such Withdrawal, all remaining Special Partners agree (including by acting through the power of attorney granted pursuant to Section 10.11) in writing to continue the business of the Partnership and to the appointment, effective to the maximum extent permissible by the Partnership Act, as of the date of such Withdrawal, of one or more Limited Partners satisfying the requirements, and in accordance with, of the Partnership Act.

(c) The Partnership shall not commence winding up or be dissolved, in and of itself, by the Withdrawal of any Partner, but shall continue with the surviving or remaining Partners as partners thereof in accordance with and subject to the terms and provisions of this Agreement.

Section 6.5. Satisfaction and Discharge of a Withdrawn Partner's GP-Related Partner Interests. (a) The terms of this Section 6.5 shall apply to the GP-Related Partner Interest of a Withdrawn Partner, but, except as otherwise expressly provided in this Section 6.5, shall not apply to the Capital Commitment Partner Interest of a Withdrawn Partner. For purposes of this Section 6.5, the term "Settlement Date" means the date as of which a Withdrawn Partner's GP-Related Partner Interest in the Partnership is settled as determined under paragraph (b) below. Notwithstanding the foregoing, any Limited Partner who Withdraws from the Partnership, and all or any portion of whose GP-Related Partner Interest is retained as a Special Partner, shall be considered a Withdrawn Partner for all purposes hereof.

(b) Except where a later date for the settlement of a Withdrawn Partner's GP-Related Partner Interest in the Partnership may be agreed to by the General Partner and a Withdrawn Partner, a Withdrawn Partner's Settlement Date shall be his or her Withdrawal Date; provided, that if a Withdrawn Partner's Withdrawal Date is not the last day of a month, then the General Partner may elect for such Withdrawn Partner's Settlement Date to be the last day of the month in which his or her Withdrawal Date occurs. During the interval, if any, between a Withdrawn Partner's Withdrawal Date and Settlement Date, such Withdrawn Partner shall have the same rights and obligations with respect to GP-Related Capital Contributions, interest on capital, allocations of GP-Related Net Income (Loss) and distributions as would have applied had such Withdrawn Partner remained a Partner of the Partnership during such period.

(c) In the event of the Withdrawal of a Partner, with respect to such Withdrawn Partner's GP-Related Partner Interest, the General Partner shall promptly after such Withdrawn Partner's Settlement Date (i) determine and allocate to the Withdrawn Partner's GP-Related Capital Accounts such Withdrawn Partner's allocable share of the GP-Related Net Income (Loss) of the Partnership for the period ending on such Settlement Date in accordance with Article V and (ii) credit the Withdrawn Partner's GP-Related Capital Accounts with interest in accordance with Section 5.2. In making the foregoing calculations, the General Partner shall be entitled to establish such reserves (including reserves for taxes, bad debts, unrealized losses, actual or threatened litigation or any other expenses, contingencies or obligations) as it deems appropriate. Unless otherwise determined by the General Partner in a particular case, a Withdrawn Partner shall not be entitled to receive any GP-Related Unallocated Percentage in respect of the accounting period during which such Partner Withdraws from the Partnership (whether or not previously awarded or allocated) or any GP-Related Unallocated Percentage in respect of prior accounting periods that have not been paid or allocated (whether or not previously awarded) as of such Withdrawn Partner's Withdrawal Date.

(d) From and after the Settlement Date of the Withdrawn Partner, the Withdrawn Partner's GP-Related Profit Sharing Percentages shall, unless otherwise allocated by the General Partner pursuant to Section 5.3(a), be deemed to be GP-Related Unallocated Percentages (except for GP-Related Profit Sharing Percentages with respect to GP-Related Investments as provided in paragraph (f) below).

(e) (i) Upon the Withdrawal from the Partnership of a Partner with respect to such Partner's GP-Related Partner Interest, such Withdrawn Partner thereafter shall not, except as expressly provided in this Section 6.5, have any rights of a Partner (including voting rights) with respect to such Partner's GP-Related Partner Interest, and, except as expressly provided in this Section 6.5, such Withdrawn Partner shall not have any interest in the Partnership's GP-Related Net Income (Loss), or in distributions related to such Partner's GP-Related Partner Interest, GP-Related Investments or other assets related to such Partner's GP-Related Partner Interest. If a Partner Withdraws from the Partnership with respect to such Partner's GP-Related Partner Interest for any reason other than for Cause pursuant to Section 6.2, then the Withdrawn Partner shall be entitled to receive, at the time or times specified in Section 6.5(i) below, in satisfaction and

discharge in full of the Withdrawn Partner's GP-Related Partner Interest in the Partnership, (x) payment equal to the aggregate credit balance, if any, as of the Settlement Date of the Withdrawn Partner's GP-Related Capital Accounts, (excluding any GP-Related Capital Account or portion thereof attributable to any GP-Related Investment) and (y) the Withdrawn Partner's percentage interest attributable to each GP-Related Investment in which the Withdrawn Partner has an interest as of the Settlement Date as provided in paragraph (f) below (which shall be settled in accordance with paragraph (f) below), subject to all the terms and conditions of paragraphs (a)-(r) of this Section 6.5. If the amount determined pursuant to clause (x) above is an aggregate negative balance, the Withdrawn Partner shall pay the amount thereof to the Partnership upon demand by the General Partner on or after the date of the statement referred to in Section 6.5(i) below; provided, that if the Withdrawn Partner was solely a Special Partner on his or her Withdrawal Date, such payment shall be required only to the extent of any amounts payable to such Withdrawn Partner pursuant to this Section 6.5. Any aggregate negative balance in the GP-Related Capital Accounts of a Withdrawn Partner who was solely a Special Partner, upon the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5, shall be allocated among the other Partners' GP-Related Capital Accounts in accordance with their respective GP-Related Profit Sharing Percentages in the categories of GP-Related Net Income (Loss) giving rise to such negative balance as determined by the General Partner as of such Withdrawn Partner's Settlement Date. In the settlement of any Withdrawn Partner's GP-Related Partner Interest in the Partnership, no value shall be ascribed to goodwill, the Partnership name or the anticipation of any value the Partnership or any successor thereto might have in the event the Partnership or any interest therein were to be sold in whole or in part.

(ii) Notwithstanding clause (i) of this Section 6.5(e), in the case of a Partner whose Withdrawal with respect to such Partner's GP-Related Partner Interest resulted from such Partner's death or Incompetence, such Partner's estate or legal representative, as the case may be, may elect, at the time described below, to receive a Nonvoting Special Partner GP-Related Partner Interest and retain such Partner's GP-Related Profit Sharing Percentage in all (but not less than all) illiquid investments of the Partnership in lieu of a cash payment (or Investor Note) in settlement of that portion of the Withdrawn Partner's GP-Related Partner Interest. The election referred to above shall be made within 60 days after the Withdrawn Partner's Settlement Date, based on a statement of the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5.

(f) For purposes of clause (y) of paragraph (e)(i) above, a Withdrawn Partner's "percentage interest" means his or her GP-Related Profit Sharing Percentage as of the Settlement Date in the relevant GP-Related Investment. The Withdrawn Partner shall retain his or her percentage interest in such GP-Related Investment and shall retain his or her GP-Related Capital Account or portion thereof attributable to such GP-Related Investment, in which case such Withdrawn Partner (a "Retaining Withdrawn Partner") shall become and remain a Special Partner for such purpose (and, if the General Partner so designates, such Special Partner shall be a Nonvoting Special Partner). The GP-Related Partner Interest of a Retaining Withdrawn Partner pursuant to this paragraph (f) shall be subject to the terms and conditions applicable to GP-Related Partner Interests of any kind hereunder and such other terms and conditions as are established by the General Partner. At the option of the General Partner in its sole discretion, the General Partner and the Retaining Withdrawn Partner may agree to have the Partnership acquire such GP-Related Partner Interest without the approval of the other Partners; provided, that the General Partner shall reflect in the books and records of the Partnership the terms of any acquisition pursuant to this sentence.

(g) The General Partner may elect, in lieu of payment in cash of any amount payable to a Withdrawn Partner pursuant to paragraph (e) above, to (i) have the Partnership issue to the Withdrawn Partner a subordinated promissory note and/or to (ii) distribute in kind to the Withdrawn Partner such Withdrawn Partner's pro rata share (as determined by the General Partner) of any securities or other investments of the Partnership in relation to such Partner's GP-Related Partner Interest. If any securities or other investments are distributed in kind to a Withdrawn Partner under this paragraph (g), the amount described in clause (x) of paragraph (e)(i) shall be reduced by the value of such distribution as valued on the latest balance sheet of the Partnership in accordance with generally accepted accounting principles or, if not appearing on such balance sheet, as reasonably determined by the General Partner.

(h) [Intentionally omitted.]

(i) Within 120 days after each Settlement Date, the General Partner shall submit to the Withdrawn Partner a statement of the settlement of such Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5 together with any cash payment, subordinated promissory note and in kind distributions to be made to such Partner as shall be determined by the General Partner. The General Partner shall submit to the Withdrawn Partner supplemental statements with respect to additional amounts payable to or by the Withdrawn Partner in respect of the settlement of his or her GP-Related Partner Interest in the Partnership (e.g., payments in respect of GP-Related Investments pursuant to paragraph (f) above or adjustments to reserves pursuant to paragraph (j) below) promptly after such amounts are determined by the General Partner. To the fullest extent permitted by law, such statements and the valuations on which they are based shall be accepted by the Withdrawn Partner without examination of the accounting books and records of the Partnership or other inquiry. Any amounts payable by the Partnership to a Withdrawn Partner pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment or provision for payment in full of claims of all present or future creditors of the Partnership or any successor thereto arising out of matters occurring prior to the applicable date of payment or distribution; provided, that such Withdrawn Partner shall otherwise rank pari passu in right of payment (x) with all persons who become Withdrawn Partners and whose Withdrawal Date is within one year before the Withdrawal Date of the Withdrawn Partner in question and (y) with all persons who become Withdrawn Partners and whose Withdrawal Date is within one year after the Withdrawal Date of the Withdrawn Partner in question.

(j) If the aggregate reserves established by the General Partner as of the Settlement Date in making the foregoing calculations should prove, in the determination of the General Partner, to be excessive or inadequate, the General Partner may elect, but shall not be obligated, to pay the Withdrawn Partner or his or her estate such excess, or to charge the Withdrawn Partner or his or her estate such deficiency, as the case may be.

