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

FORM 10-K

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

For the fiscal year ended November 30, 2007

Commission file number 001-33812

MSCI INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**13-4038723**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

Wall Street Plaza, 88 Pine Street,
New York, New York 10005
(Address of Principal Executive Offices, zip code)

(212) 804-3900
(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, par value $0.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
YES ☐ NO ☒

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 reports), and (2) has been subject to such filing requirements for the past 90 days.
YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

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

The initial public offering of MSCI Inc.'s Class A common stock, $0.01 par value, commenced on November 14, 2007. There was no established market for the Registrant's common stock prior to that date.

As of February 22, 2008, there were 16,111,388 shares of the Registrant's Class A common stock, $0.01 par value, outstanding and 83,900,000 shares of Registrant's Class B common stock outstanding.

Documents incorporated by reference: Portions of the Registrant's proxy statement for its annual meeting of stockholders, to be held on April 9, 2008, are incorporated herein by reference into Part III of this Form 10-K.

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MSCI INC.

FORM 10-K

FOR THE YEAR ENDED NOVEMBER 30, 2007

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We own or have rights to use trademarks, trade names and service marks that we use in conjunction with the operation of our business, including, but not limited to: @CREDIT, @ENERGY, @INTEREST, ACWI, Aegis, Alphabuilder, Barra, Barra One, BarraOne, Cosmos, EAFE, FEA, GICS, IndexMap, Market Impact Model, MSCI, ProStorage, StructureTool, TotalRisk, VaRdelta and VaRworks. All other trademarks, trade names and service marks included in this Annual Report on Form 10-K are property of their respective owners. For ease of reading, designations of trademarks and registered marks have been omitted from the text of this Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

We have included in this Annual Report on Form 10-K and from time to time may make in our public filings, press releases or other public statements, certain statements that constitute forward-looking statements. In addition, our management may make forward-looking statements to analysts, investors, representatives of the media and others. These forward-looking statements are not historical facts and represent only MSCI's beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond our control.

In some cases you can identify these statements by forward-looking words such as "may," "might," "should," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "potential," "continue," "believes" and similar expressions, although some forward-looking statements are expressed differently. Statements concerning our financial position, business strategy and plans or objectives for future operations are forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict and may cause actual results to differ materially from the forward-looking statements and from management's current expectations. Such risks and uncertainties include those set forth under "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K. The forward-looking statements in this report speak only as of the time they are made and do not necessarily reflect our outlook at any other point in time. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or for any other reason. However, readers should carefully review the risk factors set forth in other reports or documents we file from time to time with the Securities and Exchange Commission (the "SEC").

PART I

Item 1. *Business*

Overview

We are a leading provider of investment decision support tools to investment institutions worldwide. We produce indices and risk and return portfolio analytics for use in managing investment portfolios. Our products are used by institutions investing in or trading equity, fixed income and multi-asset class instruments and portfolios around the world. Our flagship products are our international equity indices marketed under the MSCI brand and our equity portfolio analytics marketed under the Barra brand. Our products are used in many areas of the investment process, including portfolio construction and optimization, performance benchmarking and attribution, risk management and analysis, index-linked investment product creation, asset allocation, investment manager selection and investment research.

Our clients include asset owners such as pension funds, endowments, foundations, central banks and insurance companies; institutional and retail asset managers, such as managers of pension assets, mutual funds, exchange traded funds ("ETFs"), hedge funds and private wealth; and financial intermediaries such as broker-dealers, exchanges, custodians and investment consultants. As of November 30, 2007, we had a client base of over 2,900 clients across 66 countries. We had 19 offices in 15 countries to help serve our diverse client base, with approximately 53% of our revenue from clients in the Americas, 33% in Europe, the Middle East and Africa ("EMEA"), 8% in Japan and 6% in Asia-Pacific (not including Japan), based on fiscal year 2007 revenues.

Our principal sales model is to license annual, recurring subscriptions to our products for use at specified locations by a given number of users for an annual fee paid upfront. The substantial majority of our revenues comes from these annual, recurring subscriptions. Over time, as their needs evolve, our clients often add product

modules, users and locations to their subscriptions, which results in an increase in our revenues per client. Additionally, a rapidly growing source of our revenues comes from clients who use our indices as the basis for index-linked investment products such as ETFs. These clients commonly pay us a license fee based on the investment product's assets. We also generate a limited amount of our revenues from certain exchanges that use our indices as the basis for futures and options contracts and pay us a license fee based on their volume of trades.

History and Development of Our Company

MSCI Inc. was formed as a Delaware corporation in 1998. Our two shareholders were Morgan Stanley ("Morgan Stanley") and Capital Group International, Inc. ("Capital Group International"). On December 1, 2004, we acquired Barra, Inc. On November 20, 2007, we completed an initial public offering of 16.1 million shares of our class A common stock, 2.1 million of which were purchased pursuant to the underwriters' exercise of their over-allotment option. The net proceeds from the offering were $265.0 million after deducting $20.3 million of underwriting discounts and commissions and $4.5 million of other offering expenses.

We were a pioneer in developing the market for international equity index products and equity portfolio risk analytics tools. MSCI introduced its first equity index products in 1969 and Barra launched its first equity risk analytics products in 1975. Over the course of more than 30 years, our research organization has accumulated an in-depth understanding of the investment process worldwide. Based on this wealth of knowledge, we have created and continue to develop, enhance and refine sophisticated index construction methodologies and risk models to meet the growing, complex and diverse needs of our clients' investment processes. Our models and methodologies are the intellectual foundation of our business and include the innovative algorithms, formulas and analytical and quantitative techniques that we use, together with market data, to produce our products. Our long history has allowed us to build extensive databases of proprietary index and risk data, as well as to accumulate valuable historical market data, which we believe would be difficult to replicate and which provide us with a substantial competitive advantage.

Our Products and Services

Our primary products consist of equity indices, equity portfolio analytics and multi-asset class portfolio analytics. We also have product offerings in the areas of fixed income portfolio analytics, hedge fund indices and risk models, and energy and commodity asset valuation analytics. Our products are generally comprised of proprietary index data, risk data and sophisticated software applications. Our index and risk data are created by applying our models and methodologies to market data. For example, we input closing stock prices and other market data into our index methodologies to calculate our index data, and we input fundamental data and other market data into our risk models to produce our risk forecasts for individual securities and portfolios of securities. Our clients can use our data together with our proprietary software applications, third-party applications or their own applications in their investment processes. Our software applications offer our clients sophisticated portfolio analytics to perform in-depth analysis of their portfolios, using our risk data, the client's portfolio data and fundamental and market data. Our products are marketed under three leading brands. Our index products are typically branded "MSCI." Our portfolio analytics products are typically branded "Barra." Our energy and commodity analytics products are typically branded "FEA."

Equity Index Products

Our MSCI-branded equity index products are designed to measure returns available to investors across a wide variety of markets (*e.g.*, Europe, Japan or emerging markets), size (*e.g.*, small capitalization or large capitalization), style (*e.g.*, growth or value) and industries (*e.g.*, banks or media). As of November 30, 2007, we calculated over 100,000 equity indices daily.

Approximately 2,150 clients worldwide subscribed to our equity index products for use in their investment portfolios and for market performance measurement and analysis in fiscal 2007. In addition to delivering our products directly to our clients, as of November 30, 2007, we also had 49 third-party financial information and

analytics software providers who distribute our various equity index products worldwide. The performance of our equity indices is also frequently referenced when selecting investment managers, assigning return benchmarks in mandates, comparing performance and providing market and academic commentary. The performance of certain of our indices is reported on a daily basis in the financial media.

Our primary equity index products are:

- *MSCI International Equity Indices*

  The MSCI International Equity Indices are our flagship index products. They are designed to measure returns available to international investors across a variety of public equity markets. As of November 30, 2007, the indices included 56 country indices across developed and emerging markets, as well as various regional composite indices built from the component country indices, including the well-known MSCI EAFE (Europe, Asia-Pacific (not including Japan), and Far East), MSCI World and MSCI Emerging Markets Indices. The MSCI EAFE Index is licensed as the basis of the iShares MSCI EAFE Index Fund, the second largest exchange traded fund in the world with over $50.9 billion of assets as of November 30, 2007. In addition, the International Equity Indices include industry indices, value and growth style indices and large-, mid-, and small-capitalization size segment indices.

  The MSCI International Equity Indices are the most widely used international equity indices in the industry. We continue to enhance and expand this successful product offering. Recent examples include the introduction of the MSCI Global Investable Market Indices methodology, the MSCI Global Islamic Indices and the MSCI GCC Countries Indices.

- *MSCI Domestic Equity Indices*

  The MSCI Domestic Equity Indices are designed to measure the returns available to domestic investors in the U.S., Japan and China public equity markets. In addition to offering a total market index, each of these domestic country index series includes value and growth style indices, and in the case of the U.S. and Japan, large-, mid-, small- and micro-capitalization size segment indices.

- *Global Industry Classification Standard (GICS)*

  The Global Industry Classification Standard was developed and is maintained jointly by us and Standard & Poor's. We designed this classification system to respond to our clients' needs for a consistent, accurate and complete framework for classifying companies into industries. The GICS has been widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. Our equity index products classify constituent securities according to the GICS.

  We also offer GICS Direct, a product developed jointly with Standard & Poor's. GICS Direct is a database of more than 36,000 active companies and 40,000 securities classified by sector, industry group, industry and sub-industry in accordance with the proprietary GICS methodology.

Equity Portfolio Analytics Products

Our Barra-branded equity portfolio analytics products assist investment professionals in analyzing and managing risks and returns for equities at both the asset and portfolio level in major equity markets worldwide. Barra equity risk models identify and analyze the factors that influence equity asset returns and risk. Our most widely used Barra equity products utilize our fundamental multi-factor equity risk model data to help our clients construct, analyze, optimize and manage equity portfolios. Our multi-factor risk models identify common factors that influence stock price movements, such as industry group and style characteristics, based on market and fundamental data. The proprietary risk data available in our products identifies an asset's or a portfolio's sensitivities to these common factors. Risk not attributable to the common factors is risk unique to the asset.

Approximately 800 clients worldwide subscribed to our equity portfolio analytics products in fiscal 2007. Asset owners often request Barra risk model measurements for portfolio risk and tracking error when selecting investment managers, prescribing investment restrictions and assigning investment mandates. Our clients can use

our equity portfolio analytics by installing our proprietary software applications and equity risk data in their technology platforms, by accessing our software applications and risk data via the Internet, by integrating our equity risk data into their own applications or third-party applications, like FactSet, that have incorporated our equity risk data and analytics into their offerings.

Our primary equity portfolio analytics products are:

- *The Barra Aegis System*

  Barra Aegis is our flagship equity risk management and analytics system. It is a sophisticated software application for equity risk management and portfolio analysis that is powered by our proprietary equity risk data. It is deployed by the client as a desktop application. Barra Aegis is an integrated suite of equity investment analytics modules, specifically designed to help clients actively manage their equity risk against their expected returns. It also enables clients to construct optimized portfolios based on client-specified expectations and constraints.

  Barra Aegis also provides a factor-based performance attribution module which allows clients to analyze realized returns relative to risk factors by sectors, styles, currencies and regions. Barra Aegis tools also help clients identify returns attributable to stock selection skills. Additionally, using Barra Aegis' advanced automation tools, clients can back-test their portfolio construction strategies over time.

- *Equity Models Direct*

  Our Equity Models Direct product delivers our proprietary risk data to clients for integration into their own software applications. The proprietary risk data in Equity Models Direct is also available via third-party providers. Based on their investment processes, clients select the risk data that best suits their needs. We offer proprietary risk data from the following Barra risk models:

  Single Country Equity Risk Models. Our single country equity risk models identify the unique set of factors most able to explain the risk of portfolios in that market. Examples include our USE3 model (i.e., U.S. equity model, version 3) which models risk for U.S. equity assets and portfolios, and our UKE7 model which models risk for United Kingdom equity assets and portfolios. Data from the USE3 equity risk model is our most commonly licensed Barra risk data.

  Global Equity Model ("GEM"). Our global equity risk model utilizes factors that best explain risks associated with multiple-country equity investing.

  Barra Integrated Model ("BIM"). Our integrated model provides a detailed view of risk across markets, asset classes and currencies. It begins by identifying the factors that affect the returns of equity and fixed income securities and currencies in many countries around the world. These factors are then combined into a single global model that can forecast the risk of a multi-asset class, global portfolio.

  Short-Horizon Equity Models. Our short horizon equity models, designed to forecast risk over a period of one to six months, provide portfolio managers and analysts with more responsive risk forecasts. By using daily data and placing greater emphasis on recent events, the short-horizon models adapt more quickly to changing market conditions and emerging trends.

Multi-Asset Class Portfolio Analytics Products

Our multi-asset class portfolio analytics products offer a consistent risk assessment framework for managing and monitoring investments in a variety of asset classes across an organization. The products are based on proprietary fundamental multi-factor risk models, value-at-risk methodologies and asset valuation models. They enable clients to identify, monitor, report and manage potential market risks from equities, fixed income, derivatives contracts and alternative investments, and to analyze portfolios and systematically analyze risk and return across multiple asset classes. Using these tools, clients can identify the drivers of market risk across their

investments, produce daily risk reports, run pre-trade analysis and optimizations, evaluate and monitor multiple asset managers and investment teams and access correlations across a group of selected portfolios.

We have two major products in this area, which differ mainly in how they are delivered to clients and in certain functionality:

- *The BarraOne System*. Clients access BarraOne via the Internet, using their desktop browsers. This product includes modules for risk allocation and risk budgeting, Brinson-Fachler performance attribution, and historical "as-of" analysis of portfolios.
- *The Barra TotalRisk System*. Clients install TotalRisk on their own information technology infrastructure. This product includes simulation modules that enable clients to perform historical and Monte Carlo value-at-risk calculations.

Currently, we are actively seeking to license subscriptions only to BarraOne and related risk data for multiple asset classes. Once most of the features and functionality of Barra TotalRisk have been added to BarraOne, we plan to decommission Barra TotalRisk. We are currently offering our Barra TotalRisk clients the opportunity to transition to BarraOne.

Other Products

Our other products consist of fixed income portfolio analytics products to facilitate the investment processes of fixed income investors; hedge fund indices and risk models for use by investors in hedge funds; and energy and commodity valuation asset analytics for investors, traders and hedgers in these asset classes.

- *The Barra Cosmos System for Fixed Income Portfolio Analytics*

  Barra Cosmos enables global fixed income portfolio managers to manage risk and optimize return in a multi-currency, global bond portfolio. This adaptable product integrates specific bond, derivative and currency strategies to reflect each user's investment style, while monitoring the overall risk exposure of the portfolio. Barra Cosmos is deployed by the client as a desktop application.

- *Hedge Fund Indices*

  Our hedge fund indices are designed to provide a broad representation of the hedge fund universe, and offer a consistent and granular classification of hedge funds into strategies. These indices contain over 3,300 funds and we regularly seek to include additional funds. We also calculate investable hedge fund indices that aim to reflect the overall structure of the hedge fund universe or relevant segments of that universe, but which consist solely of funds available on an identified third-party hedge fund platform. These hedge funds have agreed with the platform provider to accept investments from, and to provide liquidity to, investment vehicles such as tracker funds that are linked to the performance of our investable hedge fund indices. In total we calculate over 190 hedge fund indices.

- *Hedge Fund Risk Model*

  Our hedge fund risk model identifies the major factors driving the returns and risks of investments in hedge funds. It provides investors in hedge funds, such as managers of funds of hedge funds, with risk forecasts and profiles of their exposures to the major sources of risk. Given the lack of transparency among hedge funds, the model utilizes historical returns rather than position level information. This model is available in our BarraOne and Barra TotalRisk software applications.

- *Energy and Commodity Asset Valuation Analytics Products*

  Our energy and commodity valuation products are software applications that offer a variety of quantitative analytics tools for valuing, modeling and hedging physical assets and derivatives across a number of market segments including energy and commodity assets. These software applications are not provided with any market data or proprietary index or risk data. These products are typically branded "FEA" and include products such as @Energy, VaRworks and StructureTool.

Growth Strategy

We have experienced growth in recent years with operating revenues and operating income increasing by 19.1% and 55.3%, respectively, for the year ended November 30, 2007 compared to year ended November 30, 2006, and by 11.6% and 13.1%, respectively, in the fiscal year ended November 30, 2006 compared to the fiscal year ended November 30, 2005.

We believe we are well-positioned for significant growth and have a multi-faceted growth strategy that builds on our strong client relationships, products, brands and integral role in the investment process. The number, diversity, size, sophistication and amount of assets held in investment institutions that own, manage and direct financial assets have grown significantly in recent years. These investment institutions increasingly require sophisticated investment management tools such as ours to support their complex and global investment processes. Set forth below are the principal elements of our strategy to grow our company and meet the increasing needs of these institutions for investment decision support tools:

- *Client Growth*. We believe there are significant opportunities to increase the number of users and locations and the number of products we license to existing client organizations, and to obtain new clients in both existing and new geographic markets and client types worldwide. We intend to:
  - *Increase product subscriptions and users within our current client base.* Many of our clients use only one or a limited number of our products, and we believe there are substantial opportunities to cross sell our other investment decision support tools. This is particularly the case with respect to our various offerings for the equity investment process. In addition, we will continue to focus on adding new users and new locations for current products with existing clients.
  - *Expand client base in current client types.* We plan to add new clients by leveraging our brand strength, our products, our broad access to the global investment community and our strong knowledge of the investment process. This includes client types in which we already have a strong penetration for our flagship international equity index and equity portfolio analytics products.

    We also plan to increase licensing of our indices for index-linked investment products to capitalize on their growth in number, variety and assets. The following table demonstrates the success we have experienced as of November 30, 2007 in licensing our equity indices as the basis of ETFs, and we believe there is potential for substantial continued growth and expansion in this market in the future.

Number of Exchange Listings of ETFs Linked to MSCI Equity Indices

	As of November 30,		
Region	2007	2006	2005
Americas	96	61	50
EMEA	57	39	27
Asia	19	5	4
Total	172	105	81

The table below demonstrates the growth of assets in ETFs linked to our equity indices:

Assets in ETFs Linked to MSCI Indices

MSCI Equity Index	As of November 30, 2007	2006 (in billions)	2005
EAFE	$ 51.5	$ 37.2	$23.5
Emerging Markets	36.4	18.3	10.4
Japan	13.1	15.8	14.0
US Broad Market	9.5	6.9	5.6
Brazil	8.3	3.1	1.1
Europe	5.3	3.2	1.0
Subtotal	124.1	84.5	55.6
Other Indices	67.6	38.0	17.3
Total	$191.7	$122.5	$72.9

Source: Bloomberg & MSCI.

- *Expand into client types in which we are underrepresented.* We plan to expand into client types in which we do not currently have a leading presence. In particular, we intend to continue to focus on increasing the number of hedge fund managers using our products. Even though still relatively small, our revenues from hedge fund managers have been growing rapidly, and we believe we have significant growth potential. We believe that our equity risk data is particularly valuable to the investment processes of hedge fund managers. Recent enhancements to our equity portfolio analytics products have been focused on the needs of long/short equity hedge fund managers in particular.
- *Expand global presence.* We have a strong presence in the U.S., Western Europe and certain parts of Asia. While we have established a presence in selected markets within the Middle East, Asia, Africa, Eastern Europe and Latin America, there is potential for further penetration and growth in these markets. We intend to leverage our strong brands, reputation, products and existing presence to continue to expand in these markets and gain more clients. For example, we have recently opened sales offices in Chicago, Dubai and Mumbai.

- *Product Growth*. We plan to develop new product offerings and continue to enhance our existing products through internal product development.
  - *Create innovative new equity product offerings and enhancements.* In order to maintain and enhance our leadership position, we plan to introduce innovative new products and enhancements to existing products. We maintain an active dialogue with our clients in order to understand their needs and anticipate market developments. For example, in June 2007, after client consultations that began in March 2006, we enhanced our international equity index offering with the introduction of the MSCI Global Investable Market Indices. Additionally, after extensive client consultations, we are in the process of enhancing our Global Equity Model for our portfolio analytics products.
  - *Expand our presence across all asset classes.* We believe our well-established reputation and client base in the equity area as well as our experienced research staff provide us with a strong foundation to become a leading provider of tools for investors in multi-asset class portfolios and other asset classes such as fixed income. We are investing in these products, particularly our web-based multi-asset class software application, BarraOne, as well as our hedge fund risk model.

- *Expand our capacity to design and produce new products*. We intend to increase our investments in new model research, data production systems and software application design to enable us to design and produce new products more quickly and cost-effectively. Increasing our ability to process additional models and data, and design and code software applications more effectively, will allow us to respond faster to client needs and bring new products and product enhancements to the market more quickly.

- *Growth Through Acquisitions*. We intend to actively seek to acquire products, technologies and companies that will enhance, complement or expand our product offerings and client base, as well as increase our ability to provide investment decision support tools to equity, fixed income and multi-asset class investment institutions.

Competitive Advantages

We believe our competitive advantages include the following:

- *Strong brand recognition*. Our indices, portfolio analytics and energy and commodity asset valuation analytics, marketed under the MSCI, Barra and FEA brands, respectively, are well-established and recognized throughout the investment community worldwide. We are an industry leader in international equity indices and equity portfolio analytics tools worldwide. Our brand strength reflects the longstanding quality and widespread use of our products. We believe our products are well-positioned to be the tools of choice for investment institutions increasingly looking to third parties for benchmarking, index-linked product creation, portfolio risk management and related tools.

- *Strong client relationships and deep understanding of their needs.* Our consultative approach to product development, dedication to client support and range of products have helped us build strong relationships with investment institutions around the world. We believe the skills, knowledge and experience of our research, software engineering, data management and production and product management teams enable us to develop and enhance our models, methodologies, data and software applications in accordance with client demands and needs. We consult with our clients and other market participants during the product development and construction process to take into account their actual investment process requirements.

- *Client reliance on our products*. Many of our clients have come to rely on our products in their investment management processes, integrating our products into their performance measurement and risk management processes, where they become an integral part of their daily portfolio management functions. In certain cases, our clients are requested by their customers to report using our tools or data. Consequently, we believe that certain of our clients may experience business disruption and additional costs if they chose to cease using or replace our products.

- *Sophisticated models with practical application*. We have invested significant time and resources for more than three decades in developing highly sophisticated and practical index methodologies and risk models that combine financial theory and investment practice. We enhance our existing models to reflect the evolution of markets and to incorporate methodological advances in risk forecasting. New models and major enhancements to existing models are reviewed by our model review committee.

- *Open architecture and transparency*. We have an open architecture philosophy. Clients can access our data through our software applications, third-party applications or their own applications. We also recognize that the marketplace is complex and that a competitor in one context may be a supplier or distributor in another context. For example, Standard & Poor’s competes with us in index products, supplies index data available in our portfolio analytics software products and jointly developed and maintains GICS and GICS Direct with us. In order to provide transparency, we document and disclose many details of our models and methodologies to our clients so that they can better understand and utilize the tools we offer. We strongly believe this open architecture approach benefits us and our clients.

- *Global products and operations*. Our products cover most major investment markets throughout the world. For example, as of November 30, 2007, our international equity indices covered 56 countries, spanning both developed and emerging market countries. On December 1, 2007, we launched a new family of benchmark equity indices, Frontier Markets, which cover 19 countries. In addition, in fiscal 2007, we produced equity risk data for 42 countries and an integrated multi-asset class risk model that covered 56 equity markets and 46 fixed income markets. As of November 30, 2007, our clients were located in 66 countries and many of them have a presence in multiple locations around the world. As of November 30, 2007, our employees were located in 15 countries in order to maintain close contact with our clients and the international markets we follow. We believe our global presence and focus allow us to serve our clients well and capitalize on a great number of business opportunities in many countries and regions of the world.
- *Highly skilled employees*. Our workforce is highly skilled, technical and, in some instances, specialized. In particular, our research and software application development departments include experts in advanced mathematics, statistics, finance, portfolio investment and software engineering, who combine strong academic credentials with market experience. As of November 30, 2007, over 40 of our employees held doctorate degrees. Employees in our diverse global client coverage group collectively held more than 65 MBAs or other Masters degrees. Our employees' experience and knowledge gives us access to, and allows us to add value at, the highest levels of our clients' organizations.
- *Extensive historical databases*. We have accumulated comprehensive databases of historical global market data and proprietary index and risk data. We believe our substantial and valuable databases of proprietary index and risk data, including over 38 years of certain index data history and over 34 years of certain risk data history, would be difficult and costly for another party to replicate. The information is not available from any single source and would require intensive data checking and quality assurance testing that we have performed over our many years of accumulating this data. Historical data is a critical component of our clients' investment processes, allowing them to research and back-test investment strategies and analyze portfolios over many investment and business cycles and under a variety of historical situations and market environments.

Clients

Based on our revenues for the fiscal year ended November 30, 2007, we served over 2,900 clients across 66 countries worldwide with 53% of revenue from our client base in the Americas, 33% in EMEA, 8% in Japan and 6% in Asia-Pacific (not including Japan). Our clients include asset owners such as pension funds, endowments, foundations, central banks and insurance companies; institutional and retail asset managers, such as managers of pension assets, mutual funds, ETFs, hedge funds and private wealth; and financial intermediaries such as broker-dealers, exchanges, custodians and investment consultants. To calculate the number of our clients, we have counted affiliates, cities and certain business units within a single organization (*e.g.*, buy-side and sell-side business units) as separate clients when they separately subscribe to our products. For example, the asset management and broker-dealer arms of a diversified financial services firm are treated as separate clients. We have enjoyed very high product subscription Retention Rates. Our Retention Rates were 92% and 91% for the fiscal years ended November 30, 2007 and 2006, respectively. For a description of the calculation of our Retention Rates, see "Item 7.—Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Metrics and Drivers—Retention Rate."

As of November 30, 2007, our equity index products were used by approximately 2,150 clients. As of November 30, 2007, our portfolio analytics products were used by over 900 clients worldwide.

Revenues from our ten largest clients contributed a total of 31%, 31% and 28% of revenues for the fiscal years ended November 30, 2007, 2006 and 2005, respectively.

In the fiscal years ended November 30, 2007 and 2006 our largest client organization by revenue, Barclays, accounted for 12.6% and 11.2% of our total revenues, respectively. For the fiscal years ended November 30, 2007 and 2006, approximately 91.5% and 90.0% of our revenues from Barclays came from fees based on the assets of ETFs linked to MSCI equity indices. In addition, 3.4% of our revenues in the year ended November 30, 2007 consisted of revenues from Morgan Stanley, our principal shareholder. No client represented more than 10% of our operating revenues in the fiscal year ended November 30, 2005.

Marketing

We market our products to investment institutions and service providers worldwide. See "—Clients" above. Our research and product management teams seek to understand our clients' investment process and their needs and design tools that help clients address them. Because of the sophisticated nature of our products, our main means of marketing is through face-to-face meetings and 24-hour client support, as described in "—Sales and Client Support" below. These marketing and support efforts are supplemented by our website, our client seminars, our participation in industry conferences, our ongoing product consultations and research papers, and our public relations efforts.

Members of our research team and other employees regularly speak at industry conferences, as well as at our own seminars. We host over 100 seminars and workshops per year in locations across the globe. These seminars and workshops bring our staff and our clients' investment professionals together, expose those professionals to our latest research and product enhancements and give our staff an opportunity to gain insight into our clients' needs. Our marketing communications professionals also arrange interviews for our professionals in prominent industry journals and issue press releases on product developments and releases. Our strategic marketing professionals collaborate with our product specialists to analyze our clients' use of our products and to analyze the competitive landscape for our products.

Sales and Client Support

As of November 30, 2007, we employed over 90 sales people and over 50 client support people worldwide. Of these, over 35 were located in our New York headquarters and over 25 were located in our London office. In the last few years we have expanded our sales effort in two ways. We have opened sales offices in Shanghai, Dubai, Mumbai and Chicago. We have also created more teams dedicated solely to the needs of certain client types such as hedge funds, asset owners and broker dealers. In total, our sales and client support staff was based in 16 offices around the world enabling us to provide face-to-face client service.

Our sales people service established clients and develop new ones. Our client support team provides 24-hour support five days a week to our clients as needed. Client support teams focus on different types of clients. We believe that the size, quality, knowledge and experience of our sales and client support staff, as well as their proximity to clients, differentiates us from our competitors. Because of the sophisticated nature of our products and their uses, our sales and client support staff have strong academic and financial backgrounds. Our sales people are compensated under a salary and bonus system and do not receive commissions.

The sales cycle for new clients varies based on the product. Because of the sophisticated nature of our products, most new sales require one or more face-to-face meetings with the prospective client. Once the sales group has obtained a new client, the client is introduced to our client support team. For Barra-branded products, sales and client support personnel are available to provide intensive on-site training in the use of the models, data and software application underlying each product. They also provide continuing support, which may include on-site visits, telephone support and routine client support needed in connection with the use of the product, all of which are included in the recurring subscription fee.

Product Development and Production

We take a coordinated team approach to product development and production. Our product management, research, data management and production, and software engineering departments are at the center of this process.

Based on a comprehensive understanding of the investment process worldwide, our research department is responsible for developing, reviewing and enhancing our various methodologies and models. Our global data management and production team designs and manages our processes and systems for market data procurement, proprietary data production and quality control. Our software engineering team builds our sophisticated software applications. As part of our product development process, we also commonly undertake extensive consultations with our clients and other market participants to understand their specific needs and investment process requirements. Our product management team facilitates this collaborative product development and production approach.

- *Research*. Our models are developed by a cross-functional research team of mathematicians, statisticians, financial engineers and investment industry experts. As of November 30, 2007, our research department consisted of over 70 employees, including more than 30 who held Ph.Ds. Our research department combines extensive academic credentials with broad financial and investment industry experience. We monitor investment trends and their drivers globally, as well as analyze product-specific needs in areas such as indexing, risk forecasting, portfolio optimization and value-at-risk simulation. An important way we monitor global investment trends and their implications for our business is through the forum provided by our Editorial Advisory Board ("EAB"). Our EAB, which was established in 1999, meets twice a year and is comprised of senior investment professionals from around the world and senior members of our research team. Our researchers commonly speak at industry events and conferences, and their papers have been frequently published in leading academic and industry journals. We sponsor an annual research conference for our clients where our researchers discuss their current work, research papers and projects. Our researchers work on both developing new models and methodologies and enhancing existing ones. For example, in our equity index business we announced the MSCI Global Investable Markets Index Series methodology in 2007, which is an enhancement to our current International Index Series methodology. This methodology is based on changes we have observed in global equity markets and investing. We also announced other new equity index methodologies, such as the MSCI Global Islamic Indices. In our equity analytics business we have announced that we are currently recalibrating our Global Equity Model to use weekly data and additional risk factors. We have research offices in the U.S., Europe and Asia.
- *Data Management and Production.* As of November 30, 2007, our data management and production team consisted of more than 200 people in six countries, and involved a combination of information technology and operations specialists. We licensed a large volume and variety of market data for every major market in the world, including fundamental and return data, from more than 150 third party sources in fiscal 2007. We apply this market data to our models and methodologies to produce our proprietary index and risk data. Our data management and production team oversees this complex process. Our experienced information technology staff builds internal systems and proprietary software and databases that house all of the data we license in order for our data management and production teams to perform data quality checks and run our data production systems. This data factory produces our proprietary index data such as end of day and real time equity indices, and our proprietary risk data such as daily and monthly equity risk forecasts. We have data management and production offices in the U.S., Europe and Asia.
- *Software Engineering*. Certain of our proprietary risk data are made available to clients through our proprietary software applications, such as Barra Aegis, BarraOne and Barra Cosmos. As of November 30, 2007, our software engineering team consisted of over 70 individuals, including 11 who held Ph.Ds, with significant experience in both the finance and software industries. Our staff has an extensive skill set, including expertise in both the Java-based technologies used in our web-based,

on-demand software application tool for multi-asset class risk analysis and reporting and the Microsoft- based technologies used in our desktop equity and fixed income analytics software products. We also have extensive experience with database technologies, computational programming techniques, scalability and performance analysis and tuning and quality assurance. We use a customized software development methodology that leverages best practices from the software industry, including agile programming, test-driven development, parallel tracking, iterative cycles, prototyping and beta releases. We build our software applications by compiling multiple components, which enables us to reuse designs and codes in multiple products. Our software development projects involve extensive collaboration with our product management team and directly with clients. Our software engineering team is primarily located in California in the San Francisco Bay Area.

Our Competition

Many industry participants compete directly with us offering one or more similar products.

Our principal competitors on a global basis for our international equity index products are Dow Jones & Company, Inc. ("Dow Jones"), FTSE International, Ltd (a joint venture between The Financial Times and The London Stock Exchange) and Standard & Poor's (a division of The McGraw-Hill Companies, Inc.).

Additionally, we compete with equity index providers whose primary strength is in a local market or region. These include Russell Investment Group (a unit of Northwestern Mutual Life Insurance Group) and Standard & Poor's in the U.S.; STOXX Ltd. (a joint venture of Dow Jones, Deutsche Börse AG and the SWX Group) in Europe; and Nikkei Inc., Russell Investment Group and Nomura Securities, Ltd., and Tokyo Stock Exchange, Inc. in Japan. There are also many smaller companies that create custom indices primarily for use as the basis of ETFs.

The principal competitors for our equity portfolio analytics products are Applied Portfolio Technologies, Axioma, Inc., FactSet Research Systems, Inc., Northfield Information Services, Inc., and Wilshire Analytics. The primary competitors for our multi-asset class portfolio analytics products are Algorithmics (a member of Fimalac S.A.) and RiskMetrics Group, Inc.

Additionally, many of the larger broker-dealers have developed proprietary analytics tools for their clients. Similarly, many investment institutions, particularly the larger global organizations, have developed their own internal analytics tools.

For our other products where our revenues are less significant, we also have a variety of other competitors.

Employees

As of November 30, 2007, we employed 637 full-time employees and 44 temporary employees worldwide. Of our 44 temporary employees, 21 were consultants who were contracted to work on various projects. Certain services have been provided to us by other Morgan Stanley employees, not included in the numbers above. See "Item 7.—Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Impacting Comparability of Our Financial Results—Our Relationship with Morgan Stanley."

Arrangements Between Morgan Stanley and Us

General

At the time of the initial public offering, we entered into certain agreements with Morgan Stanley to define our ongoing relationship following the offering and to contemplate our obligations in the event of a sale or tax-free distribution of the shares held by Morgan Stanley to its shareholders or securityholders or another similar transaction intended to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"), or any corresponding provision of any successor statute (a "Tax-Free Spin-Off"). Set forth below are descriptions of certain agreements, relationships and transactions we have with Morgan Stanley.

Services Agreement

On November 20, 2007, we entered into a services agreement with Morgan Stanley pursuant to which Morgan Stanley agreed to provide, directly or indirectly through its subsidiaries or subcontractors, services in the areas of human resources, information technology, accounting, legal and compliance, tax, office space leasing, corporate services, treasury and other services for so long as Morgan Stanley owns more than 50% of our outstanding common stock. The services Morgan Stanley will continue to provide upon owning 50% or less of our common stock are subject to renegotiation in good faith, and will be provided for a period not to exceed 12 months. As long as Morgan Stanley owns more than 50% of our common stock, payment for these services will be based on an internal cost allocation methodology based on fully loaded cost (*i.e.*, allocated direct costs of providing the services, plus all related overhead and out-of-pocket costs and expenses) and an allocation to us of a portion of compensation related expenses for Morgan Stanley senior executives, in each case, consistent with past practices. Upon the sale or other disposition of any portion of our business, assets or properties, Morgan Stanley's obligation to provide any service in respect of such disposed business, assets or properties will terminate. Similarly, if our business increases significantly or we acquire any business, assets or properties, Morgan Stanley will not have to provide any services in respect of such increase or acquired business, assets or properties.

The services agreement provides that any obligation of Morgan Stanley to provide a service may be terminated (i) by us upon advance notice to Morgan Stanley or (ii) by either party if the other party has breached its obligations under the agreement relating to the service and has not cured the breach within an agreed upon period of time. In addition, at any time following the announcement of a transaction involving a change of control of us, Morgan Stanley may elect to terminate any and all services it provides, provided that no service will be terminated prior to the closing of the change of control transaction unless agreed to by us.

In general, Morgan Stanley is not liable to us in connection with any service provided under the services agreement except in the case of gross negligence or willful misconduct. We also agreed to indemnify Morgan Stanley with respect to liabilities and expenses incurred in connection with any claim, action, proceeding or investigation, whether or not in connection with pending or threatened litigation, arising out of, in connection with or related to services rendered or to be rendered by or on behalf of Morgan Stanley, other than liabilities and expenses resulting from gross negligence or willful misconduct by Morgan Stanley.

Tax Sharing Agreement

For so long as Morgan Stanley owns at least 80% of the total voting power of our stock and 80% of the total value of our stock, we will generally continue to file our federal income tax returns and other income tax returns with Morgan Stanley on a consolidated, combined or unitary basis under applicable law so long as we are permitted to do so. If Morgan Stanley's ownership of our common stock falls below the relevant threshold, which may occur as a result of, among other things, a subsequent sale or Tax-Free Spin-Off by Morgan Stanley of our common stock, we will file the relevant federal or other income tax return as a separate taxable group.

On November 20, 2007, we entered into a tax sharing agreement with Morgan Stanley setting forth the rights and obligations of Morgan Stanley and us with respect to federal and other income taxes for periods, in which we file returns on a consolidated, combined or unitary basis with Morgan Stanley. Under the terms of the tax sharing agreement, we will be liable for a portion of the consolidated, combined or unitary tax liability, including any liability resulting from adjustments on audit, based on what our liability would have been, as determined by Morgan Stanley, had we and our subsidiaries been a taxable group separate from the Morgan Stanley consolidated group. In addition, if Morgan Stanley distributes our common stock to its shareholders or securityholders in a transaction intended to qualify as a Tax-Free Spin-Off, we will provide customary representations, covenants and indemnities to Morgan Stanley (to the extent not otherwise already provided in the tax sharing agreement), including indemnifying Morgan Stanley for any taxes resulting from such transaction failing to qualify as a Tax-Free Spin-Off (or as a similar transaction under state law) as a result of any action taken by any member of our separate taxable group.

Furthermore, under the tax sharing agreement, Morgan Stanley will prepare and file the consolidated federal and applicable consolidated, combined or unitary income tax returns that include taxable periods in which we or a member of our taxable group, on the one hand, and Morgan Stanley or a member of its taxable group, on the other hand, are included. Tax audits and controversies relating to Morgan Stanley or a member of its taxable group, regardless of whether such tax audit or controversy relates to us or a member of our taxable group, will be controlled by Morgan Stanley. However, in certain circumstances we may be entitled to control certain audits or controversies relating to taxes that solely relate to us or a member of our taxable group.

License Agreement

We have a trademark license agreement with Morgan Stanley which grants us an exclusive royalty-free license to use the Morgan Stanley trademark "Morgan Stanley Capital International" for so long as Morgan Stanley owns 50% or more of us. Pursuant to the agreement, we must cease using the trademark "Morgan Stanley Capital International" within 90 days after Morgan Stanley ceases to own 50% or more of us. We own the MSCI trademark and plan to continue to use the MSCI brand after Morgan Stanley ceases to own more than 50% of the total value of our stock.

Intellectual Property Agreement

On November 20, 2007, we entered into an intellectual property agreement with Morgan Stanley granting both parties a reciprocal, non-exclusive, perpetual, irrevocable, world-wide, royalty-free license to use hardware settings and configurations, generic software libraries and routines and generic document templates owned and not separately commercialized by the granting party, that have been used by the grantee party prior to the date upon which Morgan Stanley ceases to own more than 50% of the issued and outstanding shares of our common stock.

Ongoing Leasehold Arrangements

As of November 30, 2007, we leased an aggregate of approximately 16,000 square feet of office space from Morgan Stanley in nine locations. The rent and other terms of all such lease agreements are consistent with arm's-length commercially reasonable terms for agreements of these types.

Our leases in Geneva, Switzerland and Frankfurt, Germany are guaranteed by subsidiaries of Morgan Stanley.

Morgan Stanley Agreements with Third Parties

Historically, we have received services provided by third parties pursuant to various agreements that Morgan Stanley has entered into for the benefit of its affiliates. We pay the third parties directly for the services they provide to us or reimburse Morgan Stanley through an allocation for our share of the actual costs incurred under the agreements. If Morgan Stanley sells or distributes our common stock through a Tax-Free-Spin-Off, we intend to continue to procure some of these third-party services through Morgan Stanley to the extent we are permitted (and elect to) or are required to do so.

Shareholder Agreement

On November 20, 2007, we entered into a shareholder agreement with Morgan Stanley under which we granted to Morgan Stanley a continuing option, transferable to any of its subsidiaries, to purchase, under certain circumstances, additional shares of class B common stock or shares of any of our nonvoting capital stock (the "Options"). The Options may be exercised by Morgan Stanley simultaneously with the issuance of any equity securities by us only to the extent necessary to maintain Morgan Stanley's ability to effect a Tax-Free Spin-Off, which is, with respect to the class B common stock Option, 80% of the total voting power of our stock and 50% of the total value of our stock and is, with respect to the nonvoting capital stock Option, 80% of each outstanding

class of such stock. We also agree to indemnify Morgan Stanley with respect to liabilities (including tax liabilities) resulting from our breach of the shareholder agreement, which could include damages to Morgan Stanley resulting from the loss of its ability to effect a Tax-Free Spin-Off. The purchase price of the shares of class B common stock purchased upon any exercise of the Options will be based on the market price at which class A common stock may be purchased by third parties as of the date of delivery of notice of exercise of the Options. The Options terminate in the event that Morgan Stanley reduces its ownership percentage in us to less than 80% of the total voting power of our common stock or 50% of the total value of our stock. We do not intend to issue additional shares of class B common stock except pursuant to the exercise of the Options.

For so long as Morgan Stanley's ownership percentage is at least 80% of the total voting power of our stock or 50% of the total value of our stock, we agree to not take any action or enter into any commitment or agreement which, to our knowledge, may reasonably be anticipated to result in a violation or event of default by Morgan Stanley or any of its subsidiaries of applicable law or regulation, any provision of Morgan Stanley's certificate of incorporation or bylaws, any credit agreement or other material agreement of Morgan Stanley, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over Morgan Stanley or its assets. We will agree to not take any action, including the redemption or repurchase of our stock, that has the direct or indirect effect of reducing the amount of our outstanding stock without the prior written approval of Morgan Stanley, if at any time prior to a Tax-Free Spin-Off Morgan Stanley owns less than 80% of the total value of our stock.

Subject to certain limitations, Morgan Stanley may assign certain of its rights under the shareholder agreement to any person that agrees to be bound by certain terms of the shareholder agreement. The shareholder agreement further provides Morgan Stanley with certain registration rights relating to shares of our outstanding common stock held by Morgan Stanley. Subject to certain limitations, Morgan Stanley and its transferees may require us to register, under the Securities Act, all or any portion of the common stock, a so-called "demand registration." We are not obligated to effect a demand registration within the six-month period after the effective date of a previous demand registration.

Additionally, Morgan Stanley and its transferees have so-called "piggyback" registration rights, which means that Morgan Stanley and its transferees may include their respective shares in any future registrations of our equity securities, whether or not that registration relates to a primary offering by us or a secondary offering by or on behalf of any of our shareholders. The demand registration rights and piggyback registrations are each subject to customary market cutback exceptions.

We will pay certain registration expenses in connection with certain "demand" or "piggyback" registrations, except underwriting discounts, commissions and transfer taxes, if any. The shareholder agreement sets forth customary registration procedures, including an agreement by us to make our management available for road show presentations in connection with any underwritten offerings. We also agree to indemnify Morgan Stanley and its transferees with respect to liabilities or expenses resulting from untrue statements or omissions or alleged untrue statements or omissions in any registration statement used in any such registration, other than any actual or alleged untrue statements or omissions resulting from information furnished to us for use in the registration statement by the underwriters, Morgan Stanley or any transferee.

Certain rights of Morgan Stanley and its transferees under the shareholder agreement remain in effect with respect to the shares of class B common stock covered by the agreement for ten years or earlier if those shares have been transferred to persons other than those holding more than 3% of our outstanding common stock.

Credit Facility

On November 14, 2007, we entered into a $500.0 million credit facility with Morgan Stanley Senior Funding, Inc. and Bank of America, N.A., as agents for a syndicate of lenders, and other lenders party thereto, and is comprised of a $200.0 million term loan A facility, a $225.0 million term loan B facility, (the term loan A facility and the term loan B facility together are referred to herein as the "Term Loans") which was issued at a

discount of 0.5% of the principal amount resulting in proceeds of approximately $223.9 million, and a $75.0 million revolving credit facility (the "Revolving Credit Facility" and together with the Term Loans, the "Credit Facility") (under which there were no drawings as of November 30, 2007). Outstanding borrowings under the Credit Facility accrue interest at (i) LIBOR plus a fixed margin of 2.50% in the case of the term loan A facility and the Revolving Credit Facility and 3.00% in the case of the term loan B facility or (ii) the base rate plus a fixed margin of 1.50% in the case of the term loan A facility and the Revolving Credit Facility and 2.00% in the case of the term loan B facility, in each case subject to interest rate step downs based on the achievement of consolidated leverage ratio (as defined in the Credit Facility) conditions. The term loan A facility and the term loan B facility mature on November 20, 2012 and November 20, 2014, respectively. The Revolving Credit Facility is available for working capital requirements and other general corporate purposes (including the financing of permitted acquisitions), subject to certain conditions, and matures on November 20, 2012. An affiliate of Morgan Stanley and Banc of America Securities LLC acted as joint lead arrangers for the Credit Facility. For a description of certain provisions of our Credit Facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Available Information

Our corporate headquarters are located at Wall Street Plaza, 88 Pine Street, New York, New York 10005, and our telephone number is (212) 804-3900. We maintain an Investor Relations website on the Internet at www.mscibarra.com. We make available free of charge, on or through this website, our annual, quarterly and current reports and any amendments to those reports as soon as reasonably practicable following the time they are electronically filed with or furnished to the SEC. To access these, just click on the "SEC Filings" link found on our Investor Relations homepage.

Information contained on our website is not incorporated by reference into this Annual Report on Form 10-K or any other report filed with the SEC.

Item 1A. *Risk Factors*

You should carefully consider the following risks and all of the other information set forth in this Annual Report on Form 10-K. If any of the following risks actually occurs, our business, financial condition or results of operations would likely suffer. You should read the section titled "Special Note Regarding Forward-Looking Statements" beginning on page 1 for a discussion of what types of statements are forward-looking statements, as well as the significance of such statements in the context of this Annual Report on Form 10-K.

Risks Related to Our Business

If we lose key outside suppliers of data and products or if the data or products of these suppliers have errors or are delayed, we may not be able to provide our clients with the information and products they desire.