(k) Any amounts owed by the Withdrawn Partner to the Partnership at any time on or after the Settlement Date (e.g., outstanding Partnership loans or advances to such Withdrawn Partner) shall be offset against any amounts payable or distributable by the Partnership to the Withdrawn Partner at any time on or after the Settlement Date or shall be paid by the Withdrawn Partner to the Partnership, in each case as determined by the General Partner. All cash amounts payable by a Withdrawn Partner to the Partnership under this Section 6.5 shall bear interest from the due date to the date of payment at a floating rate equal to the lesser of (x) the Prime Rate or (y) the maximum rate of interest permitted by applicable law. The "due date" of amounts payable by a Withdrawn Partner pursuant to Section 6.5(i) above shall be 120 days after a Withdrawn Partner's Settlement Date. The "due date" of amounts payable to or by a Withdrawn Partner in respect of GP-Related Investments for which the Withdrawn Partner has retained a percentage interest in accordance with paragraph (f) above shall be 120 days after realization with respect to such GP-Related Investment. The "due date" of any other amounts payable by a Withdrawn Partner shall be 60 days after the date such amounts are determined to be payable.

(l) At the time of the settlement of any Withdrawn Partner's GP-Related Partner Interest in the Partnership pursuant to this Section 6.5, the General Partner may, to the fullest extent permitted by applicable law, impose any restrictions it deems appropriate on the assignment, pledge, charge, grant of a security interest, encumbrance or other transfer by such Withdrawn Partner of any interest in any GP-Related Investment retained by such Withdrawn Partner, any securities or other investments distributed in kind to such Withdrawn Partner or such Withdrawn Partner's right to any payment from the Partnership.

(m) If a Partner is required to Withdraw from the Partnership with respect to such Partner's GP-Related Partner Interest for Cause pursuant to Section 6.2(d), then his or her GP-Related Partner Interest shall be settled in accordance with paragraphs (a)-(r) of this Section 6.5; provided, that the General Partner may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) In settling the Withdrawn Partner's interest in any GP-Related Investment in which he or she has an interest as of his or her Settlement Date, the General Partner may elect to (A) determine the GP-Related Unrealized Net Income (Loss) attributable to each such GP-Related Investment as of the Settlement Date and allocate to the appropriate GP-Related Capital Account of the Withdrawn Partner his or her allocable share of such GP-Related Unrealized Net Income (Loss) for purposes of calculating the aggregate balance of such Withdrawn Partner's GP-Related Capital Account pursuant to clause (x) of paragraph (e)(i) above, (B) credit or debit, as applicable, the Withdrawn Partner with the balance of his or her GP-Related Capital Account or portion thereof attributable to each such GP-Related Investment as of his or her Settlement Date without giving effect to the GP-Related Unrealized Net Income (Loss) from such GP-Related Investment as of his or her Settlement Date, which shall be forfeited by the Withdrawn Partner or (C) apply the provisions of paragraph (f) above; provided, that the maximum amount of GP-Related Net Income (Loss) allocable to such Withdrawn Partner with respect to any GP-Related Investment shall equal such Partner's percentage interest of the GP-Related Unrealized Net Income, if any, attributable to such GP-Related Investment as of the Settlement Date (the balance of such GP-Related Net Income (Loss), if any, shall be allocated as determined by the General Partner). The Withdrawn Partner shall not have any continuing interest in any GP-Related Investment to the extent an election is made pursuant to (A) or (B) above.

(ii) Any amounts payable by the Partnership to the Withdrawn Partner pursuant to this Section 6.5 shall be subordinate in right of payment and subject to the prior payment in full of claims of all present or future creditors of the Partnership or any successor thereto arising out of matters occurring prior to or on or after the applicable date of payment or distribution.

(n) The payments to a Withdrawn Partner pursuant to this Section 6.5 may be conditioned on the compliance by such Withdrawn Partner with any lawful and reasonable (under the circumstances) restrictions against engaging or investing in a business competitive with that of the Partnership or any of its subsidiaries and Affiliates for a period not exceeding two years determined by the General Partner. Upon written notice to the General Partner, any Withdrawn Partner who is subject to noncompetition restrictions established by the General Partner pursuant to this paragraph (n) may elect to forfeit the principal amount payable in the final installment of his or her subordinated promissory note, together with interest to be accrued on such installment after the date of forfeiture, in lieu of being bound by such restrictions.

(o) In addition to the foregoing, the General Partner shall have the right to pay a Withdrawn Partner (other than the General Partner) a discretionary additional payment in an amount and based upon such circumstances and conditions as it determines to be relevant.

(p) The provisions of this Section 6.5 shall apply to any Investor Special Partner relating to a Limited Partner or Special Partner and to any transferee of any GP-Related Partner Interest of such Partner pursuant to Section 6.3 if such Partner Withdraws from the Partnership.

(q) (i) The Partnership will assist a Withdrawn Partner or his or her estate or guardian, as the case may be, in the settlement of the Withdrawn Partner's GP-Related Partner Interest in the Partnership. Third party costs incurred by the Partnership in providing this assistance will be borne by the Withdrawn Partner or his or her estate.

(ii) The General Partner may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Partners or their estates or guardians, as referred to above. In such instances, the General Partner will obtain the prior approval of a Withdrawn Partner or his or her estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Partner (or his or her estate or guardian) declines to incur such costs, the General Partner will provide such reasonable assistance as and when it can so as not to interfere with the Partnership's day-to-day operating, financial, tax and other related responsibilities to the Partnership and the Partners.

(r) To the extent permitted by applicable law, each Partner (other than the General Partner) hereby irrevocably appoints the General Partner as such Partner's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Partner's name, place and stead, to make, execute, sign and file, on behalf of such Partner, any and all agreements, instruments, consents, ratifications, documents and certificates which the General Partner deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 6.5, including, without limitation, the performance of any obligation of such Partner or the Partnership or the exercise of any right of such Partner or the Partnership. Such

power of attorney is intended to secure a proprietary interest of the General Partner or the performance of an obligation owed to the General Partner under this Agreement, shall be irrevocable and, to the extent permitted by applicable law, shall survive and continue in full force and effect notwithstanding the Withdrawal from the Partnership of any Partner for any reason and shall not be affected by the death, disability or incapacity of such Partner.

Section 6.6. Dissolution of the Partnership. The General Partner may wind up and subsequently dissolve the Partnership prior to the expiration of its term at any time on giving not less than sixty (60) days' notice of the commencement of winding up to the other Partners and, upon completion of the winding up of the Partnership, by filing a notice pursuant to Section 36(2) of the Partnership Act. Upon the commencement of winding up of the Partnership, the Partners' respective interests in the Partnership shall be valued and settled in accordance with the procedures set forth in Section 5.10, Section 6.5, Section 8.1 and Article IX.

Section 6.7. Certain Tax Matters. (a) The General Partner shall determine all matters concerning allocations for tax purposes not expressly provided for herein in its sole discretion.

(b) The General Partner shall cause to be prepared all U.S. federal, state and local tax returns of the Partnership for each year for which such returns are required to be filed and, after approval of such returns by the General Partner, shall cause such returns to be timely filed. The General Partner shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Partnership and the accounting methods and conventions under the tax laws of the United States, the several States and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The General Partner may cause the Partnership to make or refrain from making any and all elections permitted by such tax laws. Each Partner agrees that he or she shall not, unless he or she provides prior notice of such action to the Partnership, (i) treat, on his or her individual income tax returns, any item of income, gain, loss, deduction or credit relating to his or her interest in the Partnership in a manner inconsistent with the treatment of such item by the Partnership as reflected on the Form K-1 or other information statement furnished by the Partnership to such Partner for use in preparing his or her income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Partnership, the filing of any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Partnership, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Tax Matters Partner (as defined below) shall be authorized to act for, and his or her decision shall be final and binding upon, the Partnership and all Partners except to the extent a Partner shall properly elect to be excluded from such proceeding pursuant to the Code, (B) all expenses incurred by the Tax Matters Partner in connection therewith (including, without limitation, attorneys', accountants' and other experts' fees and disbursements) shall be expenses of the Partnership and (C) no Partner shall have the right to (1) participate in the audit of any Partnership tax return, (2) file any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Partnership (unless he or she provides prior notice of such action to the Partnership as provided above), (3) participate in any administrative or judicial proceedings conducted by the Partnership or the Tax Matters Partner arising out of or in connection with any

such audit, amended return, claim for refund or denial of such claim, or (4) appeal, challenge or otherwise protest any adverse findings in any such audit conducted by the Partnership or the Tax Matters Partner or with respect to any such amended return or claim for refund filed by the Partnership or the Tax Matters Partner or in any such administrative or judicial proceedings conducted by the Partnership or the Tax Matters Partner. The Partnership and each Partner hereby designate any Partner selected by the General Partner as the "partnership representative" (as defined under the Code) (the "Tax Matters Partner"). To the fullest extent permitted by applicable law, each Partner agrees to indemnify and hold harmless the Partnership and all other Partners from and against any and all liabilities, obligations, damages, deficiencies and expenses resulting from any breach or violation by such Partner of the provisions of this Section 6.7 and from all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including reasonable attorneys' fees and disbursements, incident to any such breach or violation.

(c) Each individual Partner shall provide to the Partnership copies of each U.S. federal, state and local income tax return of such Partner (including any amendment thereof) within 30 days after filing such return.

(d) To the extent the General Partner reasonably determines that the Partnership (or any entity in which the Partnership holds an interest) is or may be required by law to withhold or to make tax payments, including interest and penalties on such amounts, on behalf of or with respect to any Partner, or as a result of a Partner's participation in the Partnership or as a result of a Partner's failure to provide requested tax information, including pursuant to Section 6225 or Section 1466(f) of the Code ("Tax Advances"), the General Partner may withhold or escrow such amounts or make such tax payments as so required. All Tax Advances made on behalf of a Partner shall, at the option of the General Partner, (i) be promptly paid to the Partnership by the Partner on whose behalf such Tax Advances were made or (ii) be repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made to such Partner or, if such distributions are not sufficient for that purpose, by so reducing the proceeds upon dissolution of the Partnership otherwise payable to such Partner. Whenever the General Partner selects option (ii) pursuant to the preceding sentence for repayment of a Tax Advance by a Partner, for all other purposes of this Agreement such Partner shall be treated as having received all distributions (whether before or upon winding up or dissolution of the Partnership) unreduced by the amount of such Tax Advance. To the fullest extent permitted by law, each Partner hereby agrees to indemnify and hold harmless the Partnership and the other Partners from and against any liability (including, without limitation, any liability for taxes, penalties, additions to tax or interest) with respect to income attributable to or distributions or other payments to such Partner. The obligations of a Partner set forth in this Section 6.7(d) shall survive the Withdrawal of any Partner from the Partnership or any Transfer of a Partner's interest.

(e) To the extent that any taxes are imposed on the Partnership (or any entity in which the Partnership invests that is treated as a flow-through entity for relevant tax purposes) with respect to income of the Partnership (or such entity) in lieu of taxes imposed directly on a Partner with respect to such income (including any state or local income taxes), whether by election of the Partnership or the General Partner or otherwise, such amounts shall be deemed to have been distributed to such Partner. To the fullest extent permitted by law, each Partner hereby agrees to indemnify and hold harmless the Partnership and the other Partners from and against any liability (including, without limitation, any liability for taxes, penalties, additions to tax or interest) with respect to any such tax payments. The obligations of a Partner set forth in this Section 6.7(e) shall survive the Withdrawal of any Partner from the Partnership or any Transfer of a Partner's interest.