Our ability to produce our products and develop new products is dependent upon the products of other suppliers, including certain data, software and service suppliers. Our index and analytics products are dependent upon (and of little value without) updates from our data suppliers and most of our software products are dependent upon (and of little value without) continuing access to historical and current data. As of November 30, 2007, we utilized and distributed certain data provided to us by over 150 data sources, including large volumes of data from certain exchanges around the world. If the products of our suppliers have errors, are delayed, have design defects, are unavailable on acceptable terms or are not available at all, our business, financial condition or results of operations could be materially adversely affected.

Some of our agreements with data suppliers allow them to cancel on short notice and we have not completed formal agreements with all of our data suppliers, such as certain exchanges. Many of these data suppliers compete with one another and, to some extent, with us. From time to time we receive notices from data suppliers

threatening to terminate the provision of their data to us. Termination of one or more of our significant data agreements or exclusion from, or restricted use of, a data provider's information could decrease the available information for us to use and offer our clients and may have a material adverse effect on our business, financial condition or results of operations.

Although data suppliers and exchanges typically benefit from broad access to their data, some of our competitors could enter into exclusive contracts with our data suppliers, including with certain exchanges. If our competitors enter into such exclusive contracts, we may be precluded from receiving certain data from these suppliers or restricted in our use of such data, which would give our competitors a competitive advantage. Such exclusive contracts would hinder our ability to provide our clients with the data they prefer, which could lead to a decrease in our client base and could have a material adverse effect on our business, financial condition or results of operations.

Some data suppliers may seek to increase licensing fees for providing their content to us. If we are unable to renegotiate acceptable licensing arrangements with these data suppliers or find alternative sources of equivalent content, we may be required to reduce our profit margins or experience a reduction in our market share.

Some of our third-party suppliers are also our competitors, increasing the risks noted above.

Any failure to ensure and protect the confidentiality of client data could adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations.

Many of our products exchange information with clients through a variety of media, including the Internet, software applications and dedicated transmission lines. We rely on a complex network of internal process and software controls to protect the confidentiality of client data, such as client portfolio data that may be provided to us or hosted on our systems. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in implementation of our internal controls, misappropriation of client data could occur. Such internal control inadequacies could damage our reputation and have a material adverse effect on our business, financial condition or results of operations.

We have implemented information barrier procedures to protect the confidentiality of the material, non-public information regarding changes to the composition of our indices. If our information barrier procedures fail, our reputation could be damaged and our business, financial condition or results of operations could be materially adversely affected.

We change the composition of our indices from time to time. We believe that, in some cases, the changes we make to our indices can affect the prices of constituent securities and products based on our indices. Our index clients rely on us to keep information about changes to the future composition of an index confidential and to protect against the misuse of that information until the change to the composition of the index is disclosed to clients. We have implemented information barrier procedures to prevent the unauthorized disclosure and misuse of information regarding changes to the composition of our indices. If our information barrier procedures fail and we inadvertently disclose or an individual deliberately misuses information about a change to one of our indices, our reputation may suffer. Clients' loss of trust and confidence in our information barrier policies and procedures could lead to a negative reputation throughout the investment community, which could have a material adverse effect on our business, financial condition or results of operations.

In addition, certain exchanges permit our clients to list exchange traded funds or other financial products based on our indices only if we provide a representation to the exchange that we have reasonable information barrier procedures in place to address the unauthorized disclosure and misuse of material, non-public information about changes to the composition of our indices. If an exchange determines that our information barrier procedures are not sufficient, the exchange might refuse to list or might delist investment products based on our indices, which may have a material adverse effect on our business, financial condition or results of operations.

Legal protections for our intellectual property rights and other rights may not be sufficient or available to protect our competitive advantages. Third parties may infringe on our intellectual property rights, and pending third-party litigation may adversely affect our ability to protect our intellectual property rights.

We consider certain aspects of our products and processes to be proprietary. We rely primarily on a combination of trade secret, patent, copyright and trademark rights, as well as contractual protections and technical measures, to protect our products and processes. Despite our efforts, third parties may still try to challenge, invalidate or circumvent our rights and protections. There is no guarantee that any trade secret, patent, copyright or trademark rights that we may obtain will protect our competitive advantages, nor is there any assurance that our competitors will not infringe upon our rights. Even if we attempt to protect our intellectual property rights through litigation, it may require considerable cost, time and resources to do so, and there is no guarantee that we would be successful. Furthermore, our competitors may also independently develop, patent or otherwise protect products and processes that are the same or similar to ours. In addition, the laws of certain foreign countries in which we operate do not protect our proprietary rights to the same extent as do the laws of the U.S. Also, some elements of our products and processes may not be subject to intellectual property protection.

- Trademarks and Service Marks—We have registered “MSCI”, “Barra” and “FEA” as trademarks and service marks in the U.S. and in certain foreign countries. We have also registered other product trademarks and certain service marks in the U.S. and in certain foreign countries. When we enter a new geographic market or introduce a new product brand, there can be no assurance that our existing trademark or service mark of choice will be available. Furthermore, the fact that we have registered trademarks is not an assurance that other companies may not use similar names.
- Patents—We currently hold nine U.S. and foreign utility patents and one design patent. We currently have 13 U.S. and foreign utility patent applications pending. Patent applications can be extremely costly to process and defend. There can be no assurance that we will be issued any patents that we apply for or that any of the rights granted under any patent that we obtain will be sufficient to protect our competitive advantages.
- Copyrights—We believe our proprietary software and proprietary data are copyright protected. If a court were to determine that any of our proprietary software or proprietary data, such as our index level data, is not copyright protected, it could have a material adverse effect on our business, financial condition or results of operations.
- Confidentiality and Trade Secrets—Our license agreements limit our clients’ right to copy or disclose our proprietary software and data. It is possible, however, that a client might still make unauthorized copies of our proprietary software or data, which could have a material adverse effect on our business, financial condition or results of operations. For example, if a client who licensed a large volume of our proprietary historical data made that information publicly available, we might lose potential clients who could freely obtain a copy of the data. We also seek to protect our proprietary software and data through trade secret protection and through non-disclosure agreements with our employees. However, if an employee breaches his or her non-disclosure agreement and reveals a trade secret, we could lose the trade secret protection, which could have a material adverse effect on our business, financial condition or results of operations. Furthermore, it may be very difficult to ascertain if a former employee is inappropriately using or disclosing our proprietary information. Additionally, the enforceability of our license and non-disclosure agreements and the remedies available to us in the event of a breach vary due to the many different jurisdictions in which our clients and employees are located.
- License Agreements—Our products are generally made available to end users on a periodic subscription basis under a nontransferable license agreement signed by the client. We also permit access to some data, such as certain index information, through the Internet under on-line licenses that are affirmatively acknowledged by the licensee or under terms of use. The enforceability of on-line licenses and terms of use has not been conclusively determined by the courts. There can be no

assurance that third parties will abide by the terms of our licenses or that all of our license agreements will be enforceable.

- Pending Third-Party Litigation—There is currently litigation pending in the U.S. and abroad regarding whether issuers of index-linked investment products are required to obtain a license from the index owner or whether companies may issue and trade investment products based on a publicly-available index without the need for permission from (or payment to) the index owner. We are not a party to these suits, but they may have a material impact on our business. In a relevant case last year, a federal appeals court ruled against Dow Jones & Company, Inc. (Dow Jones) and The McGraw-Hill Companies (McGraw-Hill) in their attempt to prevent International Securities Exchange, Inc. from offering options on ETFs based on Dow Jones' and McGraw-Hill's indices. If the courts further determine that a license is not required to issue investment products linked to indices, this could have a material adverse effect on our business, financial condition or results of operations. It might also lead to changes in current industry practices such that we would no longer make our index level data publicly available, such as via our website or news media.

Third parties may claim we infringe upon their intellectual property rights.

Third parties may claim we infringe upon their intellectual property rights. Businesses operating in the financial services sector, including our competitors and potential competitors, have in recent years increasingly pursued patent protection for their technologies and business methods. If any third parties were to obtain a patent on an index methodology, risk model or software application, we could be sued for infringement. Furthermore, there is always a risk that third parties will sue us for infringement or misappropriation of other intellectual property rights, such as trademarks, copyrights or trade secrets.

From time to time we receive such notices from others alleging intellectual property infringement or potential infringement. The number of these claims may grow. We have made and expect to continue making expenditures related to the use of technology and intellectual property rights as part of our strategy to manage this risk.

Responding to intellectual property claims, regardless of merit, can consume valuable time, result in costly litigation or cause delays. We may be forced to settle such claims on unfavorable terms, and there can be no assurance that we would prevail in any litigation arising from such claims if such claims are not settled. We may be required to pay damages, required to stop selling or using the affected products or applications or required to enter into royalty and licensing agreements. There can be no assurance that any royalty or licensing agreements will be made, if at all, on terms that are commercially acceptable to us. We may also be called upon to defend partners, clients, suppliers or distributors against such third-party claims under indemnification clauses in our contracts. Therefore, the impact of claims of intellectual property infringement could have a material adverse effect on our business, financial condition or results of operations.

Our use of open source code could impose unanticipated delays or costs in deploying our products, or impose conditions or restrictions on our ability to commercialize our products or keep them confidential.

We rely on open source code to develop software and to incorporate it in our products, as well as to support our internal systems and infrastructure. We monitor our use of open source code to attempt to avoid subjecting our products to conditions we do not intend. The terms of many open source code licenses, however, are ambiguous and have not been interpreted by U.S. courts. Accordingly, there are risks that there may be a failure in our procedures for controlling the usage of open source code or that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. In either event, we could be required to seek licenses from third parties in order to continue offering our products, to make generally available (in source code form) proprietary code that links to certain open source code modules, to re-engineer our products or systems or to discontinue the licensing of our products if re-engineering could not be accomplished on a timely basis. Any of these requirements could materially adversely affect our business, financial condition or results of operations.

We are dependent on the use of third-party software and data, and any reduction in third-party product quality or any failure by us to comply with our licensing requirements could have a material adverse effect on our business, financial condition or results of operations.

We rely on third-party software and data in connection with our product development and offerings. We depend on the ability of third-party software and data providers to deliver and support reliable products, enhance their current products, develop new products on a timely and cost-effective basis, and respond to emerging industry standards and other technological changes. The third-party software and data we use may become obsolete or incompatible with future versions of our products. We also monitor our use of third-party software and data to comply with applicable license requirements. Despite our efforts, there can be no assurance that such third parties may not challenge our use, resulting in our loss of rights or costly legal actions. Our business could be materially adversely affected if we are unable to timely or effectively replace the functionality provided by software or data that becomes unavailable or fails to operate effectively for any reason. In addition, our operating costs could increase if license fees for third-party software or data increase or the efforts to incorporate enhancements to third-party or other software or data are substantial. Some of these third-party suppliers are also our competitors, increasing the risks noted above.

If our products fail to perform properly due to undetected errors or similar problems, it could have a material adverse effect on our business, financial condition or results of operation.

Products we develop or license may contain undetected errors or defects despite testing. Such errors can exist at any point in a product's life cycle, but are frequently found after introduction of new products or enhancements to existing products. We continually introduce new products and new versions of our products. Despite internal testing and testing by current and potential clients, our current and future products may contain serious defects or malfunctions. If we detect any errors before we release a product, we might have to delay the product release for an extended period of time while we address the problem. We might not discover errors that affect our new or current products or enhancements until after they are deployed, and we may need to provide enhancements to correct such errors. Errors may occur in our products that could have a material adverse effect on our business and could result in harm to our reputation, lost sales, delays in commercial release, third-party claims, contractual disputes, negative publicity, delays in or loss of market acceptance of our products, license terminations or renegotiations, or unexpected expenses and diversion of resources to remedy errors.

Furthermore, our clients may use our products together with their own software, data or products from other companies. As a result, when problems occur, it might be difficult to identify the source of the problem. Even when our products do not cause these problems, the existence of these errors might cause us to incur significant costs, divert the attention of our technical personnel from our product development efforts, impact our reputation, cause significant client relations problems or result in legal claims against us.

Our revenues and earnings are affected by changes in the capital markets, particularly the equity capital markets.

Clients that use our indices as the basis for certain index-linked investment products, such as exchange traded funds and mutual funds, commonly pay us a fee based on the investment product's assets. These asset-based fees make up a significant and increasing portion of our revenues. They were 18.6%, 15.0%, and 14.0% of revenues for the years ended November 30, 2007, 2006 and 2005, respectively. These asset-based fees accounted for 52%, 45% and 38% of the revenues from our ten largest clients in the fiscal years ended November 30, 2007, 2006 and 2005, respectively. Economic uncertainty and volatile capital markets, as well as changing investment styles, may influence an investor's decision to invest in and maintain an investment in an index-linked investment product. In particular, because our international equity indices are constructed from the perspective of an international investor, our asset-based fees may decrease if investments are directed away from foreign markets and become focused on domestic markets. Additionally, if the performance of a market and the MSCI index that tracks that market decline, the assets of an investment product based on that index may decline as well. Each of these factors could result in the fluctuation in or decline in our asset-based fees, which could have a material adverse effect on our business, financial condition or results of operations.

Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indices, which could limit the growth of or decrease our revenues from asset-based fees.

A portion of our revenues are from asset-based fees and these revenues are concentrated in some of our largest clients. Our clients may seek to negotiate a lower asset-based fee percentage for a variety of reasons. As the assets of index-linked investment products managed by our clients change, they may request to pay us lower asset-based fee percentages. Additionally, as competition among our clients increases, they may have to lower the fees they charge to their clients, which could cause them to try to decrease our fees accordingly. For example, competition is intense and increasing among our clients that provide exchange traded funds. The fees they charge their clients are one of the competitive differentiators for these exchange traded fund managers. Additionally, clients that have licensed our indices to serve as the basis of index-linked investment products are generally not required to continue to use our indices and could elect to cease offering the product or could change the index to a non-MSCI index, in which case our asset-based fees could dramatically decrease, which could have a material adverse effect on our business, financial condition or results of operations.

Our business is dependent on our clients continuing to invest in equity securities. If our clients significantly reduce their investments in equity securities, our business, financial condition or results of operations may be materially adversely affected.

The majority of our revenues comes from our products that are focused on various aspects of managing or monitoring equity portfolios. To the extent our clients' investment emphasis significantly changes from equity to fixed income securities or multi-asset class or derivative strategies, the demand for our equity products would likely decrease, which could have a material adverse effect on our business, financial condition or results of operations.

Our business is dependent on our clients continuing to measure the performance of their equity investments against equity benchmarks. If our clients discontinue use of equity benchmarks to measure performance, our business, financial condition or results of operations could be materially adversely affected.

Our equity index products serve as equity benchmarks against which our clients can measure the performance of their investments. If clients decide to measure performance on an absolute return basis instead of against an equity benchmark, the demand for our indices could decrease. Any such decrease in demand for our equity index products could have a material adverse effect on our business, financial condition or results of operations.

We must continue to introduce new products and product enhancements to address our clients' changing needs, market changes and technological developments.

The market for our products is characterized by shifting client demands, evolving market practices and, for some of our products, rapid technological change. Changed client demands, new market practices or new technologies can render existing products obsolete and unmarketable. As a result, our future success will continue to depend upon our ability to develop new products and product enhancements that address the future needs of our target markets and respond to technological and market changes. We may not be successful in developing, introducing, marketing and licensing our new products or product enhancements on a timely and cost effective basis, or at all, and our new products and product enhancements may not adequately meet the requirements of the marketplace or achieve market acceptance. In addition, clients may delay purchases in anticipation of new products or product enhancements.

A limited number of clients account for a material portion of our revenue. Cancellation of subscriptions or investment product licenses by any of these clients could have a material adverse effect on our business, financial condition or results of operations.

For the fiscal years ended November 30, 2007, 2006 and 2005, revenues from our ten largest clients accounted for 31%, 31% and 28% of our total revenues, respectively. If we fail to obtain a significant number of new clients or if one of our largest clients cancels its subscriptions or investment product licenses and we are unsuccessful in replacing those subscriptions or licenses, our business, financial condition or results of operation could be materially adversely affected. For the fiscal years ended November 30, 2007, 2006 and 2005, our largest client organization by revenue, Barclays PLC and affiliates, accounted for 12.6%, 11.2% and 7.7% of our total revenues, respectively. Approximately 91.5% of the revenue from Barclays came from fees based on the assets in Barclays' exchange traded funds based on MSCI indices.

Cancellation of subscriptions or investment product licenses or renegotiation of terms by a significant number of clients could have a material adverse effect on our business, financial condition or results of operations.

Our primary commercial model is to license annual, recurring subscriptions to our products for use at a specified location and by a given number of users. For most of our products, our clients may cancel their subscriptions or investment product licenses at the end of the current term. While we believe this practice supports our marketing efforts by allowing clients to subscribe without the requirement of a long-term commitment, the cancellation of subscriptions or investment product licenses by a significant number of clients at any given time may have a material adverse effect on our business, financial condition or results of operations.

Our clients may become more self-sufficient, which may reduce demand for our products and materially adversely affect our business, financial condition or results of operations.

Our clients may develop independently certain functionality contained in the products they currently license from us. For example, some of our clients who currently license our risk data to analyze their portfolio risk may develop their own tools to collect data and assess risk, making our products unnecessary for them. To the extent that our clients become more self-sufficient, demand for our products may be reduced, which could have a material adverse effect on our business, financial condition or results of operations.

Increased competition in our industry may cause price reductions or loss of market share, which may materially adversely affect our business, financial condition or results of operations.

We face competition across all markets for our products. Our competitors range in size from large companies with substantial resources to small, single-product businesses that are highly specialized. Our larger competitors may have access to more resources and may be able to achieve greater economies of scale, and our competitors that are focused on a narrower product line may be more effective in devoting technical, marketing and financial resources to compete with us. In addition, barriers to entry to create a single-purpose product may be low in many cases. The Internet as a distribution channel has allowed free or relatively inexpensive access to information sources, which has reduced barriers to entry even further. Low barriers to entry could lead to the emergence of new competitors; for example, broker-dealers and data suppliers could begin developing their own proprietary risk analytics or equity indices. These competitive pressures may also result in fewer clients, fewer subscriptions or investment product licenses, price reductions, and increased operating costs, such as for marketing, resulting in lower revenue, gross margins and operating income.

Consolidation within our target markets may affect our business.

Consolidation in the investment management industry could reduce our existing client base and the number of potential clients. This may negatively impact our ability to generate future growth and may reduce demand for our products, which could have a material adverse effect on our business, financial condition or results of operations.

Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and materially adversely affect our business, financial condition or results of operations.

In recent years, more free or relatively inexpensive information has become available, particularly through the Internet, and we expect this trend to continue. The availability of free or relatively inexpensive information may reduce demand for our products. Weak economic conditions also can result in clients seeking to utilize lower-cost information that is available from alternative sources. To the extent that our clients choose to use these sources for their information needs, our business, financial condition or results of operations may be materially adversely affected.

Our growth and profitability may not continue at the same rate as we have experienced in the past, which could have a material adverse effect on our business, financial condition or results of operations.

We have experienced significant growth during our operating history. There can be no assurance that we will be able to maintain the levels of growth and profitability that we have experienced in the past. Among other things, there can be no assurance that we will be as successful in our marketing efforts as we have been in the past, or that such efforts will result in growth or profit margins comparable to those we have experienced in the past. For example, our attempt to expand our index products to include fixed income indices was not as successful as we anticipated, so we decided to terminate our efforts to develop proprietary fixed income indices. See "—We must continue to introduce new products and product enhancements to address our clients' changing needs, market changes and technological developments" above, "—We are dependent on key personnel in our professional staff for their expertise" below, "Item 7.—Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 1.—Business." Any failure to continue to grow our business and maintain profitability could have a material adverse effect on our business, financial condition or results of operations.

Our growth may place significant strain on our management and other resources.

We must plan and manage our growth effectively to increase revenue and maintain profitability. Our growth has placed, and is expected to continue to place, significant demands on our personnel, management and other resources. We must continue to improve our operational, financial, management, legal and compliance processes and information systems to keep pace with the growth of our business. There can also be no assurance that, if we continue to grow internally or by way of acquisitions, management will be effective in attracting and retaining additional qualified personnel, expanding our physical facilities and information technology infrastructure, integrating acquired businesses or otherwise managing growth. Any failure to effectively manage growth or to effectively manage the business could have a material adverse effect on our business, financial condition or results of operations. See "—We must continue to introduce new products and product enhancements to address our clients' changing needs, market changes and technological developments" above, "—We are dependent on key personnel in our professional staff for their expertise" below, "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 1—Business."

There is considerable risk embedded in growth through acquisitions, which may materially adversely affect our business, financial condition or results of operations.

A principal element of our growth strategy is growth through acquisitions. Any future acquisitions could present a number of risks, including:

- incorrect assumptions regarding the future results of acquired operations or assets or expected cost reductions or other synergies expected to be realized as a result of acquiring operations or assets;
- failure to integrate the operations or management of any acquired operations or assets successfully and on a timely and cost effective basis;
- failure to achieve assumed synergies;
- insufficient knowledge of the operations and markets of acquired businesses;

- increased debt;
- dilution of your common stock;
- loss of key personnel;
- diversion of management's attention from existing operations or other priorities; and
- inability to secure, on terms we find acceptable, sufficient financing that may be required for any such acquisition or investment.

In addition, if we are unsuccessful in completing acquisitions of other businesses, operations or assets or if such opportunities for expansion do not arise, our future growth, business, financial condition or results of operations could be materially adversely affected.

Our revenues and expenses are subject to currency exchange fluctuation risk.

We have two separate exposures to currency exchange fluctuation risk—revenues from index-linked investment products, such as exchange traded funds, and non-U.S. dollar invoiced revenues and expenses.

Revenues from index-linked investment products represented approximately 18.6%, 15.0% and 14.0% of operating revenues for the fiscal years ended November 30, 2007, 2006 and 2005, respectively. While our fees for index-linked investment products are generally invoiced in U.S. dollars, the fees are based on the investment product's assets, substantially all of which are invested in securities denominated in currencies other than the U.S. dollar. Accordingly, declines in such other currencies against the U.S. dollar will decrease the fees payable to us under such licenses. In addition, declines in such currencies against the U.S. dollar could impact the attractiveness of such investment products resulting in net fund outflows, which would further reduce the fees payable under such licenses.

We generally invoice our clients in U.S. dollars; however, we invoice a portion of our clients in euros, pounds sterling, Japanese yen and a limited number of other non-U.S. dollar currencies. For the fiscal years ended November 30, 2007, 2006 and 2005, approximately 15%, 17% and 21%, respectively, of our operating revenues were invoiced in currencies other than U.S. dollars. Approximately half of our foreign currency revenues were in euros and a quarter in pounds sterling and Japanese yen, respectively, over those periods.

We are exposed to additional foreign currency risk in certain of our operating costs. Although our expenses are generally in U.S. dollars, some of our expenses are incurred in non-U.S. dollar denominated currencies. Approximately $55.6 million, or 23%, of our expenses for the fiscal year ended November 30, 2007 were denominated in foreign currencies, the significant majority of which were denominated in Swiss francs, pounds sterling, Hong Kong dollars, euros and Japanese yen. Expenses incurred in foreign currency may increase as we expand our business outside the U.S. and replace services provided by Morgan Stanley internationally for which we currently pay Morgan Stanley in U.S. dollars.

To the extent that our international activities recorded in local currencies increase in the future, our exposure to fluctuations in currency exchange rates will correspondingly increase. We do not hedge our foreign currency-linked revenue stream. To the extent we or Morgan Stanley attempt to hedge this risk in the future, there is no guarantee that any hedging will be fully effective.

Changes in government regulations could materially adversely affect our business, financial condition or results of operations.

The financial services industry is subject to extensive regulation at the federal and state levels, as well as by foreign governments. It is very difficult to predict the future impact of the broad and expanding legislative and regulatory requirements affecting our business and our clients' businesses. If we fail to comply with any

applicable laws, rules or regulations, we could be subject to fines or other penalties. There can be no assurance that changes in laws, rules or regulations will not have a material adverse effect on our business, financial condition or results of operations.

- Investment Advisers Act—We believe that our products do not provide investment advice for purposes of the Investment Advisers Act of 1940. Future developments in our product line or changes to the current laws, rules or regulations could cause this status to change. It is possible we may become registered as an investment adviser under the Investment Advisers Act or similar laws in states or foreign jurisdictions. As a registered investment adviser, we would be subject to the requirements and regulations of the Investment Advisers Act, which relate to, among other things, fiduciary duties, recordkeeping and reporting requirements, disclosure requirements, limitations on agency and principal transactions between an adviser and advisory clients, as well as general anti-fraud prohibitions. We may also be adversely affected as a result of new or revised legislation or regulations imposed by the the SEC, other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets around the world. In addition, we may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business.
- Data Privacy Legislation—Changes in laws, rules or regulations, or consumer environments relating to consumer privacy or information collection and use may affect our ability to collect and use data. There could be a material adverse impact on our direct marketing, data sales and business due to the enactment of legislation or industry regulations, or simply a change in customs, arising from public concern over consumer privacy issues. Restrictions could be placed upon the collection, management, aggregation and use of information that is currently legally available, in which case our cost of collecting some kinds of data could materially increase. It is also possible that we could be prohibited from collecting or disseminating certain types of data, which could affect our ability to meet our clients' needs.
- Soft Dollars—Approximately 13%, 12% and 13% of our revenues were paid through soft dollar arrangements for the fiscal years ended November 30, 2007, 2006 and 2005, respectively. U.S. clients accounted for 68%, 76% and 80% of total soft dollar revenues for the fiscal years ended November 30, 2007, 2006 and 2005, respectively. On July 18, 2006, the SEC issued Interpretive Release No. 34-54165, which became effective on July 24, 2006. The release provides guidance on asset managers' use of client commissions to pay for brokerage and research services within the scope of Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Interpretive Release outlines a framework for determining what types of research services fall within the safe harbor provisions of that section. Market participants had a six-month grace period that ended on January 24, 2007 to bring their soft dollar practices into compliance with the new guidance. We rely on our clients to determine whether our products fall within the description of eligible research services, whether our products provide lawful and appropriate assistance to the money manager in undertaking investment decisions, and whether the commissions are reasonable in relation to the value of the products provided for their particular business in the U.S. and abroad. If clients decide they cannot or will not pay for our products through soft dollar arrangements, or if additional rules are issued or certain interpretations are followed that narrow the definition of research or brokerage services that can be paid for on behalf of a money manager through use of soft dollars in the U.S. or abroad or the safe harbor provisions of Section 28(e) of the Exchange Act are eliminated, our revenues could decrease.

We may become subject to liability based on the use of our products by our clients.

Our products support the investment processes of our clients, which, in the aggregate, manage trillions of dollars of assets. Our client agreements have provisions designed to limit our exposure to potential liability

claims brought by our clients or third parties based on the use of our products. However, these provisions have certain exceptions and could be invalidated by unfavorable judicial decisions or by federal, state, foreign or local laws. Use of our products as part of the investment process creates the risk that clients, or the parties whose assets are managed by our clients, may pursue claims against us for very significant dollar amounts. Any such claim, even if the outcome were to be ultimately favorable to us, would involve a significant commitment of our management, personnel, financial and other resources and could have a negative impact on our reputation. In addition, such claims and lawsuits could have a material adverse effect on our business, financial condition or results of operations.

Our indebtedness could materially adversely affect our business, financial condition or results of operations.

As of November 30, 2007, we had $425.0 million of indebtedness ($402.7 million in long term debt and $22.3 million in current maturities) and cash and cash equivalents and cash deposited with related parties of $171.4 million.

On November 14, 2007, we entered into the $500.0 million Credit Facility. See “Item 1.—Business—Arrangements Between Morgan Stanley and Us” and “Item 7.—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” As of November 30, 2007, we had $425.0 million outstanding under the Credit Facility.

The Credit Facility is guaranteed on a senior secured basis by each of our direct and indirect wholly-owned domestic subsidiaries and secured by a valid and perfected first priority lien and security interest in substantially all of the shares of the capital stock of our present and future domestic subsidiaries and up to 65% of the shares of capital stock of our foreign subsidiaries, substantially all of our and our domestic subsidiaries’ present and future property and assets and the proceeds thereof. In addition, the Credit Facility contains restrictive covenants that limit our ability and our existing future subsidiaries’ abilities to, among other things, incur liens; incur additional indebtedness; make or hold investments; merge, dissolve, liquidate, consolidate with or into another person; sell, transfer or dispose of assets; pay dividends or other distributions in respect of our capital stock; change the nature of our business; enter into any transactions with affiliates other than on an arm’s length basis (except as described in “Item 1.—Business—Arrangements Between Morgan Stanley and Us”); and prepay, redeem or repurchase debt.

The Credit Facility also requires us and our subsidiaries to achieve specified financial and operating results and maintain compliance with the following financial ratios on a consolidated basis: (1) the maximum total leverage ratio (as defined in the Credit Facility) measured quarterly on a rolling four-quarter basis shall not exceed (a) 3.75:1.0 through November 30, 2009, (b) 3.50:1.0 from December 1, 2009 through November 30, 2010 and (c) 3.25:1.0 thereafter; and (2) the minimum interest coverage ratio (as defined in the Credit Facility) measured quarterly on a rolling four-quarter basis shall be (a) 3.00:1.0 through November 30, 2009, (b) 3.50:1.0 from December 1, 2009 through November 30, 2010 and (c) 4.00:1.0 thereafter.

In addition, our Credit Facility contains the following affirmative covenants, among others: periodic delivery of financial statements, budgets and officer’s certificates; payment of other obligations; compliance with laws and regulations; payment of taxes and other material obligations; maintenance of property and insurance; performance of material leases; right of the lenders to inspect property, books and records; notices of defaults and other material events; and maintenance of books and records.

In addition, we may need to incur additional indebtedness in the future in the ordinary course of business. Our level of indebtedness could increase our vulnerability to general economic consequences; require us to dedicate a substantial portion of our cash flow and proceeds of any additional equity issuances to payments of our indebtedness; make it difficult for us to optimally capitalize and manage the cash flow for our business; limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate; place

us at a competitive disadvantage to our competitors that have less debt; limit our ability to borrow money or sell stock to fund our working capital and capital expenditures; limit our ability to consummate acquisitions; and increase our interest expense.

We are dependent on key personnel in our professional staff for their expertise. If we fail to attract and retain the necessary qualified personnel, our business, financial condition or results of operations could be materially adversely affected.

The development, maintenance and support of our products is dependent upon the knowledge, experience and ability of our highly skilled, educated and trained employees. Accordingly, the success of our business depends to a significant extent upon the continued service of our executive officers and other key management, research, sales and marketing, information technology and other technical personnel. Although we do not believe that we are dependent upon any individual employee, the loss of a group of our key professional employees could have a material adverse effect on our business, financial condition or results of operations. We believe our future success will also depend in large part upon our ability to attract and retain highly skilled managerial, research, sales and marketing, information technology, software engineering and other technical personnel. Competition for such personnel worldwide is intense, and there can be no assurance that we will be successful in attracting or retaining such personnel. If we fail to attract and retain the necessary qualified personnel our products may suffer, which could have a material adverse effect on our business, financial condition or results of operations.

Our business relies heavily on electronic delivery systems and the Internet, and any failures or disruptions may materially adversely affect our ability to serve our clients.

We depend heavily on the capacity, reliability and security of our electronic delivery systems and the Internet. Heavy use of our electronic delivery systems and other factors such as loss of service from third parties, operational failures, sabotage, break-ins and similar disruptions from unauthorized tampering or hacking, human error, national disasters, power loss or computer viruses could cause our systems to operate slowly or interrupt their availability for periods of time. Our ability to effectively use the Internet may be impaired due to infrastructure failures, service outages at third-party Internet providers or increased government regulation. If disruptions, failures or slowdowns of our electronic delivery systems or the Internet occur, our ability to distribute our products effectively and to serve our clients may be materially and adversely affected.

Catastrophic events could lead to interruptions in our operations, which may materially adversely affect our business, financial condition or results of operations.

Our operations depend on our ability to protect our equipment and the information stored in our databases against fires, earthquakes and other natural disasters, as well as power losses, computer and telecommunications failures, technological breakdowns, unauthorized intrusions, terrorist attacks on sites where we or our clients are located, and other catastrophic events. We also depend on accessible office facilities for our employees in order for our operations to function properly. There is no assurance that the business continuity measures we have taken to reduce the risk of interruption in our operations caused by these events will be sufficient.

Such events could have a material adverse effect on our business, financial condition or results of operations. For example, immediately after the terrorist attacks on September 11, 2001, our clients who were located in the World Trade Center area were concentrating on disaster recovery rather than licensing additional products. In addition, delivery of some of the data we receive from New York-based suppliers was delayed. The grounding of air transportation impaired our ability to conduct sales visits and other meetings at client sites. During the resulting temporary closure of the U.S. stock markets, some of the data updates supporting our products were interrupted. These types of interruptions could affect our ability to sell and deliver products and could have a material adverse effect on our business, financial condition or results of operations.

Although we currently estimate that the total cost of developing and implementing our business continuity measures will not have a material impact on our business, financial condition or results of operations, we cannot provide any assurance that our estimates regarding the timing and cost of implementing these measures will be accurate.

We are subject to political, economic, legal, operational, franchise and other risks as a result of our international operations, which could adversely impact our businesses in many ways.

We are subject to political, economic, legal, operational, franchise and other risks that are inherent in operating in many countries, including risks of possible capital controls, exchange controls and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability. In many countries, the laws and regulations applicable to the financial services industries are uncertain and evolving, and it may be difficult for us to determine the exact requirements of local laws in every market. Our inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on our businesses in that market but also on our reputation generally.

Risks Related to Our Relationship with Morgan Stanley

Morgan Stanley owns a controlling interest in our company and the interests of Morgan Stanley may conflict with ours and with those of our other shareholders.

As of November 30, 2007, Morgan Stanley owned approximately 96.6% of the outstanding shares of our class B common stock, which represents approximately 93.02% of the combined voting power of all classes of voting stock. Our class A common stock has one vote per share, and our class B common stock generally has five votes per share other than with respect to a limited number of matters specified in our Amended and Restated Certificate of Incorporation (such as approval of transactions by which a third-party might acquire control of us). As of November 30, 2007, holders of shares of class B common stock collectively control approximately 96.3% of the combined voting power of all classes of voting stock, except when amending or altering any provision of our Amended and Restated Certificate of Incorporation or By-laws so as to adversely affect the rights of the other class. For example, the holders of shares of class B common stock, substantially all of which is held by Morgan Stanley, are able to direct the election of all of the members of our Board of Directors, who determine our strategic plans, approve major financing decisions and appoint top management. In addition, as a holder of substantially all of our class B common stock, Morgan Stanley may seek to cause us to take courses of action that, in its judgment, could enhance its investment in us, but which might involve risks to holders of our class A common stock or adversely affect us or other investors. Because Morgan Stanley's interests as our controlling shareholder may differ from other investors' interests, actions taken by Morgan Stanley with respect to us may not be favorable to other investors.

We have also entered into a services agreement and a number of other agreements with Morgan Stanley setting forth various matters governing our relationship with Morgan Stanley while it remains a significant shareholder in us. For a description of these agreements, see "Item 1.—Business—Arrangements Between Morgan Stanley and Us." These agreements govern the provision of corporate services to us and are likely to affect our ability to make certain acquisitions or to merge or consolidate or to sell all or substantially all our assets. The rights of Morgan Stanley under these agreements may allow Morgan Stanley to delay or prevent an acquisition of us or prevent a redemption or repurchase of our common stock that our other shareholders, including you, may consider favorable. We may not be able to terminate these agreements or amend them in a manner we deem more favorable, except in accordance with their terms.

Conflicts of interest may arise between Morgan Stanley and us that could be resolved in a manner unfavorable to us.

Questions relating to conflicts of interest may arise between Morgan Stanley and us in a number of areas relating to our past and ongoing relationships. Areas in which conflicts of interest between Morgan Stanley and us could arise include, but are not limited to, the following:

- *Cross officerships, directorships and stock ownership*. The ownership interests of our directors or executive officers in the common stock of Morgan Stanley or service as a director or officer of both Morgan Stanley and us could create, or appear to create, conflicts of interest when directors and executive officers are faced with decisions that could have different implications for the two companies. For example, these decisions could relate to (i) the nature, quality and cost of services rendered to us by Morgan Stanley, (ii) disagreement over the desirability of a potential business or acquisition opportunity or business plans, (iii) employee retention or recruiting or (iv) our dividend policy.
- *Intercompany transactions*. From time to time Morgan Stanley or its affiliates may enter into transactions with us or our subsidiaries or other affiliates. For example, we may provide Morgan Stanley with licenses to certain of our products. Although the terms of any such transactions will be established based upon negotiations between Morgan Stanley and us and, when appropriate, subject to the approval of the independent directors on our Board of Directors or a committee of disinterested directors, the terms of any such transactions may not be as favorable to us or our subsidiaries or affiliates as may otherwise be obtained in arm's length negotiations.
- *Intercompany agreements*. We entered into certain agreements with Morgan Stanley pursuant to which Morgan Stanley provides us with certain human resources, information technology, accounting, legal and compliance, tax, office space leasing, corporate services, treasury and other services for so long as Morgan Stanley owns more than 50% of our outstanding common stock. The services Morgan Stanley will continue to provide upon owning 50% or less of our outstanding common stock are subject to renegotiation in good faith, and will be provided for a period not to exceed 12 months. It is expected, for so long as Morgan Stanley owns more than 50% of our outstanding common stock, that payments for these services will be based on an internal cost allocation methodology based on fully loaded cost (*i.e.*, allocated direct costs of providing the services, plus all related overhead and out-of-pocket costs and expenses) and an allocation to us of a portion of compensation-related expenses for Morgan Stanley senior executives, in each case, consistent with past practices. In addition, we will enter into a number of intercompany agreements covering matters such as tax sharing. We are negotiating the terms of these agreements with Morgan Stanley in the context of a parent-subsidiary relationship. The terms will not be the result of, and may not be as favorable as terms obtained in, arm's length negotiations. In addition, conflicts could arise in the interpretations of any extension or renegotiation of these agreements. See "Item 1.—Business—Arrangements Between Morgan Stanley and Us."
- *Business opportunities*. Several of our directors, Morgan Stanley and affiliates of Morgan Stanley may have or make investments in other companies that may compete with us. Our Amended and Restated Certificate of Incorporation provides that we have renounced any interest in related business opportunities and that our directors who are employees of Morgan Stanley or its affiliates (other than us) have no obligation to offer us those opportunities. As a result of these charter provisions, our future competitive position and growth potential could be adversely affected.

Our cost of funding will increase and our liquidity will decrease.

We have lower credit ratings and are expected to have more constrained liquidity than our current principal shareholder, Morgan Stanley. Currently, Morgan Stanley maintains a contingency funding plan to manage a potential prolonged liquidity contraction over a one-year time period and to provide the ability to conduct business in an orderly manner. As part of Morgan Stanley, our liquidity needs are included in this plan. As a stand-alone company, we will need to manage our liquidity needs independent of Morgan Stanley. We may face

challenges in maintaining equivalent liquidity reserves and securing access to contingent funding. We may also face additional challenges in the future, including more limited capital resources to invest in or expand our business. See “Item 1.—Business—Arrangements Between Morgan Stanley and Us.”

Our historical financial results are derived from our results as a subsidiary of Morgan Stanley and include allocated costs for functions historically provided by Morgan Stanley and therefore may not be representative of our results as a stand-alone company and may not be a reliable indicator of our future results.

Our historical financial information included in this Annual Report on Form 10-K does not necessarily reflect the financial condition, results of operations or cash flows we would have achieved as a stand-alone company during the periods presented and may not be indicative of the results we will achieve in the future as a stand-alone public company. The historical costs and expenses reflected in our consolidated financial statements include an allocation for certain corporate functions historically provided by Morgan Stanley, including portions of human resources, information technology, accounting, legal and compliance, tax, office space leasing, corporate services and treasury. These allocations were based on what we and Morgan Stanley considered to be reasonable reflections of the historical utilization levels of these services required in support of our business. The historical information does not necessarily indicate what our results of operations, financial condition, cash flows or costs and expenses will be in the future, or that our costs as a stand-alone company will be similar. For additional information, see “Item 7.—Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Item 6.—Selected Consolidated Financial Data” and the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

We completed our initial public offering in November 2007 and our ability to operate our business effectively may suffer if we do not, quickly and cost effectively, establish our own financial, administrative and other support functions to operate as a stand-alone company or if we are unable to replace the corporate services Morgan Stanley provides us in a timely manner or on comparable terms.

Historically, we have relied on certain financial, administrative and other resources of Morgan Stanley to operate our business both domestically and internationally. We completed our initial public offering in November 2007 and as a result of our initial public offering, we will need to enhance certain financial, legal and compliance, administrative, information technology and other support systems and processes or contract with third parties to replace Morgan Stanley’s systems.

Morgan Stanley has performed many important corporate functions for our operations, including certain human resources, information technology, accounting, legal and compliance, office space leasing, corporate services and treasury functions. For the fiscal years ended November 30, 2007, 2006 and 2005, cost allocations related to these services were $26.4 million, $23.1 million and $20.0 million, respectively. We have entered into a services agreement with Morgan Stanley pursuant to which Morgan Stanley will continue to provide some of these services to us for so long as Morgan Stanley owns more than 50% of our outstanding common stock. The services Morgan Stanley will continue to provide upon owning 50% or less of our outstanding common stock are subject to renegotiation in good faith, and will be provided for a period not to exceed 12 months.

It is expected, for so long as Morgan Stanley owns more than 50% of our common stock, that compensation for services under the services agreement with Morgan Stanley will be determined, consistent with past practices, using an internal cost allocation methodology based on fully loaded cost (*i.e.*, allocated direct costs of providing the services, plus all related overhead and out-of-pocket costs and expenses), as well as the portion of compensation related expenses for Morgan Stanley senior executives as allocated to us. See “Item 1.—Business—Arrangements Between Morgan Stanley and Us” for a description of these arrangements. Upon the sale or other disposition of any portion of our business, assets or properties, Morgan Stanley’s obligation to provide any service in respect of such disposed business, assets or properties will terminate. Similarly, if our business increases significantly or we acquire any business, assets or properties, Morgan Stanley will not have to

provide any services in respect of such increase or acquired business, assets or properties. These services may not be sufficient to meet our needs and, after these agreements with Morgan Stanley terminate, we may not be able to replace these services at all or obtain these services at acceptable prices and terms. Any failure or significant downturn in our own financial or administrative policies and systems or in Morgan Stanley's financial or administrative policies and systems during the term of the services agreement could have a material adverse effect on our business, financial condition or results of operations.

Although Morgan Stanley will be contractually obligated to provide us with services during the term of the services agreement, we may not be able to obtain services of similar scope and quality after the expiration or termination of that agreement. In addition, our costs of procuring those services from third parties may increase. See "Item 1.—Business—Arrangements Between Morgan Stanley and Us." Furthermore, we may face certain difficulties in operating our business if we are no longer able to rely on Morgan Stanley's presence and established services.

In connection with our initial public offering, we entered into agreements with Morgan Stanley relating to the ongoing provision of services and other matters that may be on terms less favorable to us than if they had been negotiated with another party, and we agreed to indemnify Morgan Stanley for, among other things, certain past, present and future liabilities related to our business.

In connection with our initial public offering, we entered into agreements with Morgan Stanley relating to the ongoing provision of services and other matters while still a majority-owned subsidiary of Morgan Stanley. Accordingly, the terms of these agreements may not reflect those that would have been reached with another party on an arm's-length basis. If these agreements were entered into with another party, we may have obtained more favorable terms.

Pursuant to certain of these agreements, we agreed to indemnify Morgan Stanley for, among other matters, certain past, present and future liabilities related to our business. Such liabilities include certain unknown liabilities, which could be significant.

We may experience increased costs resulting from a decrease in the purchasing power and other operational efficiencies we have had due to our association with Morgan Stanley.

We have been able to take advantage of Morgan Stanley's purchasing power in the U.S. and internationally in procuring goods, technology and services, including insurance, employee benefit support and audit services. As a stand-alone company, we may be unable to obtain goods, technology and services at prices and on terms as favorable as those available to us prior to becoming a stand-alone company, which could have a material adverse effect on our business, financial condition or results of operations.

Additionally, if we are unable to continue to file combined returns with Morgan Stanley, our tax liability may also increase due to increased income taxes in the jurisdictions where combined filings were previously made with Morgan Stanley.

Further, Morgan Stanley has been influential in our ability to attract and retain research, sales and marketing, information technology, software engineering and other personnel. As a stand-alone company, it may be more difficult and costly for us to attract and retain such personnel. The development, maintenance, support and use of our products is dependent upon the knowledge, experience and ability of our highly skilled, educated and trained employees. There can be no assurance that we will be successful in attracting or retaining such personnel, which could have a material adverse effect on our business, financial condition or results of operations. See "—Risks Related to Our Business—We are dependent on key personnel in our professional staff for their expertise. If we fail to attract and retain the necessary qualified personnel, our business, financial condition or results of operations could be materially adversely affected" above.

We may experience a loss in the marketing and reputational value we currently have due to our association with the Morgan Stanley name.

We believe we have received marketing and reputational benefits from our association with the Morgan Stanley brand name. As a stand-alone company that may no longer be the case. Consequently, our ability to retain existing clients and attract new clients and our reputation may be adversely affected.

The obligations associated with being a public company will require significant resources and management attention.

As a public company, we are subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting. All of the procedures and practices required as a majority-owned subsidiary of Morgan Stanley were previously established, but we will have additional procedures and practices to establish as a stand-alone public company. As a result, we will incur significant legal, accounting and other expenses that we did not previously incur. Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our growth strategy, which could prevent us from improving our business, results of operations and financial condition. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a stand-alone public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, we cannot predict or estimate the amount of additional costs we may incur in order to comply with these requirements.

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, starting with the second annual report that we file with the SEC, and will likely require in the same report, a report by our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. In connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404. We will be unable to issue securities in the public markets through the use of a shelf registration statement if we are not in compliance with Section 404. In addition, failure to achieve and maintain an effective internal control environment could have a material adverse effect on our business and stock price.

We are a "controlled company" within the meaning of the New York Stock Exchange rules and, as a result, are exempt from certain corporate governance requirements.

Morgan Stanley continues to control a majority of the voting power of our outstanding common stock. As a result, we are a "controlled company" within the meaning of the New York Stock Exchange corporate governance standards. Under the New York Stock Exchange rules, a company of which more than 50% of the voting power is held by another company is a "controlled company" and need not comply with certain requirements, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that the nominating/corporate governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities, (3) the requirement that the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (4) the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees. We intend to utilize these exemptions. As a result, we will not have a majority of independent directors nor will our Nominating and Corporate Governance and Compensation Committees consist entirely of independent directors. Accordingly, shareholders do not have the same protections afforded to shareholders of companies that are subject to all of the New York Stock Exchange corporate governance requirements.

Risks Related to Ownership of Our Class A Common Stock

Because holders of the shares of class B common stock will control the majority of the voting power of all classes of voting stock, other shareholders will not be able to determine the outcome of shareholder votes.

Holders of our class A common stock have one vote per share, and holders of our class B common stock generally have five votes per share, other than with respect to a limited number of matters specified in our Amended and Restated Certificate of Incorporation (such as approval of transactions by which a third-party might acquire control of us). Holders of shares of class B common stock collectively control 96.77% of the combined voting power of all classes of voting stock other than with respect to those matters. For example, the holders of shares of class B common stock are able to direct the election of all of the members of our Board of Directors, who determine our strategic plans (including certain acquisitions), approve major financing decisions and appoint top management. In addition, the holders of the class B common stock may seek to cause us to take courses of action that, in their judgment, could enhance their investment in us, but which might involve risks to holders of our class A common stock or adversely affect us or other investors. Substantially all of the class B common stock are beneficially owned by Morgan Stanley and class B shares are only transferable to Morgan Stanley, Capital Group International or one of their subsidiaries or affiliates. Any such shares of class B common stock transferred to a person other than Morgan Stanley, Capital Group International or one of their subsidiaries or affiliates automatically convert into one share of class A common stock upon such disposition, except for a disposition effected in connection with a distribution of class B common stock in a Tax-Free Spin-Off. Morgan Stanley may in the future decide to distribute all or a portion of its interest in the class B common stock to its shareholders or securityholders through a Tax-Free Spin-Off. Following any such disposition, shares of class B common stock will no longer be convertible into shares of class A common stock, and will be transferable as class B common stock, retaining their rights to multiple votes per share.

If equity research analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our class A common stock, the price of our class A common stock could decline.

The trading market for our class A common stock relies in part on the research and reports that equity research analysts publish about us and our business. The price of our stock could decline if one or more securities analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

The market price of our class A common stock may be volatile, which could result in substantial losses for you.

For example, some of the factors that may cause the market price of our class A common stock to fluctuate include:

- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in operating margins due to variability in revenues from licensing our equity indices as the basis of ETFs;
- changes in estimates of our financial results or recommendations by securities analysts;
- failure of any of our products to achieve or maintain market acceptance;
- failure to produce or distribute our products;
- changes in market valuations of similar companies;
- success of competitive products;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;

- announcements by us or our competitors of significant products, contracts, acquisitions or strategic alliances;
- regulatory developments in the U.S., foreign countries or both;
- litigation involving our company, our general industry or both;
- additions or departures of key personnel;
- investors' general perception of us, including any perception of misuse of sensitive information;
- changes in general economic, industry and market conditions; and
- changes in regulatory and other dynamics.

In addition, if the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our class A common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

Future sales of our common stock, or the perception that such sales may occur, could depress our class A common stock price.

Sales of a substantial number of shares of our common stock, or the perception that such sales may occur, could depress the market price of our class A common stock. This would include sales by Morgan Stanley and restricted shares of class A common stock and options to purchase shares of class A common stock granted in connection with our initial public offering and pursuant to our equity incentive compensation plan. In connection with our initial public offering, we, our executive officers, certain of our directors and Morgan Stanley and Capital Group International agreed with the underwriters not to offer, sell, dispose of or hedge any shares of our class A common stock or securities convertible into or exchangeable for shares of our common stock (including shares of our class B common stock), subject to specified limited exceptions and extensions, during the period ending 180 days (subject to extension) after the date of November 14, 2007, except with the prior written consent of Morgan Stanley & Co. Incorporated. Of the outstanding shares, all of the shares of class A common stock and all of the shares of class B common stock will be freely tradable after the expiration date of the lock-up agreements, excluding any shares acquired by persons who may be deemed to be our affiliates. All of the outstanding shares of our class B common stock will be eligible for conversion and resale after the expiration of the lock-up period. Shares of our common stock held by our affiliates will continue to be subject to the volume and other restrictions of Rule 144 under the U.S. Securities Act of 1933, as amended, or the Securities Act. Morgan Stanley & Co. Incorporated may, in its sole discretion and at any time without notice, release all or any portion of the shares of our common stock subject to the lock-up.

In addition, we filed a registration statement registering under the Securities Act the 12,500,000 shares of class A common stock reserved for issuance in respect of incentive awards to our officers and certain of our employees pursuant to the MSCI 2007 Equity Incentive Compensation Plan and the 500,000 shares of class A common stock reserved for issuance in respect of equity awards made to our directors who are not employees of the Company or Morgan Stanley pursuant to the 2007 MSCI Independent Directors' Equity Compensation Plan.

Provisions in our Amended and Restated Certificate of Incorporation and By-laws and Delaware law might discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our class A common stock.

Provisions of our Amended and Restated Certificate of Incorporation and By-laws and Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that shareholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our class A common stock. These provisions may also prevent or frustrate attempts by our shareholders to replace or remove our management. These provisions include:

- limitations on the removal of directors;
- advance notice requirements for shareholder proposals and director nominations;
- the inability of shareholders, after a change in control, to act by written consent or to call special meetings;
- the ability of our Board of Directors to make, alter or repeal our By-laws; and
- the ability of our Board of Directors to designate the terms of and issue new series of preferred stock without shareholder approval.

Generally, the amendment of our Amended and Restated Certificate of Incorporation requires approval by our Board of Directors and a majority vote of shareholders. Any amendment to our By-laws requires the approval of either a majority of our Board of Directors or holders of at least 80% of the votes entitled to be cast by the outstanding capital stock in the election of our Board of Directors.

Moreover, we have opted out of the "business combination" provisions of Section 203 of the General Corporation Law of the State of Delaware (the "DGCL") until such time as Morgan Stanley ceases to own more than 50% of our outstanding common stock, after which we will be governed by these provisions. Section 203 prohibits a person who acquires more than 15% but less than 85% of all classes of our outstanding voting stock without the approval of our Board of Directors from merging or combining with us for a period of three years, unless the merger or combination is approved by a two-thirds vote of the shares not owned by such person. These provisions would apply even if the proposed merger or acquisition could be considered beneficial by some shareholders.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our class A common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that investors could receive a premium for your class A common stock in an acquisition.

We do not currently intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our class A common stock.

We do not intend to pay any cash dividends on our common stock for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth, including growth through acquisitions. The payment of any future dividends will be determined by the Board of Directors in light of conditions then existing, including our earnings, financial condition and capital requirements, business conditions, corporate law requirement and other factors.

Item 1B. ***Unresolved Staff Comments***

Nothing required to be disclosed.

Item 2. ***Properties***

Our corporate headquarters are located in New York, New York. This is also our largest sales office and one of our main research centers. As of November 30, 2007, our principal offices consisted of the following properties:

Location	Square Feet	Expiration Date
Berkeley, California	59,000	June 30, 2014
New York, New York	39,000	December 31, 2014
Geneva, Switzerland	19,900	March 31, 2009
London, England	15,830	September 5, 2014
Mumbai, India (research/operations)	8,800	January 13, 2016
Tokyo, Japan	6,820	November 30, 2008
Hong Kong, China	5,845	December 31, 2008

As of November 30, 2007, we also leased sales and client support offices in the following locations: Cape Town (Newlands), South Africa; Chicago, Illinois; Dubai, United Arab Emirates; Frankfurt, Germany; Milan, Italy; Mumbai, India; Paris, France; San Francisco, California; Sao Paulo, Brazil; Shanghai, China; and Sydney, Australia. Of our office locations, we shared leased space with Morgan Stanley, our principal shareholder, in the following locations: Budapest, Hungary; Chicago, Illinois; Dubai, United Arab Emirates; Milan, Italy; Mumbai, India (two locations); Paris, France; San Francisco, California and Sydney, Australia.

We believe that our properties are in good operating condition and adequately serve our current business operations. We also anticipate that suitable additional or alternative space, including those under lease options, will be available at commercially reasonable terms for future expansion.

Item 3. ***Legal Proceedings***

From time to time we are a party to various litigation matters incidental to the conduct of our business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, operating results, financial condition or cash flows.

Item 4. ***Submission of Matters to a Vote of Security Holders***

On October 24, 2007, pursuant to Section 228 of the General Corporation Law of the State of Delaware, we solicited the written consent of our stockholders to approve our Amended and Restated Certificate of Incorporation. On November 2, 2007, pursuant to Section 228 of the General Corporation Law of the State of Delaware, we solicited the written consent of our stockholders to adopt the MSCI Independent Directors' Equity Compensation Plan and the MSCI 2007 Equity Compensation Plan. On November 12, 2007, pursuant to Section 228 of the General Corporation Law of the State of Delaware, we solicited the written consent of our stockholders to appoint Kenneth M. deRegt, James P. Gorman and David H. Sidwell as Directors. We received the requisite consents of our stockholders with respect to each of the above mentioned proposals.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Stock Price and Dividends

Our class A common stock has traded on the New York Stock Exchange since November 15, 2007 under the symbol "MXB." Prior to that time, there was no public market for our common stock. As of February 22, 2008, there were approximately four shareholders of record of our class A common stock. The following table sets forth the high and low closing sale prices of our class A common stock as reported by the New York Stock Exchange for the fourth quarter.

Fiscal year ended November 30, 2007	High	Low
Fourth Quarter[(1)]	$27.80	$24.96

(1) Our class A common stock began trading on November 15, 2007.

On February 26, 2008, the closing price of our class A common stock on the New York Stock Exchange was $33.92.

Our class B common stock is neither listed nor publicly traded. As of February 22, 2008, there were two shareholders of record of our class B common stock.

Dividend Policy

We declared and paid dividends prior to the initial public offering. See "—Use of Proceeds from Registered Sale of Securities" below. We do not, however, intend to pay any dividends in the foreseeable future and intend to retain all available funds for use in the operation and expansion of our business, including growth through acquisitions. The payment of any future dividends will be determined by the Board of Directors in light of conditions then existing, including our earnings, financial condition and capital requirements, business conditions, corporate law requirements and other factors. In addition, our Credit Facility contains restrictions on the payment of dividends. See "Item 7.—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

The Transfer Agent and Registrar for the common stock is BNY Mellon Shareowner Services.

Equity Compensation Plans

On November 2, 2007 and November 5, 2007, our shareholders and Board of Directors approved, respectively, the implementation of the 2007 MSCI Independent Directors' Equity Compensation Plan. Pursuant to the 2007 MSCI Independent Directors' Equity Compensation Plan, directors who are not employees of the Company or Morgan Stanley are entitled to receive an annual grant of $50,000 each in stock units which are subject to a vesting schedule. The total number of shares authorized to be awarded under the plan is 500,000.

On November 2, 2007 and November 5, 2007, our shareholders and Board of Directors approved, respectively, the implementation of the MSCI 2007 Equity Incentive Compensation Plan. The MSCI 2007 Equity Incentive Compensation Plan permits the Compensation Committee to make grants of a variety of equity based awards (such as stock, restricted stock, stock units and options) totaling up to 12.5 million shares to eligible recipients, including employees and consultants. No awards are permitted after November 2, 2017.

The following table sets forth certain information with respect to our equity compensation plans at November 30, 2007:

	Number of Securities to be Issued Upon Vesting of Restricted Stock Units and Exercise of Outstanding Options a	Weighted Average Unit Award Value of Restricted Stock Units and Weighted-Average Exercise Price of Outstanding Options b	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) c
Equity Compensation Plans Approved by Security Holders			
2007 MSCI Independent Directors' Equity Compensation Plan[(1)]	5,554	$ 18.00	483,058
MSCI 2007 Equity Incentive Compensation Plan	5,016,414	$ 18.00	7,483,586
Total	5,021,968	$ 18.00	7,966,644

(1) The 2007 MSCI Independent Directors' Equity Compensation Plan does not authorize the issuance of options to purchase MSCI common stock.

Stock Repurchases

There were no repurchases of common stock for the quarter ended November 30, 2007. We do not have a publicly announced share repurchase plan.

Recent Sales of Unregistered Securities.

None.

Use of Proceeds from Sale of Registered Securities

On November 20, 2007, we completed the initial public offering of our class A common stock, $0.01 par value, pursuant to our Registration Statement on Form S-1, as amended (Reg. No. 333-144975) that was declared effective on November 14, 2007. We sold an aggregate amount of 16.1 million shares of our class A common stock in the offering at a price to the public of $18.00 per share. Morgan Stanley acted as the representative for the several underwriters for the offering.

Our net proceeds from the initial public offering were $265.0 million after deducting $20.3 million of underwriting discounts and commissions and other offering expenses of $4.5 million.

On July 19, 2007, we paid a dividend of $973.0 million, consisting of $325.0 million in cash and $648.0 million in demand notes to our parent, Morgan Stanley. Simultaneously with the initial public offering, we entered into a $500.0 million Credit Facility and borrowed $425.0 million under the Credit Facility. We used the net proceeds from the borrowing to pay a portion of the Morgan Stanley demand note. See "Item 7.—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." A portion of the proceeds from the initial public offering were used to pay the remainder of the $625.9 million demand note held by Morgan Stanley.

Item 6. *Selected Consolidated Financial Data*

Our selected consolidated financial data for the periods presented should be read in conjunction with "Item 7.—Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto beginning on page F-1 of this Annual Report on Form 10-K.

The selected consolidated state of income data for the fiscal years ended November 30, 2007, 2006, and 2005 and the selected consolidated financial condition data as of November 30, 2007 and 2006 are derived from our audited consolidated financial statements beginning on page F-1 of this Annual Report on Form 10-K. Our consolidated financial statements for the years ended November 30, 2007, 2006 and 2005 have been audited and reported upon by Deloitte & Touche LLP, an independent registered public accounting firm. The selected consolidated statement of income data for the fiscal years ended November 30, 2004 and 2003 and the selected consolidated statement of financial condition data as of November 30, 2004 and 2003 are derived from our audited consolidated financial statements not included in this Annual Report on Form 10-K.

The selected financial information presented below may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a stand-alone company during the periods presented.

	For the fiscal year ended November 30,				
	2007	2006	2005	2004[2]	2003
	(in thousands, except per share data)				
Operating revenues	$ 369,886	$ 310,698	$ 278,474	$ 178,446	$ 91,277
Total operating expenses	240,541	227,402	204,849	148,441	74,752
Operating income	129,345	83,296	73,625	30,005	16,525
Interest and other income, net	3,947	16,173	7,272	613	793
Provision for income taxes	52,181	36,097	30,449	9,711	5,921
Income before discontinued operations and cumulative effect of change in accounting principle	81,111	63,372	50,448	20,907	11,397
Income (loss) from discontinued operations	—	8,073	3,793	(54)	—
Cumulative effect of change in accounting principle	—	—	313	—	—
Net income	$ 81,111	$ 71,445	$ 54,554	$ 20,853	$ 11,397
Earnings per basic common share:					
Continuing operations	$ 0.96	$ 0.76	$ 0.60	$ 0.37	$ 0.40
Discontinued operations	—	0.10	0.05	—	—
Cumulative effect of change in accounting principle	—	—	—	—	—
Earnings per basic common share	$ 0.96	$ 0.85[1]	$ 0.65	$ 0.37	$ 0.40
Earnings per diluted common share:					
Continuing operations	$ 0.96	$ 0.76	$ 0.60	$ 0.37	$ 0.40
Discontinued operations	—	0.10	0.05	—	—
Cumulative effect of change in accounting principle	—	—	—	—	—
Earnings per diluted common share	$ 0.96	$ 0.85[1]	$ 0.65	$ 0.37	$ 0.40
Weighted average shares outstanding used in computing earnings per share					
Basic	84,608	83,900	83,900	83,900	83,900
Diluted	84,624	83,900	83,900	83,900	83,900
Cash and cash equivalents	$ 33,818	$ 24,362	$ 23,411	$ 33,076	$ 5,735
Cash deposited with related parties	$ 137,625	$ 330,231	$ 252,882	$ 98,873	$ 67,492
Trade receivables (net of allowances)	$ 77,748	$ 62,337	$ 74,765	$ 63,139	$ 89,124
Goodwill and Intangibles, net of accumulated amortization	$ 616,030	$ 642,383	$ 668,539	$ 781,238	$ —
Deferred revenue	$ 125,230	$ 102,368	$ 87,952	$ 88,689	$ 53,007
Long-term debt, net of current maturities	$ 402,750	$ —	$ —	$ —	$ —
Current maturities of long-term debt	$ 22,250	$ —	$ —	$ —	$ —
Total shareholders' equity	$ 200,021	$ 825,712	$ 757,217	$ 708,501	$ 36,624
Total assets	$ 904,679	$ 1,112,775	$ 1,047,519	$ 996,444	$ 123,100

(1) Numbers may not total due to rounding.

(2) On June 3, 2004, Morgan Stanley completed the acquisition of Barra. The operations of Barra have been included with our results of operations since that date.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in "Item 1A.—Risk Factors."

Overview

We are a leading provider of investment decision support tools to investment institutions worldwide. We produce indices and risk and return portfolio analytics for use in managing investment portfolios. Our products are used by institutions investing in or trading equity, fixed income and multi-asset class instruments and portfolios around the world. Our flagship products are our international equity indices marketed under the MSCI brand and our equity portfolio analytics marketed under the Barra brand. Our products are used in many areas of the investment process, including for portfolio construction and optimization, performance benchmarking and attribution, risk management and analysis, index-linked investment product creation, asset allocation, investment manager selection and investment research.

Our clients include asset owners such as pension funds, endowments, foundations, central banks and insurance companies; institutional and retail asset managers, such as managers of pension assets, mutual funds, ETFs, hedge funds and private wealth; and financial intermediaries such as broker-dealers, exchanges, custodians and investment consultants. We have a client base of over 2,900 clients across 66 countries. As of November 30, 2007, we had 19 offices in 15 countries to help serve our diverse client base, with approximately 53% of our clients in the Americas, 33% in EMEA, 8% in Japan and 6% in Asia-Pacific (not including Japan), based on fiscal year 2007 revenues.

We sell our products through a common sales force, produce them on common data and systems platforms and develop them in our global research and product management organizations. In evaluating our results, we focus on revenues and revenue growth by product category and operating margins encompassing the entire cost structure supporting all our operations. Our current financial focus is on accelerating our revenue growth to generate cash flow to expand our market position and capitalize on the many growth opportunities before us. Our revenue growth strategy includes: (a) expanding and deepening our relationships with the large and increasing number of investment institutions worldwide; (b) developing new and enhancing existing equity product offerings, as well as further developing and growing our investment tools for multi-asset class and fixed income investment institutions; and (c) actively seeking to acquire products, technologies and companies that will enhance, complement or expand our client base and our product offerings. See "Item 1.—Business—Growth Strategy."

To maintain and accelerate our revenue and operating income growth, we will continue to invest in and expand our operating functions and infrastructure, including new sales and client support staff and facilities in locations around the world; additional staff and supporting technology for our research and our data management and production functions; and additional personnel and supporting technology in our general and administrative functions, particularly finance and human resources personnel required to operate as a stand-alone public company. At the same time, managing and controlling our operating expenses is very important to us and a distinct part of our culture. Over time, our goal is to keep the rate of growth of our operating expenses below the rate of growth of our revenues allowing us to expand our operating margins. However, at times, because of significant market opportunities, it may be more important to us to invest in our business in order to support increased efforts to attract new clients and to develop new product offerings, rather than emphasize short-term operating margin expansion. Furthermore, in some periods our operating expense growth may exceed our operating revenue growth due to the variability of revenues from licensing our equity indices as the basis of ETFs.

We experienced growth in both revenues and expenses during fiscal years ended November 30, 2007, 2006 and 2005. Strong revenue growth continued in equity index products during all three periods. Acceleration of revenue growth in equity portfolio analytics products during fiscal 2007 resulted in part from investments made during 2006 to enhance and add features to our Barra Aegis and Equity Models Direct product offerings. Investments made in BarraOne in 2006 contributed to growth in revenues in our multi-asset class portfolio analytics products from additional subscriptions during fiscal 2007.

Our net income disclosed in this Annual Report on Form 10-K for fiscal year 2007, which is $81.1 million ($0.96 per diluted share), is lower than the net income we disclosed in our earnings release dated January 10, 2008, which was $87.1 million ($1.03 per diluted share). This reduction in net income is due to an increased income tax provision that is composed primarily of two parts. The majority reflects increased taxes for the period 1999 through 2007 as a result of a recent settlement entered into by Morgan Stanley with New York State and New York City tax authorities. As it relates to us, the settlement requires Morgan Stanley to include us in its combined New York State and City tax returns for the period 1999 through 2007. When filing as a separate taxpayer, our New York State and New York City income taxes were lower than when calculated as part of Morgan Stanley's combined state and local income tax return over the applicable period. Consequently, we recorded an adjustment of $3.7 million for tax and interest (net of federal tax benefit) relating to tax years 1999 through 2007 to reflect the additional taxes owed. In future periods, we expect our effective tax rate to be marginally higher due to filing a combined New York State and New York City income tax return with our parent, Morgan Stanley.

The other component of the increased income tax provision is the establishment of additional tax reserves of $1.7 million related to the potential disallowance of certain Research and Experimental tax credits previously allocated to us.

Product enhancements continued throughout 2007 and included the releases of Aegis 4.1, BarraOne 1.9 and the introduction of the MSCI Global Investable Market Indices ("GIMI") methodology.

The higher operating expenses during fiscal years 2007 and 2006 were primarily due to increased compensation and benefit expenses for existing personnel as well as an increase in compensation and benefit expenses related to staff additions that were made during the third and fourth quarters of fiscal 2006.

Key Financial Metrics and Drivers

Revenues

Our principal sales model is to license annual, recurring subscriptions to our products for use at specified locations by a given number of client users for an annual fee paid upfront. The substantial majority of our revenues come from these annual, recurring subscriptions. These fees are recorded as deferred revenues on our consolidated statement of financial condition and are recognized each month on our income statement as the service is rendered. Over time, as their needs evolve, our clients often add product modules, users and locations to their subscriptions, which results in an increase in our revenues per client. Additionally, a rapidly growing source of our revenues comes from clients who use our indices as the basis for certain index-linked investment products such as ETFs, passive mutual funds and structured products. These clients commonly pay us a license fee based on the investment product's assets.

We group our revenues into the following four product categories:

Equity Indices

This category includes fees from MSCI equity index data subscriptions, fees based on assets in investment products linked to our equity indices, fees from one-time licenses of our equity index historical data and fees from custom MSCI indices. We also generate a limited amount of revenues based on the trading volume of futures and options contracts linked to our indices.

Clients typically subscribe to equity index data modules for use by a specified number of users at a particular location. Clients may select delivery from us or delivery via a third-party vendor. We are able to grow our revenues for data subscriptions by expanding the number of client users and their locations and the number of third-party vendors the client uses for delivery of our data modules. The increasing scope and complexity of a client's data requirements beyond standard data modules, such as requests for historical data or customized indices, also provide opportunities for further revenue growth from an existing client.

Revenues from our index-linked investment product licenses, such as ETFs, increase or decrease as a result of changes in value of the assets in the investment products. These changes in the value of the assets in the investment products can result from equity market price changes and investment inflows and outflows. In most cases, fees for these licenses are paid quarterly in arrears and are calculated by multiplying a negotiated basis point fee times the average daily assets in the investment product for the most recent period.

Equity Portfolio Analytics

This category includes revenues from annual, recurring subscriptions to Barra Aegis and our proprietary risk data in it; Equity Models Direct products; and our proprietary equity risk data incorporated in third-party software application offerings (*e.g.*, Barra on Vendors).

Barra Aegis has many uses, including portfolio risk analysis and forecasting, optimization and factor-based portfolio performance attribution. A base subscription for use in portfolio analysis typically involves a subscription to Barra Aegis and various risk data modules. A client may add portfolio performance attribution, optimization tools, process automation tools or other features to its Barra Aegis subscription. By licensing the client to receive additional software modules and risk data, or increasing the number of permitted client users or client locations, we can increase our revenues per client further.

Our Equity Models Direct risk data is distributed directly to clients who then combine it with their own software applications or upload the risk data onto third-party applications. A base subscription to our Equity Models Direct product provides equity risk data for a single country for a set fee that authorizes two users. By licensing the client to receive equity risk model data for additional countries, or increasing the number of permitted client users or client locations, we can further increase our revenues per client.

The Barra on Vendors product makes our proprietary risk data from our Equity Models Direct product available to clients via third party providers, such as FactSet Research Systems, Inc.

Multi-Asset Class Portfolio Analytics

This category includes revenues from annual, recurring subscriptions to BarraOne and Barra TotalRisk together with our proprietary risk data for multiple asset classes. Currently, we are actively selling subscriptions only to BarraOne and related risk data. Once most of the features and functionality of TotalRisk have been added to BarraOne, we plan to decommission TotalRisk. As this happens, we will offer our TotalRisk clients the opportunity to transition to BarraOne. Therefore, as this transition takes place, revenues from this product group will increasingly come from BarraOne, partially offset by declines in revenues from TotalRisk.

Other Products

This category includes revenues from a number of products, including Barra Cosmos for fixed income analytics, MSCI hedge fund indices, Barra hedge fund risk model, and FEA energy and commodity asset valuation analytics products.

Run Rate

At the end of any period, we generally have subscription and investment product license agreements in place for a large portion of our total revenues for the following 12 months. We measure the fees related to these agreements and refer to this as our "Run Rate." The Run Rate at a particular point in time represents the forward-looking fees for the next 12 months from all subscriptions and investment product licenses we currently provide to our clients under renewable contracts assuming all contracts that come up for renewal are renewed and assuming then-current exchange rates. For any license whose fees are linked to an investment product's assets or trading volume, the Run Rate calculation reflects an annualization of the most recent periodic fee earned under such license. The Run Rate does not include fees associated with "one-time" and other non-recurring transactions. In addition, we remove from the Run Rate the fees associated with any subscription or investment product license agreement with respect to which we have received a notice of termination or non-renewal at the time we receive such notice, even if the notice is not effective until a later date.

Because the Run Rate represents potential future fees, there is typically a delayed impact on our operating revenues from changes in our Run Rate. In addition, the actual amount of revenues we will realize over the following 12 months will differ from the Run Rate because of:

- revenues associated with new subscriptions and one-time sales;
- modifications, cancellations and non-renewals of existing agreements, subject to specified notice requirements;
- fluctuations in asset-based fees, which may result from market movements or from investment inflows into and outflows from investment products linked to our indices;
- fluctuations in fees based on trading volumes of futures and options contracts linked to our indices;
- price changes;
- timing differences under GAAP between when we receive fees and the realization of the related revenues; and
- fluctuations in foreign exchange rates.

The following table sets forth our Run Rate as of the dates indicated and the percentage growth over the prior period:

	As of November 30, 2007	Percentage change November 2006/2007	As of November 30, 2006	Percentage change November 2005/2006	As of November 30, 2005[1]
			(dollars in thousands)		
Equity index asset based fees[2]	$ 76,898	75.6%	$ 43,800		
Hedge fund index asset based fees	4,963	(27.9%)	6,880		
Asset based fees total	81,861	61.5%	50,680		
Subscription based fees	315,644	19.4%	264,317		
Total Run Rate	$ 397,505	26.2%	$ 314,997	17.2%	$ 268,743

(1) Comparable data for fiscal year 2005 is not available.
(2) Includes transaction volume-based products, principally futures and options traded on certain MSCI indices.

Changes in Run Rate between periods reflect increases from new subscriptions, decreases from cancellations, increases or decreases, as the case may be, from the change in the value of assets of investment products linked to MSCI indices, the change in trading volumes of futures and options contracts linked to MSCI indices, price changes and fluctuations in foreign exchange rates.

Retention Rate

Because subscription cancellations decrease our Run Rate and ultimately our operating revenues, another key metric is our "Retention Rate." Our Retention Rate for any period represents the percentage of the Run Rate as of the beginning of the period that is not cancelled during the period. The Retention Rate is computed on a product-by-product basis. Therefore, if a client reduces the number of products to which it subscribes or switches between our products, we treat it as a cancellation. In addition, we treat any reduction in fees resulting from renegotiated contracts as a cancellation in the calculation to the extent of the reduction. We do not calculate Retention Rates for that portion of our Run Rate attributable to assets in investment products linked to our indices or to trading volumes of futures and options contracts linked to our indices. Retention Rates for a non-annual period are annualized.

The following table sets forth our aggregate Retention Rate as of the dates indicated:

	Fiscal Year Ended November 30,		
	2007	2006	2005
Aggregate Retention Rate	92%	91%	89%

In recent years on average, approximately 40% of our subscription cancellations have occurred in the fourth fiscal quarter. As a result, Retention Rates are generally higher during the first three fiscal quarters and lower in the fourth fiscal quarter.

Expenses

Compensation and benefits expenses represent the majority of our expenses across all of our operating functions, and typically represent 50% to 60% of our total operating expenses. These expenses generally contribute to the majority of our expense increases from period to period, reflecting current staff compensation and benefit increases and increased staffing levels. Continued growth of our staff in lower cost locations around the world is an important factor in our ability to manage and control the growth of our compensation and benefit expenses. An important location for us is Mumbai, India, where we have increased our staff levels significantly since commencing our operations there in early 2004 with a small staff in data management and production. Subsequently, we expanded the scale of our operations there by adding teams in research and administration, as well as by continuing to expand the data management and production team. Our office in Mumbai has grown from 12 employees as of November 30, 2004 to 61 full-time employees as of November 30, 2007. Another important location for us in the future is Budapest, Hungary, where we opened an office in August 2007. We plan to develop this location as an important information technology and software engineering center. Our Budapest office had six employees as of November 30, 2007.

Another significant expense for us is services provided by our principal shareholder, Morgan Stanley. As a majority-owned subsidiary of Morgan Stanley, we have relied on Morgan Stanley to provide a number of administrative support services and facilities. Although we will continue to operate under a services agreement with Morgan Stanley, the amount and composition of our expenses may vary from historical levels as we replace these services with ones supplied by us or by third parties. We are investing in expanding our own administrative functions, including finance, legal and compliance and human resources, as well as information technology infrastructure, to replace services currently provided by Morgan Stanley. Because of initial set-up costs and overlaps with services currently provided by Morgan Stanley, our expenses may increase in the near-term. We will incur additional costs as a public company, including directors' compensation, audit, listing fees, investor relations, stock administration and regulatory compliance costs.

Information technology costs, which include market data, amortization of hardware and software products, and telecommunications services, are also an important part of our expense base.

We group our expenses into three categories:

- Cost of services,
- Selling, general and administrative ("SG&A"), and
- Amortization of intangible assets.

In both the cost of services and SG&A expense categories, compensation and benefits represent the majority of our expenses. Other costs associated with the number of employees such as office space and professional services are included in both the cost of services and SG&A expense categories consistent with the allocation of employees to those respective areas.

Cost of Services

This category includes costs related to our research, data management and production, software engineering and product management functions. Costs in these areas include staff compensation and benefits, allocated office space, market data fees and certain information technology services provided by Morgan Stanley. The largest expense in this category is compensation and benefits. As such, they generally contribute to a majority of our expense increases from period to period, reflecting compensation and benefits increases for current staff and increased staffing levels.

Selling, General and Administrative

This category includes compensation expense for our sales and marketing staff, and our finance, human resources, legal and compliance, information technology infrastructure and corporate administration personnel. As with cost of services, the largest expense in this category is compensation and benefits. As such, they generally contribute to a majority of our expense increases from period to period, reflecting compensation and benefits increases for current staff and increased staffing levels. Other significant expenses are for services provided by Morgan Stanley and office space.

Amortization of Intangible Assets

This category consists of expenses related to amortizing intangible assets arising from the acquisition of Barra in June 2004. At the time of acquisition, the intangible assets had weighted average useful lives ranging from 1.5 to 21.5 years. Our intangible assets consist primarily of technology and software, trademarks and client relationships. At November 30, 2007, our intangible assets totaled $174.4 million, net of accumulated amortization. For the fiscal year ended November 30, 2007, amortization expenses related to intangibles amounted to $26.4 million and represented more than 10% of our total operating expenses of $240.5 million. We believe that this is a substantially higher percentage than for other companies in our industry. This difference is directly linked to the substantial intangible amortization expense arising from our acquisition of Barra.

Interest and Other Income, net

This category consists primarily of interest we collect on cash balances, including cash deposited with Morgan Stanley, less interest we pay on payables to related parties as well as interest on our Credit Facility entered into November 14, 2007. For the fiscal year ending November 30, 2007, Interest and Other Income, net also includes interest incurred on the demand note payable to Morgan Stanley. All outstanding balances on the demand note were paid as of November 20, 2007. Average cash balances and the weighted average yield received are the two largest factors causing changes in interest income from period to period. As a result of the payment in cash and the demand notes associated with the $973.0 million dividend paid on July 19, 2007, described below under "—Factors Impacting Comparability of Our Financial Results—July 2007 Dividend," and our Credit Facility, we expect interest income to be substantially lower and interest expense to be substantially higher in future periods.

Factors Impacting Comparability of Our Financial Results

Our historical results of operations for the periods presented may not be comparable with prior periods or with our results of operations in the future for the reasons discussed below.

Barra Acquisition and Divestiture of POSIT JV

On June 3, 2004, Morgan Stanley completed the acquisition of Barra. On December 1, 2004, Morgan Stanley contributed Barra to us. The contribution of Barra was accounted for as a transfer of net assets between entities under common control and therefore, we have presented our financial position and results of operations as if Barra had been combined with us from the date of the acquisition. Founded in 1975, Barra became a public company in 1991, trading on the NASDAQ under the ticker symbol BARZ.

On February 1, 2005, we sold for $90.0 million our 50% interest in POSIT JV, a joint venture that owned the intellectual property for and certain licenses underlying the POSIT equity crossing system that matches institutional buyers and sellers, to our joint venture partner, ITG. We recorded a pre-tax gain of $6.8 million at the time of sale. We acquired the POSIT JV interest as part of our acquisition of Barra. As part of the sale agreement, we were entitled to additional royalties for a period of 10 years subsequent to the sale pursuant to an earn-out arrangement based on fees earned by ITG related to the POSIT system. In September 2006, ITG exercised its option to accelerate the earn-out period by making a lump sum payment to us of $11.7 million. In addition, we received royalty payments of $3.2 million and $1.0 million in fiscal 2005 and 2006, respectively, prior to the lump sum earn-out payment. With the issuance of FASB Interpretation 46R *Consolidation of Variable Interest Entities* (FIN 46R), Barra determined that POSIT JV qualified as a variable interest entity. Barra was entitled to 95% of the gains and losses of the joint venture and thus consolidated POSIT JV. We accounted for the results of operations of POSIT JV, the gain on sale of POSIT JV, and the lump sum payment from ITG as discontinued operations in our financial statements.

Our Relationship with Morgan Stanley

Our consolidated financial statements have been derived from the financial statements and accounting records of Morgan Stanley using the historical results of operations and historical bases of assets and liabilities of our business. The historical costs and expenses reflected in our audited consolidated financial statements include an allocation for certain corporate functions historically provided by Morgan Stanley, including human resources, information technology, accounting, legal and compliance, tax, office space leasing, corporate services, treasury and other services. On November 20, 2007, we entered into a services agreement with Morgan Stanley pursuant to which Morgan Stanley and its affiliates agreed to provide us with certain of these services for so long as Morgan Stanley owns more than 50% of our outstanding common stock and for periods, varying for different services, of up to 12 months thereafter. For the fiscal years ended November 30, 2007, 2006 and 2005, direct cost allocations related to these services were $26.4 million, $23.1 million and $20.0 million, respectively. These allocations were based on what we and Morgan Stanley considered to be reasonable reflections of the utilization levels of these services required in support of our business and are based on methods that include direct time tracking, headcount, inventory metrics and corporate overhead. The historical information does not necessarily indicate what our results of operations, financial condition or cash flows will be in the future.

As we replace services currently provided by Morgan Stanley, our expenses may be higher or lower than the amounts reflected in the consolidated statements of income. Pursuant to the services agreement, Morgan Stanley and its affiliates agreed to provide us with services, including certain human resources, information technology, accounting, legal and compliance, tax, office space leasing, corporate services, treasury and other services. Payment for these services will be determined, consistent with past practices, using an internal cost allocation methodology based on fully loaded cost (*i.e.*, allocated direct costs of providing the services, plus all related overhead and out-of-pocket costs and expenses). We are currently enhancing our own financial, administrative and other support systems or contracting with third parties to replace Morgan Stanley's systems. We are also establishing our own accounting and internal auditing functions separate from those provided to us by Morgan Stanley.

Public Company Expenses

As a public company, we are subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act. All of the procedures and practices required as a majority-owned subsidiary of Morgan Stanley were previously established, but we continue to add procedures and practices required as a public company. As a result, we will incur significant legal, accounting and other expenses that we did not previously incur.

July 2007 Dividend and Credit Facility

On July 19, 2007, we paid a dividend of $973.0 million, consisting of $325.0 million in cash and $648.0 million of demand notes. Morgan Stanley was issued a demand note in the amount of $625.9 million and Capital Group International was issued a demand note in the amount of $22.1 million. On July 19, 2007, we paid in full the $22.1 million demand note held by Capital Group International.

On November 14, 2007, we entered into the $500 million Credit Facility (as discussed below) of which we borrowed $425.0 million to pay a portion of the $625.9 million demand note held by Morgan Stanley. The balance of the demand note was repaid with proceeds from our initial public offering. See "—Liquidity and Capital Resources" below and note 6 to our consolidated financial statements included in this Annual Report on Form 10-K for further information regarding the Credit Facility.

As a result of this dividend we expect interest income to be substantially lower and interest expense to be substantially higher in future periods.

Founders Grant

On November 6, 2007, our Board of Directors approved the award of founders grants to our employees in the form of restricted stock units and/or options. The aggregate value of the grants, which were made on November 14, 2007, was approximately $68.0 million of restricted stock units and options. The restricted stock units and options vest over a four-year period, with 50% vesting on the second anniversary of the grant date and 25% vesting on the third and fourth anniversary of the grant date. The options have an exercise price per share of $18.00 and have a term of ten years subject to earlier cancellation in certain circumstances. The aggregate value of the options is calculated using the Black-Scholes valuation method consistent with Statement of Financial Accounting Standards No. 123R.

The pre-tax expense of the founders grant for 2007 was approximately $1.1 million, prior to any estimated or actual forfeitures. After estimated forfeitures, the pre-tax expense of the founders grant for 2007 was $0.8 million. The anticipated pre-tax expense of the founders grant is approximately $26.9 million, $26.2 million, $9.7 million and $4.1 million for the fiscal years ended November 30, 2008, 2009, 2010 and 2011, respectively, prior to any estimated or actual forfeitures.

Share Reclassification

On October 24, 2007, our Board of Directors approved the Amended and Restated Certificate of Incorporation, which included: (i) authority to issue 850,000,000 shares of stock, consisting of 500,000,000 shares of class A common stock, par value $0.01 per share, 250,000,000 shares of class B common stock, par value $0.01 per share, and 100,000,000 shares of preferred stock, par value $0.01 per share; and (ii) a reclassification of each share of our outstanding common stock into 2,861.235208 shares of class B common stock. All per share computations included in the accompanying consolidated financial statements have been restated to reflect the reclassification.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These accounting principles require us to make certain estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the periods presented. We believe the estimates and judgments upon which we rely are reasonable based upon information available to us at the time these estimates and judgments are made. To the extent there are material differences between these estimates and actual results, our consolidated financial statements will be affected. The accounting policies that reflect our more significant estimates and judgments and that we believe are the most critical to aid in fully understanding and evaluating our reported financial results include revenue recognition, research and development and software capitalization, allowance for doubtful accounts, tax contingencies, impairment of long-lived assets and accrued compensation. If different assumptions or conditions were to prevail, the results could be materially different from our reported results.

Revenue Recognition

Revenue related to our non-software-related recurring arrangements is recognized pursuant to the requirements of Emerging Issues Task Force 00-21 ("EITF 00-21"), "*Revenue Arrangements with Multiple Deliverables*." Under EITF 00-21, transactions with multiple elements should be considered separate units of accounting if all of the following criteria are met:

- The delivered item has stand-alone value to the client,
- There is objective and reliable evidence of the fair value of the undelivered item(s), and
- If the arrangement includes a general right of return, delivery or performance of the undelivered items is considered probable and substantially in the control of the vendor.

We have signed subscription agreements with all of our clients that set forth the fees paid to us by the clients. Further, we regularly assess the receivable balances for each client. Our subscription agreements for these products include provisions that, among other things, allow clients, for no additional fee, to receive updates and modifications that may be made from time to time, for the term of the agreement, typically one year. As we currently do not have objective and reliable evidence of the fair value of this element of the transaction, we do not account for the delivered item as a separate element. Accordingly, we recognize revenue ratably over the term of the license agreement.

Our software-related recurring revenue arrangements do not require significant modification or customization of any underlying software applications being licensed. Accordingly, we recognize software revenues excluding the energy and commodity asset valuation analytics products, pursuant to the requirements of Statement of Position ("SOP") 97-2, "*Software Revenue Recognition*," as amended by SOP 98-9 "*Modification of SOP 97-2, Software Revenue Recognition, With Respect to Certain Transactions*." In accordance with SOP 97-2, we begin to recognize revenues from subscriptions, maintenance and client technical support, and professional services when all of the following criteria are met: (1) we have persuasive evidence of a legally binding arrangement, (2) delivery has occurred, (3) client fee is deemed fixed or determinable, and (4) collection is probable.

We have signed subscription agreements with all of our clients that set forth the fees paid to us by the clients. Further, we regularly assess the receivable balances for each client. Our subscription agreements for software products include provisions that, among other things, would allow clients to receive unspecified future software upgrades for no additional fee as well as the right to use the software products with maintenance for the term of the agreement, typically one year. As we do not have vendor specific objective evidence ("VSOE") for these elements (except for the support related to energy and commodity asset valuation products), we do not account for these elements separately. Accordingly, except for revenues related to energy and commodity asset valuation products, we recognize revenue ratably over the term of the license agreement.

Our software license arrangements generally do not include acceptance provisions. Such provisions generally allow a client to test the software for a defined period of time before committing to license the software. If a license agreement includes an acceptance provision, we do not record subscription revenues until the earlier of the receipt of a written client acceptance or, if not notified by the client that it is cancelling the license agreement, the expiration of the acceptance period.

For our energy and commodity asset valuation analytics products, we use the residual method to recognize revenue when a product agreement includes one or more elements to be delivered at a future date and VSOE of the fair value of all undelivered elements exists. In virtually all of our contracts, the only element that remains undelivered at the time of delivery of the product is support. The fair value of support is determined based upon what the fees for the support are for clients who purchase support separately. Under the residual method, the fair value of the undelivered element is deferred and the remaining portion of the contract fee is recognized as product revenue. Support fees for these products are recognized ratably over the support period.

We apply Staff Accounting Bulletin No. 104 ("SAB 104"), *Revenue Recognition*, in determining revenue recognition related to clients that use our indices as the basis for certain index-linked investment products such as exchange traded funds or futures contracts. These clients commonly pay us a fee based on the investment product's assets under management or contract volumes. These fees are calculated based upon estimated assets in the investment product or contract volumes obtained either through independent third-party sources or the most recently reported information of the client.

We recognize revenue when all the following criteria are met:

- The client has signed a contract with us,
- The service has been rendered,
- The amount of the fee is fixed or determinable based on the terms of the contract, and
- Collectability is reasonably assured.

We have signed contracts with all clients that use our indices as the basis for certain index-linked investment products, such as exchange traded funds or futures contracts. The contracts state the terms under which these fees are to be calculated. These fees are billed in arrears, after the fees have been earned. The fees are earned as we supply the indices to the client. We assess the creditworthiness of these clients prior to entering into a contract and regularly review the receivable balances related to them.

Research and Development and Software Capitalization

We account for research and development costs in accordance with several accounting pronouncements, including SFAS No. 2, *Accounting for Research and Development Costs* (SFAS No. 2), and SFAS No. 86, *Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed* (SFAS No. 86). SFAS No. 2 requires that research and development costs generally be expensed as incurred. SFAS No. 86 specifies that costs incurred in researching and developing a computer software product should be charged to expense until technological feasibility has been established for the product. Once technological feasibility is established, all software costs should be capitalized until the product is available for general release to clients. Judgment is required in determining when technological feasibility of a product is established. Costs incurred after technological feasibility is established have not been material, and accordingly, we have expensed all research and development costs when incurred. Research and development costs for the fiscal years ended November 30, 2007, 2006 and 2005 were approximately $57.0 million, $55.4 million and $48.3 million, respectively.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is recorded when it is probable and estimable that a receivable will not be collected. The allowance for doubtful accounts was approximately $1.6 million at each of November 30, 2007 and 2006 and $1.1 million at November 30, 2005. Changes in the allowance for doubtful accounts from November 30, 2005 to November 30, 2007 were as follows:

	Amount (in thousands)
Balance as of November 30, 2005	$ 1,078
Addition to provision	654
Amounts written off	(144)
Balance as of November 30, 2006	1,588
Addition to provision	119
Amounts written off	(123)
Balance as of November 30, 2007	$ 1,584

Tax Contingencies

Our taxable income historically has been included in the consolidated U.S. federal income tax return of Morgan Stanley and in returns filed by Morgan Stanley with certain state taxing jurisdictions. Our foreign income tax returns have been filed on a separate company basis. Our federal and foreign income tax liability has been computed and presented in the consolidated financial statements as if we were a separate taxpaying entity in the periods presented. The state and local tax liability presented in these statements reflects the fact that we are included in certain state unitary filings of Morgan Stanley, and that our tax liability is affected by the attributions of the unitary group. We will continue to file federal income tax returns with Morgan Stanley on such basis for so long as Morgan Stanley owns at least 80% of the total voting power of our stock and 80% of the total value of our stock, and will generally continue to file certain state income tax returns with Morgan Stanley on a consolidated, combined or unitary basis under applicable state law until we are no longer permitted to do so. If Morgan Stanley's ownership of our common stock falls below the relevant threshold, which may occur as a result of, among other things, a subsequent sale or Tax-Free Spin-Off by Morgan Stanley of our common stock, we will file the relevant federal or state income tax return as a separate taxable group. As a stand-alone taxpayer, our state and local tax filings will reflect our separate filing attributes.

Although management believes that the judgments and estimates discussed in this Annual Report on Form 10-K are reasonable, actual results could differ, and we may be exposed to losses or gains that could be material. To the extent we are required to pay amounts in excess of our reserves, our effective income tax rate in a given financial statement period could be materially affected. An unfavorable tax settlement could require use of our cash and result in an increase in our effective income tax rate in the period of resolution.

Impairment of Long-Lived Assets

We review long-lived assets and identifiable definite-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. If the carrying value of the assets exceeds the estimated future undiscounted cash flows, a loss is recorded for the excess of the asset's carrying value over the fair value. To date we have not recognized any impairment loss for long-lived assets. Changes to the expected period in which the intangible asset will be utilized, changes in forecasted cash flow, changes in technology or client demand could materially impact the value of these assets in the future.

As part of a product review on July 15, 2007, we decided to transition certain clients over the next two to three years from Barra TotalRisk to BarraOne and other products. At the end of the transition, TotalRisk will no longer be offered. We have performed an impairment test in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144). We have determined there is no impairment

of this asset. In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS No. 142), the remaining useful life of the asset will be shortened from four-and-a-half years to two-and-a-half years. The revised useful life will result in higher amortization expenses related to this asset of $3.5 million for each of the fiscal years ended November 30, 2008 and 2009.