Section 6.8. Special Basis Adjustments. In connection with any assignment or transfer of a Partnership interest permitted by the terms of this Agreement, the General Partner may cause the Partnership, on behalf of the Partners and at the time and in the manner provided in Treasury Regulations Section 1.754-1(b), to make an election to adjust the basis of the Partnership's property in the manner provided in Sections 734(b) and 743(b) of the Code.

## ARTICLE VII

## CAPITAL COMMITMENT INTERESTS; CAPITAL CONTRIBUTIONS; ALLOCATIONS; DISTRIBUTIONS

Section 7.1. Capital Commitment Interests, etc. (a) This Article VII and Article VII hereof set forth certain terms and conditions with respect to the Capital Commitment Partner Interests and the Capital Commitment BREP Europe VII Interest and matters related to the Capital Commitment Partner Interests and the Capital Commitment BREP Europe VII Interest. Except as otherwise expressly provided in this Article VII or in Article VII, the terms and provisions of this Article VII and Article VII shall not apply to the GP-Related Partner Interests or the GP-Related BREP Europe VII Interest.

(b) Each Partner, severally, agrees to make contributions of capital to the Partnership ("Capital Commitment-Related Capital Contributions") as required to fund the Partnership's capital contributions to BREP Europe VII or Associates Europe VII in respect of the Capital Commitment BREP Europe VII Interest, if any, and the related Capital Commitment BREP Europe VII Commitment, if any (including, without limitation, funding all or a portion of the Blackstone Capital Commitment). No Partner shall be obligated to make Capital Commitment-Related Capital Contributions to the Partnership in an amount in excess of such Partner's Capital Commitment-Related Commitment. The Commitment Agreements and SMD Agreements, if any, of the Partners may include provisions with respect to the foregoing matters. It is understood that a Partner will not necessarily participate in each Capital Commitment Investment (which may include additional amounts invested in an existing Capital Commitment Investment) nor will a Partner necessarily have the same Capital Commitment Profit Sharing Percentage with respect to (i) the Partnership's portion of the Blackstone Capital Commitment or (ii) the making of each Capital Commitment Investment in which such Partner participates; provided, that this in no way limits the terms of any Commitment Agreement or SMD Agreement. In addition, nothing contained herein shall be construed to give any Partner the right to obtain financing with respect to the purchase of any Capital Commitment Interest, and nothing contained herein shall limit or dictate the terms upon which the Partnership and its Affiliates may provide such financing. The acquisition of a Capital Commitment Interest by a Partner shall be evidenced by receipt by the Partnership of funds equal to such Partner's Capital Commitment-Related Commitment then due with respect to such Capital Commitment Interest and such appropriate documentation as the General Partner may submit to the Partners from time to time.

(c) The Partnership or one of its Affiliates (in such capacity, the "Advancing Party") may in its sole discretion advance to any Partner (including any additional Partner admitted to the Partnership pursuant to Section 6.1 but excluding any Partners that are also executive officers of Blackstone) all or any portion of the Capital Commitment-Related Capital Contributions due to the Partnership from such Partner with respect to any Capital Commitment Investment ("Firm Advances"). Each such Partner shall pay interest to the Advancing Party on each Firm Advance from the date of such Firm Advance until the repayment thereof by such Partner. Each Firm Advance shall be repayable in full, including accrued interest to the date of such repayment, upon prior written notice by the Advancing Party. The making and repayment of each Firm Advance shall be recorded in the books and records of the Partnership, and such recording shall be conclusive evidence of each such Firm Advance, binding on the Partner and the Advancing Party absent manifest error. Except as provided below, the interest rate applicable to a Firm Advance shall equal the cost of funds of the Advancing Party at the time of the making of such Firm Advance. The Advancing Party shall inform any Partner of such rate upon such Partner's request; provided, that such interest rate shall not exceed the maximum interest rate allowable by applicable law; provided further, that amounts that are otherwise payable to such Partner pursuant to Section 7.4(a) shall be used to repay such Firm Advance (including interest thereon). The Advancing Party may, in its sole discretion, change the terms of Firm Advances (including the terms contained herein) and/or discontinue the making of Firm Advances; provided, that (i) the Advancing Party shall notify the relevant Partners of any material changes to such terms and (ii) the interest rate applicable to such Firm Advances and overdue amounts thereon shall not exceed the maximum interest rate allowable by applicable law.

Section 7.2. Capital Commitment Capital Accounts. (a) There shall be established for each Partner in the books of the Partnership as of the date of formation of the Partnership, or such later date on which such Partner is admitted to the Partnership, and on each such other date as such Partner first acquires a Capital Commitment Interest in a particular Capital Commitment Investment, a Capital Commitment Capital Account for each Capital Commitment Investment in which such Partner acquires a Capital Commitment Interest on such date. Each Capital Commitment-Related Capital Contribution of a Partner shall be credited to the appropriate Capital Commitment Capital Account of such Partner on the date such Capital Commitment-Related Capital Contribution is paid to the Partnership. Capital Commitment Capital Accounts shall be adjusted to reflect any transfer of a Partner's interest in the Partnership related to his or her Capital Commitment Partner Interest as provided in this Agreement.

(b) A Partner shall not have any obligation to the Partnership or to any other Partner to restore any negative balance in the Capital Commitment Capital Account of such Partner. Until distribution of any such Partner's interest in the Partnership with respect to a Capital Commitment Interest as a result of the disposition by the Partnership of the related Capital Commitment Investment and in whole upon the winding up and dissolution of the Partnership, neither such Partner's Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption except with the consent of the General Partner.

Section 7.3. Allocations. (a) Capital Commitment Net Income (Loss) of the Partnership for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Partners (including the General Partner) participating in such Capital Commitment Investment in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment. Capital Commitment Net Income (Loss) on any Unallocated Capital Commitment Interest shall be allocated to each Partner in the proportion which such Partner's aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Partners; provided, that if any Partner makes the election provided for in Section 7.6, Capital Commitment Net Income (Loss) of the Partnership for each Capital Commitment Investment shall be allocated to the related Capital Commitment Capital Accounts of all the Partners participating in such Capital Commitment Investment who do not make such election in proportion to their respective Capital Commitment Profit Sharing Percentages for such Capital Commitment Investment.

(b) Any special costs relating to distributions pursuant to Section 7.6 or Section 7.7 shall be specially allocated to the electing Partner.

(c) Notwithstanding the foregoing, the General Partner may make such allocations as it deems reasonably necessary to give economic effect to the provisions of this Agreement, taking into account facts and circumstances as the General Partner deems reasonably necessary for this purpose.

Section 7.4. Distributions.

(a) Each Partner's allocable portion of Capital Commitment Net Income received from his or her Capital Commitment Investments, distributions to such Partner that constitute returns of capital, and other Capital Commitment Net Income of the Partnership (including, without limitation, Capital Commitment Net Income attributable to Unallocated Capital Commitment Interests) during a Fiscal Year of the Partnership will be credited to payment of the Investor Notes to the extent required below as of the last day of such Fiscal Year (or on such earlier date as related distributions are made in the sole discretion of the General Partner) with any cash amount distributable to such Partner pursuant to clauses (ii) and (vii) below to be distributed, subject to applicable law, within 45 days after the end of each Fiscal Year of the Partnership (or in each case on such earlier date as selected by the General Partner in its sole discretion) as follows (subject to Section 7.4(c) below):

(i) First, to the payment of interest then due on all Investor Notes (relating to Capital Commitment Investments or otherwise) of such Partner (to the extent Capital Commitment Net Income and distributions or payments from Other Sources do not equal or exceed all interest payments due, the selection of those of such Partner's Investor Notes upon which interest is to be paid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor);

(ii) Second, to distribution to the Partner of an amount equal to the U.S. federal, state and local income taxes on income of the Partnership allocated to such Partner for such year in respect of such Partner's Capital Commitment Partner Interest (the aggregate amount of any such distribution shall be determined by the General Partner, subject to the limitation that the minimum aggregate amount of such distribution be the tax that would be payable if the taxable income of the Partnership related to all Partners' Capital Commitment Partner Interests were all allocated to an individual subject to the then-prevailing maximum rate of U.S. federal, New York State and New York City taxes

(including, without limitation, taxes imposed under Section 1411 of the Code), taking into account the character of such taxable income allocated by the Partnership and the limitations on deductibility of expenses and other items for U.S. federal income tax purposes); provided, that additional amounts shall be paid to the Partner pursuant to this clause (ii) to the extent that such amount reduces the amount otherwise distributable to the Partner pursuant to a comparable provision in any other BE Agreement and there are not sufficient amounts to fully satisfy such provision from the relevant partnership or other entity; provided further, that amounts paid pursuant to the provisions in such other BE Agreements comparable to the immediately preceding proviso shall reduce those amounts otherwise distributable to the Partner pursuant to provisions in such other BE Agreements that are comparable to this clause (ii);

(iii) Third, to the payment in full of the principal amount of the Investor Note financing (A) any Capital Commitment Investment disposed of during or prior to such Fiscal Year or (B) any BE Investments (other than Capital Commitment Investments) disposed of during or prior to such Fiscal Year, to the extent not repaid from Other Sources;

(iv) Fourth, to the return to such Partner of (A) all Capital Commitment-Related Capital Contributions made in respect of the Capital Commitment Interest to which any Capital Commitment Investment disposed of during or prior to such Fiscal Year relates or (B) all capital contributions made to any Blackstone Entity (other than the Partnership) in respect of interests therein relating to BE Investments (other than Capital Commitment Investments) disposed of during or prior to such Fiscal Year (including all principal paid on the related Investor Notes), to the extent not repaid from amounts of Other Sources (other than amounts of Capital Commitment Partner Carried Interest);

(v) Fifth, to the payment of principal (including any previously deferred amounts) then owing under all other Investor Notes of such Partner (including those unrelated to the Partnership), the selection of those of such Partner's Investor Notes to be repaid and the division of payments among such Investor Notes to be determined by the Lender or Guarantor;

(vi) Sixth, up to 50% of any Capital Commitment Net Income remaining after application pursuant to clauses (i) through (v) above shall be applied pro rata to prepayment of principal of all remaining Investor Notes of such Partner (including those unrelated to the Partnership), the selection of those of such Partner's Investor Notes to be repaid, the division of payments among such Investor Notes and the percentage of remaining Capital Commitment Net Income to be applied thereto to be determined by the Lender or Guarantor; and

(vii) Seventh, to such Partner to the extent of any amount of Capital Commitment Net Income remaining after making the distributions in clauses (i) through (vi) above, and such amount is not otherwise required to be applied to Investor Notes pursuant to the terms thereof.