Accrued Compensation

We make significant estimates in determining our quarterly accrued non-stock based compensation expense. A significant portion of our employee incentive compensation programs are discretionary. Each year-end we determine the amount of discretionary cash bonus pools. We also review compensation throughout the year to determine how overall performance compares to management's expectations. We take these and other factors, including historical performance, into account in reviewing accrued discretionary cash compensation estimates quarterly and adjusting accrual rates as appropriate. Changes to these factors could cause a material increase or decrease in the amount of expense that we report in a particular period. Accrued non stock-based compensation and related benefits as of November 30, 2007 was $50.9 million.

Results of Operations

Fiscal Year Ended November 30, 2007 Compared to Fiscal Year Ended November 30, 2006

Revenues

	For the Fiscal Year Ended November 30,		Increase/ (Decrease)	
	2007	2006		
	(in thousands)			
Equity index subscriptions	$ 137,089	$ 117,752	$19,337	16.4%
Equity index asset based fees	62,903	39,020	23,883	61.2%
Equity indices	199,992	156,772	43,220	27.6%
Equity portfolio analytics	120,648	110,007	10,641	9.7%
Multi-asset class portfolio analytics	23,070	16,873	6,197	36.7%
Other products	26,176	27,046	(870)	(3.2%)
Total operating revenues	$ 369,886	$ 310,698	$59,188	19.1%

Revenues increased $59.2 million, or 19.1%, to $369.9 million for fiscal 2007 compared to fiscal 2006, with significant percentage gains across three of our four major product categories. The increase reflects increased revenues from equity indices, equity portfolio analytics, and multi-asset class portfolio analytics. Price increases added very little to our revenue growth.

Revenues from equity indices increased $43.2 million, or 27.6%, to $200.0 million in fiscal 2007 compared to fiscal 2006. Approximately $23.9 million, or 55.3%, of the revenue increase was attributable to increases in fees based on assets of investment products linked to MSCI indices, and the balance to additional index subscriptions from existing and new clients. Growth of assets in ETFs linked to our equity indices drove the higher fees we received from assets in investment products. The majority of growth in assets under management was the result of increased investment flows into the ETFs.

Revenues from equity portfolio analytics increased $10.6 million, or 9.7%, to $120.6 million in fiscal 2007 compared to fiscal 2006. The increase was the result of strong new subscription growth for our equity risk models and related analytics products with a notable increase in demand for our proprietary equity risk data through third-party software vendors. In addition, this increase was due to significantly higher retention rates for Barra Aegis.

Revenues from multi-asset class portfolio analytics increased $6.2 million, or 36.7%, to $23.1 million in fiscal 2007 compared to fiscal 2006. The increase primarily reflects additional subscriptions to BarraOne by asset owners and fund managers with notable strength from EMEA and the Americas. The increase in BarraOne revenue was offset in part by a decline in revenues from TotalRisk due to our decision in late 2006 to stop licensing subscriptions to TotalRisk.

Revenues from other products decreased $0.9 million, or 3.2%, to $26.2 million in fiscal 2007 compared to fiscal 2006. The decrease is principally the result of the cancellation of a large fixed income index subscription at the end of first quarter 2007 and decreased revenues from MSCI hedge fund indices due to declining asset levels of investment products linked to these indices. The decrease was mitigated by strong growth in our energy and commodity valuation analytics product subscriptions marketed under the FEA brand.

Expenses

	For the Fiscal Year Ended November 30,		Increase/ (Decrease)	
	2007	2006		
	(in thousands)			
Cost of services	$ 121,711	$ 115,426	$ 6,285	5.4%
Selling, general and administrative	92,477	85,820	6,657	7.8%
Amortization of intangible assets	26,353	26,156	197	0.8%
Total operating expenses	$ 240,541	$ 227,402	$13,139	5.8%

Total operating expenses of $240.5 million for the fiscal year ended November 30, 2007 were $13.1 million or 5.8% higher compared to fiscal 2006. Excluding the Founders Grant expense of $0.8 million, operating expenses increased 5.4% to $239.7 million for fiscal 2007 with compensation expense increasing 10.1% and non-compensation expense remaining unchanged. For fiscal 2007, compensation and benefit expenses represented 55.8% of the total operating expenses compared to 53.2% in fiscal 2006. Excluding expenses related to the Founders Grant of $0.8 million and the $9.7 million of non-recurring items in 2006 ($9.1 million of selling, general and administrative expenses, which are discussed below), expenses for fiscal 2007 increased 10.4%, comprised of compensation and benefits costs increases of 14.9% and non-compensation expenses increases of 5.3%, compared to fiscal year 2006.

Cost of services

Cost of services increased $6.3 million, or 5.4%, to $121.7 million in fiscal 2007 compared to fiscal 2006. The majority of the increase, $3.8 million, was driven by increased personnel costs that reflected hires made in the second half of 2006 in the information technology group as well as the hiring of a Chief Operating Officer. Additional market data costs, including costs associated with introducing the GIMI methodology, rent increases from adding business continuity space in Hong Kong and London, as well as higher allocations of information technology and administrative expenses from Morgan Stanley, were the largest contributors to non-compensation expense growth. As a percentage of revenues, cost of services declined to 32.9% from 37.2%.

Selling, general and administrative

Selling, general and administrative expenses increased $6.7 million, or 7.8%, to $92.5 million in fiscal 2007 compared to fiscal 2006. This increase was mainly due to an increase in compensation and benefit expenses, which increased $9.3 million, or 19.1%, due to the hiring of additional employees in the second half of 2006, and increased compensation and benefit costs for existing personnel. Overall, non-compensation expenses decreased year over year by $2.6 million, or 7.0%.

Fiscal 2006 included a number of expense items not repeated in fiscal 2007 which totaled $9.1 million. These non-recurring expenses included accrued stock based compensation expense for equity awards for

retirement eligible employees, recruitment fees associated with senior staff additions and acquisition related costs. Excluding these $9.1 million of non-recurring items in 2006, expenses for fiscal 2007 increased by 20.5% compared to fiscal 2006. This increase included a 30.7% increase in compensation and benefit expenses and a 6.8% increase in non-compensation expenses. The increase in compensation and benefit expenses was driven by the full year cost in fiscal 2007 related to staff hires made in the second half of 2006 and increased compensation and benefit costs for existing personnel. Increases in non-compensation costs for fiscal 2007 were due to an increase in the allocation of general and administrative expenses from Morgan Stanley and travel expenses incurred as a result of the growth of our sales organization.

As a percentage of revenues, selling, general and administrative expenses declined to 25.0% from 27.6%.

Amortization of intangible assets

Amortization expense increased $0.2 million, or 0.8%, to $26.4 million in fiscal 2007 compared to fiscal 2006. As a percentage of revenues, amortization expense declined to 7.1% from 8.4%.

Interest and other income, net

Interest and other income, net decreased 75.6% to $3.9 million for fiscal year 2007. The net decrease was the result of an increase in gross interest expense and a reduction of gross interest income. Gross interest income decreased as a result of holding substantially lower cash balances resulting from the payment of the $973 million dividend to Morgan Stanley and Capital Group International. We experienced higher gross interest expense on account of interest due on the demand note issued to Morgan Stanley in July 2007 and, following repayment of the demand note, on borrowings of $425.0 million under the Credit Facility we entered into simultaneously with the completion of our initial public offering. See “—Liquidity and Capital Resources” below.

Provision for income taxes

Our provision for income taxes increased $16.1 million, or 44.6%, to $52.2 million for fiscal 2007. The effective tax rate for fiscal 2007 increased to 39.1% from 36.3% in fiscal 2006. The increase reflects higher taxable earnings and two significant adjustments to the tax provision.

As a result of a recent settlement entered into by Morgan Stanley with New York State and New York City tax authorities, we will now be included in the combined New York State and New York City income tax returns of Morgan Stanley, and have increased taxes, for the period 1999 through 2007. When filing as a separate taxpayer, our New York State and New York City income taxes were lower than when calculated as part of Morgan Stanley’s combined state and local income tax return over the applicable period. Consequently, we recorded an adjustment of $3.7 million for tax and interest (net of federal tax benefit) relating to tax years 1999 through 2007 to reflect the additional taxes owed.

The other component of the increased income tax provision is the establishment of additional tax reserves of $1.7 million related to the potential disallowance of certain Research and Experimental tax credits previously allocated to us.

So long as MSCI is included in the consolidated federal income tax return of Morgan Stanley and in returns filed by Morgan Stanley with certain state and foreign taxing jurisdictions, our tax liability will reflect amounts due as outlined under our tax sharing agreement dated November 20, 2007 with Morgan Stanley.

Fiscal Year Ended November 30, 2006 Compared to Fiscal Year Ended November 30, 2005

Revenues

	For the Fiscal Year Ended November 30,			
	2006	2005	Increase/(Decrease)	
	(in thousands)			
Equity index subscriptions[1]	$ 117,752			
Equity index asset based fees[1]	39,020			
Equity indices	156,772	$ 126,533	$ 30,239	23.9%
Equity portfolio analytics	110,007	106,594	3,413	3.2%
Multi-asset class portfolio analytics	16,873	17,260	(387)	(2.2%)
Other products	27,046	28,087	(1,041)	(3.7%)
Total operating revenues	$ 310,698	$ 278,474	$ 32,224	11.6%

(1) Comparable data for fiscal year 2005 is not available.

Revenues increased $32.2 million, or 11.6%, to $310.7 million for fiscal 2006 compared to fiscal 2005. Growth in index subscriptions was the main driver while increased asset-based fees attributable to higher assets of investment products linked to MSCI equity indices also contributed strongly to revenue growth. The increase also reflects increased revenues from equity portfolio analytics partially offset by a decrease in revenues from our multi-asset class portfolio analytics products and other products including hedge fund indices. Price increases contributed very little to our revenue growth.

Revenues from equity indices increased $30.2 million, or 23.9%, to $156.8 million in fiscal 2006 compared to fiscal 2005. Approximately $21 million, or 70%, of the revenue increase was attributable to index subscriptions and the remainder to fees based on assets of investment products linked to MSCI indices. Growth of assets in ETFs linked to our equity indices drove the higher fees we received from assets of investment products. A majority of the growth in assets under management was the result of increased investment flows into the ETFs.

Revenues from equity portfolio analytics increased $3.4 million, or 3.2%, to $110.0 million in fiscal 2006 compared to fiscal 2005. The increase reflects additional subscriptions to Equity Models Direct by existing and new clients as well as higher Retention Rates for Barra Aegis.

Revenues from multi-asset class portfolio analytics decreased $0.4 million, or 2.2%, to $16.9 million in fiscal 2006 compared to fiscal 2005. The decrease stems from a decline in TotalRisk revenues of $1.8 million, attributable to lower Retention Rates as well as our decision to stop licensing subscriptions to TotalRisk and gradually transition clients from TotalRisk to BarraOne. The decline in TotalRisk revenues was offset in part by a $1.4 million increase from BarraOne revenues attributable to new subscriptions from asset owners and balanced fund managers.

Revenues from other products decreased $1.0 million, or 3.7%, due to lower fees attributable to reduced assets of investment products linked to our hedge fund indices. The decrease was mitigated by strong growth in our energy and commodity valuation analytics product subscriptions marketed under the FEA brand.

Expenses

	For the Fiscal Year Ended November 30,			
	2006	2005	Increase/(Decrease)	
	(in thousands)			
Cost of services	$ 115,426	$ 106,598	$ 8,828	8.3%
Selling, general and administrative	85,820	70,220	15,600	22.2%
Amortization of intangible assets	26,156	28,031	(1,875)	(6.7%)
Total operating expenses	$ 227,402	$ 204,849	$ 22,553	11.0%

Total expenses of $227.4 million for the fiscal year ended November 30, 2006 were $22.6 million, or 11%, higher compared to fiscal 2005. Compensation and benefits continue to account for our largest expense increase, accounting for $12.9 million in growth from the prior year. This increase stems from hiring personnel to support business growth mainly in the U.S. and Europe and the hiring of a Chief Operating Officer and a Chief Financial Officer. Additional increases were principally due to rises in general and administrative expenses from Morgan Stanley, information technology and software engineering costs. The percentage of compensation and benefits expenses of total operating expenses remained unchanged at 53% in fiscal 2006, as compared to fiscal 2005.

Cost of services

Cost of services increased $8.8 million, or 8.3%, to $115.4 million in fiscal 2006 versus 2005. The rise mainly stems from higher research, information technology and software engineering costs incurred in order to add new product features and to expand the breadth of our equity securities universe. The increase is also attributable to the hiring of a Chief Operating Officer. In addition, allocations from Morgan Stanley increased by $2.4 million to reflect our expanded use of services after we migrated Barra onto Morgan Stanley platforms. As a percentage of revenues, cost of services declined to 37% in fiscal 2006 from 38% in 2005.

Selling, general and administrative

Selling, general and administrative expenses increased $15.6 million, or 22.2%, to $85.8 million in fiscal 2006 compared to fiscal 2005. The primary drivers of the increase in fiscal 2006 were an increase in personnel and occupancy costs. The increase in personnel costs was a result of expanding staffing in the sales organization and information technology infrastructure areas, as well as the hiring of a Chief Financial Officer. The hiring also caused recruiting expenses to increase substantially compared to 2005. Higher occupancy costs were attributable to the expansion of office space and the establishment of business continuity sites in Hong Kong and London. As a percentage of revenues, selling, general and administrative expenses increased to 28% from 25%.

Amortization of intangible assets

Amortization expense decreased $1.9 million, or 6.7%, to $26.2 million in fiscal 2006 compared to fiscal 2005. The decrease principally reflects the full amortization of some components of our identified intangibles, primarily related to developed technology for our energy and commodity products, by the end of fiscal 2005. As a percentage of revenues, amortization expense decreased to 8% from 10%.

Interest and other income, net

Interest and other income, net increased $8.9 million, or 122%, to $16.2 million in fiscal 2006 compared to fiscal 2005. The increase reflects higher average cash balances, including cash deposited with Morgan Stanley, and higher average interest rates earned on these balances, as well as a $1.1 million gain associated with the sale of our interest in two unconsolidated companies, LoanPerformance and ValuBond, in the fourth quarter of fiscal 2006. As a percentage of revenues, interest and other income, net increased to 5% from 3%.

Provision for income taxes

Our provision for income taxes increased $5.6 million, or 19%, to $36.1 million in fiscal 2006 compared to fiscal 2005. The effective tax rate decreased to 36.3% from 37.7% in fiscal 2006 compared to fiscal 2005. This decrease primarily reflects lower tax rates applicable to non-U.S. earnings during fiscal 2006. Effective tax rates are subject to change based on the taxable income in all the jurisdictions in which we do business.

Discontinued operations

Income from discontinued operations, net of tax, increased $4.3 million, or 112.8%, to $8.1 million in fiscal 2006 compared to fiscal 2005. Pre-tax income from discontinued operations increased $6.9 million, or 117.2%, to $12.7 million in fiscal 2006 compared to fiscal 2005. On February 1, 2005, we sold our interest in POSIT JV to our joint venture partner, ITG, for $90.0 million. We recorded a pre-tax gain of $6.8 million at the time of sale. As part of the sale agreement, we were entitled to additional royalties for a period of 10 years subsequent to the sale through an earn-out arrangement, based on fees earned by ITG related to the POSIT system. In September 2006, ITG exercised its option to accelerate the earn-out period by making a lump sum payment to us of $11.7 million. In addition, we received royalty payments of $3.2 million and $1.0 million in fiscal 2005 and 2006, respectively, prior to the lump sum earn-out payment.

Liquidity and Capital Resources

We require capital to fund ongoing operations, internal growth initiatives and acquisitions. Our working capital requirements and funding for capital expenditures, strategic investments and acquisitions have historically been part of the corporate-wide cash management program of Morgan Stanley. We are solely responsible for the provision of funds to finance our working capital and other cash requirements.

Our primary sources of liquidity are cash flows generated from our operations, existing cash and cash equivalents and funds available under the Credit Facility. We intend to use these sources of liquidity to service our debt and fund our working capital requirements, capital expenditures, investments and acquisitions. In connection with our business strategy, we regularly evaluate acquisition opportunities. We believe our liquidity, along with other financing alternatives, will provide the necessary capital to fund these transactions and achieve our planned growth.

As described above in "—Factors Impacting Comparability of Our Financial Results—July 2007 Dividend," we paid a dividend of $973.0 million, consisting of $325.0 million in cash and $648.0 million of demand notes, on July 19, 2007. Morgan Stanley was issued a demand note in the amount of $625.9 million and Capital Group International was issued a demand note in the amount of $22.1 million. On July 19, 2007, we paid in full in cash the $22.1 million demand note held by Capital Group International.

On November 14, 2007, we entered into the $500.0 million Credit Facility with Morgan Stanley Senior Funding, Inc. and Bank of America, N.A. as agents for a syndicate of lenders, and other lenders party thereto. The Credit Facility is comprised of a $200.0 million term loan A facility, a $225.0 million term loan B facility, which was issued at a discount of 0.5% of the principal amount resulting in proceeds of approximately $223.9 million, and a $75.0 million revolving Credit Facility (under which there were no drawings as of November 30, 2007). Outstanding borrowings under the Credit Facility accrue interest at (i) LIBOR plus a fixed margin of 2.50% in the case of the term loan A facility and the revolving facility and 3.00% in the case of the term loan B facility or (ii) the base rate plus a fixed margin of 1.50% in the case of the term loan A facility and the revolving facility and 2.00% in the case of the term loan B facility, in each case subject to interest rate step downs based on the achievement of consolidated leverage ratio (as defined in the Credit Facility) conditions. The term loan A facility and the term loan B facility will mature on November 20, 2012 and November 20, 2014, respectively. On November 20, 2007, we borrowed $425.0 million (the full amount of the term loans) under the Credit Facility and used the proceeds to pay a portion of the $625.9 million demand note held by Morgan Stanley. The balance

of the demand note was paid with the net proceeds from our initial public offering. The revolving Credit Facility is available for working capital requirements and other general corporate purposes (including the financing of permitted acquisitions), subject to certain conditions, and matures on November 20, 2012.

The Credit Facility is guaranteed on a senior secured basis by each of our direct and indirect wholly-owned domestic subsidiaries and secured by a valid and perfected first priority lien and security interest in substantially all of the shares of capital stock of our present and future domestic subsidiaries and up to 65% of the shares of capital stock of our foreign subsidiaries, substantially all of our and our domestic subsidiaries' present and future property and assets and the proceeds thereof. In addition, the Credit Facility contains restrictive covenants that limit our ability and our existing or future subsidiaries' abilities, among other things, to:

- incur liens;
- incur additional indebtedness;
- make or hold investments;
- merge, dissolve, liquidate, consolidate with or into another person;
- sell, transfer or dispose of assets;
- pay dividends or other distributions in respect of our capital stock;
- change the nature of our business;
- enter into any transactions with affiliates other than on an arm's length basis (except as described in "Arrangements Between Morgan Stanley and Us" and "Relationships and Related Transactions"); and
- prepay, redeem or repurchase debt.

The Credit Facility also requires us and our subsidiaries to achieve specified financial and operating results and maintain compliance with the following financial ratios on a consolidated basis: (1) the maximum total leverage ratio (as defined in the Credit Facility) measured quarterly on a rolling four-quarter basis shall not exceed (a) 3.75:1.0 through November 30, 2009, (b) 3.50:1.0 from December 1, 2009 through November 30, 2010 and (c) 3.25:1.0 thereafter; and (2) the minimum interest coverage ratio (as defined in the Credit Facility) measured quarterly on a rolling four-quarter basis shall be (a) 3.00:1.0 through November 30, 2009, (b) 3.50:1.0 from December 1, 2009 through November 30, 2010 and (c) 4.00:1.0 thereafter.

In addition, the Credit Facility contains the following affirmative covenants, among others: periodic delivery of financial statements, budgets and officer's certificates; payment of other obligations; compliance with laws and regulations; payment of taxes and other material obligations; maintenance of property and insurance; performance of material leases; right of the lenders to inspect property, books and records; notices of defaults and other material events and maintenance of books and records.

Currently, we have $425.0 million outstanding under our Credit Facility, and have an additional $75 million available under the Revolving Credit Facility.

Cash flows

	As of and for the Fiscal Year Ended November 30,		
	2007	2006	2005
		(in thousands)	
Cash and cash equivalents	$ 33,818	$ 24,362	$ 23,411
Cash deposited with related parties	$ 137,625	$330,231	$252,882
Cash provided by operating activities	$ 110,225	$ 83,665	$ 59,881
Cash provided by (used in) investing activities	$ 192,071	$ (79,764)	$ (63,708)
Cash used in financing activities	$(292,064)	$ (5,000)	$ —

Cash and cash equivalents and cash deposited with related parties

Cash and cash equivalents were $33.8 million, $24.4 million and $23.4 million as of November 30, 2007, 2006 and 2005, respectively. This constituted approximately 3.7% of total assets as of November 30, 2007 and 2.2% as of each of November 30, 2006 and 2005, respectively. Excess cash is deposited with Morgan Stanley and is shown separately on the balance sheet under cash deposited with related parties. Cash deposited with related parties was $137.6 million, $330.2 million and $252.9 million as of November 30, 2007, 2006 and 2005, respectively, representing approximately 15.2%, 29.7% and 24.1% of total assets, respectively. Our cash, including cash equivalents and cash deposited with related parties decreased in fiscal 2007. This decrease was primarily the result of cash used in financing activities, representing the payment of a cash dividend of $973.0 million. We believe that our cash flow from operations (including prepaid subscription fees), together with existing cash balances, will be sufficient to meet our cash requirements for capital expenditures and other cash needs for ongoing business operations for at least the next 12 months and the foreseeable future.

Cash flows from operating activities

In fiscal 2007, our operating cash flow reflected net income of $81.1 million, adjusted for non-cash items such as amortization of intangible assets of $26.4 million and depreciation of $1.5 million. During fiscal 2007, we generated operating cash flows of $35.2 million from the settlement of related party balances. Our collections were offset by our payment of $47.5 million in settlement of related party balances owed and by an increase in accounts receivable.

Our primary uses of cash from operating activities are for payment of cash compensation expenses, office rent, technology costs and services provided by Morgan Stanley. In addition, we expect to meet all interest obligations on outstanding borrowings under the Credit Facility from cash generated by operations. The payment of cash compensation expenses is historically at its highest level in the first quarter when we pay discretionary employee compensation related to the previous fiscal year.

Timing differences relating to the payment of amounts due to related parties between fiscal 2007 and fiscal 2006 caused us to use $47.5 million of cash during fiscal 2007 in settlement of related party balances.

Cash flows from investing activities

Cash flows from investing activities include cash used for capital expenditures, cash deposited with Morgan Stanley and cash received from the sale of discontinued operations. In fiscal 2007, the amount of cash deposited with Morgan Stanley decreased by $192.6 million as a result of the payment of the $973.0 million cash dividend offset by the proceeds of our initial public offering and the borrowings against the Credit Facility. Capital expenditures totaled $0.5 million in fiscal 2007, relating primarily to the purchase of computer equipment and build-out costs of leased office space. We anticipate funding any future capital expenditures out of our operating cash flows.

In fiscal 2005, we sold our interest in POSIT JV to our joint venture partner, ITG, for $90.0 million. We deposited the cash proceeds from this sale with Morgan Stanley, contributing in part to the increase of $154.0 million in cash deposited with related parties during fiscal 2005.

Cash flows from financing activities

Cash flows from financing activities largely represent payments for cash dividends. Cash dividends paid in fiscal years 2007, 2006 and 2005 amounted to $973.0 million, 5.0 million and $0.0 million, respectively. During fiscal 2007, the net cash used in financing activities was $292.1 million, representing the payment of a dividend of $973.0 million, less the proceeds from our initial public offering and the borrowings against the Credit Facility.

Contractual Obligations

Our contractual obligations consist primarily of leases for office space, capital leases for equipment and other operating leases, obligations to vendors arising out of market data contracts and obligations arising from borrowings under the Credit Facility. The following summarizes our contractual obligations:

As of November 30, 2007	Total	Fiscal Year 2008	2009	2010	2011	2012	Thereafter
				(in thousands)			
Operating leases	$ 34,333	$ 6,476	$ 5,979	$ 4,899	$ 4,661	$ 4,647	$ 7,671
Vendor obligations	2,640	2,250	177	102	111	—	—
Term loans	425,000	22,250	22,250	42,250	42,250	82,250	213,750
Total contractual obligations	$ 461,973	$ 30,976	$ 28,406	$ 47,251	$ 47,022	$ 86,897	$ 221,421

Off-Balance Sheet Arrangements

At November 30, 2007, 2006 and 2005, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Recent Accounting Pronouncements

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in an income tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for us as of December 1, 2007. The effect of adopting FIN 48 does not have a material impact on results of operations.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 is effective beginning an entity's first fiscal year that begins after November 15, 2007, or upon early adoption of FASB Statement No. 159. We early adopted FASB Statement No. 159 as of December 1, 2006, and in effect adopted SFAS No. 157 at the same time. Accordingly, we adopted SFAS No. 157 on December 1, 2006. The adoption of SFAS No. 157 did not have a material impact on our combined financial condition, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)" ("SFAS No. 158"). Our employees currently participate in Morgan Stanley's pension and post-retirement plans. Among other items, SFAS No. 158 required recognition of the overfunded or underfunded status of Morgan Stanley's defined benefit and postretirement plans as an asset or liability in the consolidated financial statements for the fiscal year ending November 30, 2007. Morgan Stanley recorded an after-tax charge of $208 million to Shareholders' equity upon the adoption of this requirement. We recorded an after tax charge of $0.9 million to shareholders' equity upon adoption of this requirement. SFAS No. 158 also requires the measurement of defined benefit and postretirement plan assets and obligations as of the end of the fiscal year. SFAS No. 158's requirement to use the fiscal year-end date as the measurement date is effective for fiscal years ending after December 15, 2008. Morgan Stanley expects to early adopt a fiscal year-end measurement date for its fiscal year ending November 30, 2008. Morgan Stanley currently expects to record an after-tax charge of approximately $15 million to Shareholders' equity upon the early adoption of the measurement date change. The Company also expects to early adopt the measurement date change, but expects the impact of this change to be immaterial.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("Statement No. 159"). Statement No. 159 permits entities to elect to measure certain assets and liabilities at fair value with changes in the fair values of those items (unrealized gains and losses) recognized in the statement of income for each reporting period. Under this Statement, fair value elections can be made on an instrument-by-instrument basis, are irrevocable, and can only be made upon specified election date events. In addition, new disclosure requirements apply with respect to instruments for which fair value measurement is elected. We elected to early adopt Statement No. 159 as of December 1, 2006. We chose not to make any fair value elections with respect to any of its eligible assets or liabilities as permitted under the provisions of Statement No. 159.

In June 2007, the EITF reached consensus on Issue No. 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards." EITF Issue No. 06-11 requires that the tax benefit related to dividend equivalents paid on restricted stock units that are expected to vest be recorded as an increase to additional paid-in capital. We currently account for this tax benefit as a reduction to our income tax provision. EITF Issue No. 06-11 is to be applied prospectively for tax benefits on dividends declared in fiscal years beginning after December 15, 2007. We currently are evaluating the potential impact of adopting EITF Issue No. 06-11.

Item 7A. *Qualitative and Quantitative Disclosures About Market Risk*

Foreign Currency Risk

We have exposures to currency exchange fluctuation risk—revenues from index-linked investment products, such as exchange traded funds, non-U.S. dollar invoiced revenues and non-U.S. dollar operating expenses.

Revenues from equity index-linked investment products represented approximately $62.9 million, or 17.0%, of our operating revenues for fiscal year 2007. While our fees for index-linked investment products are generally invoiced in U.S. dollars, the fees are based on the investment product's assets, substantially all of which are invested in securities denominated in currencies other than the U.S. dollar. Accordingly, declines in such other currencies against the U.S. dollar will decrease the fees payable to us under such licenses. In addition, declines in such currencies against the U.S. dollar could impact the attractiveness of such investment products resulting in net fund outflows, which would further reduce the fees payable under such licenses.

We generally invoice our clients in U.S. dollars; however, we invoice a portion of clients in euros, pounds sterling, Japanese yen and a limited number of other non-U.S. dollar currencies. Approximately $56.7 million, or 15.3%, of our revenues for the fiscal year ended November 30, 2007 are denominated in foreign currencies, of which the majority are in euros, pounds sterling and Japanese yen.

We are exposed to additional foreign currency risk in certain of our operating costs. Although our expenses are generally in U.S. dollars, some of our expenses are incurred in non-U.S. dollar denominated currencies. Approximately $55.6 million, or 23.1%, of our expenses for the fiscal year ended November 30, 2007 were denominated in foreign currencies, the significant majority of which were denominated in Swiss francs, pounds sterling, Hong Kong dollars, euros and Japanese yen. Expenses paid in foreign currency may increase as we expand our business outside the U.S. and replace services provided by Morgan Stanley internationally for which we currently pay Morgan Stanley in U.S. dollars.

To the extent that our international activities recorded in local currencies increase in the future, our exposure to fluctuations in currency exchange rates will correspondingly increase. Generally, we do not use derivative financial instruments as a means of hedging this risk; however, we may do so in the future. Foreign currency cash balances held overseas are generally kept at levels necessary to meet current operating and capitalization needs.

Interest Rate Sensitivity

We had unrestricted cash and cash equivalents totaling $33.8 million, $24.4 million and $23.4 million at November 30, 2007, 2006 and 2005, respectively. These amounts were held primarily in checking money market accounts in the countries where we maintain banking relationships. The majority of excess cash is deposited with our parent company. At November 30, 2007, 2006 and 2005, amounts held with our parent company were $137.6 million, $330.2 million and $252.9 million, respectively. On our statements of financial condition, these amounts are shown as "Cash deposited with related parties." We receive interest at Morgan Stanley's internal prevailing rates on these funds. The unrestricted cash and cash equivalents are held for working capital purposes. We do not enter into investments for trading or speculative purposes. We believe we do not have any material exposure to changes in fair value as a result of changes in interest rates. Declines in interest rates, however, will reduce future interest income.

As a result of the dividend discussed above in "—Factors Impacting Comparability—July 2007 Dividend" and financings as discussed in "Factors Impacting Comparability—Credit Facility" we expect interest income to be substantially lower and interest expense to be substantially higher in future periods. Any borrowings under the Credit Facility will accrue interest at a variable rate equal to (i) LIBOR plus a fixed margin of 2.50% in the case of the term loan A facility and the revolving facility and 3.00% in the case of the term loan B facility or (ii) the base rate plus a fixed margin of 1.50% in the case of the term loan A facility and the revolving facility and 2.00% in the case of the term loan B facility, in each case subject to interest rate step downs based on the achievement of consolidated leverage ratio (as defined in the Credit Facility) conditions. We expect to pay down the Credit Facility with cash generated from our ongoing operations. In addition, we were required by the terms of our Credit Facility to enter into an interest rate swap within 90 days of November 20, 2007 in order to convert a portion of our variable rate funding to fixed rate funding.

On February 13, 2008, we entered into interest rate swap agreements effective through the end of November 2010 for an aggregate notional principal amount of $251.7 million. By entering into these agreements, we reduced interest rate risk by effectively converting floating-rate debt into fixed-rate debt. This action reduces our risk of incurring higher interest costs in periods of rising interest rates and improves the overall balance between floating and fixed rate debt. The effective fixed rate on the notional principal amount swapped is approximately 5.65%. These swaps are designated as fair value hedges and qualify for hedge accounting treatment under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.*

Item 8. ***Financial Statements and Supplementary Data***

The information required by this Item is set forth on page F-1 through F-36 of this Annual Report on Form 10-K.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

This Annual Report on Form 10-K does not include a report of management's assessment regarding internal controls over financial reporting or an attestation report of the Company's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls as of November 30, 2007 and have concluded that these disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act

of 1934, as amended, is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Beginning with the year ending November 30, 2008, Section 404 of the Sarbanes-Oxley Act will require us to include a management's report on our internal control over financial reporting in our Annual Report on Form 10-K. The internal control report must contain (1) a statement of management's responsibility for establishing and maintaining adequate internal control over financial reporting, (2) a statement identifying the framework used by management to conduct the required evaluation of the effectiveness of our internal control over financial reporting, (3) management's assessment of the effectiveness of our internal control over financial reporting as of the end of our most recent fiscal year, including a statement as to whether or not our internal control over financial reporting is effective, and (4) a statement that our registered independent public accounting firm has issued an attestation report on management's assessment of our internal control over financial reporting.

We currently rely on Morgan Stanley for certain business processes associated with our financial reporting. Following our separation from Morgan Stanley, we will have to develop these and other functional areas as a stand-alone company including the necessary processes and internal control to prepare our financial statements on a timely basis in accordance with U.S. GAAP. We have engaged outside consultants to assess the adequacy of our internal control over financial reporting, and assist us to remediate any control deficiencies that may be identified, validate through testing that our controls are functioning as documented and to implement a continuous reporting and improvement process for internal control over financial reporting.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the fourth quarter of 2007 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after November 30, 2007.

Information regarding our Code of Ethics and Business Conduct and Corporate Governance Policy are incorporated herein by reference from our Proxy Statement, which will be filed no later than 120 days after November 30, 2007. Any amendments to, or waivers from, a provision of our codes of ethics that apply to our principal executive officer, principal financial officer, controller, or persons performing similar functions and that relates to any element of the code of ethics enumerated in paragraph (b) of Item 406 of Regulation S-K shall be disclosed by posting such information on our website at www.mscibarra.com. The information on our website is not and should not be considered a part of this Annual Report on Form 10-K.

Item 11. ***Executive Compensation***

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after November 30, 2007.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after November 30, 2007. In addition, the information contained in the Equity Compensation table under "Item 5.—Market for Registrant's Common Equity, Related Stockholder Matters And Issuer Purchases of Equity Securities" of this report is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after November 30, 2007.

Item 14. ***Principal Accountant Fees and Services***

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after November 30, 2007.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)(1) ***Financial Statements***

See pages F-1 through F-36 of this Annual Report on Form 10-K.

(a)(2) ***Financial Statement Schedules***

No financial statement schedules are provided because the information called for is not applicable or not required or is included in the consolidated financial statements or the notes thereto beginning on page F-1.

(a)(3) ***Exhibits***

Exhibit Number	Description
3.1*	Amended and Restated Certificate of Incorporation
3.2*	Amended and Restated By-laws
10.1†	Index License Agreement for Funds, dated as of March 18, 2000, between Morgan Stanley Capital International and Barclays Global Investors, N.A. (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.2†	Amendment to Index License Agreement for Funds between Morgan Stanley Capital International and Barclays Global Investors, N.A. (filed as Exhibit 10.2 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.3†	Letter Agreement to Amend MSCI-BGI Fund Index License Agreement, dated as of June 21, 2001, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)

Exhibit Number	Description
10.4†	Addendum to the Index License Agreement for Funds, dated as of September 18, 2002, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated herein)
10.5†	Amendment to the Index License Agreement for Funds, dated as of December 3, 2004 between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.5 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on October 26, 2007 and incorporated herein)
10.6†	Amendment to the Index License Agreement for Funds, dated as of May 1, 2005 between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.6 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated herein)
10.7†	Amendment to the Index License Agreement for Funds, dated as of July 1, 2006, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.7 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), with the SEC on October 26, 2007 and incorporated by reference herein)
10.8†	Amendment to Index License Agreement for Funds, dated as of June 5, 2007, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.8 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.9	Trademark License Agreement, dated as of March 18, 2002, between Morgan Stanley Dean Witter & Co. and Morgan Stanley Capital International Inc. (filed as Exhibit 10.9 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.10*	Intellectual Property Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.
10.11*	Services Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.
10.12*	Tax Sharing Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.
10.13*	Shareholder Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.
10.14*	Credit Agreement, dated as of November 20, 2007, among MSCI Inc., Morgan Stanley Senior Funding, Inc., Bank of America, N.A. and the other lenders party thereto
10.15***	MSCI 2007 Equity Incentive Compensation Plan
10.16***	MSCI Independent Directors' Equity Compensation Plan
10.17***	MSCI Equity Incentive Compensation Plan 2007 Founders Grant Award Certificates for Stock Units
10.18***	MSCI Equity Incentive Compensation Plan 2007 Founders Grant Award Certificates for Stock Units for Named Executive Officers
10.19***	MSCI Equity Incentive Compensation Plan 2007 Founders Grant Award Certificate for Stock Options
10.20***	MSCI Independent Directors' Equity Incentive Compensation Plan 2007 Founders Grant Award Certificate for Stock Options

Exhibit Number	Description
10.21**	Employment Offer Letter, dated as of July 20, 2006, between Michael Neborak and Morgan Stanley Capital International Inc. (filed as Exhibit 10.21 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on November 6, 2007 and incorporated by reference herein)
10.22**	Summary of Relocation and Expatriate Benefits for C.D. Baer Pettit (filed as Exhibit 10.22 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on November 6, 2007 and incorporated by reference herein)
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Deloitte & Touche LLP
24.1*	Power of Attorney (included on signature page)
31.1****	Rule 13a-14(a) Certification of Chief Executive Officer
31.2****	Rule 13a-14(a) Certification of Chief Financial Officer
32.1****	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer

* Filed herewith.

** Indicates a management compensation plan, contract or arrangement previously filed.

*** Indicates a management compensation plan, contract or arrangement filed herewith.

**** Furnished herewith.

† Confidential treatment has been granted for a portion of this exhibit.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 28th day of February, 2008.

MSCI INC.

By: /S/ HENRY A. FERNANDEZ
Name: Henry A. Fernandez
Title: Chairman, CEO and President

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Henry A. Fernandez and Michael K. Neborak, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ HENRY A. FERNANDEZ **Henry A. Fernandez**	Chairman, Chief Executive Officer, and President (principal executive officer)	February 28, 2008
/S/ MICHAEL K. NEBORAK **Michael K. Neborak**	Chief Financial Officer (principal financial officer and principal accounting officer)	February 28, 2008
/S/ KENNETH M. DEREGT **Kenneth M. deRegt**	Director	February 28, 2008
/S/ BENJAMIN F. DUPONT **Benjamin F. duPont**	Director	February 28, 2008
/S/ JAMES P. GORMAN **James P. Gorman**	Director	February 28, 2008
/S/ LINDA H. RIEFLER **Linda H. Riefler**	Director	February 28, 2008
/S/ DAVID H. SIDWELL **David H. Sidwell**	Director	February 28, 2008
/S/ SCOTT M. SIPPRELLE **Scott M. Sipprelle**	Director	February 28, 2008

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of MSCI Inc.

We have audited the accompanying consolidated statements of financial condition of MSCI Inc. and subsidiaries (the "Company") as of November 30, 2007 and 2006, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended November 30, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of MSCI Inc. and subsidiaries at November 30, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended November 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 and Note 13 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)."

New York, New York
February 27, 2008

MSCI INC.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	As of November 30,	
	2007	2006
	(in thousands, except per share and share data)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 33,818	$ 24,362
Cash deposited with related parties	137,625	330,231
Trade receivables (net of allowances of $1,584 and $1,588 as of November 30, 2007 and 2006, respectively)	77,748	62,337
Due from related parties	2,627	37,838
Deferred taxes	17,425	3,886
Prepaid and other assets	12,160	3,552
Total current assets	281,403	462,206
Property, equipment and leasehold improvements (net of accumulated depreciation of $13,404 and $11,929 at November 30, 2007 and 2006, respectively)	4,246	5,186
Investments in unconsolidated companies	3,000	3,000
Goodwill	441,623	441,623
Intangible assets (net of accumulated amortization of $94,543 and $68,190 at November 30, 2007 and 2006, respectively)	174,407	200,760
Total assets	$904,679	$1,112,775
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Payable to related parties	$ 17,143	$ 64,676
Income taxes payable	16,212	1,013
Accrued compensation and related benefits	53,831	46,115
Other accrued liabilities	10,265	6,810
Current maturities of long-term debt	22,250	—
Deferred revenue	125,230	102,368
Total current liabilities	244,931	220,982
Long term debt, net of current maturities	402,750	—
Deferred taxes	56,977	66,081
Total liabilities	704,658	287,063
Shareholders' Equity		
Common stock (par value $0.01; 500,000,000 class A shares and 250,000,000 class B shares authorized; 16,111,388 class A shares and 83,900,000 class B shares issued and outstanding)	1,000	29
Additional paid in capital	265,098	649,884
Retained earnings (accumulated deficit)	(65,884)	176,121
Accumulated other comprehensive loss	(193)	(322)
Total shareholders' equity	200,021	825,712
Total liabilities and shareholders' equity	$904,679	$1,112,775

See Notes to Consolidated Financial Statements.

MSCI INC.

CONSOLIDATED STATEMENTS OF INCOME

	For the fiscal year ended November 30,		
	2007	2006	2005
	(in thousands, except per share data)		
Operating revenues[1]	$ 369,886	$ 310,698	$ 278,474
Cost of services[1]	121,711	115,426	106,598
Selling, general and administrative[1]	92,477	85,820	70,220
Amortization of intangible assets	26,353	26,156	28,031
Total operating expenses	240,541	227,402	204,849
Operating income	129,345	83,296	73,625
Interest income[1]	13,143	15,482	8,738
Interest expense[1]	9,586	352	1,864
Other income	390	1,043	398
Interest and other income, net	3,947	16,173	7,272
Income before provision for income taxes, discontinued operations and cumulative effect of change in accounting principle	133,292	99,469	80,897
Provision for income taxes	52,181	36,097	30,449
Income before discontinued operations and cumulative effect of change in accounting principle	81,111	63,372	50,448
Discontinued operations			
Income from discontinued operations[1]	—	12,699	5,847
Provision for income taxes on discontinued operations	—	4,626	2,054
Income from discontinued operations	—	8,073	3,793
Income before cumulative effect of change in accounting principle	81,111	71,445	54,241
Cumulative effect of change in accounting principle	—	—	313
Net income	$ 81,111	$ 71,445	$ 54,554
Earnings per basic common share:			
Continuing operations	$ 0.96	$ 0.76	$ 0.60
Discontinued operations	—	0.10	0.05
Cumulative effect of change in accounting principle	—	—	—
Earnings per basic common share	$ 0.96	$ 0.85	$ 0.65
Earnings per diluted common share:			
Continuing operations	$ 0.96	$ 0.76	$ 0.60
Discontinued operations	—	0.10	0.05
Cumulative effect of change in accounting principle:	—	—	—
Earnings per diluted common share	$ 0.96	$ 0.85	$ 0.65
Weighted average shares outstanding used in computing earnings per share			
Basic	84,608	83,900	83,900
Diluted	84,624	83,900	83,900

(1) Amounts related to related parties are as follows:

	For the fiscal year ended November 30,		
	2007	2006	2005
		(in thousands)	
Operating revenues	$ 14,250	$ 15,588	$ 13,875
Cost of services	$ 14,957	$ 13,225	$ 10,854
Selling, general and administrative	$ 11,458	$ 9,889	$ 8,904
Interest income	$ 12,938	$ 15,327	$ 8,654
Interest expense	$ 8,307	$ 259	$ 1,834
Discontinued operations	$ —	$ —	$ 225

See Notes to Consolidated Financial Statements.

MSCI INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the fiscal year ended November 30,		
	2007	2006	2005
		(in thousands)	
Net income	$ 81,111	$ 71,445	$ 54,554
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(776)	2,050	(5,838)
Minimum pension liability adjustment	23	—	—
Comprehensive income	$ 80,358	$ 73,495	$ 48,716

See Notes to Consolidated Financial Statements.

MSCI INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Additional Paid-in Capital	Retained Earnings (accumulated deficit)	Accumulated Other Comprehensive Income (loss)	Total
			(in thousands)		
Balance at November 30, 2004	$ 29	$ 649,884	$ 55,122	$ 3,466	$ 708,501
Net income			54,554		54,554
Foreign currency translation adjustment				(5,838)	(5,838)
Balance at November 30, 2005	29	649,884	109,676	(2,372)	757,217
Net income			71,445		71,445
Dividends paid			(5,000)		(5,000)
Foreign currency translation adjustment				2,050	2,050
Balance at November 30, 2006	29	649,884	176,121	(322)	825,712
Net income			81,111		81,111
Dividends paid		(649,884)	(323,116)		(973,000)
Foreign currency translation adjustment				(776)	(776)
Minimum pension liability adjustment				23	23
SFAS No 158 pension adjustment				882	882
Common stock issued	971	(971)			—
Compensation payable in common stock and options		1,034			1,034
Net proceeds from IPO after underwriting, discounts, commissions and expenses		265,035			265,035
Balance at November 30, 2007	$ 1,000	$ 265,098	($ 65,884)	($ 193)	$ 200,021

See Notes to Consolidated Financial Statements.

MSCI INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the fiscal year ended November 30,		
	2007	2006	2005
		(in thousands)	
Cash flows from operating activities			
Net income	$ 81,111	$ 71,445	$ 54,554
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of property, equipment and leasehold improvements	1,475	3,499	2,546
Amortization of intangible assets	26,353	26,156	29,531
Compensation payable in common stock and options	1,034	—	—
Gain on sale from discontinued operations	—	—	(6,833)
Provision for bad debts	119	654	753
Deferred taxes	(22,643)	(10,013)	(52,213)
Cumulative effect of accounting change in accounting principle net of tax	—	—	(313)
(Gain) loss on sale of principal investment	—	25	(397)
Changes in assets and liabilities:			
Trade receivable	(15,530)	11,774	(12,379)
Due from related parties	35,211	(23,850)	(7,650)
Prepaid and other assets	491	(2,219)	702
Payable to related parties	(47,533)	(5,566)	53,897
Deferred revenue	22,862	14,416	(737)
Accrued compensation and related benefits	8,621	14,728	(1,767)
Income taxes payable	15,199	(7,010)	3,478
Other accrued liabilities	3,455	(10,374)	(3,291)
Net cash provided by operating activities	110,225	83,665	59,881
Cash flows from investing activities			
Proceeds from sale of discontinued operations	—	—	90,000
Cash deposited with related parties	192,606	(77,349)	(154,009)
Proceeds from sale of principal investment	—	20	647
Purchased property, equipment and leasehold improvements	(535)	(2,435)	(346)
Net cash provided by (used in) investing activities	192,071	(79,764)	(63,708)
Cash flows from financing activities:			
Proceeds from initial public offering of common stock, net of underwriting discount and other direct costs of $24.8 million	265,035	—	—
Proceeds from issuance of long term debt	423,875	—	—
Payment of issuance costs in connection with long term debt	(7,974)	—	—
Payments for cash dividends	(973,000)	(5,000)	—
Net cash used by financing activities	(292,064)	(5,000)	—
Effect of exchange rate changes	(776)	2,050	(5,838)
Net increase (decrease) in cash	9,456	951	(9,665)
Cash and cash equivalents, beginning of period	24,362	23,411	33,076
Cash and cash equivalents, end of period	$ 33,818	$ 24,362	$ 23,411
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 8,559	$ 352	$ 1,864
Cash paid for income taxes	$ 48,991	$ 7,246	$ 7,856

See Notes to Consolidated Financial Statements.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION AND BASIS OF PRESENTATION

Organization

The consolidated financial statements include the accounts of MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) and its subsidiaries. MSCI Inc. and its subsidiaries are hereafter referred to collectively as the "Company" or "MSCI." In November 2007, MSCI completed an initial public offering of 16.1 million class A common shares, representing 16.1% of the economic interest in the Company, and received net proceeds of $265.0 million, net of underwriters discounts, commissions and other offering expenses. The Company's majority shareholder, Morgan Stanley ("parent company"), has an 81.0% economic interest in the Company. Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides its products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. 2.9% of the economic interest in the Company is retained by Capital Group International, Inc., the other shareholder along with Morgan Stanley prior to the initial public offering.

MSCI is a leading provider of investment decision support tools to investment institutions worldwide. The Company produces indices and risk and return portfolio analytics for use in managing investment portfolios. The Company's products are used by institutions investing in or trading equity, fixed income and multi-asset class instruments and portfolios around the world. The Company's flagship products are its international equity indices marketed under the MSCI brand and its equity portfolio analytics marketed under the Barra brand. The Company's products are used in many areas of the investment process, including portfolio construction and optimization, performance benchmarking and attribution, risk management and analysis, index-linked investment product creation, asset allocation, investment manager selection and investment research.

The Company's primary products consist of equity indices, equity portfolio analytics and multi-asset class portfolio analytics. The Company also has product offerings in the areas of fixed income portfolio analytics; hedge fund indices and risk models, and energy and commodity asset valuation analytics. The Company's products are generally comprised of proprietary index data, risk data and sophisticated software applications. The Company's index and risk data are created by applying its models and methodologies to market data. The Company's clients can use its data together with its proprietary software applications, third-party applications or their own applications in their investment processes. The Company's proprietary software applications offer its clients sophisticated portfolio analytics to perform in-depth analysis of their portfolios, using its risk data, the client's portfolio data and fundamental and market data.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company's policy is to consolidate all entities in which it owns more than 50% of the outstanding voting stock unless it does not control the entity. It is also the Company's policy to consolidate any variable interest entity for which the Company is the primary beneficiary, as required by Financial Accounting Standards Board ("FASB") Interpretation No. 46R, *Consolidation of Variable Interest Entities (revised December 2003)—an interpretation of ARB No. 51* ("FIN 46R"). The Company consolidated the POSIT joint venture up until the time of the sale of the Company's interest in February 2005. For investments in any entities in which the Company owns 50% or less of the outstanding voting stock but in which the Company has significant influence over operating and financial decisions, the Company applies the equity method of accounting. In cases where the Company's investment is less than 20% and significant influence does not exist, such investments are carried at cost.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

On June 3, 2004, Morgan Stanley acquired Barra, Inc. ("Barra"). On December 1, 2004, Morgan Stanley contributed Barra to the Company. The contribution of Barra was accounted for as a transfer of net assets between entities under common control and, therefore, presented in the financial position and results of operations of the Company as if Barra had been combined with the Company from the date of acquisition.

Significant Accounting Policies

Basis of Financial Statements and Use of Estimates

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). These accounting principles require the Company to make certain estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Significant estimates and assumptions made by management include the deferral and recognition of income, the allowance for doubtful accounts, impairment of long-lived assets, accounting for income taxes and other matters that affect the consolidated financial statements and related disclosures. Actual results could differ materially from these estimates.

The consolidated financial statements have been derived from the financial statements and accounting records of Morgan Stanley using the historical results of operations and historical bases of assets and liabilities of the Company's business. The consolidated statements of income reflect expense allocations for certain corporate functions historically provided by Morgan Stanley, including human resources, information technology, accounting, legal and compliance, corporate services, treasury and other services. These allocations were based on what the Company and Morgan Stanley considered to be reasonable reflections of the utilization levels of these services required in support of the Company's business and are based on methods that include direct time tracking, headcount, inventory metrics and corporate overhead. As a stand-alone company, and as the Company replaces services currently provided by Morgan Stanley, the Company's expenses may be higher or lower than the amounts reflected in the consolidated statements of income.

Inter-company balances and transactions are eliminated in consolidation.

Revenue Recognition

Revenue related to the Company's non-software-related recurring arrangements is recognized pursuant to the requirements of Emerging Issues Task Force 00-21 ("EITF 00-21"), "*Revenue Arrangements with Multiple Deliverables.*" Under EITF 00-21, transactions with multiple elements should be considered separate units of accounting if all of the following criteria are met:

- The delivered item has stand-alone value to the client,
- There is objective and reliable evidence of the fair value of the undelivered item(s), and
- If the arrangement includes a general right of return, delivery or performance of the undelivered items is considered probable and substantially in the control of the vendor.

The Company has signed subscription agreements with all of its clients that set forth the fees paid to the Company by the clients. Further, the Company regularly assesses the receivable balances for each client. The Company's subscription agreements for these products include provisions that, among other things, allow clients, for no additional fee, to receive updates and modifications which from time to time may be made, for the term of the agreement, typically one year. As the Company currently does not have objective and reliable evidence of the fair value of this element of the transaction, the Company does not account for the delivered item as a separate element. Accordingly, the Company recognizes revenue ratably over the term of the license agreement.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company's software-related recurring revenue arrangements do not require significant modification or customization of any underlying software applications being licensed. Accordingly, the Company recognizes software revenues, excluding the energy and commodity asset valuation analytics products, pursuant to the requirements of Statement of Position ("SOP") 97-2, "*Software Revenue Recognition*," as amended by SOP 98-9 "*Modification of SOP 97-2, Software Revenue Recognition, With Respect to Certain Transactions*." In accordance with SOP 97-2, the Company begins to recognize revenue from subscriptions, maintenance and customer technical support, and professional services when all of the following criteria are met: (1) the Company has persuasive evidence of a legally binding arrangement, (2) delivery has occurred, (3) client fee is deemed fixed or determinable, and (4) collection is probable.

The Company has signed subscription agreements with all of its clients that set forth the fees paid to the Company by the clients. Further, the Company regularly assesses the receivable balances for each client. The Company's subscription agreements for software products include provisions that, among other things, allow clients to receive unspecified future software upgrades for no additional fee as well as the right to use the software products with maintenance for the term of the agreement, typically one year. As the Company does not have vendor specific objective evidence ("VSOE") for these elements (except for the support related to energy and commodity asset valuation products), the Company does not account for these elements separately. Accordingly, except for revenues related to energy and commodity asset valuation products, the Company recognizes revenue ratably over the term of the license agreement.

The Company's software license arrangements generally do not include acceptance provisions. Such provisions generally allow a client to test the software for a defined period of time before committing to license the software. If a license agreement includes an acceptance provision, the Company does not record subscription revenue until the earlier of the receipt of a written customer acceptance or, if not notified by the customer that it is cancelling the license agreement, the expiration of the acceptance period.

For the energy and commodity asset valuation analytics products, the Company uses the residual method to recognize revenue when a product agreement includes one or more elements to be delivered at a future date and VSOE of the fair value of all undelivered elements exists. In virtually all of the Company's contracts, the only element that remains undelivered at the time of delivery of the product is support. The fair value of support is determined based upon the fees paid for the support by clients who purchase support separately. Under the residual method, the fair value of the undelivered element is deferred and the remaining portion of the contract fee is recognized as product revenue. Support fees for these products are recognized ratably over the support period.

The Company applies Staff Accounting Bulletin No. 104 ("SAB 104"), *Revenue Recognition*, in determining revenue recognition related to clients that use the Company's indices as the basis for certain index-linked investment products such as exchange traded funds or futures contracts. These clients commonly pay the Company a fee based on the investment product's assets under management or contract volumes. These fees are calculated based upon estimated assets in the investment product or contract volumes obtained either through independent third-party sources or the most recently reported information of the client.

The Company recognizes revenue when all the following criteria are met:

- The client has signed a contract with the Company,
- The service has been rendered,
- The amount of the fee is fixed or determinable based on the terms of the contract, and
- Collectability is reasonably assured.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company has signed contracts with all clients that use the Company's indices as the basis for certain index-linked investment products, such as exchange traded funds or futures contracts. The contracts state the terms under which the assets under management fees are to be calculated. These fees are billed in arrears, after the fees have been earned. The fees are earned as the Company supplies the indices to the client. The Company assesses the credit worthiness of these clients prior to entering into a contract and regularly reviews the receivable balances related to them.

Share-Based Compensation

Certain employees of the Company have received share-based compensation under Morgan Stanley's executive compensation programs. The Company's compensation expense reflects the adoption by Morgan Stanley of the fair value method of accounting for share-based payments under Statement of Financial Accounting Standards ("SFAS") No. 123R, *Share-Based Payment* ("Statement No. 123R") using the modified prospective approach as of December 1, 2004.

Statement No. 123R requires measurement of compensation cost for equity-based awards at fair value and recognition of compensation cost over the service period, net of estimated forfeitures. The fair value of Morgan Stanley-related restricted stock units is determined based on the number of units granted and the grant date fair value of Morgan Stanley common stock, measured as the volume-weighted average price on the date of grant. The fair value of Morgan Stanley-related stock options is determined using the Black-Scholes valuation model and the single grant life method. Under the single grant life method, option awards with graded vesting are valued using a single weighted-average expected option life. Compensation for all stock-based payment awards is recognized using the graded vesting attribution method.

For Morgan Stanley share-based compensation awards issued prior to the adoption of Statement No. 123R, Morgan Stanley's accounting policy for awards granted to retirement-eligible employees was to recognize compensation cost over the service period specified in the award terms. Morgan Stanley accelerates any unrecognized compensation cost for such awards if and when a retirement-eligible employee leaves the Company. For Morgan Stanley share-based compensation awards made to retirement-eligible employees of the Company during the fiscal year ended November 30, 2005, compensation expense reflected the recognition of compensation expense for such awards on the date of grant.

Based on interpretive guidance related to Statement No. 123R, in the first quarter of fiscal 2006, Morgan Stanley changed its accounting policy for expensing the cost of anticipated fiscal 2006 year-end share-based awards that were granted to retirement-eligible employees in the first quarter of fiscal 2007. Effective December 1, 2005, Morgan Stanley began accruing the estimated cost of these awards over the course of the current year rather than expensing the awards on the date of grant.

In fiscal 2007, in connection with its initial public offering, MSCI Inc. made a founders grant in the form of restricted stock units (representing shares of MSCI Inc. common stock) and options to purchase MSCI Inc. common stock. The aggregate value of the founders' grant was $68.0 million of restricted stock units and options, subject to two- to four-year vesting periods.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Allowances for Doubtful Accounts

An allowance for doubtful accounts is recorded when it is probable and estimable that a receivable will not be collected. The allowance for doubtful accounts was approximately $1.6 million at each of November 30, 2007 and 2006. Changes in the allowance for doubtful accounts from December 1, 2005 to November 30, 2007 were as follows:

	in thousands
Balance as of November 30, 2005	$ 1,078
Addition to provision	654
Amounts written off	(144)
Balance at November 30, 2006	1,588
Addition to provision	119
Amounts written off	(123)
Balance at November 30, 2007	$ 1,584

Deferred Revenue

Deferred revenues represent amounts billed or payments received from customers for services and maintenance in advance of performing the services. The Company's clients normally pay subscription fees annually or quarterly in advance. Deferred revenue is amortized ratably over the service period. Where the contract has not begun or renewed, deferred revenues and accounts receivable are not recognized.

Accounting for Income Taxes

The Company's taxable income historically has been included in the consolidated United States federal income tax return of Morgan Stanley and in returns filed by Morgan Stanley with certain state taxing jurisdictions. The Company's foreign income tax returns have been filed on a separate company basis. The Company's federal and foreign income tax liability has been computed and presented in these statements as if it were a separate taxpaying entity in the periods presented. The state and local tax liability presented in these statements reflects the fact that the Company is included in certain state unitary filings of Morgan Stanley, and that its tax liability is affected by the attributions of the unitary group. Where the Company files as a stand-alone taxpayer, the Company's state and local tax filings will reflect its separate filing attributes. Federal and state taxes are remitted to Morgan Stanley pursuant to a tax sharing agreement between the companies.

Deferred income tax expense is provided for using the asset and liability method, under which deferred tax assets and deferred liabilities are determined based on the temporary differences between the financial statement and income tax bases of assets and liabilities using currently enacted tax rates.

Research and Development and Software Capitalization

The Company accounts for research and development costs in accordance with several accounting pronouncements, including SFAS No. 2, *Accounting for Research and Development Costs* ("SFAS No. 2") and SFAS No. 86, *Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed* ("SFAS No. 86"). SFAS No. 2, requires that R&D generally be expensed as incurred. SFAS No. 86 specifies that costs incurred internally in researching and developing a computer software product should be charged to expense until technological feasibility has been established for the product. Once technological feasibility is established, all software costs should be capitalized until the product is available for general release to clients.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Judgment is required in determining when technological feasibility of a product is established. Costs incurred after technological feasibility is established have not been material, and accordingly, the Company has expensed all research and development costs when incurred. Research and development costs for the fiscal years ended November 30, 2007, 2006 and 2005 were approximately $57.0 million, $55.4 million and $48.3 million, respectively, and are included in cost of services in the consolidated statements of income.

Investments in Unconsolidated Companies

The Company accounts for investments in unconsolidated companies under the cost method of accounting.

Foreign Currency Translation

Assets and liabilities of operations having non-U.S. dollar functional currencies are translated at year-end rates of exchange, and income statement accounts are translated at weighted average rates of exchange for the year. Gains or losses resulting from translating foreign currency financial statements, net of related tax effects, are reflected in accumulated other comprehensive income (loss), a separate component of shareholders' equity. Gains or losses resulting from foreign currency transactions are included in net income.

Comprehensive Income (Loss)

Comprehensive income (loss) includes certain changes in equity that are excluded from net income (loss). Specifically, cumulative foreign currency translation adjustments are included in accumulated other comprehensive income. Comprehensive income (loss) has been reflected in the consolidated statements of shareholders' equity.

Accumulated other comprehensive loss totaled approximately $0.2 million, $0.3 million and $2.4 million as of November 30, 2007, 2006 and 2005, respectively, resulting from cumulative foreign currency translation, adjustment for minimum pension liability and the adoption of SFAS No. 158.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market investments of three months or less.

Change in Accounting Principle

Certain employees of the Company participate in several of Morgan Stanley's equity-based stock compensation plans. The Company records compensation expense based upon the fair value of stock-based awards. Morgan Stanley early adopted Statement of Financial Accounting Standards SFAS No. 123R, *Share-Based Payment* using the modified prospective approach as of December 1, 2004. SFAS No. 123R revised the fair value-based method of accounting for share-based payment liabilities, forfeitures and modifications of stock-based awards and clarified guidance in several areas, including measuring fair value, classifying an award as equity or as a liability and attributing compensation cost to service periods. Upon adoption the Company recognized a gain of approximately $0.5 million ($0.3 million after tax) as a cumulative effect of a change in accounting principle in the first quarter of fiscal 2005 resulting from the requirement to estimate forfeitures at the date of grant instead of recognizing them as incurred.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Discontinued Operations

On February 1, 2005, the Company sold for $90.0 million its 50% interest in POSIT JV, a joint venture that owned the intellectual property for and certain licenses underlying the POSIT equity crossing system that matches institutional buyers and sellers, to Investment Technology Group, Inc. ("ITG"). The Company recorded a pre-tax gain of approximately $6.8 million at the time of sale. The Company acquired the POSIT JV interest as part of its acquisition of Barra. As part of the sale agreement, the Company was entitled to additional royalties for a period of 10 years subsequent to the sale pursuant to an earn-out arrangement, based on fees earned by ITG related to the POSIT system. In the fiscal years ended November 30, 2006 and 2005, the Company received $1.0 million and $3.2 million, respectively. In 2006, ITG exercised its option to accelerate the earn-out period by making a lump sum payment to the Company of $11.7 million, which is included in income from discontinued operations on the consolidated statement of income. No further payments are to be received. The results of operations, the gain on sale, and the lump sum payment are accounted for as discontinued operations in the Company's consolidated financial statements as of November 30, 2006.

Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation of furniture and fixtures and computer and communications equipment are provided principally by the straight-line method over the estimated useful life of the asset. Estimates of useful lives are as follows: furniture & fixtures – five years; computer and communications equipment – three to five years. Leasehold improvements are amortized on a straight-line basis over the lesser of the estimated useful life of the asset or, where applicable, the remaining term of the lease, but not exceeding 15 years.

Goodwill

Goodwill is recorded as part of the Company's acquisitions of businesses when the purchase price exceeds the fair value of the net tangible and separately identifiable intangible assets acquired. The carrying amount of the Company's goodwill is $441.6 million primarily relating to its acquisition of Barra. The Company's goodwill is not amortized, but rather is subject to an impairment test each year, or more often if conditions indicate impairment may have occurred, pursuant to SFAS No. 142, *Goodwill and Other Intangible* (SFAS No. 142). There was no impairment write-down of the Company's goodwill in the years ended November 30, 2007, 2006 and 2005.

Fair Value of Financial Instruments

The Company's financial instruments include cash and cash equivalents, cash on deposit with related parties, trade receivables, receivables from related parties, prepaid expenses and certain accrued liabilities and deferred revenue. The carrying value of these financial instruments approximates fair value given their short-term nature.

Impairment of Long-Lived Assets

The Company reviews long-lived assets and identifiable definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. If the carrying value of the assets exceeds the estimated future undiscounted cash flows, a loss is recorded for the excess of the asset's carrying value over the fair value. To date the Company has not recognized any impairment loss for long-lived assets.

Concentration of Credit Risk

The Company licenses its products and services to investment managers primarily in the United States, Europe and Asia (primarily Hong Kong and Japan). The Company evaluates the credit of its customers and does not require collateral. The Company maintains reserves for estimated credit losses.

Financial instruments that may potentially subject the Company to concentrations of credit risk consist principally of cash investments and short-term investments. Excess cash is held on deposit with the Company's parent company. The Company receives interest at Morgan Stanley's internal prevailing rates. At November 30, 2007 and 2006, amounts held on deposit with the parent company were $137.6 million and $330.2 million, respectively.

For the fiscal years ended November 30, 2007 and 2006, Barclays PLC and its affiliates accounted for 12.6% and 11.2% of the Company's operating revenues. For the fiscal year ended November 30, 2005, no single client accounted for more than 10% of the Company's operating revenues.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in an income tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for the Company as of December 1, 2007. The effect of adopting FIN 48 does not have a material impact on results of operations.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 is effective beginning an entity's first fiscal year that begins after November 15, 2007, or upon early adoption of FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("Statement No. 159"). The Company early adopted FASB Statement No. 159 as of December 1, 2006, and, in effect, adopted SFAS No. 157 at the same time. The adoption of SFAS No. 157 did not have a material impact on the Company's consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)" ("SFAS No. 158"). Our employees currently participate in Morgan Stanley's pension and postretirement plans. Among other items, SFAS No. 158 required recognition of the overfunded or underfunded status of Morgan Stanley's defined benefit and postretirement plans as an asset or liability in the consolidated financial statements for the fiscal year ending November 30, 2007. Morgan Stanley recorded an after-tax charge of $208 million to Shareholder's equity upon the adoption of this requirement. The Company recorded an after tax charge of $0.9 million to Shareholders' equity upon adoption of this requirement. SFAS No. 158 also requires the measurement of defined benefit and postretirement plan assets and obligations as of the end of the fiscal year. SFAS No. 158's requirement to use the fiscal year-end date as the measurement date is effective for fiscal years ending after December 15, 2008. Morgan Stanley expects to early adopt a fiscal year-end measurement date for its fiscal year ending November 30, 2008. Morgan Stanley currently expects to record an after-tax charge of approximately $15 million to Shareholders' equity upon the early adoption of the measurement date change. The Company also expects to early adopt the measurement date change, but expects the impact of this change to be immaterial.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) 108, which provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. The guidance is applicable for fiscal years ending after November 15, 2006. Effective August 31, 2006, the Company early adopted SAB 108. The adoption did not have an impact to the Company's consolidated financial statements.

In February 2007, the FASB issued Statement No. 159. Statement No. 159 permits entities to elect to measure certain assets and liabilities at fair value with changes in the fair values of those items (unrealized gains and losses) recognized in the statement of income for each reporting period. Under this Statement, fair value elections can be made on an instrument-by-instrument basis, are irrevocable, and can only be made upon specified election date events. In addition, new disclosure requirements apply with respect to instruments for which fair value measurement is elected. The Company elected to early adopt Statement No. 159 as of December 1, 2006. Effective December 1, 2006, the Company chose not to make any fair value elections with respect to any of its eligible assets or liabilities as permitted under the provisions of Statement No. 159. The adoption did not have a material impact to the Company's consolidated financial statements.

In June 2007, the EITF reached consensus on Issue No. 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards." EITF Issue No. 06-11 requires that the tax benefit related to dividend equivalents paid on restricted stock units that are expected to vest be recorded as an increase to additional paid-in capital. The Company currently accounts for this tax benefit as a reduction to its income tax provision. EITF Issue No. 06-11 is to be applied prospectively for tax benefits on dividends declared in fiscal years beginning after December 15, 2007. The Company is currently evaluating the potential impact of adopting EITF Issue No. 06-11. The Company currently has no plans to pay a dividend.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

3. EARNINGS PER COMMON SHARE

Basic and diluted earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding during the period.

The following table sets forth the computation of earnings per share (in thousands except per share data):

	For the fiscal year ended November 30,		
	2007	2006	2005
Income from continued operations before discontinued operations and cumulative effect of change in accounting principle, net	$81,111	$63,372	$50,448
Income from discontinued operations, net	—	8,073	3,793
Cumulative effect of accounting change, net	—	—	313
Net income	$81,111	$71,445	$54,554
Weighted average common shares outstanding			
Basic	84,608	83,900	83,900
Diluted[2]	84,624	83,900	83,900
Earnings per basic common share:			
Continuing operations	$ 0.96	$ 0.76	$ 0.60
Discontinued operations	—	0.10	0.05
Cumulative effect of change in accounting principle	—	—	—
Earnings per basic common share	$ 0.96	$ 0.85[1]	$ 0.65
Earnings per diluted common share:			
Continuing operations	$ 0.96	$ 0.76	$ 0.60
Discontinued operations	—	0.10	0.05
Cumulative effect of change in accounting principle	—	—	—
Earnings per diluted common share	$ 0.96	$ 0.85[1]	$ 0.65

(1) Numbers may not total due to rounding.
(2) Includes shares attributable to the founders grant in 2007.

4. CASH AND CASH EQUIVALENTS

As of November 30, 2007 and 2006, cash and cash equivalents aggregated to $33.8 million, and $24.4 million, respectively. This constituted approximately 3.7% and 2.2% of total assets for each date presented, respectively.

5. CASH DEPOSITED WITH RELATED PARTIES

The Company deposits most of its excess funds with its parent company. As of November 30, 2007 and 2006, excess funds deposited with the parent company were approximately $137.6 million and $330.2 million, respectively. Cash on deposit with its parent company is available on demand. Cash on deposit with its parent company earned interest at average rates of 5.61% and 5.18% for the years ended November 30, 2007 and 2006, respectively.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. LONG TERM DEBT

On November 14, 2007, the Company entered into a secured $500.0 million revolving Credit Facility with Morgan Stanley Senior Funding, Inc. and Bank of America, N.A., as agents for a syndicate of lenders, and other lenders party thereto. Outstanding borrowings under the Credit Facility accrue interest at (i) LIBOR plus a fixed margin of 2.50% in the case of the term loan A facility and the revolving facility and 3.00% in the case of the term loan B facility or (ii) the base rate plus a fixed margin of 1.50% in the case of the term loan A facility and the revolving facility and 2.00% in the case of the term loan B facility. As of November 30, 2007, the Credit Facility was bearing interest at 7.24% in the case of the term loan A facility and 7.74% in the case of the term loan B facility. The term loan A facility and the term loan B facility will mature on November 20, 2012 and November 20, 2014, respectively. At November 30, 2007, $425.0 million was outstanding and there was $75.0 million of unused credit.

Provisions contained in the Company's Credit Facility require the Company and the Company's subsidiaries to achieve specified financial and operating results and maintain compliance with certain financial ratios.

The aggregate amount of all long term debt to be repaid for the years following November 30, 2007, is as follows:

For the fiscal year ended November 30,	Amount (in thousands)
2008	$ 22,250
2009	22,250
2010	42,250
2011	42,250
2012	82,250
Thereafter	213,750
Total	$ 425,000

On February 13, 2008, the Company entered into interest rate swap agreements effective through the end of November 2010 for an aggregate notional principal amount of $251.7 million. By entering into these agreements, the Company reduced interest rate risk by effectively converting floating-rate debt into fixed-rate debt. This action reduces the Company's risk of incurring higher interest costs in periods of rising interest rates and improves the overall balance between floating and fixed-rate debt. The effective fixed rate on the notional principal amount swapped is approximately 5.65%. These swaps are designated as fair value hedges and qualify for hedge accounting treatment under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*.

7. RELATED PARTY TRANSACTIONS

Cash Deposits, Receivables from Related Parties and Interest Income

The Company deposits most of its excess funds with its parent company. Related party receivables consist of amounts due from Morgan Stanley affiliates for the Company's revenue and recharge of expenses to Morgan Stanley. The Company receives interest at Morgan Stanley's internal prevailing rates on the cash deposits and related party receivables. The receivable amounts are unsecured. As of November 30, 2007 and 2006, excess funds deposited with the parent company were approximately $137.6 million and $330.2 million, representing approximately 15.3% and 29.7% of total assets, respectively. Related party receivables as of November 30, 2007 and 2006 were approximately $2.6 million and $37.8 million, respectively. Interest earned on both cash on

deposit with the parent company and related party receivables for the years ended November 30, 2007 and 2006 totaled approximately $12.9 million and $15.3 million, respectively.

Revenues

Morgan Stanley or its affiliates and Capital Group International, Inc. or its affiliates subscribe to, in the normal course of business, certain of the Company's products. Historically, Morgan Stanley and Capital Group International were entitled to a 15% discount on certain of the Company's products and Capital Group International was entitled to most favored nation treatment in certain circumstances. Capital Group International receives this 15% discount with respect to one of its contracts with the Company, which terminates on August 31, 2009. Morgan Stanley does not receive this 15% discount under any of its outstanding contracts with the Company, but it does receive discounts consistent with those available to comparable clients. Although Morgan Stanley and Capital Group International have not been entitled to the historic 15% discount on contracts entered into since completion of the public offering, in the course of renegotiating their contracts upon termination, they may receive a discount similar to those available to comparable clients. Revenues recognized by the Company from subscription to the Company's products by related parties for the fiscal years ended November 30, 2007, 2006 and 2005 are set forth below:

	For the fiscal year ended November 30,		
	2007	2006	2005
		(in thousands)	
Morgan Stanley and its affiliates	$12,423	$13,971	$12,783
Capital Group International, Inc. and its affiliates	1,827	1,617	1,092
Total	$14,250	$15,588	$13,875

Administrative Expenses

Morgan Stanley affiliates have invoiced administrative expenses to the Company relating to office space, equipment and staff services. The amount of services provided by Morgan Stanley affiliates for the fiscal years ended November 30, 2007, 2006 and 2005 was approximately $26.4 million, $23.1 million and $20.0 million, respectively.

Payables to Related Parties

Payables to related parties consist of amounts due to Morgan Stanley affiliates for the Company's expenses, income taxes and prepayments for the Company's services. The amounts outstanding are unsecured, bear interest at Morgan Stanley's internal prevailing rates and are payable on demand. Amounts payable to related parties as of November 30, 2007 and 2006 were approximately $17.1 million and $64.7 million, respectively. Interest expense on these payables for the fiscal years ended November 30, 2007 and 2006 was approximately $8.3 million and $0.3 million, respectively.

8. DISCONTINUED OPERATIONS

On February 1, 2005, the Company sold for $90.0 million its 50% interest in POSIT JV, a joint venture that owned the intellectual property for and certain licenses underlying the POSIT equity crossing system that matches institutional buyers and sellers, to ITG. The Company recorded a pre-tax gain of approximately $6.8 million at the time of sale. The Company acquired the POSIT JV interest as part of its acquisition of Barra. As part of the sale agreement, the Company was entitled to additional royalties for a period of 10 years subsequent

to the sale pursuant to an earn-out arrangement, based on fees earned by ITG related to the POSIT system. In the fiscal years ended November 30, 2005 and 2006, the Company received $3.2 million and $1.0 million, respectively. In 2006, ITG exercised its option to accelerate the earn-out period by making a lump sum payment to the Company of $11.7 million. No further payments are to be received. The results of operations, gain on sale and the lump sum payment are accounted for as discontinued operations in the Company's consolidated financial statements.

No discontinued operations were recorded in the year ended November 30, 2007. Revenues from discontinued operations for the years ended November 30, 2006 and 2005 were $12.7 million and $10.0 million, respectively. Expenses from discontinued operations for the fiscal year ended November 30, 2005 were $4.2 million. No expenses were recorded in the year ended November 30, 2006.

9. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements at November 30, 2007 and 2006 consisted of the following:

	As of November 30,	
	2007	2006
	(in thousands)	
Computer & related equipment	$ 7,598	$ 7,469
Furniture & fixtures	1,520	1,395
Leasehold improvements	8,532	8,251
Subtotal	17,650	17,115
Accumulated depreciation and amortization	(13,404)	(11,929)
Property, equipment and leasehold improvements, net	$ 4,246	$ 5,186

Depreciation and amortization expense of property, equipment and leasehold improvements was $1.5 million, $3.5 million and $2.5 million for the fiscal years ended November 30, 2007, 2006 and 2005, respectively.

10. INTANGIBLE ASSETS

The Company amortizes definite-lived intangible assets over their estimated useful lives. Amortizable intangible assets are tested for impairment when impairment indicators are present, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. No impairment of intangible assets has been identified during any of the periods presented. The Company has no indefinite-lived intangibles.

Amortization expense related to intangible assets for the years ended November 30, 2007, 2006 and 2005 was approximately $26.4 million, $26.2 million and $29.5 million, respectively, including amortization expense related to the intangible assets of discontinued operations. No amortization expense attributable to discontinued operations was recorded for the fiscal years ended November 30, 2007 or 2006. The amount of amortization expense attributable to discontinued operations for the fiscal year ended November 30, 2005 was $1.5 million.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The gross carrying amounts and accumulated amortization totals related to the Company's identifiable intangible assets are as follows:

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
		(in thousands)	
As of November 30, 2006			
Technology/software	$140,800	($ 48,662)	$ 92,138
Trademarks	102,220	(12,158)	90,062
Customer relationships	25,880	(7,320)	18,560
Non-competes	50	(50)	—
Total	$268,950	($ 68,190)	$200,760
As of November 30, 2007			
Technology/software	$140,800	($ 68,295)	$ 72,505
Trademarks	102,220	(17,022)	85,198
Customer relationships	25,880	(9,176)	16,704
Non-competes	50	(50)	—
Total	$268,950	($ 94,543)	$174,407

As part of a review of the Barra Total Risk System on July 15, 2007, the Company decided to transition certain clients over the next two or three years from Total Risk to BarraOne or other Company products. At the end of this transition, Total Risk will no longer be offered. Management performed an impairment test in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144). Management of the Company determined there is no impairment of this asset.

In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS No. 142), the remaining useful life of the asset will be shortened from four-and-a-half years to two-and-a-half years. The revised estimated amortization is as follows (in thousands):

	Current amortization expense	Revised amortization expense	Total effect of revised amortization
		(in thousands)	
2007	$ 2,040	$ 3,206	$ 1,166
2008	4,080	7,577	3,497
2009	4,080	7,577	3,497
2010	4,080	—	(4,080)
2011	4,080	—	(4,080)
	$ 18,360	$ 18,360	—

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Estimated amortization expense for succeeding years is presented below:

Fiscal Year	Amortization Expense (in thousands)
2008	$ 28,500
2009	25,718
2010	17,111
2011	17,111
2012	17,110
Thereafter	68,857
Total	$ 174,407

11. INVESTMENT IN UNCONSOLIDATED COMPANIES

The Company holds a 17% interest in Alacra, Inc. on a fully diluted basis. The investment is carried at approximately $3.0 million, which has been accounted for under the cost method. This interest was acquired as part of the purchase of Barra in 2004. The Company has periodically reviewed the financial performance, liquidity and other general market factors related to Alacra, Inc. to determine if the carrying value is still appropriate. The Company performed a review as of November 30, 2007. No impairment was recorded.

12. LEASE COMMITMENTS

The Company leases facilities under non-cancelable operating lease agreements. Future minimum commitments for these operating leases in place as of November 30, 2007 are as follows:

Fiscal Year	Amount (in thousands)
2008	$ 6,476
2009	5,979
2010	4,899
2011	4,661
2012	4,647
Thereafter	7,671
Total	$ 34,333

The terms of certain lease agreements provide for rental payments on a graduated basis. The Company recognizes rent expense on the straight-line basis over the lease period and has accrued for rent expense incurred but not paid. Rent expense under operating leases and for space the Company uses in its parent company's facilities for the fiscal years ended November 30, 2007, 2006 and 2005 was approximately $10.4 million, $8.6 million and $9.7 million, respectively. For those offices in which the Company occupies space in its parent company's facilities, the rent charged includes allocations of services related to the maintenance of the space. The cost of these services is not broken out separately.

On December 21, 2007, the Company signed a new lease through March 31, 2013 for the Budapest office. On January 6, 2008, the Company signed a new lease through July 5, 2008 for the Dubai office. On February 6, 2008 and February 20, 2008, the Company signed two new leases through April 3, 2011 and March 30, 2011,

respectively, for data center space in Hong Kong. On February 7, 2008, the Company signed a new lease through February 28, 2011 for the Shanghai office. On February 8, 2008, the Company signed a new lease through January 27, 2011 for the Paris office. Future payments associated with these new leases are approximately $2.2 million.

13. EMPLOYEE BENEFITS

The Company participates in defined benefit pension and other post-retirement plans sponsored by Morgan Stanley for eligible U.S. employees. A supplementary pension plan covering certain executives is directly sponsored by Morgan Stanley. The Company also participates in a separate defined contribution pension plan maintained by Morgan Stanley that covers substantially all of its non-U.S. employees. The assets and obligations under these plans were not separately identifiable for the Company. Discrete, detailed information concerning costs of these plans was not available for the Company, but is part of general and administrative costs allocated by Morgan Stanley included in operating expenses on the statement of income. Costs relating to pension and post-retirement benefit expenses allocated from Morgan Stanley included in cost of services were $2.0 million, $1.5 million and $2.2 million for the years ended November 30, 2007, 2006 and 2005, respectively. Amounts included in selling, general and administrative expense related to these pension and post-retirement expenses for the years ended November 30, 2007, 2006 and 2005 were $0.5 million, $0.6 million and $1.6 million, respectively. Amounts included in discontinued operations related to these expenses were negligible for the year ended November 30, 2005.

In September 2006, the FASB issued SFAS No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)” (“SFAS No. 158”). In 2007, Morgan Stanley adopted the funded status requirement of SFAS No. 158. Among other items, SFAS No. 158 requires recognition of the overfunded or underfunded status of an entity’s defined benefit and postretirement plans as an asset or liability in the financial statements and requires the measurement of defined benefit and postretirement plan assets and obligations as of the end of the employer’s fiscal year. SFAS No. 158’s requirement to use the fiscal year-end date as the measurement date is effective for fiscal year ending November 30, 2009. Morgan Stanley currently uses a measurement date of September 30 to calculate obligations under its pension and postretirement plans and will early adopt a fiscal year-end measurement date for the fiscal year ending November 30, 2008 using the alternative method. Morgan Stanley will use measurements determined for the 2007 year-end reporting in lieu of remeasuring plan assets and benefit obligations as of the beginning of the 2008 fiscal year. Fourteen months instead of twelve months of expense is calculated and an adjustment is made to beginning retained earnings covering the period October 1, 2007 through November 30, 2007. The Company also expects to early adopt the measurement date change, but expects the impact of this change to be immaterial.

Prior to its adoption of SFAS No. 158, but after taking into account the effects of the Discover Spin-off, Morgan Stanley recognized a final net minimum pension liability of $68 million ($47 million after-tax) at November 30, 2007 and $13 million ($7 million after-tax with recognition of a $1 million intangible asset) at November 30, 2006 for defined benefit pension plans whose accumulated benefit obligations exceeded plan assets. Morgan Stanley recorded a charge of $347 million ($208 million after-tax) to Accumulated other comprehensive income (loss), a component of Shareholders’ equity for its adoption of SFAS No. 158.

The Company recorded a pre-tax credit of $1.1 million ($0.9 million after-tax) to shareholders’ equity upon the adoption of SFAS No. 158.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table illustrates the incremental effect of the application of SFAS No. 158:

	Before application of SFAS No. 158	SFAS No. 158 Adjustments	After application of SFAS No. 158
		(in thousands)	
Accrued compensation and related benefits	$ 54,964	($ 1,133)	$ 53,831
Net current deferred tax asset	$ 17,676	($ 251)	$ 17,425
Accumulated other comprehensive income (loss)	($ 1,075)	$ 882	($ 193)
Total shareholders' equity	$ 199,139	$ 882	$ 200,021

The following discussion summarizes the Employee benefit plans.

Pension and Other Postretirement Plans. Substantially all of the U.S. employees of the Company hired before July 1, 2007 and its U.S. affiliates are covered by a non-contributory, defined benefit pension plan that is qualified under Section 401(a) of the Internal Revenue Code (the "Qualified Plan"). Unfunded supplementary plans (the "Supplemental Plans") cover certain executives. These pension plans generally provide pension benefits that are based on each employee's years of credited service and on compensation levels specified in the plans. Morgan Stanley's policy is to fund at least the amounts sufficient to meet minimum funding requirements under applicable employee benefit and tax regulations. Liabilities for benefits payable under its Supplemental Plans are accrued by the Company and are funded when paid to the beneficiaries. Morgan Stanley's U.S. Qualified Plan was closed to new participants effective July 1, 2007. In lieu of a defined benefit pension plan, eligible employees who were first hired, rehired or transferred to a U.S. benefits eligible position on or after July 1, 2007 will receive a retirement contribution into their 401(k) plan. The amount of the retirement contribution is included in the Company's 401(k) cost and will be equal to between 2% to 5% of eligible pay based on years of service as of December 31.

The Company also participates in an unfunded post-retirement benefit plan that provides medical and life insurance for eligible U.S. retirees and their dependents.

Net Periodic Benefit Expense. Net periodic benefit expense allocated to the Company included the following components:

	Pension			Postretirement		
	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2007	Fiscal 2006	Fiscal 2005
	(dollars in thousands)					
Net periodic benefit expense	$ 2,369	$ 1,873	$ 3,384	$ 103	$ 263	$ 500

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") was enacted in December 2003. For 2008, Morgan Stanley elected not to apply for the Medicare Retiree Drug Subsidy or take any other action related to the Act since Medicare prescription drug coverage was deemed to have no material effect on Morgan Stanley's retiree medical program. No impact of the Act has been reflected in the Company's results.

Morgan Stanley 401(k) and Profit Sharing Awards.

Eligible employees may participate in the Morgan Stanley 401(k) Plan immediately upon hire. Eligible employees receive 401(k) matching contributions which are invested in Morgan Stanley's common stock. The retirement contribution granted in lieu of a defined benefit pension plan is included in the Morgan Stanley 401(k) expense allocated to the Company. Morgan Stanley also provides discretionary profit sharing to certain

employees. The Company's expenses associated with the 401(k) Plan for fiscal years 2007, 2006 and 2005 were approximately $1.8 million, $0.5 million and $0.3 million, respectively. The Company's expense related to the ESOP and profit sharing plans for the fiscal years 2007, 2006 and 2005 was approximately $1.5 million, $1.9 million and $2.2 million, respectively.

14. SHARE-BASED COMPENSATION

Morgan Stanley Share-based Compensation Awards

Certain employees of the Company have received share-based compensation under Morgan Stanley's executive compensation programs. Expense allocations to the Company from Morgan Stanley reflect the adoption by Morgan Stanley of the fair value method of accounting for share-based payments under Statement No. 123R using the modified prospective approach as of December 1, 2004. Statement No. 123R requires measurement of compensation cost for share-based awards at fair value and recognition of compensation cost over the service period, net of estimated forfeitures.

The fair value of Morgan Stanley-related restricted stock units is determined based on the number of units granted and the grant date fair value of Morgan Stanley common stock, measured as the volume-weighted average price on the date of grant. The fair value of Morgan Stanley-related stock options is determined using the Black-Scholes valuation model and the single grant life method. Under the single grant life method, option awards with graded vesting are valued using a single weighted-average expected option life.

The components of share-based compensation expense (net of cancellations and a cumulative effect of a change in accounting principle in fiscal 2005 associated with the adoption of Statement No. 123R) related to Company employees allocated to the Company are presented below:

	For the fiscal year ended November 30,		
	2007[1]	2006[2]	2005
	(in thousands)		
Deferred stock	$ 3,696	$ 7,329	$ 1,441
Stock options	437	1,026	222
Total	$ 4,133	$ 8,355	$ 1,663

(1) Includes $1.0 million of expenses for MSCI equity awards granted to the Company's employees and non-employee directors, as described below.
(2) Includes $2.9 million of accrued share-based compensation expense for Morgan Stanley equity awards granted to the Company's retirement-eligible employees in December 2006.

The amount of this expense included in cost of services for the years ended November 30, 2007 and 2006 was $1.9 million and $2.7 million, respectively. This expense was not incurred for the year ended November 30, 2005.

The amount of this expense included in selling, general and administrative expense for the years ended November 30, 2007, 2006 and 2005 was $2.2 million, $5.7 million and $1.7 million, respectively.

The tax benefits for share-based compensation expense related to deferred stock and stock options granted to Company employees were $1.5 million, $2.9 million and $0.6 million for the years ended November 30, 2007, 2006 and 2005, respectively.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

At November 30, 2007, approximately $2.4 million of compensation cost related to Morgan Stanley-related unvested share-based awards granted to the Company's employees had not yet been recognized. The unrecognized compensation cost relating to unvested stock-based awards expected to vest will primarily be recognized over the next two years.

Morgan Stanley spun-off Discover ("Discover Spin-off"), effective June 30, 2007. Outstanding options to purchase Morgan Stanley common stock held by Company employees were adjusted to preserve the intrinsic value of the award immediately prior to the spin-off using an adjustment ratio based on the Morgan Stanley closing market stock price immediately prior to the spin-off date and the beginning market stock price at the date of the spin-off. Outstanding deferred shares held by Company employees who remained with the Company after the Discover spin-off were adjusted by multiplying the number of shares by an adjustment ratio in order to account for the impact of the spin-off on the value of our shares at the time the spin-off was completed.

Deferred Stock Awards. Certain Company employees have been granted deferred stock awards pursuant to several Morgan Stanley share-based compensation plans. The plans provide for the deferral of a portion of certain key employees' discretionary compensation with awards made in the form of restricted common stock or the right to receive unrestricted shares of common stock in the future ("restricted stock units"). Awards under these plans are generally subject to vesting over time and to restrictions on sale, transfer or assignment until the end of a specified period, generally five years from date of grant. All or a portion of an award may be canceled if employment is terminated before the end of the relevant vesting period. All or a portion of a vested award also may be canceled in certain limited situations, including termination for cause during the restriction period.

The following table sets forth activity concerning Morgan Stanley vested and unvested restricted stock units applicable to the Company's employees (share data in thousands):

For the Year Ended November 30, 2007	Number of Shares[1]	Weighted Average Price[1]
Restricted stock units at beginning of year	317	$ 44.13
Granted	81	66.68
Conversion to common stock	(41)	37.77
Canceled	(31)	49.05
Restricted stock units at end of year[2]	326	$ 50.04

(1) The number of shares and weighted-average price have been adjusted to reflect the impact of the Discover Spin-off based on the adjustment ratio discussed above.

(2) Approximately 316,000 awards, with a weighted average price of $49.65, were vested or expected to vest.

The total fair value of restricted stock units held by the Company's employees converted to Morgan Stanley common stock during the year ended November 30, 2007, 2006 and 2005 was $2.6 million, $0.6 million and $0.1 million, respectively.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table sets forth activity concerning Morgan Stanley vested and unvested restricted stock units related to the Company's employees (share data in thousands):

For the Year Ended November 30, 2007	Number of Shares[1]	Weighted Average Grant Date Fair Value[1]
Unvested restricted stock units at beginning of year	216	$ 45.03
Granted	81	66.68
Vested	(88)	55.93
Canceled	(31)	49.05
Unvested restricted stock units at end of year[2]	178	$ 48.79
Expected to vest	169	$ 47.99

(1) The number of shares and weighted-average grant date fair value have been adjusted to reflect the impact of the Discover Spin-off based on the adjustment ratio discussed above.

(2) Unvested restricted stock units represent awards where recipients have yet to satisfy either the explicit vesting terms or retirement-eligibility requirements.

Stock Option Awards. Certain Company employees have been granted stock option awards pursuant to several Morgan Stanley share-based compensation plans. The costs associated with the participation in the plans are allocated to the Company and are included in employee compensation and benefits expense. The plans provide for the deferral of a portion of certain employees' discretionary compensation with awards made in the form of stock options generally having an exercise price not less than the fair value of Morgan Stanley common stock on the date of grant. Such stock option awards generally become exercisable over a one- to five-year period and expire 10 years from the date of grant, subject to accelerated expiration upon termination of employment. Stock option awards have vesting, restriction and cancellation provisions that are similar to those in the deferred stock awards.

The weighted average fair value of Morgan Stanley stock options related to the Company's employees granted during the year ended November 30, 2007 and 2006 was $19.12 (as adjusted to reflect the impact of the Discover Spin-off) and $30.20 (unadjusted to reflect the impact of the Discover spin-off), respectively, utilizing the following weighted average assumptions:

	For the fiscal year ended November 30,	
	2007	2006
Risk free interest rate	4.4%	4.8%
Expected option life in years	6.3	6.1
Expected stock price volatility	23.8%	39.3%
Expected dividend yield	1.4%	1.4%

The Company's expected option life for Morgan Stanley stock options has been determined based upon historical experience. Beginning December 1, 2006, the expected stock price volatility assumption was determined using the implied volatility of exchange traded options, consistent with the guidance in Staff Accounting Bulletin No. 107, "Share-Based Payment." Prior to December 1, 2006, the expected stock price volatility was determined based upon Morgan Stanley's historical stock price data over a time period similar to the expected option life. The Company believes that implied volatility is more reflective of market conditions and a better indicator of expected volatility than historical volatility or a combined method of determining volatility when developing its assumption of option awards to be settled in Morgan Stanley common stock.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table sets forth activity concerning Morgan Stanley stock options granted to the Company's employees in respect of service provided in the year ended November 30, 2007 (option data and dollar values in thousands, except exercise price):

For the Year Ended November 30, 2007	Number of Options[1]	Weighted Average Exercise Price[1]	Weighted Average Remaining Life[1]	Aggregated Intrinsic Value
Options outstanding at beginning of year	258	$ 44.70	NA	NA
Granted	47	66.73	NA	NA
Exercised	(33)	44.26	NA	NA
Canceled	(1)	47.00	NA	NA
Options outstanding at end of year	271	48.60	5.47	$ 2,010
Options exercisable at end of year	250	47.57	5.21	$ 1,964
Options vested and expected to vest	265	$ 48.18	5.38	$ 2,010

(1) The number of shares and weighted-average exercise price have been adjusted to reflect the impact of the Discover Spin-off based on the adjustment ratio discussed above.