To the extent there is a partial disposition of a Capital Commitment Investment or any other BE Investment, as applicable, the payments in clauses (iii) and (iv) above shall be based on that portion of the Capital Commitment Investment or other BE Investment, as applicable, disposed of, and the principal amount and related interest payments of such Investor Note shall be adjusted to reflect such partial payment so that there are equal payments over the remaining term of the related Investor Note. For a Partner who is no longer an employee or officer of Holdings or an Affiliate thereof, distributions shall be made pursuant to clauses (i) through (iii) above, and then, unless the Partnership or its Affiliate has exercised its rights pursuant to Section 8.1 hereof, any remaining income or other distribution in respect of such Partner's Capital Commitment Partner Interest shall be applied to the prepayment of the outstanding Investor Notes of such Partner, until all such Partner's Investor Notes have been repaid in full, with any such income or other distribution remaining thereafter distributed to such Partner.

Distributions of Capital Commitment Net Income may be made at any other time at the discretion of the General Partner. At the General Partner's discretion, any amounts distributed to a Partner in respect of such Partner's Capital Commitment Partner Interest will be net of any interest and principal payable on his or her Investor Notes for the full period in respect of which the distribution is made.

(b) [Intentionally omitted.]

(c) To the extent that the foregoing Partnership distributions and distributions and payments from Other Sources are insufficient to satisfy any principal and/or interest due on Investor Notes, and to the extent that the General Partner in its sole discretion elects to apply this paragraph (c) to any individual payments due, such unpaid interest will be added to the remaining principal amount of such Investor Notes and shall be payable on the next scheduled principal payment date (along with any deferred principal and any principal and interest due on such date); provided, that such deferral shall not apply to a Partner that is no longer an employee or officer of Holdings or its Affiliates. All unpaid interest on such Investor Notes shall accrue interest at the interest rate then in effect for such Investor Notes.

(d) [Intentionally omitted.]

(e) The Capital Commitment Capital Account of each Partner shall be reduced by the amount of any distribution to such Partner pursuant to Section 7.4(a).

(f) At any time that a sale, exchange, transfer or other disposition of a portion of a Capital Commitment Investment is being considered by the Partnership or BREP Europe VII (a "Capital Commitment Disposable Investment"), at the election of the General Partner each Partner's Capital Commitment Interest with respect to such Capital Commitment Investment shall be vertically divided into two separate Capital Commitment Interests, a Capital Commitment Interest attributable to the Capital Commitment Disposable Investment (a Partner's "Capital Commitment Class B Interest"), and a Capital Commitment Interest attributable to such Capital Commitment Investment excluding the Capital Commitment Disposable Investment (a Partner's "Capital Commitment Class A Interest"). Distributions (including those resulting from a direct or indirect sale, transfer, exchange or other disposition by the Partnership) relating to a Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class B Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment

Class B Interests, and distributions (including those resulting from the direct or indirect sale, transfer, exchange or other disposition by the Partnership) relating to a Capital Commitment Investment excluding such Capital Commitment Disposable Investment shall be made only to holders of Capital Commitment Class A Interests with respect to such Capital Commitment Investment in accordance with their respective Capital Commitment Profit Sharing Percentages relating to such Capital Commitment Class A Interests.

(g) (i) If (x) the Partnership is obligated under the Giveback Provisions to contribute a Giveback Amount to BREP Europe VII in respect of any Capital Commitment BREP Europe VII Interest that may be held by the Partnership or (y) Associates Europe VII is obligated under the Giveback Provisions to contribute to BREP Europe VII a Giveback Amount with respect to any Capital Commitment BREP Europe VII Interest that may be held by Associates Europe VII and the Partnership is obligated to contribute any such amount to Associates Europe VII in respect of the Partnership's Capital Commitment Associates Europe VII Partner Interest (the amount of any such obligation of the Partnership with respect to such a Giveback Amount in the case of either (x) or (y) being herein called a "Capital Commitment Giveback Amount"), the General Partner shall call for such amounts as are necessary to satisfy such obligation of the Partnership as determined by the General Partner, in which case, each Partner and Withdrawn Partner shall contribute to the Partnership, in cash, when and as called by the General Partner, such an amount of prior distributions by the Partnership with respect to the Capital Commitment BREP Europe VII Interest (the "Capital Commitment Recontribution Amount") which equals such Partner's pro rata share of prior distributions in connection with (a) the Capital Commitment BREP Europe VII Investment giving rise to the Capital Commitment Giveback Amount, (b) if the amounts contributed pursuant to clause (a) above are insufficient to satisfy such Capital Commitment Giveback Amount, Capital Commitment BREP Europe VII Investments other than the one giving rise to such obligation, and (c) if the Capital Commitment Giveback Amount pursuant to the applicable BREP Europe VII Agreement is unrelated to a specific Capital Commitment BREP Europe VII Investment, all Capital Commitment BREP Europe VII Investments. Each Partner shall promptly contribute to the Partnership upon notice thereof such Partner's Capital Commitment Recontribution Amount. Prior to such time, the General Partner may, at the General Partner's discretion (but shall be under no obligation to), provide notice that in the General Partner's judgment, the potential obligations in respect of the Capital Commitment Giveback Amount will probably materialize (and an estimate of the aggregate amount of such obligations).

(ii) (A) In the event any Partner (a "Capital Commitment Defaulting Party") fails to recontribute all or any portion of such Capital Commitment Defaulting Party's Capital Commitment Recontribution Amount for any reason, the General Partner shall require all other Partners and Withdrawn Partners to contribute, on a pro rata basis (based on each of their respective Capital Commitment Profit Sharing Percentages), such amounts as are necessary to fulfill the Capital Commitment Defaulting Party's obligation to pay such Capital Commitment Defaulting Party's Capital Commitment Recontribution Amount (a "Capital Commitment Deficiency Contribution") if the General Partner determines in its good faith judgment that the Partnership will be unable to collect such amount in cash from such Capital Commitment Defaulting Party for payment of the Capital Commitment Giveback Amount at least 20 Business Days prior to the latest date that the Partnership is permitted to pay the Capital Commitment Giveback Amount; provided, that no Partner shall as a result of such Capital Commitment Deficiency Contribution be

required to contribute an amount in excess of 167% of the amount of the Capital Commitment Recontribution Amount initially requested from such Partner in respect of such default. Thereafter, the General Partner shall determine in its good faith judgment that the Partnership should either (1) not attempt to collect such amount in light of the costs associated therewith, the likelihood of recovery and any other factors considered relevant in the good faith judgment of the General Partner or (2) pursue any and all remedies (at law or equity) available to the Partnership against the Capital Commitment Defaulting Party, the cost of which shall be a Partnership expense to the extent not ultimately reimbursed by the Capital Commitment Defaulting Party. It is agreed that the Partnership shall have the right (effective upon such Capital Commitment Defaulting Party becoming a Capital Commitment Defaulting Party) to set-off as appropriate and apply against such Capital Commitment Defaulting Party's Capital Commitment Recontribution Amount any amounts otherwise payable to the Capital Commitment Defaulting Party by the Partnership or any Affiliate thereof. Each Partner hereby grants to the General Partner a security interest, effective upon such Partner becoming a Capital Commitment Defaulting Party, in all accounts receivable and other rights to receive payment from the Partnership or any Affiliate of the Partnership and agrees that, upon the effectiveness of such security interest, the General Partner may sell, collect or otherwise realize upon such collateral. In furtherance of the foregoing, each Partner hereby appoints the General Partner as its true and lawful attorney-in-fact with full irrevocable power and authority, in the name of such Partner or in the name of the Partnership, to take any actions which may be necessary to accomplish the intent of the immediately preceding sentence. The General Partner shall be entitled to collect interest on the Capital Commitment Recontribution Amount of a Capital Commitment Defaulting Party from the date such Capital Commitment Recontribution Amount was required to be contributed to the Partnership at a rate equal to the Default Interest Rate.

(B) Any Partner's failure to make a Capital Commitment Deficiency Contribution shall cause such Partner to be a Capital Commitment Defaulting Party with respect to such amount.

(iii) A Partner's obligation to make contributions to the Partnership under this Section 7.4(g) shall survive the commencement of winding up and subsequent dissolution of the Partnership.

Section 7.5. Valuations. Capital Commitment Investments shall be valued annually as of the end of each year (and at such other times as deemed appropriate by the General Partner) in accordance with the principles utilized by Associates Europe VII (or any other Affiliate of the Partnership that is a general partner of BREP Europe VII) in valuing investments of BREP Europe VII or, in the case of investments not held by BREP Europe VII, in the good faith judgment of the General Partner, subject in each case to the second proviso of the immediately succeeding sentence. The value of any Capital Commitment Interest as of any date (the "Capital Commitment Value") shall be based on the value of the underlying Capital Commitment Investment as set forth above; provided, that the Capital Commitment Value may be determined as of an earlier date if determined appropriate by the General Partner in good faith; provided further, that such value may be adjusted by the General Partner to take into account factors relating solely to the value of a Capital Commitment Interest (as compared to the value of the underlying Capital Commitment

Investment), such as restrictions on transferability, the lack of a market for such Capital Commitment Interest and lack of control of the underlying Capital Commitment Investment. To the full extent permitted by applicable law such valuations shall be final and binding on all Partners; provided further, that the immediately preceding proviso shall not apply to any Capital Commitment Interests held by a person who is or was at any time a direct member or partner of a General Partner of the Partnership.

Section 7.6. Disposition Election. (a) At any time prior to the date of the Partnership's execution of a definitive agreement to dispose of a Capital Commitment Investment, the General Partner may in its sole discretion permit a Partner to retain all or any portion of its *pro rata* share of such Capital Commitment Investment (as measured by such Partner's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment). If the General Partner so permits, such Partner shall instruct the General Partner in writing prior to such date (i) not to dispose of all or any portion of such Partner's pro rata share of such Capital Commitment Investment (the "Retained Portion") and (ii) either to (A) distribute such Retained Portion to such Partner on the closing date of such disposition or (B) retain such Retained Portion in the Partnership on behalf of such Partner until such time as such Partner shall instruct the General Partner upon 5 days' notice to distribute such Retained Portion to such Partner. Such Partner's Capital Commitment Capital Account shall not be adjusted in any way to reflect the retention in the Partnership of such Retained Portion or the Partnership's disposition of other Partners' *pro rata* shares of such Capital Commitment Investment; provided, that such Partner's Capital Commitment Capital Account shall be adjusted upon distribution of such Retained Portion to such Partner or upon distribution of proceeds with respect to a subsequent disposition thereof by the Partnership.

(b) No distribution of such Retained Portion shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such distribution.