The total intrinsic value of Morgan Stanley stock options exercised by the Company's employees during the year ended November 30, 2007 was $0.9 million. The Morgan Stanley stock options exercised by the Company's employees during each of the years ended November 30, 2006 and 2005 did not have any intrinsic value. The intrinsic value of the Morgan Stanley stock options exercised by the Company's employees during each of the years ended November 30, 2006 and 2005 was immaterial.

MSCI Share-based Compensation Awards

In fiscal 2007, on completion of its initial public offering, the Company made a founders grant of approximately $68.0 million in the form of restricted stock units (representing shares of MSCI common stock) and options to purchase MSCI common stock, subject to two- to four-year vesting periods. All or a portion of the award may be cancelled if employment is terminated before the end of the relevant restriction period. All or a portion of the award also may be cancelled in certain limited situations, including termination for cause, during the restriction period. In addition, the Company awarded approximately $0.3 million in MSCI common stock and restricted stock units to directors who were not employees of the Company or Morgan Stanley.

The components of share-based compensation expense related to the awards to Company employees and directors who are not employees of the Company or Morgan Stanley of restricted stock units (representing shares of MSCI common stock) and options to purchase MSCI common stock, as applicable, are presented below (in thousands):

	For the fiscal year ended November 30, 2007
Deferred stock	$ 839
Stock options	195
Total	$ 1,034

The amount of this expense included in cost of services and selling, general and administrative expense for the year ended November 30, 2007 was $0.2 million, and $0.8 million, respectively.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The tax benefits for share-based compensation expense related to deferred stock and stock options granted as part of the founders grant award to Company employees were $0.3 million for the year ended November 30, 2007.

At November 30, 2007, approximately $67.0 million of compensation cost related to MSCI unvested share-based awards granted to the Company's employees and directors who are not employees of the Company or Morgan Stanley had not yet been recognized. The unrecognized compensation cost relating to unvested stock-based awards expected to vest will be recognized primarily over the next two to four years.

In connection with awards under its equity-based compensation and benefit plans, the Company is authorized to issue shares of its class A common stock. At November 30, 2007, approximately 8.0 million class A shares were available for future grant under these plans.

Deferred Stock Awards. The following table sets forth activity concerning MSCI vested and unvested restricted stock units applicable to Company's employees and directors who are not employees of the Company or Morgan Stanley (share data in thousands):

For the Year Ended November 30, 2007	Number of Shares	Weighted Average Grant Date Fair Value
Unvested restricted stock units at beginning of year	—	—
Granted	2,917	$ 18.00
Conversion to common stock	(11)	$ 18.00
Unvested restricted stock units at end of year[1]	2,906	$ 18.00
Expected to vest	2,065	$ 18.00

(1) Unvested restricted stock units represent awards where recipients have yet to satisfy the explicit vesting terms.

Stock Option Awards. The options have an exercise price per share equal to the initial public offering price per share and expire ten years from the date of grant, subject to accelerated expiration upon termination of employment.

The weighted average fair value of MSCI stock options granted to the Company's employees in the year ended November 30, 2007 was $7.46, utilizing the following weighted average assumptions:

	For the fiscal year ended November 30, 2007
Risk free interest rate	4.0%
Expected option life in years	6.4
Expected stock price volatility	33.5%
Expected dividend yield	—

The Company's expected option life for MSCI stock options has been determined using the shortcut method according to Staff Accounting Bulletin No. 107, taking into account the option's weighted vesting period and contractual term. The expected stock price volatility assumption was determined using the historical volatility of MSCI's peers. Because the Company did not have sufficient share price history to calculate the historical volatility of MSCI common stock at the time of option grant, the Company believes that its peers' historical volatility is the most reliable data for the purposes of estimating the expected volatility of its options and is a

better indicator of expected volatility than implied volatility or a combined method of determining volatility when developing its assumption of option awards to be settled in MSCI common stock.

The following table sets forth activity concerning MSCI stock options granted to the Company's employees for the year ended November 30, 2007 (option data and dollar values in thousands, except exercise price):

For the Year Ended November 30, 2007	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Aggregated Intrinsic Value
Options outstanding at beginning of year	—	—	NA	NA
Granted	2116	$ 18.00	NA	NA
Options outstanding at end of year	2,116	$ 18.00	9.96	$ 20,422
Options vested or expected to vest	1,562	$ 18.00	9.96	$ 15,075

No MSCI stock options were exercisable during the year ended November 30, 2007.

15. INCOME TAXES

The provision for income taxes (benefits) consisted of (in thousands):

	For the fiscal year ended November 30,		
	2007	2006	2005
Current			
U.S. federal	$ 59,608	$ 32,924	$ 42,550
U.S. state and local	10,886	6,123	5,617
Non U.S.	4,261	2,692	3,954
	74,755	41,739	52,121
Deferred			
U.S. federal	(19,630)	(4,819)	(20,396)
U.S. state and local	(1,861)	(313)	(445)
Non U.S.	(1,083)	(510)	(831)
	(22,574)	(5,642)	(21,672)
Provision for income taxes from continuing operations	$ 52,181	$ 36,097	$ 30,449
Provision for income taxes from discontinued operations	$ —	$ 4,626	$ 2,054

The following table reconciles the provision to the U.S. federal statutory income tax rate:

	For the fiscal year ended November 30,		
	2007	2006	2005
U.S. federal statutory income tax rate	35.00%	35.00%	35.00%
U.S. state and local income taxes, net of U.S. federal income tax benefits	4.40%	3.80%	4.15%
Change in tax rates applicable to non-U.S. earnings	(1.55%)	(4.09%)	(0.68%)
Domestic tax credits	(0.27%)	(0.73%)	0.00%
Other	1.56%	2.31%	(0.83%)
Effective income tax rate	39.14%	36.29%	37.64%

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company's taxable income historically has been included in the consolidated United States federal income tax return of Morgan Stanley and in returns filed by Morgan Stanley with certain state and foreign taxing jurisdictions. The Company's federal and foreign income tax liability has been computed and presented in these statements as if it were a separate taxpaying entity in the periods presented. The state and local tax liability presented in these statements reflects the fact that the Company is included in certain state unitary filings of Morgan Stanley, and that its tax liability is affected by the attributions of the unitary group. Where the Company files as a stand-alone taxpayer, the Company's state and local tax filings will reflect its separate filing attributes. Federal and state taxes are remitted to Morgan Stanley pursuant to a tax sharing agreement between the companies.

As a result of a recent settlement entered into by Morgan Stanley with New York State and New York City tax authorities, MSCI will now be included in the combined New York State and New York City income tax returns of Morgan Stanley, and have increased taxes, for the period 1999 through 2007. When filing as a separate taxpayer, MSCI's New York State and New York City income taxes were lower than when calculated as part of Morgan Stanley's combined state and local income tax return over the applicable period. Consequently, the Company recorded an adjustment of $3.7 million for tax and interest (net of federal tax benefit) relating to tax years 1999 through 2007 to reflect the additional taxes owed.

Additionally, the Company established tax reserves of $1.7 million related to the potential disallowance of certain Research and Experimental tax credits previously allocated to MSCI.

Deferred income tax expense is provided for using the asset and liability method, under which deferred tax assets and liabilities are determined based on the temporary differences between the financial statement and income tax bases of assets and liabilities using currently enacted tax rates.

Earnings attributable to foreign subsidiaries were approximately $13.4 million, $10.4 million and $4.6 million for fiscal 2007, fiscal 2006 and fiscal 2005, respectively. No provisions for income tax that could occur upon repatriation have been recorded on these earnings. Except to the extent such earnings can be repatriated tax efficiently, they are permanently invested abroad. It is not practicable to determine the amount of income taxes payable in the event all such foreign earnings are repatriated.

The American Jobs Creation Act of 2004 ("the Act"), signed into law on October 22, 2004, provided for a special one-time tax deduction, or dividend received deduction ("DRD"), of 85 percent of qualifying foreign earnings that are repatriated in either a company's last tax year that began before the enactment date, or the first tax year that begins during the one-year period beginning on the enactment date. In the fourth quarter of fiscal 2005, the Company recorded an income tax expense of $0.4 million resulting from the Company's repatriation of approximately $13 million of qualifying foreign earnings under the provisions of the American Jobs Creation Act.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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 enacted tax rates and laws that will be in effect when such differences are expected to reverse. Significant components of the Company's deferred tax assets and liabilities at November 30, 2007 and November 30, 2006 were as follows (in thousands):

	As of November 30,	
	2007	2006
Deferred tax assets		
Employee compensation and benefit plans	$ 16,279	$ 6,174
Provision for bad debts	527	(175)
Deferred expenses	(7)	466
Property, equipment and leasehold improvements, net	2,050	2,023
Other	1,247	950
Total deferred tax assets	20,096	9,438
Deferred tax liabilities		
Intangible assets	59,027	68,104
Valuation of investments and receivables	5	1,045
Other	616	2,484
Total deferred tax liabilities	59,648	71,633
Net deferred tax liabilities	($ 39,552)	($ 62,195)
Net current deferred tax asset	$ 17,425	$ 3,886
Net non-current deferred tax liabilities	(56,977)	(66,081)
Net deferred tax liabilities	($ 39,552)	($ 62,195)

Income Tax Examinations

The Company is under continuous examination by the Internal Revenue Service (the "IRS") and other tax authorities in certain countries, such as Japan and the United Kingdom, and states in which the Company has significant business operations, such as New York. The tax years under examination vary by jurisdiction; for example, the current IRS examination covers 1999-2005. The Company established tax reserves of $1.7 million relative to open years that the company believes are adequate in relation to the potential for additional assessments. The Company regularly assesses the likelihood of additional assessments in each of the taxing jurisdictions resulting from these and subsequent years' examinations. The Company believes the resolution of tax matters will not have a material effect on the consolidated financial condition of the Company, although a resolution could have a material impact on the Company's consolidated statement of income for a particular future period and on the Company's effective income tax rate for any period in which such resolution occurs.

16. SEGMENT INFORMATION

FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. Based on the Company's integration and management strategies, the Company leverages common production, development and client coverage teams to create, produce and license investment decision

support tools to various types of investment organizations worldwide. On this basis, the Company assesses that it operates in a single business segment.

Revenue by geography is based on the shipping address of the customer.

Long-lived assets consist of property, equipment, leasehold improvements, goodwill and intangible assets, net of accumulated depreciation and amortization.

The following table sets forth revenue and long-lived assets by geographic area (in thousands):

	2007		2006		2005	
	Revenues	Long-lived Assets	Revenues	Long-lived Assets	Revenues	Long-lived Assets
Americas:						
United States	$ 182,573	$ 616,856	$ 149,565	$ 643,942	$ 132,332	$ 671,694
Other	11,232	2	8,847	11	8,235	17
Total Americas	193,805	616,858	158,412	643,953	140,567	671,711
EMEA:						
United Kingdom	46,272	482	40,350	632	37,139	883
Other	75,550	2,238	66,036	2,658	61,305	1,885
Total EMEA	121,822	2,720	106,386	3,290	98,444	2,768
Asia & Australia:						
Japan	30,902	120	27,416	133	24,433	168
Other	23,357	578	18,484	193	15,030	142
Total Asia & Australia	54,259	698	45,900	326	39,463	310
Total	$ 369,886	$ 620,276	$ 310,698	$ 647,569	$ 278,474	$ 674,789

The following is supplemental information on revenue by product category (in thousands):

	For the fiscal year ended November 30,		
	2007	2006	2005
Equity indices	$ 199,992	$ 156,772	$ 126,533
Equity portfolio analytics	120,648	110,007	106,594
Multi-asset class analytics	23,071	16,873	17,260
Other products	26,175	27,046	28,087
Total operating revenues	$ 369,886	$ 310,698	$ 278,474

17. LEGAL MATTERS

From time to time, the Company is party to various litigation matters incidental to the conduct of its business. The Company is not presently party to any legal proceedings the resolution of which the Company believes would have a material adverse effect on its business, operating results, financial condition or cash flows.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

18. SUBSEQUENT EVENT

The Company historically has filed New York State and New York City income tax returns on a separate company or stand-alone basis. As such, the tax provision for New York State and New York City reflected income tax calculated on a stand-alone basis. As a result of a settlement entered into by Morgan Stanley on January 31, 2008 with New York State and New York City tax authorities, MSCI will now be included in the combined New York State and New York City income tax returns of Morgan Stanley, and have increased taxes, for the period 1999 through 2007. When filing as a separate taxpayer, MSCI's New York State and New York City income taxes were lower than when calculated as part of Morgan Stanley's combined state and local income tax return over the applicable period. Consequently, the Company recorded an adjustment of $3.7 million for tax and interest (net of federal tax benefit) relating to tax years 1999 through 2007 to reflect the additional taxes owed.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

19. QUARTERLY RESULTS OF OPERATIONS (unaudited):

	2007				2006			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands)				(in thousands)			
Operating revenues	$87,069	$88,752	$92,407	$101,658	$71,273	$78,284	$79,555	$81,586
Cost of services	32,266	30,341	29,426	29,678	27,030	24,563	25,519	38,314
Selling general and administrative	18,964	25,489	23,431	24,593	13,793	19,679	23,572	28,776
Amortization of intangible assets	6,266	6,265	6,697	7,125	6,539	6,539	6,539	6,539
Total operating expenses	57,496	62,095	59,554	61,396	47,362	50,781	55,630	73,629
Operating income	29,573	26,657	32,853	40,262	23,911	27,503	23,925	7,957
Interest income	5,062	5,524	1,125	1,432	2,928	3,380	4,104	5,070
Interest expense	95	502	1,259	7,730	133	117	34	68
Other income	27	26	200	137	(1)	(25)	212	857
Interest & other income, net	4,994	5,048	66	(6,161)	2,794	3,238	4,282	5,859
Income before provision for income taxes and discontinued operations	34,567	31,705	32,919	34,101	26,705	30,741	28,207	13,816
Provision for income taxes	12,925	11,854	11,540	15,862	9,594	11,043	10,132	5,328
Income before discontinued operations	21,642	19,851	21,379	18,239	17,111	19,698	18,075	8,488
Discontinued operations								
Income from discontinued operations	—	—	—	—	163	501	640	11,395
Provision for income taxes on discontinued operations	—	—	—	—	119	70	230	4,207
Income from discontinued operations	—	—	—	—	44	431	410	7,188
Net income	$21,642	$19,851	$21,379	$ 18,239	$17,155	$20,129	$18,485	$15,676
Earnings per basic common share:								
Continuing operations	$ 0.26	$ 0.24	$ 0.25	$ 0.21	$ 0.20	$ 0.23	$ 0.22	$ 0.10
Discontinued operations	—	—	—	—	—	0.01	—	0.09
Earnings per basic common share	$ 0.26	$ 0.24	$ 0.25	$ 0.21	$ 0.20	$ 0.24	$ 0.22	$ 0.19
Earnings per diluted common share:								
Continuing operations	$ 0.26	$ 0.24	$ 0.25	$ 0.21	$ 0.20	$ 0.23	$ 0.22	$ 0.10
Discontinued operations	—	—	—	—	—	0.01	—	0.09
Earnings per diluted common share	$ 0.26	$ 0.24	$ 0.25	$ 0.21	$ 0.20	$ 0.24	$ 0.22	$ 0.19
Weighted average shares outstanding used in computing per share data								
Basic	83,900	83,900	83,900	86,733	83,900	83,900	83,900	83,900
Diluted	83,900	83,900	83,900	86,803	83,900	83,900	83,900	83,900

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EXHIBIT INDEX

Exhibit Number	Description
3.1*	Amended and Restated Certificate of Incorporation
3.2*	Amended and Restated By-laws
10.1†	Index License Agreement for Funds, dated as of March 18, 2000, between Morgan Stanley Capital International and Barclays Global Investors, N.A. (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.2†	Amendment to Index License Agreement for Funds between Morgan Stanley Capital International and Barclays Global Investors, N.A. (filed as Exhibit 10.2 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.3†	Letter Agreement to Amend MSCI-BGI Fund Index License Agreement, dated as of June 21, 2001, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.4†	Addendum to the Index License Agreement for Funds, dated as of September 18, 2002, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated herein)
10.5†	Amendment to the Index License Agreement for Funds, dated as of December 3, 2004 between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.5 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on October 26, 2007 and incorporated herein)
10.6†	Amendment to the Index License Agreement for Funds, dated as of May 1, 2005 between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.6 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated herein)
10.7†	Amendment to the Index License Agreement for Funds, dated as of July 1, 2006, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.7 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), with the SEC on October 26, 2007 and incorporated by reference herein)
10.8†	Amendment to Index License Agreement for Funds, dated as of June 5, 2007, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A. (filed as Exhibit 10.8 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.9	Trademark License Agreement, dated as of March 18, 2002, between Morgan Stanley Dean Witter & Co. and Morgan Stanley Capital International Inc. (filed as Exhibit 10.9 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on September 26, 2007 and incorporated by reference herein)
10.10*	Intellectual Property Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.
10.11*	Services Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.
10.12*	Tax Sharing Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.
10.13*	Shareholder Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.

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Exhibit Number	Description
10.14*	Credit Agreement, dated as of November 20, 2007, among MSCI Inc., Morgan Stanley Senior Funding, Inc., Bank of America, N.A. and the other lenders party thereto
10.15***	MSCI 2007 Equity Incentive Compensation Plan
10.16***	MSCI Independent Directors' Equity Compensation Plan
10.17***	MSCI Equity Incentive Compensation Plan 2007 Founders Grant Award Certificates for Stock Units
10.18***	MSCI Equity Incentive Compensation Plan 2007 Founders Grant Award Certificates for Stock Units for Named Executive Officers
10.19***	MSCI Equity Incentive Compensation Plan 2007 Founders Grant Award Certificate for Stock Options
10.20***	MSCI Independent Directors' Equity Incentive Compensation Plan 2007 Founders Grant Award Certificate for Stock Options
10.21**	Employment Offer Letter, dated as of July 20, 2006, between Michael Neborak and Morgan Stanley Capital International Inc. (filed as Exhibit 10.21 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on November 6, 2007 and incorporated by reference herein)
10.22**	Summary of Relocation and Expatriate Benefits for C.D. Baer Pettit (filed as Exhibit 10.22 to the Company's Registration Statement on Form S-1, as amended (File No. 333-144975), filed with the SEC on November 6, 2007 and incorporated by reference herein)
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Deloitte & Touche LLP
24.1*	Power of Attorney (included on signature page)
31.1****	Rule 13a-14(a) Certification of Chief Executive Officer
31.2****	Rule 13a-14(a) Certification of Chief Financial Officer
32.1****	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer

* Filed herewith.
** Indicates a management compensation plan, contract or arrangement previously filed.
*** Indicates a management compensation plan, contract or arrangement filed herewith.
**** Furnished herewith.
† Confidential treatment has been granted for a portion of this exhibit.

Exhibit 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

MSCI INC.

November 14, 2007

MSCI Inc. (originally incorporated as Morgan Stanley Capital International Inc.), a Delaware corporation, the original Certificate of Incorporation of which was filed with the Secretary of State of the State of Delaware on July 2, 1998, HEREBY CERTIFIES that this Amended and Restated Certificate of Incorporation restating, integrating and amending its Certificate of Incorporation was duly proposed by its Board of Directors and adopted by its stockholders in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

ARTICLE 1
NAME

The name of the corporation (which is hereinafter referred to as the "**Corporation**") is: MSCI Inc.

ARTICLE 2
ADDRESS

The address of the Corporation's registered office in the State of Delaware is The Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE 3
PURPOSE

The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware.

ARTICLE 4
CAPITALIZATION

The total number of shares of stock which the Corporation shall have authority to issue is 850,000,000, consisting of 500,000,000 shares of Class A common stock, par value $0.01 per share (the "**Class A Common Stock**"), 250,000,000 shares of Class B common stock, par value $0.01 per share (the "**Class B Common Stock**" and, together with the Class A Common Stock, the "**Common Stock**"), and 100,000,000 shares of preferred stock, par value $0.01 per share (the "**Preferred Stock**"). Upon the effectiveness of this Amended and Restated Certificate of Incorporation (the "**Effective Time**"), each share of Common Stock issued and outstanding immediately prior to the Effective Time shall be automatically converted, without further action on the part of the Corporation or any holder of such Common Stock, into 2861.235208 shares of Class B Common Stock. The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares of Class A Common Stock or Class B Common Stock then outstanding) by any such affirmative vote as may be required at that time by the General Corporation Law of the State of Delaware.

Common Stock

(a) *Ranking.* The preferences, limitations and rights of the Class A Common Stock and Class B Common Stock, and the qualifications and restrictions thereof, shall be in all respects identical, except as otherwise required by law or expressly provided for in this Certificate of Incorporation.

(b) *Voting*. Except as otherwise provided by law or by a Preferred Stock Designation (as defined in this Article 4), the holders of outstanding shares of Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes. Except as otherwise required by law or expressly provided for in this Certificate of Incorporation:

(i) each share of Class A Common Stock outstanding on any record date shall be entitled to one vote and each share of Class B Common Stock outstanding on such record date shall be entitled to five votes in respect of any actions of shareholders for which such record date was fixed; *provided, however*, that each share of Common Stock shall have one vote only for purposes of approving any of the following matters:

(A) the consummation of any merger, consolidation or other business combination of the Corporation, or the issuance, sale, transfer or assignment of securities of the Corporation that would, following such issuance, sale, transfer or assignment, represent a majority of the voting power of the Corporation's

then-outstanding Common Stock to any person, in a single transaction or series of related transactions;

(B) the sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation and its subsidiaries on a consolidated basis, directly or indirectly, in one or more transactions, to any person; or

(C) the voluntary liquidation, dissolution or winding up of the Corporation;

(ii) the Class A Common Stock and the Class B Common Stock shall vote together as a single class;

(iii) the vote required to constitute approval of any corporate action shall be a majority of all votes cast on the matter by the holders of outstanding shares of Common Stock at a meeting at which a quorum exists; and

(iv) holders of Common Stock shall be entitled to cast votes in person or by proxy in the manner and to the extent permitted under the Bylaws of the Corporation (the "**Bylaws**").

(c) *Amendments*. So long as any shares of Class A Common Stock are outstanding, the Corporation shall not, without the affirmative vote of the holders of a majority of the voting power of the outstanding shares of Class A Common Stock, (i) amend, alter or repeal any provision of this Article 4 so as to affect adversely the relative rights, preferences, qualifications, limitations or restrictions of the Class A Common Stock as compared to those of the Class B Common Stock; or (ii) take any other action upon which class voting is required by law. So long as any shares of Class B Common Stock are outstanding, the Corporation shall not, without the affirmative vote of the holders of a majority of the voting power of the outstanding shares of Class B Common Stock, (i) amend, alter or repeal any provision of this Article 4 so as to affect adversely the relative rights, preferences, qualifications, limitations or restrictions of the Class B Common Stock as compared to those of the Class A Common Stock; or (ii) take any other action upon which class voting is required by law.

(d) *Dividends; Changes in Common Stock*. No dividend or distribution may be declared or paid on any share of Class A Common Stock unless a dividend or distribution, payable in the same consideration and manner, is simultaneously declared or paid, as the case may be, on each share of Class B Common Stock, nor shall any dividend or distribution be declared or paid on any share of Class B Common Stock unless a dividend or distribution, payable in the same consideration and manner, is simultaneously declared or paid, as the case may be, on each share of Class A Common Stock, in each case without preference or priority of any kind; *provided, however,* that if dividends are declared that are

payable in shares of Class A Common Stock or Class B Common Stock or in rights, options, warrants or other securities convertible into or exchangeable for shares of Class A Common Stock or Class B Common Stock, dividends shall be declared that are payable at the same rate on both classes of Common Stock and the dividends payable in shares of Class A Common Stock or in rights, options, warrants or other securities convertible into or exchangeable for shares of Class A Common Stock shall be payable to holders of Class A Common Stock and the dividends payable in shares of Class B Common Stock or in rights, options warrants or other securities convertible into or exchangeable for shares of Class B Common Stock shall be payable to holders of Class B Common Stock.

If the Corporation in any manner subdivides or combines the outstanding shares of Class B Common Stock, the outstanding shares of the Class A Common Stock shall be proportionately subdivided or combined, as the case may be. Similarly, if the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock, the outstanding shares of Class B Common Stock shall be proportionately subdivided or combined, as the case may be.

(e) *Liquidation*. Subject to the rights of the holders of Preferred Stock, shares of Class B Common Stock shall rank *pari passu* with shares of Class A Common Stock as to distribution of assets in the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary. A liquidation, dissolution or winding up of the Corporation, as such terms are used in this paragraph (e), shall not be deemed to be occasioned by or to include any voluntary consolidation or merger of the Corporation with or into any other corporation or other entity or corporations or other entities or a sale, lease or conveyance of all or a part of its assets.

(f) *Reorganization or Merger*. Subject to the rights of the holders of Preferred Stock, in the case of any reorganization, share exchange or merger of the Corporation with another corporation in which shares of Class A Common Stock or Class B Common Stock are converted into (or entitled to receive with respect thereto) shares of stock and/or other securities or property (including cash), each holder of a share of Class A Common Stock and each holder of a share of Class B Common Stock shall be entitled to receive with respect to each such share the same kind and amount of shares of stock and other securities and property (including cash). In the event that the holders of shares of Class A Common Stock or of shares of Class B Common Stock are granted rights to elect to receive one of two or more alternative forms of consideration, the foregoing provision shall be deemed satisfied if holders of shares of Class A Common Stock and holders of shares of Class B Common Stock are granted substantially identical election rights, as the case may be.

(g) *Conversion of Class B Common Stock*.

(i) Prior to the date on which shares of Class B Common Stock are transferred to shareholders or securityholders of Morgan Stanley, a Delaware Corporation ("**Morgan Stanley**"), in a transaction, including any distribution in exchange for Morgan Stanley's shares or securities, intended to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code, or any corresponding provision of any successor statute (a "**Tax-Free Spin-Off**"), each record holder of shares of Class B Common Stock may convert any or all of such shares into an equal number of shares of Class A Common Stock by surrendering the certificates, if any, for such shares, accompanied by any payment required for documentary, stamp or similar issue or transfer taxes and by a written notice by such record holder to the Corporation stating that such record holder desires to convert such shares of Class B Common Stock into the same number of shares of Class A Common Stock (including, but not limited to, for the purpose of the sale or other disposition of such shares of Class A Common Stock), and requesting that the Corporation issue all of such shares of Class A Common Stock to the persons named in such notice. Such notice shall set forth the number of shares of Class A Common Stock to be issued to each such person and the denominations in which the certificates, if any, therefor are to be issued. To the extent permitted by law, such voluntary conversion shall be deemed to have been effected at the close of business on the date of such surrender. Following a Tax-Free Spin-Off, shares of Class B Common Stock shall no longer be convertible into shares of Class A Common Stock. For purposes of this Section, a Tax-Free Spin-Off shall be deemed to have occurred at the time the shares are first transferred to shareholders or securityholders of Morgan Stanley following receipt of a certificate described in (C) of paragraph (g)(vi) of this Article 4 below.

(ii) Prior to the occurrence of a Tax-Free Spin-Off, each share of Class B Common Stock shall automatically be converted into one share of Class A Common Stock upon the transfer of such share if, after such transfer, such share is not beneficially owned by Morgan Stanley, Capital Group International Inc., a California corporation ("**Capital Group**"), or by any of their subsidiaries or Affiliates (as defined in Article 10 of this Certificate of Incorporation). Shares of Class B Common Stock shall not convert automatically into shares of Class A Common Stock (A) as a result of a transfer of Class B Common Stock to shareholders or securityholders of Morgan Stanley in a Tax-Free Spin-Off or (B) in any transfer after a Tax-Free Spin-Off.

(iii) The Corporation shall provide notice of any automatic conversion of outstanding shares of Class B Common Stock to holders of record of such shares of Common Stock pursuant to paragraph (g)(ii) of this Article 4 above as soon as practicable following such conversion; *provided*, *however*, that the Corporation may satisfy such notice

requirements by providing such notice prior to such conversion. Such notice shall be provided by any means then permitted by the General Corporation Law of the State of Delaware; *provided, however*, that no failure to give such notice nor any defect therein shall affect the validity of the automatic conversion of any shares of Class B Common Stock. Each such notice shall, as appropriate, (A) state the automatic conversion date; (B) identify the outstanding shares of Class B Common Stock that are automatically converted; and (C) the place or places where certificates if any, for such shares may be surrendered in exchange for certificates, if any, representing Class A Common Stock, or the method by which book-entry interest in the Class A Common Stock may be obtained in exchange for such certificates in respect of shares of Class B Common Stock.

(iv) Immediately upon conversion of any shares of Class B Common Stock into shares of Class A Common Stock pursuant to the provisions of this Article 4, the rights of the holders of shares of Class B Common Stock as such shall cease and such holders shall be treated for all purposes as having become the record owners of the shares of Class A Common Stock issuable upon such conversion; *provided, however*, that such persons shall be entitled to receive when paid any dividends declared on the Class B Common Stock as of a record date preceding the time of such conversion and unpaid as of the time of such conversion subject to the following sentence. Upon any conversion of shares of Class B Common Stock into shares of Class A Common Stock pursuant to the provisions of this Article 4, any dividend for which the record date or payment date shall be subsequent to such conversion which may have been declared on the shares of Class B Common Stock so converted shall be deemed to have been declared, and shall be payable, with respect to the shares of Class A Common Stock into or for which such shares of Class B Common Stock shall have been so converted, and any such dividend that shall have been declared on such shares payable in shares of Class B Common Stock shall be deemed to have been declared, and shall be payable, in shares of Class A Common Stock.

(v) Prior to the occurrence of a Tax-Free Spin-Off, holders of shares of Class B Common Stock may (A) sell or otherwise dispose of or transfer any or all of such shares held by them, respectively, only in connection with a transfer that meets the requirements of paragraph (g)(vi) of this Article 4 below, and under no other circumstances; or (B) convert any or all of such shares into shares of Class A Common Stock (including, but not limited to, for the purpose of the sale or other disposition of such shares of Class A Common Stock to any person as provided in paragraph (g)(i) of this Article 4 above). Prior to the occurrence of a Tax-Free Spin-Off, no one other than persons in whose names shares of Class B Common Stock become registered on the original stock ledger of the Corporation, or transferees or successive transferees who receive shares of Class B

Common Stock in connection with a transfer meeting the requirements set forth in paragraph (g)(vi) of this Article 4 below, shall have the status of an owner or holder of shares of Class B Common Stock or be recognized as such by the Corporation or be otherwise entitled to enjoy for his or her own benefit the special rights and powers of a holder of shares of Class B Common Stock. Holders of shares of Class B Common Stock may at any and all times transfer to any person the shares of Class A Common Stock issuable upon conversion of such shares of Class B Common Stock (subject to any restrictions at such time on transfers of shares of Class A Common Stock).

(vi) Prior to the occurrence of a Tax-Free Spin-Off, shares of Class B Common Stock shall be transferred on the books of the Corporation upon presentation at the office of the Secretary of the Corporation (or at such additional place or places as may from time to time be designated by the Secretary or any Assistant Secretary of the Corporation) of proper transfer documents, accompanied by a certificate stating any of the following: (A) that such transfer is to Morgan Stanley or an Affiliate (as defined in Article 10 of this Certificate of Incorporation) or a subsidiary of Morgan Stanley; (B) that such transfer is to Capital Group or an Affiliate (as defined in Article 10 of this Certificate of Incorporation) or a subsidiary of Capital Group; or (C) that such transfer is to the shareholders or securityholders of Morgan Stanley in connection with a Tax-Free Spin-Off.

(vii) Prior to the occurrence of a Tax-Free Spin-Off, every certificate of shares of Class B Common Stock, if any, shall bear a legend on its face reading as follows:

> THE SHARES OF CLASS B COMMON STOCK REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED TO ANY PERSON IN CONNECTION WITH A TRANSFER THAT DOES NOT MEET THE REQUIREMENTS SET FORTH IN PARAGRAPH (g)(vi) OF ARTICLE 4 OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THIS CORPORATION AND NO PERSON WHO RECEIVES SUCH SHARES IN CONNECTION WITH A TRANSFER THAT DOES NOT MEET THE REQUIREMENTS PRESCRIBED IN SUCH ARTICLE IS ENTITLED TO OWN OR TO BE REGISTERED AS THE RECORD HOLDER OF SUCH SHARES OF CLASS B COMMON STOCK, BUT THE RECORD HOLDER OF THIS CERTIFICATE MAY AT SUCH TIME AND IN THE MANNER SET FORTH IN PARAGRAPH (g) OF ARTICLE 4 OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THIS CORPORATION CONVERT

SUCH SHARES OF CLASS B COMMON STOCK INTO THE SAME NUMBER OF SHARES OF CLASS A COMMON STOCK, INCLUDING BUT NOT LIMITED TO, FOR PURPOSES OF EFFECTING THE SALE OR OTHER DISPOSITION OF SUCH SHARES OF CLASS A COMMON STOCK TO ANY PERSON. EACH HOLDER OF THIS CERTIFICATE, BY ACCEPTING THE SAME, ACCEPTS AND AGREES TO ALL OF THE FOREGOING.

Upon and after the transfer of shares of Class B Common Stock in a Tax-Free Spin-Off, certificates for shares of Class B Common Stock, if any, shall no longer bear the legend set forth above.

(viii) The Corporation shall at all times reserve and keep available, out of its authorized but unissued Common Stock, such number of shares of Class A Common Stock as would become issuable upon the conversion of all shares of Class B Common Stock then outstanding.

Preferred Stock

The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized to provide for the issuance of shares of Preferred Stock in series and, by filing a certificate pursuant to the applicable law of the State of Delaware (hereinafter referred to as a "**Preferred Stock Designation**"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following: (i) the designation of the series, which may be by distinguishing number, letter or title; (ii) the number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding); (iii) the amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or non-cumulative; (iv) dates at which dividends, if any, shall be payable; (v) the redemption rights and price or prices, if any, for shares of the series; (vi) the terms and amount of any sinking fund provided for the purchase or redemption of shares of the series; (vii) the amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation; (viii) whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series of such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or

exchangeable and all other terms and conditions upon which such conversion or exchange may be made; (ix) restrictions on the issuance of shares of the same series or of any other class or series; (x) the voting rights, if any, of the holders of shares of the series; and (xi) such other powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, as the Board of Directors determines.

The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof. Except as may be provided in this Certificate of Incorporation or in a Preferred Stock Designation or by applicable law, the holders of Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote. The holders of the shares of Common Stock shall at all times, except as otherwise provided in this Certificate of Incorporation or as required by law, vote as one class, together with the holders of any other class or series of stock of the Corporation accorded such general voting rights.

The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

ARTICLE 5
BY-LAWS

In furtherance of, and not in limitation of, the powers conferred by law, the Board of Directors is expressly authorized and empowered:

(a) to adopt, amend or repeal the Bylaws of the Corporation; *provided*, *however*, that the Bylaws adopted by the Board of Directors under the powers hereby conferred may be amended or repealed by the Board of Directors or by the stockholders having voting power with respect thereto; *provided*, *further* that, in the case of amendments by stockholders, the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock (as defined in Article 12), voting together as a single class, shall be required in order for the stockholders to alter, amend or repeal any provision of the Bylaws or to adopt any additional Bylaw; and

(b) from time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to inspection of stockholders; and, except as so determined or as expressly provided in this Certificate of Incorporation or in any Preferred Stock Designation, no stockholder

shall have any right to inspect any account, book or document of the Corporation other than such rights as may be conferred by applicable law.

The Corporation may in its Bylaws confer powers upon the Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law.

ARTICLE 6
ACTION OF STOCKHOLDERS

Prior to a transaction or series of transactions which results in Morgan Stanley or its Affiliates (as defined in Article 10 of this Certificate of Incorporation) owning in the aggregate less than 50% of the aggregate voting power of the Voting Stock (as defined in Article 12 of this Certificate of Incorporation, and as calculated on a fully-diluted basis and without giving effect to paragraph (b)(i)(A) – (C) of Article 4) of the Corporation (a "**Change of Control**"), the stockholders reserve the right to amend this Certificate of Incorporation in any manner as permitted by the General Corporation Law of the State of Delaware and all rights and powers conferred herein on directors and officers, if any, are subject to this reserved power.

Immediately upon the occurrence of a Change of Control and without any action on the part of the Corporation or the stockholders, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing in lieu of a meeting of such stockholders, subject to the rights of the holders of any series of Preferred Stock or any other series or class of stock as set forth in this Certificate of Incorporation.

ARTICLE 7
BOARD OF DIRECTORS

Subject to the rights of the holders of any series of Preferred Stock, or any other series or class of stock as set forth in this Certificate of Incorporation, to elect additional directors under specified circumstances, the number of directors of the Corporation shall be fixed in such manner as prescribed in the Bylaws of the Corporation and may be increased or decreased from time to time in such manner as prescribed in the Bylaws.

Unless and except to the extent that the Bylaws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

The directors, other than those who may be elected by the holders of any series of Preferred Stock or any other series or class of stock as set forth in this

Certificate of Incorporation, shall be elected annually at each annual meeting of stockholders of the Corporation to hold office for a term expiring at the next annual meeting of stockholders, with each director to hold office until his or her successor shall have been duly elected and qualified.

Subject to the rights of the holders of any series of Preferred Stock, or any other series or class of stock as set forth in this Certificate of Incorporation, to elect additional directors under specified circumstances, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders, and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Board of Directors shall shorten the term of any incumbent director.

Any director may be removed from office at any time, with or without cause.

ARTICLE 8
INDEMNIFICATION

Each person who is or was a director or officer of the Corporation shall be indemnified by the Corporation to the fullest extent permitted from time to time by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, if permitted by applicable law, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereafter in effect. The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents (other than a director or officer) of the Corporation, to directors, officers, employees or agents of a subsidiary, and to each person serving as a director, officer, partner, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, at the request of the Corporation, with the same scope and effect as the foregoing indemnification of directors and officers of the Corporation. The Corporation shall be required to indemnify any person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by this Certificate of Incorporation or otherwise by the Corporation. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article 8.

Any amendment or repeal of this Article 8 shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

ARTICLE 9
DIRECTOR'S LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. Any amendment or repeal of this Article 9 shall not adversely affect any right or protection of a director of the Corporation existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

If the General Corporation Law of the State of Delaware shall be amended to authorize corporate action further eliminating or limiting the liability of directors, then a director of the Corporation, in addition to the circumstances in which he is not liable immediately prior to such amendment, shall be free of liability to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

ARTICLE 10
CORPORATE OPPORTUNITIES

The Corporation hereby acknowledges and agrees that, notwithstanding any other provisions of this Certificate of Incorporation:

(a) Nothing herein shall in any way limit or be construed as limiting the ability of Morgan Stanley or any member (other than members employed by the Corporation) of the Board of Directors who is an Affiliate (as defined below) of Morgan Stanley (each, an "**Unlimited Party**") to, and such Unlimited Parties may, in the past, present or future, carry out and engage in any and all activities associated with any business, including, without limitation, principal investments and underwriting (including investments in, and underwriting investments of, securities of the Unlimited Parties or of other entities directly or indirectly involved in any aspect of the financial services industry, including, without limitation, direct competitors of the Corporation), trading, brokerage, agency, financing, derivatives, foreign exchange and asset management activities, and for the avoidance of doubt and without limiting the generality of the foregoing, the Unlimited Parties may: (i) purchase and hold long or short positions, otherwise

make investments, trade or otherwise effect transactions, for their own account or the account of their customers, in the debt or equity securities or loans of entities that may directly or indirectly compete with any or all of the business of the Corporation (the "**Other Companies**"); and (b) provide financial advice to the Other Companies.

(b) The Unlimited Parties may have information that may be of interest or value to the Corporation (the "**Information**") regarding various matters, including, without limitation, (i) each Unlimited Party's products, plans, services and technology, and plans and strategies relating thereto, (ii) current and future investments each Unlimited Party has made, may make, may consider or may become aware of with respect to other companies and other products, services and technology, including without limitation, any Other Companies, and (iii) developments with respect to the technologies, products and services, and plans and strategies relating thereto, including, without, limitation, any Other Companies. The Corporation agrees that the Unlimited Parties shall have no duty to disclose any Information to the Corporation or permit the Corporation to participate in any investments or transactions based on any Information, or to otherwise take advantage of any opportunity that may be of interest to the Corporation if it were aware of such Information.

(c) Without limiting the foregoing, the doctrine of corporate opportunity shall not apply as between the Corporation or any Unlimited Party, and (i) the Unlimited Parties shall have no obligation to refrain from (A) engaging in any business opportunity, transaction or other matter that involves any aspect of the financial services industry or otherwise developing, marketing or using any products or services that compete, directly or indirectly, with those of the Corporation (whether presently existing or arising in the future) (an "**Other Business**"), (B) investing or owning any interest publicly or privately in, entering into any venture, agreement or arrangement with, or developing a business relationship or strategic relationship with, any entity engaged in any Other Business, (C) doing business with any client or customer of the Corporation or (D) employing or otherwise engaging a former officer or employee of the Corporation; (ii) the Corporation shall not have any right in or to, or to be offered any opportunity to participate or invest in, any Other Business engaged or to be engaged in by any Unlimited Party or any right in or to any income or profits therefrom; and (iii) no Unlimited Party shall have any duty to communicate or offer to the Corporation any opportunity to participate or invest in, or any income or profits derived from, any Other Business engaged in by such Unlimited Party.

(d) The Corporation expressly authorizes and consents to the involvement of each Unlimited Party in any Other Business and expressly waives, to the fullest extent permitted by applicable law, any right to assert any claim that any such involvement breaches any duty owed to the Corporation or to any stockholder of the Corporation or to assert that such involvement constitutes a conflict of interest by such Unlimited Party with respect to the Corporation or any

of its subsidiaries or any stockholder; and nothing contained herein shall limit, prohibit or restrict any designee serving on the Corporation's Board of Directors from serving on the board of directors or other governing body or committee of any Other Companies.

As used in this Certificate of Incorporation, the term "**Affiliate**" shall have the meaning set forth in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended.

ARTICLE 11
SECTION 203 OPT-OUT

Prior to any Change of Control, the Corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

Immediately upon the occurrence of a Change of Control and without any action on the part of the Corporation or the stockholders, the Corporation shall be governed by Section 203 of the General Corporation Law of the State of Delaware.

ARTICLE 12
AMENDMENTS

Except as may be expressly provided in this Certificate of Incorporation, the Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation or a Preferred Stock Designation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed herein or by applicable law, and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article 12; *provided*, *however*, that any amendment or repeal of Article 8 or 9 of this Certificate of Incorporation shall not adversely affect any right or protection existing thereunder in respect of any act or omission occurring prior to such amendment or repeal; and *provided further* that no Preferred Stock Designation shall be amended after the issuance of any share of the series of Preferred Stock created thereby, except in accordance with the terms of such Preferred Stock Designation and the requirements of applicable law.

Notwithstanding anything contained in this Certificate of Incorporation to the contrary, and in addition to approval by the Board of Directors, the affirmative vote of the holders of at least 80 percent of the voting power of the then

outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with paragraph (a) of Article 5 or this second paragraph of Article 12. For the purposes of this Certificate of Incorporation, "**Voting Stock**" shall mean the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

This Certificate shall become effective upon the filing of this Amended and Restated Certification of Incorporation with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, MSCI Inc. has caused this Certificate of Incorporation to be signed in its name on the date included above.

MSCI INC.

By: _____
Name:
Title:

AMENDED AND RESTATED BYLAWS
OF
MSCI INC.
(hereinafter called the "Corporation")

Article 1
OFFICES AND RECORDS

Section 1.01. *Delaware Office.* The principal office of the Corporation in the State of Delaware shall be located in the City of Wilmington, County of New Castle.

Section 1.02. *Other Offices.* The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

Section 1.03. *Books and Records.* The books and records of the Corporation may be kept at the Corporation's principal offices or at such other locations inside or outside the State of Delaware as may from time to time be designated by the Board of Directors.

ARTICLE 2
STOCKHOLDERS

Section 2.01. *Annual Meeting.* Except as otherwise provided by the Amended and Restated Certificate of Incorporation, the annual meeting of the stockholders of the Corporation shall be held at such date, place and time as may be fixed by resolution of the Board of Directors.

Section 2.02. *Special Meeting.* Subject to the rights of the holders of any series of preferred stock of the Corporation (the "**Preferred Stock**") or any other series or class of stock as set forth in the Amended and Restated Certificate of Incorporation, special meetings of the stockholders may be called at any time only by the Secretary at the direction of the Board of Directors pursuant to a resolution adopted by the Board of Directors.

Section 2.03. *Place of Meeting.* Except as otherwise provided by the Amended and Restated Certificate of Incorporation, the Board of Directors may

designate the place of meeting for any meeting of the stockholders. If no designation is made by the Board of Directors, the place of meeting shall be the principal office of the Corporation, which will be 88 Pine Street, New York, New York 10005.

Section 2.04. *Notice of Meeting.* Except as otherwise provided by the Amended and Restated Certificate of Incorporation, a notice of meeting, stating the place, day and hour of the meeting and, in the case of special meetings, the purpose or purposes for which such special meeting is called, shall be prepared and delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally, or by mail, or, to the extent and in the manner permitted by applicable law, electronically, to each stockholder of record entitled to vote at such meeting. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Amended and Restated Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be canceled, by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

Section 2.05. *Quorum and Adjournment.* Except as otherwise provided by law or by the Amended and Restated Certificate of Incorporation, the holders of a majority of the voting power of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the "**Voting Stock**"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series voting as a class, the holders of a majority of the voting power of the shares of such class or series shall constitute a quorum for the transaction of such business. The Chairman of the Board or the holders of a majority of the voting power of the shares of Voting Stock so represented may adjourn the meeting from time to time, whether or not there is such a quorum (or, in the case of specified business to be voted on by a class or series, the Chairman of the Board or the holders of a majority of the voting power of the shares of such class or series so represented may adjourn the meeting with respect to such specified business). No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 2.06. *Proxies.* At all meetings of stockholders, a stockholder may vote by proxy as may be permitted by law; *provided*, that no proxy shall be voted after three years from its date, unless the proxy provides for a longer period.

Any proxy to be used at a meeting of stockholders must be filed with the Secretary of the Corporation or his or her representative at or before the time of the meeting.