Section 7.7. Capital Commitment Special Distribution Election. (a) From time to time during the term of this Agreement, the General Partner may in its sole discretion, upon receipt of a written request from a Partner, distribute to such Partner any portion of its pro rata share of a Capital Commitment Investment (as measured by such Partner's Capital Commitment Profit Sharing Percentage in such Capital Commitment Investment) (a "Capital Commitment Special Distribution"). Such Partner's Capital Commitment Capital Account shall be adjusted upon distribution of such Capital Commitment Special Distribution.

(b) No Capital Commitment Special Distributions shall occur unless any Investor Notes relating thereto shall have been paid in full prior to or simultaneously with such Capital Commitment Special Distribution.

ARTICLE VIII

WITHDRAWAL, ADMISSION OF NEW PARTNERS

Section 8.1. Partner Withdrawal; Repurchase of Capital Commitment Interests. (a) Capital Commitment Interests (or a portion thereof) that were financed by Investor Notes will be treated as Non-Contingent for purposes hereof based upon the proportion of (a) the sum of Capital Commitment-Related Capital Contributions not financed by an Investor Note with respect to each Capital Commitment Interest and principal payments on the related Investor Note to (b) the sum of the Capital Commitment-Related Capital Contributions not financed by an Investor Note with respect to such Capital Commitment Interest, the original principal amount of such Investor Note and all deferred amounts of interest which from time to time comprise part of the principal amount of the Investor Note. A Partner may prepay a portion of any outstanding principal on the Investor Notes; provided, that in the event that a Partner prepays all or any portion of the principal amount of the Investor Notes within nine months prior to the date on which such Partner is no longer an employee or officer of Holdings or an Affiliate thereof, the Partnership (or its designee) shall have the right, in its sole discretion, to purchase the Capital Commitment Interest that became Non-Contingent as a result of such prepayment; provided further, that the purchase price for such Capital Commitment Interest shall be determined in accordance with the determination of the purchase price of a Partner's Contingent Capital Commitment Interests as set forth in paragraph (b) below. Prepayments made by a Partner shall apply *pro rata* against all of such Partner's Investor Notes; provided, that such Partner may request that such prepayments be applied only to Investor Notes related to BE Investments that are related to one or more Blackstone Entities specified by such Partner. Except as expressly provided herein, Capital Commitment Interests that were not financed in any respect with Investor Notes shall be treated as Non-Contingent Capital Commitment Interests.

(b) (i) Upon a Partner ceasing to be an officer or employee of the Partnership or any of its Affiliates, other than as a result of such Partner dying or suffering a Total Disability, such Partner and the Partnership or any other person designated by the General Partner shall each have the right (exercisable by the Withdrawn Partner within 30 days and by the Partnership or its designee(s) within 45 days after such Partner's ceasing to be such an officer or employee) or any time thereafter, upon 30 days' notice, but not the obligation, to require the Partnership (subject to the prior consent of the General Partner, such consent not to be unreasonably withheld or delayed), subject to the Partnership Act, to buy (in the case of exercise of such right by such Withdrawn Partner) or the Withdrawn Partner to sell (in the case of exercise of such right by the Partnership or its designee(s)) all (but not less than all) such Withdrawn Partner's Contingent Capital Commitment Interests.

(ii) The purchase price for each such Contingent Capital Commitment Interest shall be an amount equal to (A) the outstanding principal amount of the related Investor Note plus accrued interest thereon to the date of purchase (such portion of the purchase price to be paid in cash) and (B) an additional amount (the "Adjustment Amount") equal to (x) all interest paid by the Partner on the portion of the principal amount of such Investor Note(s) relating to the portion of the related Capital Commitment Interest remaining Contingent and to be repurchased, plus (y) all Capital Commitment Net Losses allocated to the Withdrawn Partner on such Contingent portion of such Capital Commitment Interest, minus (z) all Capital Commitment Net Income allocated to the Withdrawn Partner on the Contingent portion of such Capital Commitment Interest; provided, that, if the Withdrawn Partner was terminated from employment or his or her position as an officer for Cause, all amounts referred to in clause (x) or (y) of the Adjustment Amount, in the General Partner's sole discretion, may be deemed to equal zero. The Adjustment Amount shall, if positive, be payable by the holders of the purchased Capital Commitment Interests to the Withdrawn Partner from the next Capital

Commitment Net Income received by such holders on the Contingent portion of such Withdrawn Partner's Capital Commitment Interests at the time such Capital Commitment Net Income is received. If the Adjustment Amount is negative, it shall be payable to the holders of the purchased Capital Commitment Interest by the Withdrawn Partner (A) from the next Capital Commitment Net Income on the Non-Contingent portion of the Withdrawn Partner's Capital Commitment Interests at the time such Capital Commitment Net Income is received by the Withdrawn Partner, or (B) if the Partnership or its designee(s) elect to purchase such Withdrawn Partner's Non-Contingent Capital Commitment Interests, in cash by the Withdrawn Partner at the time of such purchase; provided, that the Partnership and its Affiliates may offset any amounts otherwise owing to a Withdrawn Partner against any Adjustment Amount owed by such Withdrawn Partner. Until so paid, such remaining Adjustment Amount will not itself bear interest. At the time of such purchase of the Withdrawn Partner's Contingent Capital Commitment Interests, his or her related Investor Note shall be payable in full.

(iii) Upon such Partner ceasing to be such an officer or employee, all Investor Notes shall become fully recourse to the Withdrawn Partner in his or her individual capacity (whether or not the Withdrawn Partner or the Partnership or its designee(s) exercises the right to require repurchase of the Withdrawn Partner's Contingent Capital Commitment Interests).

(iv) If neither the Withdrawn Partner nor the Partnership nor its designee(s) exercises the right to require repurchase of such Contingent Capital Commitment Interests, then the Withdrawn Partner shall retain the Contingent portion of his or her Capital Commitment Interests and the Investor Notes shall remain outstanding, shall become fully recourse to the Withdrawn Partner in his or her individual capacity, shall be payable in accordance with their remaining original maturity schedules and shall be prepayable at any time by the Withdrawn Partner at his or her option, and the Partnership shall apply such prepayments against outstanding Investor Notes on a pro rata basis.

(v) To the extent that another Partner purchases a portion of a Capital Commitment Interest of a Withdrawn Partner, the purchasing Partner's Capital Commitment Capital Account and Capital Commitment Profit Sharing Percentage for such Capital Commitment Investment shall be correspondingly increased.

(c) Upon the occurrence of a Final Event with respect to any Partner, such Partner shall thereupon cease to be a Partner with respect to such Partner's Capital Commitment Partner Interest. If such a Final Event shall occur, no Successor in Interest to any such Partner shall for any purpose hereof become or be deemed to become a Partner. The sole right, as against the Partnership and the remaining Partners, acquired hereunder by, or resulting hereunder to, a Successor in Interest to any Partner shall be to receive any distributions and allocations with respect to such Partner's Capital Commitment Partner Interest pursuant to Article VII and this Article VII (subject to the right of the Partnership to purchase the Capital Commitment Interests of such former Partner pursuant to Section 8.1(b) or Section 8.1(d)), to the extent, at the time, in the manner and in the amount otherwise payable to such Partner had such a Final Event not occurred, and no other right shall be acquired hereunder by, or shall result hereunder to, a Successor in Interest to such Partner, whether by operation of law or otherwise and the Partnership

shall be entitled to treat any Successor in Interest to such Partner as the only person entitled to receive distributions and allocations hereunder. Until distribution of any such Partner's interest in the Partnership upon the winding up of the Partnership as provided in Section 9.2, neither his or her Capital Commitment Capital Accounts nor any part thereof shall be subject to withdrawal or redemption without the consent of the General Partner. The General Partner shall be entitled to treat any Successor in Interest to such Partner as the only person entitled to receive distributions and allocations hereunder with respect to such Partner's Capital Commitment Partner Interest.

(d) If a Partner dies or suffers a Total Disability, all Contingent Capital Commitment Interests of such Partner shall be purchased by the Partnership or its designee (within 30 days of the first date on which the Partnership knows or has reason to know of such Partner's death or Total Disability) (and the purchase price for such Contingent Capital Commitment Interests shall be determined in accordance with Section 8.1(b) (except that any Adjustment Amount shall be payable by or to such Partner's estate, personal representative or other Successor in Interest, in cash)), and any Investor Notes financing such Contingent Capital Commitment Interests shall thereupon be prepaid as provided in Section 8.1(b). Upon such Partner's death or Total Disability, any Investor Note(s) financing such Contingent Capital Commitment Interests shall become fully recourse. In addition, in the case of the death or Total Disability of a Partner, if the estate, personal representative or other Successor in Interest of such Partner, so requests in writing within 180 days after the Partner's death or ceasing to be an employee or member (directly or indirectly) of the Partnership or any of its Affiliates by reason of Total Disability (such requests shall not exceed one per calendar year), the Partnership or its designee may but is not obligated to purchase for cash all (but not less than all) Non-Contingent Capital Commitment Interests of such Partner as of the last day of the Partnership's then current Fiscal Year at a price equal to the Capital Commitment Value thereof as of the most recent valuation prior to the date of purchase. Each Partner shall be required to include appropriate provisions in his or her will to reflect such provisions of this Agreement. In addition, the Partnership may, in the sole discretion of the General Partner, upon notice to the estate, personal representative or other Successor in Interest of such Partner, within 30 days of the first date on which the General Partner knows or has reason to know of such Partner's death or Total Disability, determine either (i) to distribute Securities or other property to the estate, personal representative or other Successor in Interest, in exchange for such Non-Contingent Capital Commitment Interests as provided in Section 8.1(e) or (ii) to require sale of such Non-Contingent Capital Commitment Interests to the Partnership or its designee as of the last day of any Fiscal Year of the Partnership (or earlier period, as determined by the General Partner in its sole discretion) for an amount in cash equal to the Capital Commitment Value thereof.

(e) In lieu of retaining a Withdrawn Partner as a Partner with respect to any Non-Contingent Capital Commitment Interests, the General Partner may, in its sole discretion, by notice to such Withdrawn Partner within 45 days of his or her ceasing to be an employee or officer of the Partnership or any of its Affiliates, or at any time thereafter, upon 30 days written notice, determine (1) to distribute to such Withdrawn Partner the pro rata portion of the Securities or other property underlying such Withdrawn Partner's Non-Contingent Capital Commitment Interests, subject to any restrictions on distributions associated with the Securities or other property, in satisfaction of his or her Non-Contingent Capital Commitment Interests in the Partnership or (2) to cause, as of the last day of any Fiscal Year of the Partnership (or earlier period, as determined by the General Partner in its sole discretion), the Partnership or another person designated by the General Partner (who may be itself another Partner or another Affiliate of the Partnership) to

purchase all (but not less than all) of such Withdrawn Partner's Non-Contingent Capital Commitment Interests for a price equal to the Capital Commitment Value thereof (determined in good faith by the General Partner as of the most recent valuation prior to the date of purchase). The General Partner shall condition any distribution or purchase of voting Securities pursuant to paragraph (d) above or this paragraph (e) upon the Withdrawn Partner's execution and delivery to the Partnership of an appropriate irrevocable proxy, in favor of the General Partner or its nominee, relating to such Securities.

(f) The Partnership may subsequently transfer any Unallocated Capital Commitment Interest or portion thereof which is purchased by it as described above to any other person approved by the General Partner. In connection with such purchase or transfer or the purchase of a Capital Commitment Interest or portion thereof by the General Partner's designee(s), Holdings may loan all or a portion of the purchase price of the transferred or purchased Capital Commitment Interest to the Partnership, the transferee or the designee-purchaser(s), as applicable (excluding any of the foregoing who is an executive officer of Blackstone Inc. or any Affiliate thereof). To the extent that a Withdrawn Partner's Capital Commitment Interests (or portions thereof) are repurchased by the Partnership and not transferred to or purchased by another person, all or any portion of such repurchased Capital Commitment Interests may, in the sole discretion of the General Partner, (i) be allocated to each Partner already participating in the Capital Commitment Investment to which the repurchased Capital Commitment Interest relates, (ii) be allocated to each Partner in the Partnership, whether or not already participating in such Capital Commitment Investment, and/or (iii) continue to be held by the Partnership itself as an unallocated Capital Commitment Investment (such Capital Commitment Interests being herein called "Unallocated Capital Commitment Interests"). To the extent that a Capital Commitment Interest is allocated to Partners as provided in clause (i) and/or (ii) above, any indebtedness incurred by the Partnership to finance such repurchase shall also be allocated to such Partners. All such Capital Commitment Interests allocated to Partners shall be deemed to be Contingent and shall become Non-Contingent as and to the extent that the principal amount of such related indebtedness is repaid. The Partners receiving such allocations shall be responsible for such related indebtedness only on a nonrecourse basis to the extent appropriate as provided in this Agreement, except as otherwise provided in this Section 8.1 and except as such Partners and the General Partner shall otherwise agree; provided, that such indebtedness shall become fully recourse to the extent and at the time provided in this Section 8.1. If the indebtedness financing such repurchased interests is not to be non-recourse or so limited, the Partnership may require an assumption by the Partners of such indebtedness on the terms thereof as a precondition to allocation of the related Capital Commitment Interests to such Partners; provided, that a Partner shall not, except as set forth in his or her Investor Note(s), be obligated to accept any obligation that is personally recourse (except as provided in this Section 8.1), unless his or her prior consent is obtained. So long as the Partnership itself retains the Unallocated Capital Commitment Interests pursuant to clause (iii) above, such Unallocated Capital Commitment Interests shall belong to the Partnership and any indebtedness financing the Unallocated Capital Commitment Interests shall be an obligation of the Partnership to which all income of the Partnership is subject except as otherwise agreed by the lender of such indebtedness. Any Capital Commitment Net Income (Loss) on an Unallocated Capital Commitment Interest shall be allocated to each Partner in the proportion his or her aggregate Capital Commitment Capital Accounts bear to the aggregate Capital Commitment Capital Accounts of all Partners; debt service on such related financing will be an expense of the Partnership allocable to all Partners in such proportions.

(g) If a Partner is required to Withdraw from the Partnership with respect to such Partner's Capital Commitment Partner Interest for Cause, then his or her Capital Commitment Interest shall be settled in accordance with paragraphs (a)-(f) and (j) of this Section 8.1; provided, that if such Partner was not at any time a direct partner of a General Partner of the Partnership, the General Partner may elect (but shall not be required) to apply any or all the following terms and conditions to such settlement:

(i) purchase for cash all of such Withdrawn Partner's Non-Contingent Capital Commitment Interests. The purchase price for each such Non-Contingent Capital Commitment Interest shall be the lower of (A) the original cost of such Non-Contingent Capital Commitment Interest or (B) an amount equal to the Capital Commitment Value thereof (determined as of the most recent valuation prior to the date of the purchase of such Non-Contingent Capital Commitment Interest);

(ii) allow the Withdrawn Partner to retain such Non-Contingent Capital Commitment Interests; provided, that the maximum amount of Capital Commitment Net Income allocable to such Withdrawn Partner with respect to any Capital Commitment Investment shall equal the amount of Capital Commitment Net Income that would have been allocated to such Withdrawn Partner if such Capital Commitment Investment had been sold as of the Settlement Date at the then prevailing Capital Commitment Value thereof; or

(iii) in lieu of cash, purchase such Non-Contingent Capital Commitment Interests by providing the Withdrawn Partner with a promissory note in the amount determined in (i) above. Such promissory note shall have a maximum term of ten (10) years with interest at the Federal Funds Rate.

(h) The Partnership will assist a Withdrawn Partner or his or her estate or guardian, as the case may be, in the settlement of the Withdrawn Partner's Capital Commitment Partner Interest in the Partnership. Third party costs incurred by the Partnership in providing this assistance will be borne by the Withdrawn Partner or his or her estate.

(i) The General Partner may reasonably determine in good faith to retain outside professionals to provide the assistance to Withdrawn Partners or their estates or guardians, as referred to above. In such instances, the General Partner will obtain the prior approval of a Withdrawn Partner or his or her estate or guardian, as the case may be, prior to engaging such professionals. If the Withdrawn Partner (or his or her estate or guardian) declines to incur such costs, the General Partner will provide such reasonable assistance as and when it can so as not to interfere with the Partnership's day-to-day operating, financial, tax and other related responsibilities to the Partnership and the Partners.

(j) To the extent permitted by applicable law, each Partner hereby irrevocably appoints the General Partner as such Partner's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Partner's name, place and stead, to make, execute, sign and file, on behalf of such Partner, any and all agreements, instruments, consents, ratifications, documents and certificates which the General Partner deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Section 8.1, including,

without limitation, the performance of any obligation of such Partner or the Partnership or the exercise of any right of such Partner or the Partnership. Such power of attorney is intended to secure a proprietary interest of the General Partner or the performance of an obligation owed to the General Partner under this Agreement and, to the extent permitted by applicable law, shall be irrevocable and survive and continue in full force and effect notwithstanding the Withdrawal from the Partnership of any Partner for any reason and shall not be affected by the death, disability or incapacity of such Partner.

Section 8.2. Transfer of Partner's Capital Commitment Interest. Except as otherwise agreed by the General Partner, no Partner or former Partner shall have the right to sell, assign, mortgage, pledge, charge, grant a security interest over, or otherwise dispose of or transfer ("Transfer") all or part of any such Partner's Capital Commitment Partner Interest in the Partnership; provided, that this Section 8.2 shall in no way impair (i) Transfers as permitted in Section 8.1 above and subject to the Partnership Act, in the case of the purchase of a Withdrawn Partner's or Deceased or Totally Disabled Partner's Capital Commitment Interests, (ii) with the prior written consent of the General Partner, which shall not be unreasonably withheld, Transfers by a Partner to another Partner of Non-Contingent Capital Commitment Interests, (iii) Transfers with the prior written consent of the General Partner (which consent may be granted or withheld in its sole discretion without giving any reason therefor) and (iv) with the prior written consent of the General Partner, which shall not be unreasonably withheld, Transfers of up to 25% of a Limited Partner's Capital Commitment Partner Interest to an Estate Planning Vehicle (it being understood that it shall not be unreasonable for the General Partner to condition any Transfer of an Interest pursuant to this clause (iv) on the satisfaction of certain conditions and/or requirements imposed by the General Partner in connection with any such Transfer, including, for example, a requirement that any transferee of an Interest hold such Interest as a passive, non-voting interest in the Partnership). The General Partner shall designate that each Estate Planning Vehicle shall not have voting rights (any such Partner being called a "Nonvoting Partner"). Such Partner shall be jointly and severally liable for all obligations of both such Partner and such Nonvoting Partner with respect to the interest transferred (including the obligation to make additional Capital Commitment-Related Capital Contributions). The General Partner may at its sole option exercisable at any time require such Estate Planning Vehicle to Withdraw from the Partnership on the terms of Section 8.1 and Article VI. No person acquiring an interest in the Partnership pursuant to this Section 8.2 shall become a Partner of the Partnership, or acquire such Partner's right to participate in the affairs of the Partnership, unless such person shall be admitted as a Partner pursuant to Section 6.1. A Partner shall not cease to be a Partner of the Partnership upon the collateral assignment of, or the pledging or granting of a security interest in, its entire Interest in the Partnership in accordance with the provisions of this Agreement.

Section 8.3. Compliance with Law. Notwithstanding any provision hereof to the contrary, no sale or Transfer of a Capital Commitment Interest in the Partnership may be made except in compliance with the Partnership Act, the laws of the Cayman Islands and all U.S. federal, state and other applicable laws, including U.S. federal and state securities laws.

ARTICLE IX

DISSOLUTION

Section 9.1. Dissolution. The Partnership shall commence winding up and be subsequently dissolved pursuant to this Article IX and Section 36(1) the Partnership Act:

(a) pursuant to Section 6.6;

(b) the making of an order by the courts of the Cayman Islands to commence winding up the Partnership; or

(c) upon the expiration of the term of the Partnership.

Section 9.2. Final Distribution. Upon the commencement of winding up of the Partnership, and following the payment of creditors of the Partnership and the making of provisions for the payment of any contingent, conditional or unmatured claims known to the Partnership as required under the Partnership Act:

(a) The Partners' respective interests in the Partnership shall be valued and settled in accordance with the procedures set forth in Section 6.5 which provide for allocations to the GP-Related Capital Accounts of the Partners and distributions in accordance with the GP-Related Capital Account balances of the Partners; and

(b) With respect to each Partner's Capital Commitment Partner Interest, an amount shall be paid to such Partner in cash or Securities in an amount equal to such Partner's respective Capital Commitment Liquidating Share for each Capital Commitment Investment; provided, that if the remaining assets relating to any Capital Commitment Investment shall not be equal to or exceed the aggregate Capital Commitment Liquidating Shares for such Capital Commitment Investment, to each Partner in proportion to its Capital Commitment Liquidating Share for such Capital Commitment Investment; and the remaining assets of the Partnership related to the Partners' Capital Commitment Partner Interests shall be paid to the Partners in cash or Securities in proportion to their respective Capital Commitment Profit Sharing Percentages for each Capital Commitment Investment from which such cash or Securities are derived.

(c) The General Partner shall be the liquidator. In the event that the General Partner is unable to serve as liquidator, a liquidating trustee shall be chosen by the affirmative vote of a Majority in Interest of the Partners voting at a meeting of Partners (excluding Nonvoting Special Partners).