Section 2.07. *Notice of Stockholder Business and Nominations.*

(a) Annual Meetings of Stockholders. (i) Except as provided by the Amended and Restated Certificate of Incorporation, nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of meeting delivered pursuant to Section 2.04 of these Amended and Restated Bylaws (or any supplement thereto), (B) by or at the direction of the Board of Directors or (C) by any stockholder of the Corporation who is entitled to vote at the meeting, who complied with the notice procedures set forth in clauses (ii) and (iii) of this Section 2.07(a) and who was a stockholder of record on the date such notice is delivered to the Secretary of the Corporation.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a)(i) of this Section 2.07, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and, in the case of business other than nominations, such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth day, nor earlier than the close of business on the one hundred twentieth day prior to the first anniversary of the preceding year's annual meeting; *provided, however,* that (1) if the date of the annual meeting is advanced by more than thirty days, or delayed by more than ninety days, from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation or (2) if no annual meeting was held in the preceding year, notice by the stockholders to be timely must be so delivered not later than the close of business on the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 2.07(a). Such stockholder's notice shall set forth (A) as to each person whom the

stockholder proposes to nominate for election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the Amended and Restated Bylaws of the Corporation, the text of the proposed amendment), the reasons for conducting such business at the meeting, and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class and number of shares of the Corporation that are owned beneficially and of record by such stockholder and such beneficial owner and (3) a representation as to whether the stockholder or the beneficial owner, if any, intends or is part of a group that intends to solicit proxies from stockholders in support of such proposal or nomination. The foregoing notice requirements of this Section 2.07 shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of the stockholder's intention to present a proposal or nomination at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal or nomination has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation and the impact that such service would have on the ability of the Corporation to satisfy the requirements of laws, rules, regulations and listing standards applicable to the Corporation or its directors.

(iii) Notwithstanding anything in the second sentence of clause (ii) of this Section 2.07(a) to the contrary, if the number of directors to be elected to the Board of Directors of the Corporation is increased and the public announcement by the Corporation naming the nominees for the additional directorships is not made by the close of business on the one hundredth day prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 2.07 shall also be

considered timely, but only with respect to nominees for any new directorships created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 2.04 of these Amended and Restated Bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Section 2.07 and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. If the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any stockholder entitled to vote in such election may nominate such number of persons for election to such position(s) as are specified in the Corporation's notice of meeting, if the stockholder's notice as required by clause (ii) of Section 2.07(a) of these Amended and Restated Bylaws shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General. (i) Only persons who are nominated in accordance with the procedures set forth in this Section 2.07 shall be eligible to be elected as directors at a meeting of stockholders and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.07. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, the Chairman of the Board shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed in accordance with the procedures set forth in this Section 2.07 and, if any proposed nomination or business is not in compliance with this Section 2.07, to declare that such defective proposal or nomination shall be disregarded.

(ii) For purposes of this Section 2.07, "**public announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 2.07, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.07. Nothing in this Section 2.07 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to applicable rules and regulations under the Exchange Act or (b) of the holders of any series of Preferred Stock, or any other series or class of stock as set forth in the Amended and Restated Certificate of Incorporation, to elect directors pursuant to any applicable provisions of the Amended and Restated Certificate of Incorporation.

Section 2.08. *Procedure for Election of Directors; Voting.* Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, all matters other than the election of directors submitted to the stockholders at any meeting shall be decided by the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote thereon, and where a separate vote by class is required, a majority of the voting power of the shares of that class present in person or represented by proxy at the meeting and entitled to vote thereon.

The vote on any matter, including the election of directors, shall be by written ballot. Each ballot shall be signed by the stockholder voting, or by such stockholder's proxy, and shall state the number of shares voted.

Section 2.09. *Inspector of Elections; Opening and Closing of Polls; Conduct of Meetings.* (a) The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may not be directors, officers or employees of the Corporation, to act at the meeting and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act, or if all inspectors or alternates who have been appointed are unable to act, at a meeting of stockholders, the Chairman of the Board shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors

shall have the duties prescribed by the General Corporation Law of the State of Delaware.

(b) The Chairman of the Board shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at the meeting.

(c) The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.10. *Confidential Stockholder Voting.* All proxies, ballots and votes, in each case to the extent they disclose the specific vote of an identified stockholder, shall be tabulated and certified by an independent tabulator, inspector of elections and/or other independent parties and shall not be disclosed to any director, officer or employee of the Corporation; *provided*, that, notwithstanding the foregoing, any and all proxies, ballots and voting tabulations may be disclosed: (a) as necessary to meet legal requirements or to assist in the pursuit or defense of legal action; (b) if the Corporation concludes in good faith that a bona fide dispute exists as to the authenticity of one or more proxies, ballots or votes, or as to the accuracy of any tabulation of such proxies, ballots or votes; (c) in the event of a

proxy, consent or other solicitation in opposition to the voting recommendation of the Board of Directors; or (d) if the stockholder requests, or consents to disclosure of the stockholder's vote or writes comments on the stockholder's proxy card or ballot.

ARTICLE 3
BOARD OF DIRECTORS

Section 3.01. *General Powers.* The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors. In addition to the powers and authorities by these Amended and Restated Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Amended and Restated Certificate of Incorporation or by these Amended and Restated Bylaws required to be exercised or done by the stockholders.

Section 3.02. *Number, Tenure and Qualifications.* (a) Subject to the rights of the holders of any series of Preferred Stock, or any other series or class of stock as set forth in the Amended and Restated Certificate of Incorporation, to elect directors ("**Preferred Stock Directors**") under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by the Board of Directors, but shall consist of not less than three nor more than fifteen (15) directors (exclusive of Preferred Stock Directors). However, no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(b) Except as otherwise provided in this Section 3.02, each director shall be elected by the vote of the majority of the votes cast with respect to that director's election at any meeting for the election of directors at which a quorum is present, *provided* that if, as of the tenth (10th) day preceding the date the Corporation first mails its notice of meeting for such meeting to the stockholders of the Corporation, the number of nominees exceeds the number of directors to be elected (a "**Contested Election**"), the directors shall be elected by the vote of a plurality of the votes cast. For purposes of this Section 3.02, a majority of votes cast shall mean that the number of votes cast "for" a director's election exceeds the number of votes cast "against" that director's election (with "abstentions" and "broker nonvotes" not counted as a vote cast either "for" or "against" that director's election).

(c) In order for any incumbent director to become a nominee of the Board of Directors for further service on the Board of Directors, such person must submit an irrevocable resignation, *provided* that such resignation shall be

effective if (i) that person shall not receive a majority of the votes cast in an election that is not a Contested Election, and (e) the Board of Directors shall accept that resignation in accordance with the policies and procedures adopted by the Board of Directors for such purpose. In the event an incumbent director fails to receive a majority of the votes cast in an election that is not a Contested Election, the nominating and corporate governance committee of the Board of Directors, or such other committee designated by the Board of Directors pursuant to Section 3.09 of these Amended and Restated Bylaws, shall make a recommendation to the Board of Directors as to whether to accept or reject the resignation of such incumbent director, or whether other action should be taken. The Board of Directors shall act on the resignation, taking into account the committee's recommendation, and publicly disclose (by a press release and filing an appropriate disclosure with the Securities and Exchange Commission) its decision regarding the resignation and, if such resignation is rejected, the rationale behind the decision within ninety (90) days following certification of the election results.

(d) If the Board of Directors accepts a director's resignation pursuant to this Section 3.02, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy pursuant to Article 7 of the Amended and Restated Certificate of Incorporation or may decrease the size of the Board of Directors pursuant to the provisions of this Section 3.02.

Section 3.03. *Regular Meetings.* The Board of Directors may, by resolution, provide the time and place for the holding of regular meetings without other notice than such resolution. Unless otherwise determined by the Board of Directors, the Secretary or an Assistant Secretary of the Corporation shall act as secretary at all regular meetings of the Board of Directors and in the absence of the Secretary and any Assistant Secretary, a temporary secretary shall be appointed by the chairman of the meeting.

Section 3.04. *Special Meetings.* Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings. Unless otherwise determined by the Board of Directors, the Secretary or an Assistant Secretary of the Corporation shall act as secretary at all special meetings of the Board of Directors and in the absence of the Secretary and any Assistant Secretary, a temporary secretary shall be appointed by the chairman of the meeting.

Section 3.05. *Notice.* Notice of any special meeting shall be mailed to each director at his or her business or residence not later than three days before

the day on which such meeting is to be held or shall be sent to either of such places by telegraph or facsimile or other electronic transmission, or be communicated to each director personally or by telephone (including without limitation to a representative of the director or to the director's electronic voice message system), not later than the day before such day of meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Amended and Restated Bylaws as provided pursuant to Section 8.01 hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in accordance with Section 6.04 hereof, either before or after such meeting.

Section 3.06. *Action Without Meeting.* Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee.

Section 3.07. *Conference Telephone Meetings.* Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 3.08. *Quorum.* At all meetings of the Board of Directors, a majority of the total number of directors specified in the resolution pursuant to Section 3.02 of these Amended and Restated Bylaws which the Corporation would have if there were no vacancies, shall constitute a quorum for the transaction of business. At all meetings of the committees of the Board of Directors, the presence of 50% or more of the total number of members (assuming no vacancies) shall constitute a quorum. The act of the directors or committee members present at any meeting at which there is a quorum shall be the act of the Board of Directors or such committee, as the case may be, except as otherwise provided in the Delaware General Corporation Law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws. If a quorum shall not be present at any meeting of the Board of Directors or any committee, a majority of the directors or members, as the case may be, present thereat may adjourn the meeting from time to time without further notice other than announcement at the meeting.

Section 3.09. *Committees.* (a) The Corporation shall have three standing committees: the nominating and corporate governance committee, the audit committee and the compensation committee. Each such standing committee shall consist of such number of directors of the Corporation and shall have such powers and authority as shall be determined by resolution of the Board of Directors.

(b) In addition, the Board of Directors may designate one or more additional committees, with each such committee consisting of such number of directors of the Corporation and having such powers and authority as shall be determined by resolution of the Board of Directors.

(c) All acts done by any committee within the scope of its powers and authority pursuant to these Amended and Restated Bylaws and the resolutions adopted by the Board of Directors in accordance with the terms hereof shall be deemed to be, and may be certified as being, done or conferred under authority of the Board of Directors. The Secretary or any Assistant Secretary is empowered to certify that any resolution duly adopted by any such committee is binding upon the Corporation and to execute and deliver such certifications from time to time as may be necessary or proper to the conduct of the business of the Corporation.

(d) Regular meetings of committees shall be held at such times as may be determined by resolution of the Board of Directors or the committee in question and no notice shall be required for any regular meeting other than such resolution. A special meeting of any committee shall be called by resolution of the Board of Directors, or by the Secretary or an Assistant Secretary upon the request of the chairman or a majority of the members of such committee. Notice of special meetings shall be given to each member of the committee in the same manner as that provided for in Section 3.05 of these Amended and Restated Bylaws.

Section 3.10. *Committee Members.* (a) Each member of any committee of the Board of Directors shall hold office until such member's successor is elected and has qualified, unless such member sooner dies, resigns or is removed.

(b) The Board of Directors may designate one or more directors as alternate members of any committee to fill any vacancy on a committee and to fill a vacant chairmanship of a committee, occurring as a result of a member or chairman leaving the committee, whether through death, resignation, removal or otherwise.

Section 3.11. *Committee Secretary.* Each committee may elect a secretary for such committee. Unless otherwise determined by the committee, the Secretary or an Assistant Secretary of the Corporation shall act as secretary at all regular meetings and special meetings of the committee, and in the absence of the

Secretary or any Assistant Secretary a temporary secretary shall be appointed by the chairman of the meeting.

Section 3.12 . *Compensation.* The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid compensation as director, lead director or chairman of any committee. Members of special or standing committees may be allowed compensation and payment of expenses.

ARTICLE 4
CHAIRMAN AND OFFICERS

Section 4.01 . *General.* The Board shall elect a Chairman of the Board; a Chief Executive Officer; a President; a Chief Financial Officer; a General Counsel; a Secretary; one or more Assistant Secretaries; a Treasurer; one or more Assistant Treasurers; and such other officers as in the judgment of the Board of Directors may be necessary or desirable. All officers chosen by the Board of Directors shall have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article 4. Such officers shall also have powers and duties as from time to time may be conferred by the Board of Directors or any committee thereof. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws. The officers of the Corporation need not be stockholders or directors of the Corporation, except that the Chief Executive Officer shall be a member of the Board of Directors.

Section 4.02 . *Election and Term of Office.* The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or be removed.

Section 4.03 . *Chairman of the Board.* The Chairman of the Board may be, but need not be, a person other than the Chief Executive Officer of the Corporation. The Chairman of the Board may be, but need not be, an officer or employee of the Corporation. The Chairman of the Board, if present, shall preside at all meetings of the Board of Directors and at all meetings of the stockholders of the Corporation. In the absence or disability of the Chairman of the Board, the duties of the Chairman of the Board shall be performed and the

authority of the Chairman of the Board may be exercised by a director designated for this purpose by the Board of Directors.

Section 4.04. *Chief Executive Officer.* The Chief Executive Officer shall be a member of the Board of Directors. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall supervise, coordinate and manage the Corporation's business and activities and supervise, coordinate and manage its operating expenses and capital allocation, shall have general authority to exercise all the powers necessary for the Chief Executive Officer of the Corporation and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these Amended and Restated Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors.

Section 4.05. *President.* The President shall have general authority to exercise all the powers necessary for the President of the Corporation and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these Amended and Restated Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors and the Chief Executive Officer.

Section 4.06. *Chief Financial Officer.* The Chief Financial Officer shall have responsibility for the financial affairs of the Corporation and shall exercise supervisory responsibility for the performance of the duties of the Treasurer. The Chief Financial Officer shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these Amended and Restated Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors and the Chief Executive Officer.

Section 4.07. *General Counsel.* The General Counsel shall have responsibility for the legal affairs of the Corporation. The General Counsel shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these Amended and Restated Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors and the Chief Executive Officer.

Section 4.08. *Vacancies.* A newly created office and a vacancy in any office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the terms at any meeting of the Board of Directors.

ARTICLE 5
STOCK CERTIFICATES AND TRANSFERS

Section 5.01. *Stock Certificates and Transfers.* (a) The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe; *provided* that the Board of Directors may provide by resolution or resolutions that all or some of all classes or series of the stock of the Corporation shall be represented by uncertificated shares. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman of the Board, the Chief Executive Officer, the President or any Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

(b) Any or all of the signatures on the certificates (if any) representing the stock of the Corporation may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

(c) The shares of the stock of the Corporation represented by certificates shall be transferred on the books of the Corporation by the holder thereof in person or by his attorney, upon surrender for cancellation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be canceled and issuance of new equivalent uncertificated shares or certificated shares (if authorized) shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to the Delaware General Corporation Law or, unless otherwise provided by the Delaware General Corporation Law, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 5.02 . *Lost, Stolen or Destroyed Certificates.* No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or its designee may in its or his discretion require.

ARTICLE 6
MISCELLANEOUS PROVISIONS

Section 6.01. *Fiscal Year.* The fiscal year of the Corporation shall be as specified by the Board of Directors.

Section 6.02. *Dividends.* The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Amended and Restated Certificate of Incorporation.

Section 6.03. *Seal.* The corporate seal shall have thereon the name of the Corporation and shall be in such form as may be approved from time to time by the Board of Directors or by any officer authorized to do so by the Board of Directors.

Section 6.04. *Waiver of Notice.* Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or any meeting of the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

Section 6.05. *Audits.* The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant.

Section 6.06. *Resignations.* Any director or any officer, whether elected or appointed, may resign at any time upon notice of such resignation to the Corporation.

Section 6.07. *Indemnification and Insurance.* (a) Each person who was or is made a party or is threatened to be made a party to or is involved in any

manner in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Corporation or a director or officer of a Subsidiary (as defined below), shall be indemnified and held harmless by the Corporation to the fullest extent permitted from time to time by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, if permitted by applicable law, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereafter in effect, and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors and administrators; *provided* that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by this Section 6.07. The Corporation shall pay the expenses incurred by such person in defending any such proceeding in advance of its final disposition upon receipt (unless the Corporation upon authorization of the Board of Directors waives such requirement to the extent permitted by applicable law) of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Section 6.07 or otherwise.

(b) The indemnification and the advancement of expenses incurred in defending a proceeding prior to its final disposition provided by, or granted pursuant to, this Section 6.07 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Amended and Restated Certificate of Incorporation, other provision of these Amended and Restated Bylaws, agreement, vote of stockholders or Disinterested Directors (as defined below) or otherwise. No repeal, modification or amendment of, or adoption of any provision inconsistent with, this Section 6.07, nor to the fullest extent permitted by applicable law, any modification of law, shall adversely affect any right or protection of any person granted pursuant hereto existing at, or with respect to any events that occurred prior to, the time of such repeal, amendment, adoption or modification.

(c) The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was a director, officer, partner, member, employee or agent of the Corporation or a Subsidiary or of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to

indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

(d) The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any person who is or was an employee or agent (other than a director or officer) of the Corporation or a Subsidiary and to any person who is or was serving at the request of the Corporation or a Subsidiary as a director, officer, partner, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation or a Subsidiary, to the fullest extent of the provisions of this Section 6.07 with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(e) If any provision or provisions of this Section 6.07 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, the legality and enforceability of the remaining provisions of this Section 6.07 (including, without limitation, each portion of any paragraph or clause of this Section 6.07 containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Section 6.07 (including, without limitation, each such portion of any paragraph of this Section 6.07 containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(f) For purposes of these Amended and Restated Bylaws:

(1) "**Disinterested Director**" means a director of the Corporation who is not and was not a party to the proceeding or matter in respect of which indemnification is sought by the claimant.

(2) "**Subsidiary**" means any corporation, trust, limited liability company or other non-corporate business enterprise in which the Corporation directly or indirectly holds ownership interests representing (A) more than 50% of the voting power of all outstanding ownership interests of such entity (other than directors' qualifying shares, in the case of a corporation) or (B) the right to receive more than 50% of the net assets of such entity available for distribution to the holders of outstanding ownership interests upon a liquidation or dissolution of such entity.

(g) Any notice, request, or other communication required or permitted to be given to the Corporation under this Section 6.07 shall be in writing and

either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary or the General Counsel or any designee of the Secretary or the General Counsel and shall be effective only upon receipt by such officer or designee.

ARTICLE 7
CONTRACTS, PROXIES, ETC.

Section 7.01. *Contracts.* Except as otherwise required by law, the Amended and Restated Certificate of Incorporation or these Amended and Restated Bylaws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board may determine. Subject to the control and direction of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, the General Counsel and the Treasurer may enter into, execute, deliver and amend bonds, promissory notes, contracts, agreements, deeds, leases, guarantees, loans, commitments, obligations, liabilities and other instruments to be made or executed for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors, such officers of the Corporation may delegate such powers to others under his or her jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

Section 7.02. *Proxies.* Unless otherwise provided by resolution adopted by the Board of Directors, the Chief Executive Officer or the President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation or entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation or entity, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation or entity, and may instruct the person or persons so appointed as to the manner of casting such vote or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLE 8
AMENDMENTS

Section 8.01. *Amendments.* These Amended and Restated Bylaws may be altered, amended or repealed, in whole or in part, or new Amended and Restated Bylaws may be adopted by the stockholders or by the Board of Directors at any meeting thereof; *provided*, that notice of such alteration, amendment, repeal or adoption of new Amended and Restated Bylaws is contained in the notice of such meeting of stockholders or in the notice of such meeting of the Board of Directors and, in the latter case, such notice is given not less than twenty-four hours prior to the meeting. Unless a higher percentage is required by the Amended and Restated Certificate of Incorporation as to any matter which is the subject of these Amended and Restated Bylaws, all such amendments must be approved by either the holders of eighty percent (80%) of the voting power of the then outstanding Voting Stock or by a majority of the Board of Directors.

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Exhibit 10.10

EXECUTION VERSION

INTELLECTUAL PROPERTY AGREEMENT

This Intellectual Property Agreement (the "Agreement"), is entered into as of November 20, 2007 (the "Effective Date"), by and between Morgan Stanley & Co. Incorporated, a Delaware corporation ("MS") and MSCI Inc., a Delaware corporation ("MSCI"). (MS and MSCI individually referred to as a "Party" and collectively as the "Parties").

1. DEFINITIONS

1.1 Certain Definitions.

As used in this Agreement:

(a) "Including" and its derivatives, each whether or not capitalized in this Agreement, means "including but not limited to".

(b) "Licensed Materials" means, as applicable, the MS Licensed Materials and the MSCI Licensed Materials.

(c) "MS Licensed Materials" means collectively, to the extent owned by a member of the MS Provider Group, any hardware settings and configurations, generic software libraries and routines, and generic document templates not separately commercialized by the MS Provider Group (as defined below) and used by MSCI prior to the Trigger Date. For the avoidance of doubt, the MS Licensed Materials does not include (i) any patent, trademark or service mark of the MS Provider Group, or (ii) any infrastructure hardware or software (e.g., monitoring software and systems, customized operating systems (and components such as AFS, DNS, AD, etc.), and middleware). For the avoidance of doubt, the document templates do not include any references to members of the MS Provider Group or its personnel.

(d) "MSCI Licensed Materials" means collectively, to the extent owned by a member of the MSCI Provider Group, any hardware settings and configurations, generic software libraries and routines, and generic document templates not separately commercialized by the MSCI Provider Group (as defined below) and used by MS prior to the Trigger Date. For the avoidance of doubt, the MSCI Licensed Materials does not include (i) any patent, trademark or service mark of the MSCI Provider Group, (ii) any infrastructure hardware or software (e.g., monitoring software and systems, customized operating systems and middleware), or (iii) any software or data separately licensed to MS by the MSCI Provider Group (such as the Barra Aegis software or the MSCI indices). For the avoidance of doubt, the document templates do not include any references to members of the MSCI Provider Group or its personnel.

(e) "Trigger Date" means the date upon which Morgan Stanley shall cease to own more than 50% of the issued and outstanding shares of MSCI common stock.

1.2 Other Terms.

Other terms used in this Agreement are defined in the context in which they are used and shall have the meanings there indicated.

2. GRANT OF LICENSE

2.1 MS Grant.

MS hereby grants (subject to any existing third party contractual obligations) to MSCI a non-exclusive, perpetual, irrevocable, world-wide, royalty-free license for MSCI to use, modify, copy, create derivative works of and sublicense, for any business purpose, the MS Licensed Materials.

2.2 MSCI Grant.

MSCI hereby grants (subject to any existing third party contractual obligations) to MS a non-exclusive, perpetual, irrevocable, world-wide, royalty-free license for MS to use, modify, copy, create derivative works of and sublicense, for any business purpose, the MSCI Licensed Materials.

2.3 Internet and Subnet Addresses.

For the avoidance of doubt, this Agreement does not address or affect any rights of the Parties in or to internet or subnet addresses.

3. DELIVERY

3.1 No Support or Maintenance or Obligation to Deliver.

The Parties shall have no obligation to provide support or maintenance for the Licensed Materials, including any obligation to update or correct such Licensed Materials. The Parties shall have no obligation to provide copies of the Licensed Materials (including in the case of software, any source code and object code).

4. NO WARRANTIES

THE LICENSE GRANTS HEREUNDER ARE PROVIDED “AS-IS” WITH NO WARRANTIES, AND THE PARTIES EXPRESSLY EXCLUDE AND DISCLAIM ANY WARRANTIES UNDER OR ARISING AS A RESULT OF THIS AGREEMENT, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT OR ANY OTHER WARRANTY WHATSOEVER.

5. LIMITATIONS OF LIABILITY

(a) MSCI agrees that neither MS nor its affiliates or subsidiaries (other than MSCI) (collectively, the “MS Provider Group”) and the respective directors, officers, agents, and employees of the MS Provider Group shall have any liability, whether direct or indirect, in contract or tort or otherwise, to MSCI for or in connection with this Agreement or the transactions contemplated hereby or any actions or inactions by or on behalf of the MS Provider Group in connection with this Agreement and such transactions.

(b) MS agrees that neither MSCI nor its subsidiaries (collectively, the “MSCI Provider Group”) and the respective directors, officers, agents, and employees of the MSCI Provider Group shall have any liability, whether direct or indirect, in contract or tort or

otherwise, to MS for or in connection with this Agreement or the transactions contemplated hereby or any actions or inactions by or on behalf of the MSCI Provider Group in connection with this Agreement and such transactions.

(c) Notwithstanding the provisions of Section 5(a) and (b), none of the members of the MS Provider Group and the MSCI Provider Group shall be liable for any special, indirect, incidental, consequential or punitive damages of any kind whatsoever in any way due to, resulting from or arising in connection with the performance of or failure to perform MS's or MSCI's obligations under this Agreement. This disclaimer applies without limitation (i) to claims for lost profits, (ii) regardless of the form of action, whether in contract, tort (including negligence), strict liability, or otherwise, and (iii) regardless of whether such damages are foreseeable or whether any member of the MS Provider Group or the MSCI Provider Group has been advised of the possibility of such damages.

(d) In addition to the foregoing, each Party agrees that it shall, in all circumstances, use commercially reasonable efforts to mitigate and otherwise minimize its damages, whether direct or indirect, due to, resulting from or arising in connection with any failure by the other Party to comply fully with its obligations under this Agreement.

6. MISCELLANEOUS

6.1 Governing Law; Jurisdiction; Dispute Resolution.

(a) This Agreement shall be construed in accordance with and governed by the substantive internal laws of the State of New York. MSCI Inc. is registered to do business in New York under the name NY MSCI.

(b) Any action seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the United States District Court for the Southern District of New York or any other New York State court sitting in New York County, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court.

(c) THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.2 Severability.

If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not render the entire Agreement invalid. Rather, the Agreement shall be construed as if not containing the particular invalid or unenforceable provision, and the rights and obligations of each party shall be construed and enforced accordingly.

6.3 Notices.

Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, or mail, to the following addresses:

To Morgan Stanley & Co. Incorporated:

Morgan Stanley
1585 Broadway
New York, NY 10036
Attn: Martin M. Cohen, Director of Company Law
Facsimile: (212) 507-3334

To MSCI:

MSCl Inc.
88 Pine Street
New York, New York 10005
Attn: General Counsel
Facsimile: (212) 804-2906

or to such other addresses or telecopy numbers as may be specified by like notice to the other party. All such notices, requests and other communications shall be deemed given, (a) when delivered in person or by courier or a courier services, (b) if sent by facsimile transmission (receipt confirmed) on a business day prior to 5 p.m. in the place of receipt, on the date of transmission (or, if sent after 5 p.m., on the following business day) or (c) if mailed by certified mail (return receipt requested), on the date specified on the return receipt.

6.4 Entire Agreement.

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof.

6.5 Third Party Beneficiaries.

This Agreement is not intended to confer upon any person or entity other than the parties hereto any rights or remedies hereunder.

6.6 Amendments and Waiver.

(a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

6.7 Construction.

References to a "Section" shall be references to the sections of this Agreement, unless otherwise specifically stated. The Section headings in this Agreement are intended to be for reference purposes only and shall in no way be construed to modify or restrict any of the terms or provisions of this Agreement.

6.8 Counterparts.

This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement.

[Remainder of this page is intentionally left blank]

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

MORGAN STANLEY & CO. INCORPORATED

By: /s/ MARTIN M. COHEN
Name: MARTIN M. COHEN
Title: MANAGING DIRECTOR

MSCI INC.

By: _____
Name:
Title:

Signature Page to the
Intellectual Property Agreement

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

MORGAN STANLEY & CO. INCORPORATED

By: _____
Name:
Title:

MSCI INC.

By: /s/ Henry Fernandez
Name: Henry Fernandez
Title: CEO & President

Exhibit 10.11

EXECUTION VERSION

SERVICES AGREEMENT

by and between

MORGAN STANLEY

and

MSCI INC.

Dated as of November 20, 2007

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SERVICES AGREEMENT

This Services Agreement (this **"Agreement"**) is entered into as of November 20, 2007 by and between Morgan Stanley, a Delaware corporation (**"Morgan Stanley"**), and MSCI Inc., a Delaware corporation (**"MSCI"**).

RECITALS

WHEREAS, MSCI is preparing to issue a certain amount of its Class A Common Stock (as defined below) to the public in an initial public offering (the **"MSCI IPO"**); and

WHEREAS, Morgan Stanley has heretofore directly or indirectly provided certain services to MSCI Group (as defined below).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Morgan Stanley and MSCI, for themselves, their successors and permitted assigns, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions.* (a) As used in this Agreement, the following terms shall have the following meanings, applicable both to the singular and the plural forms of the terms described:

"Actions" has the meaning set forth in Section 5.03.

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person; *provided that* for purposes of this Agreement, any Person who was a member of both Groups prior to the MSCI IPO shall be deemed to be an Affiliate only of the Group of which such Person is a member following the MSCI IPO. For purposes of this definition, **"control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms **"controlling"** and **"controlled"** have meanings correlative to the foregoing. Any contrary provision of this Agreement notwithstanding, members of the Morgan Stanley Group, on the one hand, and members of the MSCI Group, on the other hand, shall not be deemed to be Affiliates of the other.

"Agreement" has the meaning set forth in the preamble hereto.

"Applicable Law" means, with respect to any Person, any federal, state, local or foreign law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, directive, guidance, instruction, direction, permission, waiver, notice, condition, limitation, restriction or prohibition or other similar requirement enacted, adopted, promulgated, imposed, issued or applied by a Governmental Authority that is binding upon or applicable to such Person, its properties or assets or its business or operations, as amended unless expressly specified otherwise.

"Baseline Period" means the twelve months prior to the date hereof.

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

"Change of Control" means (i) the direct or indirect acquisition (by merger, consolidation, business combination or otherwise) by any Person or group of Persons of beneficial ownership (as defined in Rule 13d-1 and Rule 13d-5 under the Securities Exchange Act of 1934) of 50% or more of the Total Voting Power of MSCI; (ii) any merger, consolidation or other business combination of MSCI or a Subsidiary of MSCI with any Person after giving effect to which (x) the shareholders of MSCI immediately prior to such transaction do not own at least 50% of the Total Voting Power of the ultimate parent entity of the parties to such transaction or (y) individuals who were directors of MSCI immediately prior to such transaction (or their designees) do not constitute a majority of the board of directors of such ultimate parent entity; or (iii) the direct or indirect acquisition by any Person or group of Persons of all or substantially all of the assets of MSCI.

"Class A Common Stock" means the Class A Common Stock of MSCI, having a par value of $0.01 per share.

"Class B Common Stock" means the Class B Common Stock of MSCI, having a par value of $0.01 per share.

"Common Stock" means the Class A Common Stock and the Class B Common Stock.

"Confidential Information" has the meaning set forth in Section 7.01.

"Data Protection Laws" means the European Commission Data Protection Directive (95/46/EC) or Data Protection Act 1988 or any implementing or related legislation of any member state in the European Economic Area.

"force majeure" has the meaning set forth in Section 8.04.

"Fully Loaded Cost" means all costs (other than Senior Management Overhead which will be allocated separately to MSCI as set forth in Section 3.01) of providing any Service, including all related overhead and out-of-pocket costs and expenses.

"Governmental Authority" means any multinational, foreign, federal, state, local or other governmental, statutory or administrative authority, regulatory body or commission or any court, tribunal or judicial or arbitral authority which has any jurisdiction or control over either party (or their Affiliates).

"Group" means the MSCI Group or Morgan Stanley Group as applicable.

"Indemnified Party" has the meaning set forth in Section 5.07(a).

"Indemnifying Party" has the meaning set forth in Section 5.07(a).

"Insolvency Event" means with respect to either party, as applicable, (i) the making by such party of any assignment for the benefit of creditors of all or substantially all of its assets or the admission by such party in writing of its inability to pay all or substantially all of its debts as they become due; (ii) the adjudication of such party as bankrupt or insolvent or the filing by such party of a petition or application to any tribunal for the appointment of a trustee or receiver for such party or any substantial part of the assets of such party; or (iii) the commencement of any voluntary or involuntary bankruptcy proceedings (and, with respect to involuntary bankruptcy proceedings, the failure to be discharged within 60 days), reorganization proceedings or similar proceeding with respect to such party or the entry of an order appointing a trustee or receiver or approving a petition in any such proceeding.

"Invoice Date" has the meaning set forth in Section 3.03(a).

"IPO Date" means the date of completion of the initial sale of MSCI Class A Common Stock in the MSCI IPO.

"Morgan Stanley" has the meaning set forth in the recitals hereto.

"Morgan Stanley Entity" means any member of the Morgan Stanley Group.

"Morgan Stanley Group" means Morgan Stanley and its Subsidiaries (other than any Subsidiary or member of, or other entity in, the MSCI Group) as of and after the IPO Date.

"Morgan Stanley Indemnified Person" has the meaning set forth in Section 5.02(a).

"Morgan Stanley Systems" means any computer software program or routine or part thereof owned, licensed or provided by any Morgan Stanley Entity or its suppliers on any Morgan Stanley Entity's behalf, each as modified, maintained or enhanced from time to time by any Morgan Stanley Entity, any MSCI Entity or any third party.

"MSCI" has the meaning set forth in the recitals hereto.

"MSCI Entity" means any member of the MSCI Group.

"MSCI Group" means MSCI and its Subsidiaries as of and after the IPQ Date.

"MSCI Indemnified Person" has the meaning set forth in Section 4.06.

"MSCI IPO" has the meaning set forth in the recitals hereto.

"MSCI Services" has the meaning as set forth in Section 2.04.

"MSCI Systems" means any computer software program or routine or part thereof owned, licensed or provided by any MSCI Entity or its suppliers on any MSCI Entity's behalf, each as modified, maintained or enhanced from time to time by any MSCI Entity, any Morgan Stanley Entity or any third party.

"Non-Compliance Notice" has the meaning set forth in Section 4.06.

"Operating Committee" has the meaning set forth in Section 4.04(a).

"Payer" has the meaning set forth in Section 3.02(c).

"Payee" has the meaning set forth in Section 3.02(c).

"Payment Date" has the meaning set forth in Section 3.03(c).

"Person" means individual, corporation, limited liability company, partnership, association, trust or other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

"Personal Information" means personally identifiable information as defined under applicable Data Protection Laws of either party which the other party receives or to which the other party otherwise has access.

"Post-Trigger Costs" has the meaning set forth in Section 3.01(b).

"Pre-Trigger Costs" has the meaning set forth in Section 3.01(a).

"Schedule" means a Schedule attached hereto forming part of this Agreement and "Schedules" shall have a corresponding meaning.

"Senior Management Overhead" means the portion of compensation-related expenses for Morgan Stanley senior executives as allocated to MSCI.

"Service Costs" has the meaning set forth in Section 3.01(b).

"Services" has the meaning set forth in Section 2.01(a).

"Subsidiary" means, with respect to any Person, any other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person; *provided that* for the purposes of Sections 2.02, 2.03 and 4.01, such meaning shall be limited to those Subsidiaries of a Person as at the IPQ Date only and any Subsidiaries formed in connection with any internal reorganization of such Person.

"Supplier" has the meaning set forth in Section 3.02(b).

"Supply Recipient" has the meaning set forth in Section 3.02(b).

"Systems" means the Morgan Stanley Systems or the MSCI Systems, individually, or the Morgan Stanley Systems and the MSCI Systems, collectively, as the context may indicate or require.

"Tax" means any tax, levy, impost, duty or other similar charge (including any penalty or interest payable in connection with any failure to pay or delay in paying the same).

"Third Party Action" has the meaning set forth in Section 5.06.

"Total Voting Power" means, with respect to any Person, the total combined voting power of all securities of such Person entitled to vote generally in the election of directors of such Person.

"Trigger Date" means the date upon which Morgan Stanley shall cease to own more than 50% of the issued and outstanding shares of Common Stock.

"UK Transfer Regulations" means the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended or superseded from time to time.

"VAT" means value added tax and any tax of a similar nature imposed under the laws of any jurisdiction.

ARTICLE 2
PURCHASE AND SALE OF SERVICES

Section 2.01. *Purchase and Sale of Services.* (a) On the terms and subject to the conditions of this Agreement and in consideration of the Service Costs described below, Morgan Stanley agrees to provide MSCI, or procure the provision to MSCI of, and MSCI agrees to purchase from Morgan Stanley, the services (the **"Services"**) as set forth on the Schedules or as may be otherwise agreed in writing by the parties from time to time.

(b) Morgan Stanley and MSCI agree to discuss in good faith at or prior to the Trigger Date (i) which Services can and should be discontinued in light of the circumstances at such time and (ii) which Schedules for any continuing Services shall be restated to reflect agreed final arrangements between the parties; *provided that* in no event shall any Service continue for more than twelve months after the Trigger Date.

Section 2.02. *Subsidiaries.* It is understood that (i) the Services to be provided to MSCI under this Agreement shall, at MSCI's request, be provided to any Person that is a Subsidiary of MSCI and (ii) Morgan Stanley may satisfy its obligation to provide or procure Services hereunder by causing one or more of its Subsidiaries to provide or procure such Services. With respect to Services provided to, or procured on behalf of, any Subsidiary of MSCI, MSCI agrees to pay on behalf of such Subsidiary all amounts payable by or in respect of such Services pursuant to this Agreement.

Section 2.03. *Additional Services.* Except for the Services expressly contemplated to be provided in accordance with Section 2.01, this Section 2.03 and Section 6.03(c), Morgan Stanley shall have no obligation under this Agreement to provide any services to the MSCI Group. Morgan Stanley agrees to (i) consider in good faith (but shall have no obligation to accept) any requests by MSCI for the provision of any continued or additional services that MSCI considers are reasonably necessary to accommodate normal growth in MSCI's business and (ii) use reasonable efforts in good faith to provide continued or additional services that MSCI considers are reasonably necessary to transfer responsibility for the provision of any Services from Morgan Stanley to MSCI or any third party as MSCI may designate during the term of this Agreement, and upon termination or expiration of any Service or of this Agreement, including as to data migration. Any such continued or additional services will be on such terms and conditions (including pricing) as the parties shall mutually agree.

Section 2.04. *Services Provided by MSCI.* If it is reasonably necessary for MSCI to provide any services or resources to Morgan Stanley or any third party regarding any aspect of the MSCI Group business or Services (the **"MSCI Services"**) so that Morgan Stanley, any Subsidiary of Morgan Stanley or third

party provider may provide the Services hereunder, MSCI shall provide such services or resources (i) in a timely and effective manner; (ii) without cost to Morgan Stanley, any Subsidiary of Morgan Stanley or any third party; and (iii) in a manner that ensures that the nature, quality and standard of care of the MSCI Services provided shall be substantially the same as have been provided by the MSCI Group's business during the Baseline Period.

Section 2.05. *Third Party Services, Licenses and Consents.* Morgan Stanley and MSCI shall use commercially reasonable efforts to obtain and maintain all governmental or third party services, licenses and consents required for the provision of any Service by Morgan Stanley in accordance with the terms of this Agreement; *provided that* the costs relating to obtaining any such services, licenses or consents, to the extent attributable to the performance of the Services, shall be borne by MSCI; *provided further* that Morgan Stanley shall not be required to provide such Service (x) unless and until the required services, licenses and/or consents have been obtained or (y) in the event the required services, licenses and/or consents are terminated or revoked.

ARTICLE 3
SERVICE COSTS; OTHER CHARGES

Section 3.01. *Service Costs Generally.* Unless any Schedule hereto indicates otherwise or the parties shall agree in writing to a different arrangement for each Service provided hereunder, MSCI shall pay to Morgan Stanley:

(a) Prior to the Trigger Date, MSCI will continue to be allocated (i) Fully Loaded Costs for any Services it continues to receive from Morgan Stanley and (ii) its share of Senior Management Overhead, in each case applying the same methodology used by Morgan Stanley prior to the MSCI IPO (the **"Pre-Trigger Costs"**); and

(b) After the Trigger Date, MSCI will pay an amount (the **"Post-Trigger Costs"** and, together with the Pre-Trigger Costs, the **"Service Costs"**), reasonably agreed by the parties, for any Services it continues to receive from Morgan Stanley, that will be not less than the Fully Loaded Costs charged or allocated to MSCI immediately prior to the Trigger Date. In addition, after the Trigger Date, Senior Management Overhead will no longer be charged or allocated to MSCI as part of the Service Costs.

Section 3.02. *Taxes.* (a) MSCI shall pay all applicable sales or use taxes incurred with respect to provision of the Services. These taxes shall be incremental to other payments or charges identified in this Agreement.

(b) All amounts to be paid under this Agreement shall be exclusive of VAT, if any. Where, under this Agreement, any person (the **"Supplier"**) makes or is deemed to make a supply to another person (the **"Supply Recipient"**) for VAT purposes and VAT is or becomes chargeable in respect of such supply, the Supply Recipient shall pay to the Supplier an amount equal to such VAT: (i) where the consideration for such supply consists wholly of money, at the same time as paying such consideration; or (ii) where the consideration does not consist wholly of money, on or before the later of the date which is 30 days after the date on which such VAT is demanded in writing or when the supply is made; *provided that* the Supply Recipient shall first have received a proper VAT invoice in respect of such supply, addressed directly to the appropriate MSCI Entity that is in receipt of such supply.

(c) Where this Agreement requires any party (the **"Payer"**) to reimburse another party (the **"Payee"**) for any costs or expenses, the Payer shall also at the same time pay and indemnify the Payee against all VAT incurred by the Payee in respect of the costs or expenses to the extent that the Payee determines that neither it, nor any other member of any group of which it is a member for VAT purposes, is entitled to credit or repayment from the relevant tax authority in respect of VAT.

(d) All sums payable under this Agreement shall be paid free and clear of all deductions or withholdings unless the deduction or withholding is required by law, in which event the amount of the payment due from the party required to make such payment (other than amounts of interest) shall be increased to an amount which after any withholding or deduction leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.

Section 3.03. *Invoicing and Settlement of Costs.* (a) Prior to the Trigger Date, Morgan Stanley shall continue to allocate costs to MSCI based upon its method of allocating costs immediately prior to the MSCI IPO.

(b) After the Trigger Date, unless any Schedule hereto indicates otherwise or the parties shall agree in writing to a different arrangement, Morgan Stanley shall invoice or notify in writing on a monthly basis (not later than the 15th day of each month) an officer of MSCI designated by MSCI from time to time for such purpose (the date of delivery of such invoice being referred to herein as the **"Invoice Date").**

(c) MSCI agrees to pay on or before the date (each, a **"Payment Date"**) that is 45 days after the Invoice Date by wire transfer of immediately available funds payable to the order of Morgan Stanley all amounts invoiced by Morgan Stanley pursuant to Section 3.03(b). If MSCI fails to pay any monthly payment on or before the relevant Payment Date, MSCI shall be obligated to pay, in addition to the amount due on such Payment Date, to the extent permitted by Applicable Law, interest on such amount at the rate of 6% per annum compounded monthly from the relevant Payment Date through the date of payment.

ARTICLE 4
THE SERVICES

Section 4.01. *Standards of Service.* (a) The level or volume of any specific Service required to be provided to MSCI hereunder shall not materially exceed the level or volume of such Service as historically utilized by the MSCI Group during the Baseline Period. In providing any Service, Morgan Stanley shall have no obligation to allocate human, equipment or other resources materially in excess of the level of resources historically allocated to the provision to the MSCI Group of such Service by Morgan Stanley during the Baseline Period.

(b) The manner, nature, quality and standard of care applicable to the delivery by Morgan Stanley of any Service hereunder shall be (i) substantially the same as that of similar services which Morgan Stanley provides from time to time throughout its business, or (ii) in the case of a Service that Morgan Stanley has not provided in the past, substantially the same as that of similar services provided by similarly situated financial institutions.

(c) Morgan Stanley agrees that all Services it provides or causes to be provided will be provided in compliance with Applicable Law.

(d) After the Trigger Date, if any member of the MSCI Group shall purchase, lease or otherwise acquire any business, assets or properties or rights in respect thereof, Morgan Stanley shall have no obligation to provide any Services hereunder in respect of such acquired business, assets or properties.

Section 4.02. *Changes to the Services.* It is understood and agreed that Morgan Stanley may from time to time modify, change or enhance the manner, nature, quality and/or standard of care of any Service provided to MSCI to the extent Morgan Stanley is making a similar change in the performance of such services for the Morgan Stanley Group; *provided that* any such modification, change or enhancement will not reasonably be expected to have a material adverse effect on such Service. Morgan Stanley shall furnish to MSCI substantially the same notice (in content and timing), if any, as Morgan Stanley furnishes to its own organization with respect to such modifications, changes or enhancements. Any incremental expense incurred by Morgan Stanley in making any such modification, change or enhancement to the Services performed hereunder or in providing such Services on an ongoing basis shall be taken into account in the calculation of Service Costs as contemplated by Section 3.01.

Section 4.03. *Management of Services By Morgan Stanley.* Except as may otherwise be expressly provided in this Agreement, the management of and control over the provision of the Services by Morgan Stanley shall reside solely with Morgan Stanley and notwithstanding anything to the contrary Morgan Stanley shall be permitted to choose the methodology, systems and applications it utilizes in the provision of such Services. The provision, use of and access to the Services shall be subject to (i) any technical and operational changes that may be required to manage any restrictions imposed by Morgan Stanley in respect of data access; (ii) Morgan Stanley's business, operational and technical environment, standards, policies and procedures as may be modified from time to time; (iii) any MSCI Services and/or other third party services, resources or dependencies; (iv) any Applicable Law; and (v) the terms of this Agreement.

Section 4.04. *Operating Committee.* (a) The parties shall use an operating committee (the **"Operating Committee"**) to implement the terms of this Agreement. Each of Morgan Stanley and MSCI shall appoint an equal number of employees to the Operating Committee, such number to be as Morgan Stanley and MSCI shall agree as appropriate from time to time. The Operating Committee will oversee the implementation and ongoing operation of this Agreement and shall attempt in good faith to resolve disputes between the parties. Each of the parties shall have the right to replace one or more of its Operating Committee members at any time with employees or officers with comparable knowledge, expertise and decision-making authority.

(b) The Operating Committee shall act by a majority vote of its members. If the Operating Committee fails to make a decision, resolve a dispute or agree upon any necessary action, the unresolved matter shall be referred to a senior officer of each of Morgan Stanley and MSCI notified to the other party for such purpose from time to time, who shall attempt in good faith within a period of 14 days to conclusively resolve any such matter.

(c) During the term of this Agreement, the full Operating Committee shall meet at such times as it considers appropriate. Meetings of the Operating Committee may be in person or via teleconference and shall be convened and held in accordance with such procedures as the Operating Committee may determine from time to time.

Section 4.05. *Disaster Recovery and BCP.* Each party will maintain and operate and shall use reasonable efforts to ensure that all material subcontractors shall maintain and operate contingency, business continuity and disaster recovery facilities and procedures for the purposes of performing its obligations under this Agreement consistent with the facilities and procedures maintained and operated by such party in respect of its business generally.