Section 9.3. Amounts Reserved Related to Capital Commitment Partner Interests. (a) If there are any Securities or other property or other investments or securities related to the Partners' Capital Commitment Partner Interests which, in the judgment of the liquidator, cannot be sold, or properly distributed in kind in the case of dissolution, without sacrificing a significant portion of the value thereof, the value of a Partner's interest in each such Security or other investment or security may be excluded from the amount distributed to the Partners participating in the related Capital Commitment Investment pursuant to Section 9.2(b). Any interest of a Partner, including his or her pro rata interest in any gains, losses or distributions, in Securities or other property or other investments or securities so excluded shall not be paid or distributed until such time as the liquidator shall determine.

(b) If there is any pending transaction, contingent liability or claim by or against the Partnership related to the Partners' Capital Commitment Partner Interests as to which the interest or obligation of any Partner therein cannot, in the judgment of the liquidator, be then ascertained, the value thereof or probable loss therefrom may be deducted from the amount distributable to such Partner pursuant to Section 9.2(b). No amount shall be paid or charged to any such Partner on account of any such transaction or claim until its final settlement or such earlier time as the liquidator shall determine. The Partnership may meanwhile retain from other sums due such Partner in respect of such Partner's Capital Commitment Partner Interest an amount which the liquidator estimates to be sufficient to cover the share of such Partner in any probable loss or liability on account of such transaction or claim.

(c) Upon determination by the liquidator that circumstances no longer require the exclusion of any Securities or other property or retention of sums as provided in paragraphs (a) and (b) of this Section 9.3, the liquidator shall, at the earliest practicable time, distribute as provided in Section 9.2(b) such sums or such Securities or other property or the proceeds realized from the sale of such Securities or other property to each Partner from whom such sums or Securities or other property were withheld.

(d) When the General Partner or other liquidator has complied with and completed the winding up of the Partnership, the General Partner or such other liquidator, on behalf of all Partners, shall execute, acknowledge and cause to be filed with the Registrar a notice of dissolution in accordance with the Partnership Act.

## ARTICLE X

## MISCELLANEOUS

Section 10.1. Submission to Jurisdiction; Waiver of Jury Trial. (a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision as well as any and all disputes arising out of, relating to or in connection with the winding up or dissolution of the Partnership), whether arising during the existence of the Partnership or during or after the winding up or dissolution of the Partnership, shall be finally settled by arbitration conducted by a single arbitrator in New York, New York U.S.A., in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty (30) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the General Partner may bring, or may cause the Partnership to bring, on behalf of the General Partner or the Partnership or on behalf of one or more Partners, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Partner (i) expressly consents to the application of paragraph (c) of this Section 10.1 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the General Partner as such Partner's agent for service of process in connection with any such action or proceeding and agrees that service of process upon any such agent, who shall promptly advise such Partner of any such service of process, shall be deemed in every respect effective service of process upon the Partner in any such action or proceeding.

(c) (i) EACH PARTNER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (B) OF THIS SECTION 10.1, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the forum(s) designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c)(i) of this Section 10.1 and such parties agree not to plead or claim the same.

(d) Notwithstanding any provision of this Agreement to the contrary, this Section 10.1 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the "Delaware Arbitration Act"). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 10.1, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 10.1. In that case, this Section 10.1 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 10.1 shall be construed to omit such invalid or unenforceable provision.

Section 10.2. Ownership and Use of the Blackstone Name. The Partnership acknowledges that Blackstone TM L.L.C. ("TM"), a Delaware limited liability company with a principal place of business at 345 Park Avenue, New York, New York 10154 U.S.A., (or its successors or assigns) is the sole and exclusive owner of the mark and name BLACKSTONE and that the ownership of, and the right to use, sell or otherwise dispose of, the firm name or any

abbreviation or modification thereof which consists of or includes BLACKSTONE, shall belong exclusively to TM, which company (or its predecessors, successors or assigns) has licensed the Partnership to use BLACKSTONE in its name. The Partnership acknowledges that TM owns the service mark BLACKSTONE for various services and that the Partnership is using the BLACKSTONE mark and name on a non-exclusive, non-sublicensable and non-assignable basis in connection with its business and authorized activities with the permission of TM. All services rendered by the Partnership under the BLACKSTONE mark and name will be rendered in a manner and with quality levels that are consistent with the high reputation heretofore developed for the BLACKSTONE mark by TM and its Affiliates and licensees. The Partnership understands that TM may terminate its right to use BLACKSTONE at any time in TM's sole discretion by giving the Partnership written notice of termination. Promptly following any such termination, the Partnership will take all steps necessary to change its partnership name to one which does not include BLACKSTONE or any confusingly similar term and cease all use of BLACKSTONE or any term confusingly similar thereto as a service mark or otherwise.

Section 10.3. Written Consent. Subject to applicable law, any action required or permitted to be taken by a vote of Partners at a meeting may be taken without a meeting if a Majority in Interest of the Partners consent thereto in writing.

Section 10.4. Letter Agreements; Schedules. The General Partner may, or may cause the Partnership to, enter or has previously entered into separate letter agreements with individual Partners, officers or employees with respect to GP-Related Profit Sharing Percentages, Capital Commitment Profit Sharing Percentages, benefits or any other matter, which letter agreements have the effect of establishing rights under, or altering or supplementing, the terms of this Agreement with respect to any such Partner and such matters. The parties hereto agree that any rights established, or any terms of this Agreement altered or supplemented, in any such separate letter agreement, including any Commitment Agreement or SMD Agreement, shall govern solely with respect to such Partner notwithstanding any other provision of this Agreement. The General Partner may from time to time execute and deliver to the Partners schedules which set forth the then current capital balances, GP-Related Profit Sharing Percentages and Capital Commitment Profit Sharing Percentages of the Partners and any other matters deemed appropriate by the General Partner. Such schedules shall be for information purposes only and shall not be deemed to be part of this Agreement for any purpose whatsoever; provided, that this in no way limits the effectiveness of any Commitment Agreement or SMD Agreement.

Section 10.5. Governing Law; Separability of Provisions. This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands, without regard to principles of conflicts of law. In particular, the Partnership is registered as an exempted limited partnership pursuant to the Partnership Act, and the rights, duties and liabilities of the General Partner, Limited Partners and the Special Partners shall be as provided therein, except as herein otherwise expressly provided. If any provision of this Agreement shall be held to be invalid, such provision shall be given its meaning to the maximum extent permitted by law and the remainder of this Agreement shall not be affected thereby. Unless the context otherwise requires, any reference to any law, regulation, governmental entity or agency or such survivor concepts shall be with respect to any jurisdiction, whether Cayman Islands, U.S. or otherwise.

Section 10.6. Successors and Assigns; Third Party Beneficiaries. This Agreement shall be binding upon and shall, subject to the penultimate sentence of Section 6.3(a), inure to the benefit of the parties hereto, their respective heirs and personal representatives, and any successor to a trustee of a trust which is or becomes a party hereto; provided, that no person claiming by, through or under a Partner (whether such Partner's heir, personal representative or otherwise), as distinct from such Partner itself, shall have any rights as, or in respect to, a Partner (including the right to approve or vote on any matter or to notice thereof) except the right to receive only those distributions expressly payable to such person pursuant to Article VI and Article VII. Any Partner or Withdrawn Partner shall remain liable for the obligations under this Agreement (including any Net GP-Related Recontribution Amounts and any Capital Commitment Recontribution Amounts) of any transferee of all or any portion of such Partner's or Withdrawn Partner's interest in the Partnership, unless waived by the General Partner. The Partnership shall, if the General Partner determines in its good faith judgment, based on the standards set forth in Section 5.8(d)(ii)(A) and Section 7.4(g)(ii)(A), to pursue such transferee, pursue payment (including any Net GP-Related Recontribution Amounts and/or Capital Commitment Recontribution Amounts) from the transferee with respect to any such obligations. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, on any person other than the Partners and their respective legal representatives, heirs, successors and permitted assigns. Notwithstanding the foregoing, solely to the extent required by the BREP Europe VII Agreements, (x) the limited partners in BREP Europe VII shall be third-party beneficiaries of the provisions of Section 5.8(d)(i)(A) and Section 5.8(d)(ii)(A) (and the definitions relating thereto), solely as they relate to any Clawback Amount or Interim Clawback Amount (for purpose of this sentence, as defined in paragraphs 4.2.9(b) or 9.2.7(b), as applicable, of the BREP Europe VII Partnership Agreement)(and accordingly may enforce such rights subject to and in accordance with the Contracts (Rights of Third Parties) Act (As Revised) of the Cayman Islands), and (y) the amendment of the provisions of Section 5.8(d)(i)(A) and Section 5.8(d)(ii)(A) (and the definitions relating thereto), solely as they relate to any Clawback Amount or Interim Clawback Amount (for purpose of this sentence, as defined in paragraphs 4.2.9(b) or 9.2.7(c), as applicable, of the BREP Europe VII Partnership Agreement), shall be effective against such limited partners only with a Combined Limited Partner Consent (as such term is defined in the BREP Europe VII Partnership Agreement) unless such amendment does not adversely affect such limited partners' rights under paragraph 9.2.7 of the BREP Europe VII Partnership Agreement.

Section 10.7. Confidentiality. (a) By executing this Agreement, each Partner expressly agrees, at all times during the term of the Partnership and thereafter and whether or not at the time a Partner of the Partnership, to maintain the confidentiality of, and not to disclose to any person other than the Partnership, another Partner or a person designated by the Partnership, any information relating to the business, financial structure, financial position or financial results, clients or affairs of the Partnership that shall not be generally known to the public or the securities industry, except as otherwise required by law or by any regulatory or self-regulatory organization having jurisdiction; provided, that any corporate Partner may disclose any such information it is required by law, rule, regulation or custom to disclose. Notwithstanding anything in this Agreement to the contrary, to comply with Treasury Regulations Section 1.6011-4(b)(3)(i), each Partner (and any employee, representative or other agent of such Partner) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the Partnership, it being understood and agreed, for this purpose, (1) the name of, or any other identifying information regarding (a) the Partners or any existing or future investor (or any

Affiliate thereof) in any of the Partners, or (b) any investment or transaction entered into by the Partners; (2) any performance information relating to any of the Partners or their investments; and (3) any performance or other information relating to previous funds or investments sponsored by any of the Partners, does not constitute such tax treatment or tax structure information.

(b) Nothing in this Agreement shall prohibit or impede any Partner from communicating, cooperating or filing a complaint on possible violations of U.S. federal, state or local law or regulation to or with any governmental agency or regulatory authority (collectively, a "Governmental Entity"), including, but not limited to, the SEC, FINRA, EEOC or NLRB, or from making other disclosures to any Governmental Entity that are protected under the whistleblower provisions of U.S. federal, state or local law or regulation; provided, that in each case such communications and disclosures are consistent with applicable law. Each Partner understands and acknowledges that (a) an individual shall not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a U.S. federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Moreover, a Partner shall not be required to give prior notice to (or get prior authorization from) Blackstone regarding any such communication or disclosure. Except as otherwise provided in this paragraph or under applicable law, under no circumstance is any Partner authorized to disclose any information covered by Blackstone or its affiliates' attorney-client privilege or attorney work product or Blackstone's trade secrets without the prior written consent of Blackstone. For the avoidance of doubt, the Partners hereby agree that Section 22 of the Partnership Act shall not apply.

Section 10.8. Notices. Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including telecopy or similar writing) and shall be given by hand delivery (including any courier service) or telecopy to any Partner at its address or telecopy number shown in the Partnership's books and records or, if given to the General Partner, at the address or telecopy number of the Partnership in New York City. Each such notice shall be effective (i) if given by telecopy, upon dispatch, and (ii) if given by hand delivery, when delivered to the address of such Partner, the General Partner or the Partnership specified as aforesaid. Sections 8 and 19(3) of the Electronic Transactions Act (As Revised) of the Cayman Islands shall not apply to this Agreement, or any notice given or communication made hereunder or in connection herewith.

Section 10.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute a single instrument. For the avoidance of doubt, a Person's execution and delivery of this Agreement by electronic signature and electronic transmission (jointly, an "Electronic Signature"), including via DocuSign or other similar method, shall constitute the execution and delivery of a counterpart of this Agreement by or on behalf of such Person and shall bind such Person to the terms of this Agreement. The parties hereto agree that this Agreement and any additional information incidental hereto may be maintained as electronic records. Any Person executing and delivering this Agreement by an Electronic Signature further agrees to take any and all reasonable additional actions, if any, evidencing its intent to be bound by the terms of this Agreement, as may be reasonably requested by the General Partner.

Section 10.10. Power of Attorney. Each Partner hereby irrevocably appoints the General Partner as such Partner's true and lawful representative and attorney-in-fact, each acting alone, in such Partner's name, place and stead, to make, execute, sign and file all instruments, documents and certificates which, from time to time, may be required to set forth any amendment to this Agreement or may be required by this Agreement or by the laws of the United States of America, the Cayman Islands, the State of Delaware or any other state or country in which the Partnership shall determine to do business, or any political subdivision or agency thereof, to execute, implement and continue the valid and subsisting existence of the Partnership. Such power of attorney is intended to secure a proprietary interest of the General Partner or the performance of an obligation owed to the General Partner under this Agreement, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the subsequent Withdrawal from the Partnership of any Partner for any reason and shall not be affected by the subsequent disability or incapacity of such Partner.

Section 10.11. Partner's Will. Each Partner and Withdrawn Partner shall include in his or her will a provision that addresses certain matters in respect of his or her obligations relating to the Partnership that is satisfactory to the General Partner and each such Partner and Withdrawn Partner shall confirm annually to the Partnership, in writing, that such provision remains in his or her current will. Where applicable, any estate planning trust of such Partner or Withdrawn Partner to which a portion of such Partner's or Withdrawn Partner's Interest is transferred shall include a provision substantially similar to such provision and the trustee of such trust shall confirm annually to the Partnership, in writing, that such provision or its substantial equivalent remains in such trust. In the event any Partner or Withdrawn Partner fails to comply with the provisions of this Section 10.11 after the Partnership has notified such Partner or Withdrawn Partner of his or her failure to so comply and such failure to so comply is not cured within 30 days of such notice, the Partnership may withhold any and all distributions to such Partner until the time at which such party complies with the requirements of this Section 10.11.

Section 10.12. Cumulative Remedies. Rights and remedies under this Agreement are cumulative and do not preclude use of other rights and remedies available under applicable law.

Section 10.13. Legal Fees. Except as more specifically provided herein, in the event of a legal dispute (including litigation, arbitration or mediation) between any Partner or Withdrawn Partner and the Partnership, arising in connection with any party seeking to enforce Section 4.1(d) or any other provision of this Agreement relating to the Holdback, the Clawback Amount, the GP-Related Giveback Amount, the Capital Commitment Giveback Amount, the Net GP-Related Recontribution Amount or the Capital Commitment Recontribution Amount, the "losing" party to such dispute shall promptly reimburse the "victorious party" for all reasonable legal fees and expenses incurred in connection with such dispute (such determination to be made by the relevant adjudicator). Any amounts due under this Section 10.13 shall be paid within 30 days of the date upon which such amounts are due to be paid and such amounts remaining unpaid after such date shall accrue interest at the Default Interest Rate.

Section 10.14. Entire Agreement; Modifications. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Subject to Section 10.4, this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter. Except as provided herein, this Agreement may be amended or modified at any time by the General Partner in its sole discretion, upon notification thereof to the Limited Partners.

Section 10.15. Effective Date. Notwithstanding the date of execution of this Agreement, each of the parties agrees that their respective rights, duties and obligations pursuant to this Agreement shall have effect from June 30, 2023, as between the parties, and the parties agree to account to each other accordingly.

Section 10.16. Third Party Rights.

(a) Any Covered Person not being a party to this Agreement may enforce any rights granted to it pursuant to this Agreement in its own right as if it were a party to this Agreement subject to and in accordance with the Contracts (Rights of Third Parties) Act (As Revised) of the Cayman Islands.

(b) Except as expressly provided in paragraph (a) above, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act (As Revised) of the Cayman Islands to enforce any term of this Agreement.

(c) Notwithstanding any term of this Agreement, the consent of or notice to any person who is not a party to this Agreement shall not be required for any termination, rescission or agreement to any variation, waiver, assignment, novation, release or settlement under this Agreement at any time.

IN WITNESS WHEREOF, the parties have executed and unconditionally delivered this Agreement as a deed on the day and year first above written. In the event that it is impracticable to obtain the signature of any one or more of the Partners to this Agreement, this Agreement shall be binding among the other Partners executing the same.

GENERAL PARTNER:

BLACKSTONE REAL ESTATE ASSOCIATES EUROPE (DELAWARE) VII L.L.C.

By: Blackstone Holdings IV L.P., its managing member

By: Blackstone Holdings IV GP L.P., its general partner

By: Blackstone Holdings IV GP Management (Delaware) L.P., its general partner

By: Blackstone Holdings IV GP Management L.L.C., its general partner

By: /s/ John G. Finley
Name: John G. Finley
Title: Chief Legal Officer and Secretary

/s/ Rhonda Coleman
Witnessed by: Rhonda Coleman

LIMITED PARTNERS AND SPECIAL PARTNERS:

Limited Partners and Special Partners now and hereafter admitted pursuant to powers of attorney granted to Blackstone Real Estate Associates Europe (Delaware) VII L.L.C. pursuant to powers of attorney executed by such Limited Partners

BLACKSTONE REAL ESTATE ASSOCIATES EUROPE (DELAWARE) VII L.L.C.

By: Blackstone Holdings IV L.P., its managing member

By: Blackstone Holdings IV GP L.P., its general partner

By: Blackstone Holdings IV GP Management (Delaware) L.P., its general partner

By: Blackstone Holdings IV GP Management L.L.C., its general partner

By: /s/ John G. Finley
Name: John G. Finley
Title: Chief Legal Officer and Secretary

/s/ Rhonda Coleman
Witnessed by: Rhonda Coleman

[Signature Page to Amended and Restated Exempted Agreement of Limited Partnership Agreement of BREA Europe VII (Cayman) L.P.]

LIMITED PARTNER:

BLACKSTONE HOLDINGS IV L.P.

By: Blackstone Holdings IV GP L.P., its general partner

By: Blackstone Holdings IV GP Management (Delaware) L.P., its general partner

By: Blackstone Holdings IV GP Management L.L.C., its general partner

By: /s/ John G. Finley
Name: John G. Finley
Title: Chief Legal Officer and Secretary

/s/ Rhonda Coleman
Witnessed by: Rhonda Coleman

[Signature Page to Amended and Restated Exempted Agreement of Limited Partnership Agreement of BREA Europe VII (Cayman) L.P.]

INITIAL LIMITED PARTNER:

MAPCAL LIMITED

As Initial Limited Partner, solely to reflect its Withdrawal from the Partnership

By: /s/ Stef Dimitriou
Name: Stef Dimitriou
Title: Authorised Signatory

[Signature Page to Amended and Restated Exempted Agreement of Limited Partnership Agreement of BREA Europe VII (Cayman) L.P.]

**Exhibit 31.1**

**Chief Executive Officer Certification**

I, Stephen A. Schwarzman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 of Blackstone Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2024

/s/ Stephen A. Schwarzman
Stephen A. Schwarzman
Chief Executive Officer

**Exhibit 31.2**

**Chief Financial Officer Certification**

I, Michael S. Chae, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 of Blackstone Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2024

/s/ Michael S. Chae
Michael S. Chae
Chief Financial Officer

**Exhibit 32.1**

**Certification of the Chief Executive Officer**
**Pursuant to 18 U.S.C. Section 1350,**
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Blackstone Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen A. Schwarzman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2024

/s/ Stephen A. Schwarzman
Stephen A. Schwarzman
Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**Exhibit 32.2**

**Certification of the Chief Financial Officer**
**Pursuant to 18 U.S.C. Section 1350,**
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Blackstone Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael S. Chae, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2024

/s/ Michael S. Chae
Michael S. Chae
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**Exhibit 99.1**

**Section 13(r) Disclosure**

Mundys S.p.A. (formerly "Atlantia S.p.A.") provided the disclosure reproduced below in connection with activities during the quarter ended March 31, 2024. We have not independently verified or participated in the preparation of this disclosure.

"Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934. Funds affiliated with Blackstone first invested in Mundys S.p.A. on November 18, 2022 in connection with the voluntary public tender offer by Schema Alfa S.p.A. for all of the shares of Mundys S.p.A., pursuant to which such funds obtained a minority non-controlling interest in Mundys S.p.A. Mundys S.p.A. owns and controls Aeroporti di Roma S.p.A. ("ADR"), an operator of airports in Italy including Leonardo da Vinci-Fiumicino Airport. Iran Air has historically operated periodic flights to and from Leonardo da Vinci-Fiumicino Airport as authorized, from time to time, by an aviation-related bilateral agreement between Italy and Iran, scheduled in compliance with European Regulation 95/93, and approved by the Italian Civil Aviation Authority. ADR, as airport operator, is under a mandatory obligation to provide airport services to all air carriers (including Iran Air) authorized by the applicable Italian authority. The relevant turnover attributable to these activities (whose consideration is calculated on the basis of general tariffs determined by such independent Italian authority) in the quarter ended March 31, 2024 was less than €70,000. Mundys S.p.A. does not track profits specifically attributable to these activities."