Section 4.06. *Notice of Certain Matters.* If MSCI at any time believes that Morgan Stanley is not in full compliance with its obligations under Sections 4.01(a), 4.01(b) or 4.01(c), MSCI shall so notify Morgan Stanley in writing of such possible non-compliance by Morgan Stanley. Such notice (a **"Non-Compliance Notice"**) shall set forth in reasonable detail the basis for MSCI's belief as well as MSCI's view as to the steps to be taken by Morgan Stanley to address the possible non-compliance. For the 30 days after receipt of such a notice, the members of the Operating Committee (or, if so determined by them, other representatives of Morgan Stanley and MSCI) shall work in good faith to develop a plan to resolve the matters referred to in the Non-Compliance Notice. In the event such matters are not resolved through such discussions, the matter shall be referred for resolution as contemplated by Section 4.04(b). If such matters are not resolved pursuant to Section 4.04(b), MSCI may elect, by notice delivered within 14 days following completion of the time period contemplated by Section 4.04(b), to terminate Morgan Stanley's obligation to provide or procure, and its obligation to purchase, the Service or Services referred to in its Non-Compliance Notice in accordance with Section 6.02. In the event such matters are resolved through such discussions or, notwithstanding the failure to resolve such matters MSCI does not elect to terminate such Service or Services within such 14-day period, MSCI shall not be entitled to deliver another Non-Compliance Notice or pursue other remedies with respect to same or any substantially similar matter so long as, in the event of a resolution, Morgan Stanley complies in all material respects with the terms of such resolution. In no event shall any termination of any Service or Services pursuant to this Section 4.06 limit or affect MSCI's right to seek remedies in respect of any breach by Morgan Stanley of any of its obligations under this Agreement prior to such termination, subject to the limitations set forth in Article 5.

ARTICLE 5
DISCLAIMER, LIABILITY AND INDEMNIFICATION

Section 5.01. *EXCLUSION OF WARRANTIES.* EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SERVICES ARE PROVIDED "AS-IS" WITH NO WARRANTIES, AND MORGAN STANLEY EXPRESSLY EXCLUDES AND DISCLAIMS ANY WARRANTIES UNDER OR ARISING AS A RESULT OF THIS AGREEMENT, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT OR ANY OTHER WARRANTY WHATSOEVER.

Section 5.02. *Limitation of Liability.* (a) MSCI agrees that none of the members of the Morgan Stanley Group and their respective directors, officers, agents and employees (each, a **"Morgan Stanley Indemnified Person"**) shall

have any liability, whether direct or indirect, in contract or tort or otherwise, to any MSCI Entity or any other Person for or in connection with the Services rendered or to be rendered by or on behalf of any Morgan Stanley Indemnified Person pursuant to this Agreement, the transactions contemplated hereby or any actions or inactions by or on behalf of Morgan Stanley Indemnified Person in connection with any such Services or transactions, except to the extent any damages have been finally determined by a court of competent jurisdiction to have resulted from such Morgan Stanley Indemnified Person's gross negligence or willful misconduct in connection with any such Services, actions or inactions.

(b) Notwithstanding the provisions of Section 5.02(a), none of the members of the Morgan Stanley Group shall be liable for any special, indirect, incidental, consequential or punitive damages of any kind whatsoever in any way due to, resulting from or arising in connection with any of the Services or the performance of or failure to perform Morgan Stanley's obligations under this Agreement. This disclaimer applies without limitation (i) to claims arising from the provision of the Services or any failure or delay in connection therewith; (ii) to claims for lost profits; (iii) regardless of the form of action, whether in contract, tort (including negligence), strict liability or otherwise; and (iv) regardless of whether such damages are foreseeable or whether any member of the Morgan Stanley Group has been advised of the possibility of such damages.

(c) None of the members of the MSCI Group shall be liable for any special, indirect, incidental, consequential or punitive damages of any kind whatsoever in any way due to, resulting from or arising in connection with any of the Services or the performance of or failure to perform MSCI's obligations under this Agreement. This disclaimer applies without limitation (i) to claims arising from the provision of Services of any failure or delay in connection therewith; (ii) to claims for lost profits; (iii) regardless of the form of action, whether in contract, tort (including negligence), strict liability or otherwise; and (iv) regardless of whether such damages are foreseeable or whether any member of the MSCI Group has been advised of the possibility of such damages.

(d) None of the members of the Morgan Stanley Group shall have any liability to any MSCI Entity or any other Person for failure to perform Morgan Stanley's obligations under this Agreement or otherwise, where such failure to perform is not caused by the gross negligence or willful misconduct of the Morgan Stanley Entity providing such Services and such failure to perform similarly affects the Morgan Stanley Group receiving such Services and does not have a disproportionately adverse effect on the MSCI Group, taken as a whole.

(e) In addition to the foregoing, MSCI agrees that it shall, in all circumstances, use commercially reasonable efforts to mitigate and otherwise minimize its damages and those of the other MSCI Entities, whether direct or indirect, due to, resulting from or arising in connection with any failure by Morgan Stanley to comply fully with its obligations under this Agreement.

Section 5.03. *Indemnification of Morgan Stanley by MSCI.* MSCI agrees to indemnify and hold harmless each Morgan Stanley Indemnified Person from and against any damages, and to reimburse each Morgan Stanley Indemnified Person for all reasonable expenses as they are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding, or investigation (collectively, **"Actions"**), whether or not in connection with pending or threatened litigation and whether or not any Morgan Stanley Indemnified Person is a party, arising out of, in connection with or related to Services rendered or to be rendered by or on behalf of any Morgan Stanley Indemnified Person pursuant to this Agreement, the transactions contemplated hereby or any actions or inactions by or on behalf of any Morgan Stanley Indemnified Person in connection with any such Services or transactions; *provided that* MSCI shall not be responsible for any damages or expenses of any Morgan Stanley Indemnified Person to the extent such damages or expenses have been finally determined by a court of competent jurisdiction to have resulted from such Morgan Stanley Indemnified Person's gross negligence or willful misconduct in connection with any of such Services, actions or inactions (it being understood and agreed that the provision by any Morgan Stanley Entity of any of the Services without obtaining the consent of any party to any contract or agreement to which any Morgan Stanley Entity is a party as of the date hereof shall not constitute gross negligence or willful misconduct by any Morgan Stanley Entity; *provided that* the relevant Morgan Stanley Entity has used commercially reasonable efforts to obtain the relevant consent).

Section 5.04. *Indemnification of MSCI by Morgan Stanley.* Morgan Stanley agrees to indemnify and hold harmless each member of the MSCI Group and their respective directors, officers, agents, and employees (each, a **"MSCI Indemnified Person"**) from and against any damages, and shall reimburse each MSCI Indemnified Person for all reasonable expenses as they are incurred in investigating, preparing, or defending any Action, whether or not in connection with pending or threatened litigation and whether or not any MSCI Indemnified Person is a party, to the extent such damages have been finally determined by a court of competent jurisdiction to have arisen out of, in connection with or related to the gross negligence or willful misconduct of any Morgan Stanley Indemnified Person in connection with the Services rendered or to be rendered pursuant to this Agreement.

Section 5.05. *Taxes.* If a party is required to make any payment under Sections 5.03 or 5.04, it shall upon demand pay to the Person receiving such payment an amount equal to any loss, liability or cost which the receiving Person determines will or has been (directly or indirectly) suffered or incurred on account of Tax by the receiving Person in respect of such payment, net of any Tax benefit actually realized (as reasonably determined by such receiving Person in its sole discretion) in respect of the damages giving rise to such payment.

Section 5.06. *Indemnification as Exclusive Remedy.* Except for the termination rights provided under Sections 6.02(b) and 6.02(c), the indemnification provisions of this Article 5 shall be the exclusive remedy for breach of the Agreement. For the avoidance of doubt, the indemnification provisions of this Article 5, and the limitations on liability set forth herein, shall apply to all Actions between the parties as well as Actions asserted by any third party (a **"Third Party Action").**

Section 5.07. *Conduct of Proceedings.* (a) The party seeking indemnification under Sections 5.03 or 5.04 (the **"Indemnified Party"**) agrees to give prompt notice to the party against whom indemnity is sought (the **"Indemnifying Party"**) of the assertion of any Action in respect of which indemnity may be sought hereunder and will provide the Indemnifying Party such information with respect thereto that the Indemnifying Party may reasonably request. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have materially prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Action and, subject to the limitations set forth in this Section 5.07, if it so notifies the Indemnified Party no later than 30 days after receipt of the notice described in Section 5.07(a), shall be entitled to control and appoint lead counsel for such defense, in each case at its expense. If the Indemnifying Party does not control and appoint lead counsel for such defense, the Indemnified Party shall have the right to defend or contest such Third Party Action through counsel chosen by the Indemnified Party reasonably acceptable to the Indemnifying Party, subject to the provisions of this Section 5.07. The Indemnified Party shall provide the Indemnifying Party and such counsel with such information regarding such Third Party Action as either of them may reasonably request (which request may be general or specific).

(c) If the Indemnifying Party shall assume the control of the defense of any Third Party Action in accordance with the provisions of this Section 5.07, (i) the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Action, if the settlement does not release the Indemnified Party from all liabilities and obligations with respect to such Third Party Action or the settlement imposes injunctive or other equitable relief against the Indemnified Party and (ii) the Indemnified Party shall be entitled to participate in (but not control) the defense of such Third Party Action and to employ separate counsel of its choice for such purpose. The fees and expenses of such separate counsel shall be paid by the Indemnified Party.

(d) Each party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third party Action and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

(e) Each Indemnified Party shall use reasonable efforts to collect any amounts available under insurance coverage, or from any other Person alleged to be responsible, for any amounts payable under Section 5.03 or Section 5.04.

(f) If any Third Party Action shall be brought against a member of each Group, then the party as to which the Action primarily relates shall be deemed to be the Indemnifying Party for the purposes of this Article 5 and be entitled to control and appoint lead counsel for the defense of such Action.

ARTICLE 6
TERM AND TERMINATION

Section 6.01. *Term.* Except as otherwise provided in this Article 6, in Section 8.04, or in any Schedule or as otherwise agreed in writing by the parties, the term of this Agreement with respect to each Service shall commence as of the IPO Date and continue until no more Services are provided hereunder; *provided that* the provisions of Articles 5, 6, 7 and 8 shall survive any such termination indefinitely.

Section 6.02. *Termination.* (a) Except as otherwise provided in any Schedule hereto, MSCI may from time to time terminate this Agreement with respect to one or more of the Services it receives, in whole or in part, upon giving at least 30 days' prior written notice to Morgan Stanley.

(b) Morgan Stanley may terminate any Service or any part thereof it provides at any time if (i) a related Service or a third party service pursuant to which Morgan Stanley provides such Service to MSCI has been terminated or (ii) MSCI shall have failed to perform any of its material obligations under this Agreement relating to any such Service, Morgan Stanley has notified MSCI in writing of such failure and such failure shall have continued for a period of 30 days after receipt by MSCI of written notice of such failure. For the avoidance of doubt, the failure by MSCI to pay the full amount of any invoice when due shall be considered a breach of MSCI's material obligation under this Agreement. With respect to clause (i) of this Section 6.02(b), if Morgan Stanley receives written notice from any third party service provider that such Person intends to terminate such service, Morgan Stanley and MSCI shall use commercially reasonable efforts to secure the continued provision of that service from such third party or an alternative service provider; *provided that* any costs incurred in doing so, to the extent attributable to the Services, shall be borne by MSCI.

(c) MSCI may terminate any Service it receives as provided in the applicable Schedule or at any time if Morgan Stanley shall have failed to perform any of its material obligations under this Agreement relating to any such Service, MSCI has notified Morgan Stanley in writing of such failure, and such failure shall have continued for a period of 30 days after receipt by Morgan Stanley of written notice of such failure.

(d) At any time following announcement of a transaction involving a Change of Control of MSCI, Morgan Stanley may elect, by delivery of notice in writing to MSCI, to terminate any or all Services hereunder, such termination to take effect on the date or dates specified by Morgan Stanley in such notice; *provided that* without the written consent of MSCI, no such termination of Service shall occur prior to the closing of such Change of Control transaction.

(e) Upon completion of the sale or other disposition of any portion of the MSCI Group's business, assets or properties, Morgan Stanley's obligation to provide any Service in respect of the business, assets or properties so disposed shall terminate automatically and without any notice or other action by Morgan Stanley, and the aggregate level or volume of such Service required to be provided to the MSCI Group and (if applicable) the Service Costs payable by MSCI in respect thereof shall be reduced appropriately.

(f) Either party may terminate this Agreement at any time with immediate effect upon serving written notice upon the other party if the other party suffers an Insolvency Event.

Section 6.03. *Effect of Termination.* (a) Other than as required by law, upon termination of any Service pursuant to Section 6.02, Morgan Stanley shall have no further obligation to provide the terminated Service and MSCI shall have no obligation to pay any fees relating to such Services; *provided that* notwithstanding such termination, (i) MSCI shall remain liable to Morgan Stanley for fees owed and payable in respect of Services provided prior to the effective date of the termination, and (ii) Morgan Stanley shall continue to charge MSCI for administrative and program costs relating to benefits paid after but incurred prior to the termination of any Service and other services required to be provided after the termination of such Service and MSCI shall be obligated to pay such expenses in accordance with the terms of this Agreement.

(b) Termination of this Agreement as provided for herein shall not prejudice or affect any rights or remedies which shall have accrued or shall thereafter accrue to either party.

(c) Following notice of termination of any Service, Morgan Stanley and MSCI agree to cooperate in providing for an orderly transition of such Service to MSCI or a successor service provider. Morgan Stanley agrees to (i) provide promptly, and in any event no later than 60 days following termination of such Service, copies in a usable format then in existence designated by Morgan Stanley of all records relating directly or indirectly to benefit determinations of MSCI employees, including but not limited to compensation and service records (to the extent relevant to such Service), correspondence, plan interpretative policies, plan procedures, administrative guidelines, minutes, or any data or records required to be maintained by law and (ii) cooperate reasonably with MSCI in developing a transition schedule. MSCI shall promptly reimburse Morgan Stanley, upon request, for any and all reasonable costs and expenses incurred by Morgan Stanley or any of its Subsidiaries arising out of or in connection with the performance of its obligations under this Section 6.03(c). For the avoidance of doubt, this Section 6.03(c) is subject to the provisions of Section 2.03.

ARTICLE 7
ADDITIONAL AGREEMENTS

Section 7.01. *Confidential Information.* The parties hereby covenant and agree to maintain confidential all Confidential Information relating to the other party or any of such other party's Subsidiaries. Without limiting the generality of the foregoing, each party shall cause its employees and agents to exercise the same level of care with respect to Confidential Information relating to the other party or any of its Subsidiaries as it would with respect to proprietary information, materials and processes relating to itself or any of its Subsidiaries. **"Confidential Information"** shall mean all information, materials and processes relating to a party or any Subsidiary of such party obtained by the other party or any Subsidiary of such other party at any time (whether prior to or after the date hereof) in any format whatsoever (whether orally, visually, in writing, electronically or in any other form) relating to, arising out of or in connection with the Services rendered or to be rendered hereunder and shall include, but not be limited to, economic and business information or data, business plans, computer software and information relating to employees, vendors, customers, products, financial performance and projections, processes, strategies and systems but shall not include (i) information which becomes generally available to the public other than by release in violation of the provisions of this Section 7.01, (ii) information which becomes available on a non-confidential basis to a party from a source other than the other party to this Agreement, *provided that* the party in question reasonably believes that such source is not or was not bound to hold such information confidential, and (iii) information acquired or developed independently by a party without violating this Section 7.01 or any other confidentiality agreement with the other party. Except with the prior written consent of the other party, each party will use the other

party's Confidential Information only in connection with the performance of its obligations hereunder and each party shall use commercially reasonable efforts to restrict access to the other party's Confidential Information to those employees of such party requiring access for the purpose of providing Services hereunder. Notwithstanding any provision of this Section 7.01 to the contrary, a party may disclose such portion of the Confidential Information relating to the other party to the extent, but only to the extent, the disclosing party reasonably believes that such disclosure is required under law or the rules of a Governmental Authority; *provided that* the disclosing party first notifies the other party hereto of such requirement and allows such party a reasonable opportunity to seek a protective order or other appropriate remedy to prevent such disclosure. The parties acknowledge that money damages would not be a sufficient remedy for any breach of the provisions of this Section 7.01 and that the non-breaching party shall be entitled to equitable relief in a court of law in the event of, or to prevent, a breach or threatened breach of this Section 7.01.

Section 7.02. *Ownership of Assets.* (a) Morgan Stanley Systems and any and all enhancements thereof or improvements thereto are and shall remain the sole exclusive property of the Morgan Stanley Entities and their suppliers. From and after the creation of any and all such Morgan Stanley Systems or enhancements thereof or improvements thereto by MSCI or by any contractor, Affiliate or other third party on MSCI's behalf, in each case, pursuant to this Agreement, MSCI agrees to assign and hereby assigns to Morgan Stanley or the applicable Morgan Stanley Entity, any and all right, title and interest that MSCI or such contractor, Affiliate or third party may have in such Morgan Stanley Systems or enhancements thereof or improvements thereto.

(b) MSCI Systems and any and all enhancements thereof or improvements thereto are and shall remain the sole exclusive property of the MSCI Entities and their suppliers. From and after the creation of any and all such MSCI Systems or enhancements thereof or improvements thereto by Morgan Stanley or by any contractor, Affiliate or third party on Morgan Stanley's behalf, in each case, pursuant to this Agreement, Morgan Stanley agrees to assign and hereby assigns to MSCI or the applicable MSCI Entity, any and all right, title and interest that Morgan Stanley or such contractor, Affiliate or third party may have in such MSCI Systems or enhancements thereof or improvements thereto.

(c) From the date hereof until the termination of this Agreement, each party grants to the other and its suppliers a non-exclusive, royalty-free right and license to use the Morgan Stanley Systems or the MSCI Systems, as applicable, solely to provide the Services contemplated hereunder. Notwithstanding anything to the contrary hereunder, each party agrees to cooperate with the other (and shall cause its suppliers to so cooperate) to cause the orderly return of the other party's Systems and property upon the termination of this Agreement or upon written request, whichever is earlier.

(d) With respect to any Systems that a Morgan Stanley Entity or a MSCI Entity, as applicable, is required to maintain or enhance hereunder, as between Morgan Stanley and MSCI, all right, title and interest in and to such enhancements and any related documentation, whether created by the party that provides the Service or any contractor, Affiliate or supplier on such party's behalf, shall be owned exclusively by and vested exclusively in the party by whom the applicable System is owned, licensed or provided.

(e) As between any Morgan Stanley Entity, on the one hand, and any MSCI Entity, on the other hand, all right, title and interest in and to all data processed hereunder shall be owned exclusively by the Morgan Stanley Entity or MSCI Entity that originally supplied it to the other. Morgan Stanley and MSCI hereby assign to the other, and shall cause any of its or their contractors, Affiliates or suppliers to assign to the other, as applicable, all right, title and interest that Morgan Stanley or MSCI, as applicable, may have in the other's data.

(f) Each party shall have written agreements with its employees consistent with past practices, and shall cause any contractor, Affiliate or third party performing Services on its behalf pursuant to this Agreement to also have written agreements with its employees that are consistent with its obligations hereunder, including the obligations to disclose and assign all right, title and interest in intellectual property rights as contemplated in Sections 7.01 and 7.02. Each party agrees not to voluntarily terminate or to amend or modify such agreements with respect to the provisions described above without providing at least 30 days prior written notice thereof and further agrees that any such amendments or modifications to such agreements shall be prospective only.

Section 7.03. *Security.* (a) Other than in connection with the performance of the Services, each member of the MSCI Group and its employees, authorized agents and subcontractors shall only use or access Services and/or any Morgan Stanley Systems, premises or data if such Person is authorized by Morgan Stanley to use or access. In no event shall any member of the MSCI Group and its employees, authorized agents and subcontractors access any Services and/or any of Morgan Stanley Systems, premises or data without Morgan Stanley's prior written consent. Each member of the MSCI Group and its employees, authorized agents and subcontractors shall comply with Morgan Stanley's policies and procedures in relation to the use and access of the Services and Morgan Stanley Systems.

(b) Each member of the Morgan Stanley Group and its employees, authorized agents and subcontractors shall only use or access Services and/or any MSCI Systems, premises or data if such Person is authorized by MSCI to use or access. In no event shall any member of the Morgan Stanley Group and its employees, authorized agents and subcontractors access any Services and/or any of MSCI Systems, premises or data without MSCI's prior written consent. Each member of the Morgan Stanley Group and its employees, authorized agents and subcontractors shall comply with MSCI's policies and procedures in relation to the use and access of the Services and MSCI Systems.

Section 7.04. *Access To Information.* (a) In connection with the provision of Services hereunder, to the extent either party has access to or acquires Personal Information such party will, and will cause the relevant member of its Group to, comply with the Data Protection Laws and any other laws concerning Personal Information. Without limiting the generality of the foregoing, both parties agree to comply with the covenant set forth in Exhibit A. For a period of six years after the Trigger Date, each Group shall afford promptly the other Group and its agents and, to the extent required by Applicable Law, authorized representatives of any Governmental Authority of competent jurisdiction, reasonable access during normal business hours to its books of account, financial and other records (including accountant's work papers, to the extent consents have been obtained), information, employees and auditors to the extent necessary or useful for such other Group in connection with any audit, investigation, dispute or litigation, complying with their obligations under this Agreement, any regulatory proceeding, any regulatory filings, complying with reporting disclosure requirements or any other requirements imposed by any Governmental Authority or any other reasonable business purpose of the Group requesting such access; *provided that* any such access shall not unreasonably interfere with the conduct of the business of the Group providing such access; *provided further* that in the event any party reasonably determines that affording any such access to the other party would be commercially detrimental in any material respect or violate any Applicable Law or agreement to which such party or member of its Group is a party, or waive any attorney-client privilege applicable to such party or any member of its Group, the parties shall use reasonable efforts to permit the compliance with such request in a manner that avoids any such harm or consequence.

(b) Without limiting the generality of the foregoing, until the end of the first full MSCI fiscal year occurring after the Trigger Date (and for a reasonable period of time afterwards as required for each party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Trigger Date occurs), each party shall use reasonable efforts, to cooperate with the other party's information requests to enable the other party to meet its timetable for dissemination of its earnings releases, financial statements and enable such other party's auditors to timely complete their audit of the annual financial statements and review of the quarterly financial statements.

(c) For the avoidance of doubt, if requested by MSCI, Morgan Stanley will permit MSCI such access to Morgan Stanley's books, records, accountants, accountants' work papers, personnel and facilities with respect to the Services as is reasonably necessary to enable the management of MSCI to demonstrate compliance with the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations of the Securities Exchange

Commission promulgated thereunder. In connection with the foregoing, if at any time MSCI shall identify any material deficiencies in the processes utilized by Morgan Stanley in the provision of Services hereunder, Morgan Stanley and MSCI will cooperate in good faith to develop and implement commercially reasonable action plans and timetables to remedy such deficiencies and/or implement adequate compensating controls.

Section 7.05. *Labor Matters.* All labor matters relating to employees of any Morgan Stanley Entity (including, without limitation, employees involved in the provision of Services to any MSCI Entity) shall be within the exclusive control of Morgan Stanley, and MSCI shall not take any action affecting such matters. Nothing in this Agreement is intended to transfer the employment of employees engaged in the provision of any Service from one party to the other, whether pursuant to the European Union Acquired Rights Directive, UK Transfer Regulations or otherwise. All employees and representatives of a party and any of its Affiliates will be deemed for the purpose of engaging in any Service to be employees or representatives of such party or its Affiliates (or their subcontractors) and not employees or representatives of the other party or any of its Affiliates (or their subcontractors). In providing the Services, such employees and representatives will be under the direction, control and supervision of Morgan Stanley or its Affiliates (or their subcontractors) and not of MSCI.

ARTICLE 8
MISCELLANEOUS

Section 8.01. *Prior Agreements.* In the event there is any conflict between the provisions of this Agreement, on the one hand, and provisions of prior services agreements among any Morgan Stanley Entity and any MSCI Entity, on the other hand, the provisions of this Agreement shall govern.

Section 8.02. *No Agency; Independent Contractor Status.* Nothing in this Agreement shall constitute or be deemed to constitute a partnership or joint venture between the parties hereto or constitute or be deemed to constitute any party the agent or employee of the other party for any purpose whatsoever and neither party shall have authority or power to bind the other or to contract in the name of, or create a liability against, the other in any way or for any purpose. The parties hereto acknowledge and agree that Morgan Stanley is an independent contractor in the performance of each and every part of this Agreement and nothing herein shall be construed to be inconsistent with this status. Morgan Stanley shall have the authority to select the means, methods and manner by which any Service is performed.

Section 8.03. *Subcontractors.* (a) Morgan Stanley may hire or engage one or more subcontractors to perform all or any of its obligations under this Agreement; *provided that*:

(i) subject to Section 5.02, Morgan Stanley shall in all cases remain primarily responsible for ensuring that obligations with respect to the standards of services set forth in this Agreement are satisfied with respect to any Service provided by a subcontractor hired or engaged by Morgan Stanley; and

(ii) (A) Morgan Stanley shall have hired or engaged such subcontractor or subcontractors on an occasion prior to the date of this Agreement;

(B) Morgan Stanley shall have received the prior written consent of MSCI; or

(C) Such subcontractor or subcontractors shall be providing concurrently similar services to Morgan Stanley.

(b) If MSCI terminates any Service prior to its scheduled expiration and as a result of such termination any Morgan Stanley Indemnified Person suffers or incurs any liability or damages arising out of or in connection with any third party contract pursuant to which MSCI had received the relevant Service, such Morgan Stanley Indemnified Person shall be entitled to indemnification in accordance with Section 5.03.

Section 8.04. *Force Majeure.* (a) For purposes of this Section 8.04, **"force majeure"** means an event beyond the reasonable control of either party, which by its nature could not have been foreseen by such party, or, if it could have been foreseen, was unavoidable, and includes without limitation, acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, threat, declaration, continuation, escalation or acts of war (declared or undeclared) or acts of terrorism, failure or shortage of energy sources, raw materials or components, strike, walkout, lockout or other labor trouble or shortage, delays by unaffiliated suppliers or carriers, and acts, omissions or delays in acting by any Governmental Authority or the other party.

(b) Without limiting the generality of Section 5.02(a), neither party shall be under any liability for failure to fulfill any obligation under this Agreement, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered, or delayed as a consequence of circumstances of force majeure; *provided that* such party shall have used commercially reasonable efforts to minimize to the extent practicable the effect of force majeure on its obligations hereunder; *provided further* that nothing in this Section 8.04 shall be construed to

require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the reasonable judgment of the affected party, are contrary to its interests. It is understood that the settlement of a strike, walkout, lockout or other labor dispute will be entirely within the discretion of the affected party. The party affected by the force majeure event shall notify the other party of that fact as soon as practicable.

Section 8.05. *Entire Agreement.* This Agreement (including the Schedules constituting a part of this Agreement) and any other writing signed by the parties that specifically references this Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof. This Agreement is not intended to confer upon any Person other than the parties hereto, their Affiliates and their respective successors and permitted assigns any rights or remedies hereunder.

Section 8.06. *Information.* Subject to Applicable Law and privileges, each party hereto covenants and agrees to provide the other party with all information regarding itself and transactions under this Agreement that the other party reasonably believes are required to comply with all applicable federal, state, county and local laws, ordinances, regulations and codes, including, but not limited to, securities laws and regulations.

Section 8.07. *Notices.* Unless otherwise agreed to by the parties or the Operating Committee, any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission or mail, to the following addresses:

(a) If to Morgan Stanley to:

Morgan Stanley
1585 Broadway
New York, NY 10036
Attn: Martin M. Cohen, Director of Company Law
Facsimile: (212) 507-3334

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Attn: John A. Bick
Facsimile: (212) 450-3500

(b) If to MSCI Inc. to:

MSCI lnc.
88 Pine Street
New York, NY 10005
Attn: Frederick W. Bogdan, General Counsel
Facsimile: (212) 804-2906

or to such other addresses or telecopy numbers as may be specified by like notice to the other parties. All such notices, requests and other communications shall be deemed given, (i) when delivered in person or by courier or a courier service, (ii) if sent by facsimile transmission (receipt confirmed) on a Business Day prior to 5 p.m. in the place of receipt, on the date of transmission (or, if sent at or after 5 p.m. at the place of receipt, on the following Business Day) or (iii) if mailed by certified mail (return receipt requested), on the date specified on the return receipt.

Section 8.08. *Governing Law.* This Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to the conflicts of laws rules thereof.

Section 8.09. *Jurisdiction.* Any Action seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the United States District Court for the Southern District of New York or any other New York State court sitting in New York County, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 8.07 shall be deemed effective service of process on such party. MSCI is registered to do business in the State of New York as NY MSCI.

Section 8.10. *WAIVER OF JURY TRIAL*. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 8.11. *Severability.* If any provision of this Agreement or any part thereof shall be invalid or unenforceable, such invalidity or unenforceability shall not render the entire Agreement invalid. Rather, the Agreement shall be construed as if not containing the particular invalid or unenforceable provision, and the rights and obligations of each party shall be construed and enforced accordingly.

Section 8.12. *Amendments and Waivers.* (a) Any provision of this Agreement (including the Schedules hereto) may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 8.13. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; *provided that* no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the written consent of the other party hereto.

Section 8.14. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement.

[Remainder of page intentionally left blank]

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

MORGAN STANLEY

By: /s/ Colm Kelleher
Name: Colm Kelleher
Title: Chief Financial Officer

MSCI INC.

By: _____
Name:
Title:

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

MORGAN STANLEY

By: _____
Name:
Title:

MSCI INC.

By: /s/ Henry Fernandez
Name: Henry Fernandez
Title: CEO & President

Exhibit A

Compliance with Data Protection Laws

(a) Each party agrees that it will, and will cause the relevant member of its Group to:

(i) process, use, maintain and disclose Personal Information only as necessary for the specific purpose for which the information was disclosed to it and only in accordance with the Agreement;

(ii) not disclose any Personal Information to any third party (including to the subject of such information) who does not have a need to know such Personal Information;

(iii) implement and maintain an appropriate security program, the terms of which shall meet or exceed the requirements for financial institutions under Data Protection Laws to (a) ensure the security and confidentiality of all information provided to it by any member of the other Group, including Personal Information (collectively, the **"information"**), (b) protect against any threats or hazards to the security or integrity of information, including unlawful destruction or accidental loss, alteration and any other form of unlawful processing, and (c) prevent unauthorized access to, use or disclosure of the information;

(iv) immediately notify the other party in writing if it becomes aware of (a) any disclosure or use of any information by such entity in breach of this Exhibit A, (b) any disclosure of any information to such entity where the purpose of such disclosure is not known, (c) any request for disclosure or inquiry regarding the information from a third party, and (d) any change in Applicable Law that is likely to have a substantial adverse effect on its ability to comply with this Exhibit A;

(v) cooperate with each other and the relevant supervisory authority in the event of litigation or a regulatory inquiry concerning the information and abide by the advice of the other party and the relevant supervisory authority with regard to the processing of such information;

(vi) enter into further agreements as requested by the other party to comply with law from time to time;

(vii) at the other party's direction at any time, and in any event upon any termination or expiration of the Agreement, immediately return to the relevant member of such party's Group any or all information or destroy all records of such information;

(viii) cause its subcontractors to act in accordance with this Exhibit A; and

(ix) upon the termination of any Service, return to the relevant member of the other party's Group any or all applicable information which is not necessary for the performance of another Service under the Agreement or destroy all records of such information.

(b) Each party warrants, represents and undertakes for itself and for and on behalf of the other members of its Group that to the extent that it allows access to, discloses, or transfers Personal Information to the other party that:

(i) the other party (including the other members of its Group and their employees, approved agents and subcontractors) shall have the right for the term of the relevant Service to use the Personal Information for the purposes of performing its rights and obligations under this Agreement;

(ii) the Personal Information which its supplies or discloses to the other party pursuant to this Agreement has been obtained fairly and lawfully and will be up to date, complete and accurate in all material respects;

(iii) it shall take all reasonable steps to ensure that the Personal Information can be lawfully used by the other party (including the other members of its Group and their employees, approved agents and subcontractors) for the purposes envisaged by this Agreement;

(iv) it has complied and will comply with all Applicable Law and regulations relating to Personal Information, including, but not limited to, the Data Protection Laws and with all relevant guidelines and guidance notes issued from time to time by the appropriate regulatory authorities; and

(v) it will indemnify and keep indemnified against all claims, proceedings, liabilities, damages, costs, expenses (including legal expenses on an indemnity basis), compensation, court or tribunal awards (including sums paid in settlement of any such claims) suffered or incurred by the other party (including the other members of its Group and their employees, approved agents and subcontractors) arising out of the use of the Personal Information during the course of this Agreement due to the breach of any warranty contained in this clause (b).

(c) Each party represents and warrants to the other party that it has no reason to believe that any Applicable Law will prevent it or the relevant member of its Group from fulfilling the obligations under this Exhibit A.

(d) To the extent that the Personal Information is subject to the Data Protection Laws, data subjects may enforce the provisions of this Exhibit A as a third party beneficiary against the relevant party with respect to their Personal Information but only in cases where the relevant Group member has factually disappeared or has ceased to exist in law. Neither party objects to the data subjects being represented by an association or other body if they so wish and if permitted by national law.

(e) Each party may review the other party's policies and procedures used to maintain the security and confidentiality of information, including auditing the relevant Group member concerning such policies and procedures. The provisions of this Exhibit A supplement, are in addition to, and will not be construed to limit any other confidentiality obligations under the Agreement. Any exclusion from the definition of Confidential Information contained in the Agreement shall not apply to Personal Information.

Schedule I: Marketing Communications

Business Function	Marketing Communications
Providing Party	Morgan Stanley
Receiving Party	MSCI

Description of Service: Morgan Stanley will perform the following Services for MSCI:

- **Marketing/Corporate Communications.** Provide communication support for MSCI and all subsidiaries in a manner consistent with past practice for Morgan Stanley during the Baseline Period. The Services include but are not limited to support for:
  - Public Relations
  - General Corporate Communications
  - Any other relevant Services

  Note: No investor relation related services are to be provided by Morgan Stanley
- **IT support for Services.** Provide continued IT support as it is currently provided for the above listed Services (e.g., technical support and manpower for troubleshooting and repair, management and support of interfaces to and from applications, and management and support of reporting from applications).

Schedule II: Corporate Services

Business Function	Corporate Services.
Providing Party	Morgan Stanley
Receiving Party	MSCI

Description of Service: Morgan Stanley will perform the following Services for MSCI:

- **Corporate Services.** Provide corporate support for MSCI and all subsidiaries in a manner consistent with past practice for Morgan Stanley during the Baseline Period. These Services include but are not limited to support for:
    - Provision and management of facilities in shared offices
    - Provision and management of work area recovery space
    - Space and design Services
    - Office Services, including mail, copier Services, record management
    - Office and general corporate security
    - Procurement of office supplies and IT-related hardware and software
    - Travel Services, including agencies, car Services and corporate credit cards
    - Temporary staffing
    - Any other relevant Services
- **IT support for Services.** Provide continued IT support as it is currently provided for the above listed Services (e.g., technical support and manpower for troubleshooting and repair, management and support of interfaces to and from applications, and management and support of reporting from applications).

Schedule III: Finance Services

Business Function	Finance Services
Providing Party	Morgan Stanley
Receiving Party	MSCI

Description of Service: Morgan Stanley will perform the following Services for MSCI:

- **Finance Services.** Provide finance support for MSCI and all subsidiaries, using relevant GAAP, in a manner consistent with past practice for Morgan Stanley during the Baseline Period. The Services include but are not limited to support for:
    - Fixed assets
    - Compensation including payroll
    - Revenue tracking and recognition
    - Expense payments including Accounts-Payable
    - Taxation
    - Accounting policy
    - Financial information
    - Cash control and reconciliation
    - Tracking of other assets and liabilities
    - Any other relevant Services
- **IT support for Services.** Provide continued IT support as it is currently provided for the above listed Services (e.g., technical support and manpower for troubleshooting and repair, management and support of interfaces to and from applications, and management and support of reporting from applications).

Schedule IV: Human Resource Services

Business Function	Human Resource Services
Providing Party	Morgan Stanley
Receiving Party	MSCI

Description of Service: Morgan Stanley will perform the following Services for MSCI:

- **Human Resource Services.** Provide human resources support for MSCI and all subsidiaries in a manner consistent with past practice for Morgan Stanley during the Baseline Period. The Services include but are not limited to support for:
    - Human Resources generalist coverage
    - HRIS and HRIT support
    - Participation in existing health and welfare plans and related support Services
    - Participation in other benefits not directly related to health and welfare, e.g. EAP, Wageworks, etc
    - Participation in executive compensation plans, schemes and systems
    - Any other relevant Services
- **IT support for Services.** Provide continued IT support as it is currently provided for the above listed Services (e.g., technical support and manpower for troubleshooting and repair, management and support of interfaces to and from applications, and management and support of reporting from applications).

Schedule V: Insurance

Business Function	Insurance
Providing Party	Morgan Stanley
Receiving Party	MSCI

Description of Service: Morgan Stanley will perform the following Services for MSCI:

- **Insurance Services.** Provide insurance coverage for MSCI and all subsidiaries in a manner consistent with past practice for Morgan Stanley during the Baseline Period. These Services include but are not limited to:
    - Automobile Liability/Physical Damage Insurance
    - General Liability Insurance
    - Workers Compensation Insurance
    - Employers Liability Insurance
    - Umbrella/Excess Liability Insurance
    - Employment Practices Liability Insurance
    - Directors and Officers Insurance
    - Fiduciary Liability Insurance
    - Blanket Bond/Computer Crime Insurance
    - Property Business Interruption Insurance
    - Worldwide Terrorism Insurance
    - Foreign Voluntary Workers Compensation/Employers Liability Insurance
    - Business Travel Accident Insurance
    - Any other relevant Services
- **IT support for Services.** Provide continued IT support as it is currently provided for the above listed Services (e.g., technical support and manpower for troubleshooting and repair, management and support of interfaces to and from applications, and management and support of reporting from applications).

Schedule VI: IT Infrastructure

Business Function	IT Infrastructure
Providing Party	Morgan Stanley
Receiving Party	MSCI

Description of Service: Morgan Stanley will perform the following Services for MSCI:

- **IT Infrastructure.** Provide IT Infrastructure and applications for MSCI and all subsidiaries in a manner consistent with past practice for Morgan Stanley during the Baseline Period. The Services include, but are not limited to, support for:
    - Networking — LAN, WAN and Internet connectivity
    - Telephone systems including PABX, voicemail and FAX
    - Computer equipment rooms in offices and data centers
    - Servers and personal computers, including operating system, patch management, etc.
    - Printers and associated infrastructure
    - Data storage and backup systems
    - IT and Information security applications and advice
    - IT Helpdesk
    - Crisis Management
    - Client connectivity servers, applications and related Services
        - COMET
        - ClientLink
        - Posting press-releases on www.morganstanley.com
        - www.mscibarra.com and other MSCI public website infrastructure
    - Email infrastructure including unix-based email, internet and Microsoft Exchange
    - Personal productivity applications (e.g. Microsoft Office)
    - Employee Intranet
    - Corporate Directory
    - Internet Firewalls including proxy servers
    - Market Data systems, connectivity and related infrastructure
    - Database administration
    - Remote computing capability
    - Software development tools and environment
    - Any other relevant Services

Schedule VII: Legal and Compliance Services

Business Function	Legal and Compliance Services
Providing Party	Morgan Stanley
Receiving Party	MSCI

Description of Services: Morgan Stanley will perform the following Services for MSCI:

- Provide legal and compliance support, itself or through outside counsel, for MSCI and all its subsidiaries in a manner consistent with past practice for Morgan Stanley during the Baseline Period. The Services include but are not limited to support for:
    - Intellectual Property matters, including maintaining trademark and patent portfolios and advising re data privacy issues
    - Licensing matters, including assistance with data and software supply agreements, end user client agreements, and financial product license agreements
    - Employment and HR matters, including with respect to benefits, hiring, and termination matters
    - Corporate secretarial matters outside of the US, including maintaining corporate minute books
    - Compliance training, including Code of Conduct, Anti-Money Laundering, Foreign Corrupt Practices Act, Anti-Harassment, Careful Communications, and all other firm-wide compliance training
    - Employee trading surveillance
    - Outside business activity monitoring
    - Real Estate property lease reviews
    - Litigation matters
    - M&A matters
    - Transition matters, including transitioning off of Morgan Stanley enterprise contracts and onto MSCI specific contracts
    - Any other relevant legal Services of a type historically handled by Morgan Stanley's Legal and Compliance Division for MSCI.

MSCI and its subsidiaries shall retain outside counsel for MSCI's own account for matters of the type historically handled by outside counsel.

- **IT support for Services.** Provide continued IT support as it is currently provided for the above listed Services (e.g., technical support and manpower for troubleshooting and repair, management and support of interfaces to and from applications, and management and support of reporting from applications).

Schedule VIII: Market Data

Business Function	Market Data
Providing Party	Morgan Stanley
Receiving Party	MSCI

Description of Service: Morgan Stanley will perform the following Services for MSCI:

- **Market Data Services.** Provide market data and related support for MSCI and all subsidiaries in a manner consistent with past practice for Morgan Stanley during the Baseline Period. These Services include but are not limited to support for:
  - Provision of market and related securities data, as permitted by enterprise-wide agreements with third-party providers
  - Provision of market data infrastructure and third-party terminals, as permitted by enterprise-wide agreements with third-party providers
  - Any other relevant Services
- **IT support for Services.** Provide continued IT support as it is currently provided for the above listed Services (e.g., technical support and manpower for troubleshooting and repair, management and support of interfaces to and from applications, and management and support of reporting from applications).

Exhibit 10.12

EXECUTION VERSION

TAX SHARING AGREEMENT

between

MORGAN STANLEY,
on behalf of itself
and the members
of the MS Group,

and

MSCI INC.,
on behalf of itself
and the members
of the MSCI Group

This Agreement is entered into as of the 20th day of November, 2007 between Morgan Stanley ("MS"), a Delaware corporation, on behalf of itself and the members of the MS Group, as defined below, and MSCI Inc. ("MSCI"), a Delaware corporation, registered to do business in New York as NY MSCI, on behalf of itself and the members of the MSCI Group, as defined below.

WITNESSETH:

WHEREAS, pursuant to the tax laws of various jurisdictions, certain members of the MSCI Group presently file, and will continue to file prior to certain transactions, certain tax returns on an affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Internal Revenue Code of 1986, as amended (the "Code")) with certain members of the MS Group;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Definitions.

(a) As used in this Agreement:

"Actually Realized" or "Actually Realizes" shall mean, for purposes of determining the timing of the incurrence of any Tax liability or the realization of a Refund (or any related income tax or other Tax cost or benefit) in respect of any payment, transaction, occurrence or event, the time at which the amount of income taxes paid (or Refund realized) is increased above (or reduced below) the amount of income taxes that would otherwise have been required to be paid (or Refund that would otherwise have been realized) but for such payment, transaction, occurrence or event.

"Affiliate" of any Person shall mean any individual, corporation, partnership or other entity directly or indirectly owning more than 50 percent (by vote or value) of, owned more than 50 percent (by vote or value) by, or under more than 50 percent (by vote or value) common ownership with, such Person.

"After-Tax Amount" shall mean an additional amount necessary to reflect the hypothetical Tax consequences of the receipt or accrual of any payment, using the maximum statutory rate (or rates, in the case of an item that affects more than one Tax) applicable to the recipient of such payment for the relevant Taxable year, reflecting for example, the effect of the deductions available for interest paid or accrued and for Taxes, such as state and local income taxes.

"AMT" shall mean the alternative minimum tax, within the meaning of Section 55 of the Code.

"Barra" shall mean Barra, Inc., a Delaware corporation.

"Code" shall have the meaning ascribed to it in the first "whereas" clause in this Agreement.

"Combined Apportionment Factor" shall mean the apportionment factor reflected on the applicable consolidated, combined or unitary state or local income tax return and utilized in computing the combined, consolidated or unitary state or local income tax liability.

"Consolidated Federal Return" shall mean a Pre-Deconsolidation Period Return filed in respect of federal income taxes by a Consolidated Group.

"Consolidated Group" shall mean any group consisting of (i) at least one member of the MS Group that filed (or will file) any Pre-Deconsolidation Period Return that reflects the income, assets or operations of any member of the MSCI Group or (ii) at least one member of the MSCI Group that filed (or will file) any Pre-Deconsolidation Period Return that reflects the income, assets or operations of any member of the MS Group.

"Consolidated State Return" shall mean a Pre-Deconsolidation Period Return filed in respect of state or local income taxes by a Consolidated Group.

"Deconsolidation Date" shall mean with respect to a Return the date on which any member of the MSCI Group is no longer consolidated, combined or in a unitary relationship (as the case may be) with any member of MS Group in filing such Return.

"Federal Separate Group Tax Liability" shall mean the product of a Group's Separate Group Taxable Income, computed for federal income tax

purposes, and the highest federal income tax rate imposed under the Code on the Taxable income of a corporation for the relevant Taxable period (or portion thereof), reduced by any Tax credits that the Group would be able to use if it were calculating its federal income Tax liability on a stand-alone basis.

"Final Determination" shall mean (i) with respect to federal income taxes, (A) a "determination" as defined in Section 1313(a) of the Code, or (B) the date of acceptance by or on behalf of the IRS of Form 870-AD (or any successor form thereto), as a final resolution of Tax liability for any Taxable period, except that a Form 870-AD (or successor form thereto) that reserves the right of the taxpayer to file a claim for Refund or the right of the IRS to assert a further deficiency shall not constitute a Final Determination with respect to the item or items so reserved; (ii) with respect to Taxes other than federal income taxes, any final determination of liability in respect of a Tax that, under applicable law, is not subject to further appeal, review or modification through proceedings or otherwise; (iii) with respect to any Tax, any final disposition by reason of the expiration of the applicable statute of limitations; or (iv) with respect to any Tax, the payment of Tax by any member of the MS Group or the MSCI Group, whichever is responsible for payment of such Tax under applicable law, with respect to any item disallowed or adjusted by a Taxing Authority, provided that the provisions of Section 13 hereof have been complied with, or, if such section is inapplicable, that the party responsible under the terms of this Agreement for such Tax is notified by the party paying such Tax that it has determined that no action should be taken to recoup such disallowed item, and the other party agrees with such determination.

"Gain Group" shall mean a Group with Separate Group Taxable Income for the relevant Taxable period.

"Group" shall mean the MSCI Group or the MS Group, as appropriate. "IRS" shall mean the Internal Revenue Service.

"Loss Group" shall mean a Group that incurs a Separate Group Taxable Loss for the relevant Taxable period.

"MSCI Group" shall mean one or more of (i) MSCI, (ii) on or before the Deconsolidation Date, any Person that is, or was, a Subsidiary of MSCI for such period of ownership by MSCI and (iii) to the extent not previously included by (ii), Barra and its Subsidiaries, including for (i), (ii) and (iii) any predecessors and successors thereto.

"MS Group" shall mean one or more of MS and its Subsidiaries other than those entities comprising the MSCI Group.

"Overpayment Rate" shall mean the overpayment rate as set forth in Section 6621 of the Code.

"Person" shall have the meaning ascribed to it in Section 7701(a)(1) of the Code.

"Post-Deconsolidation Period" shall mean any Taxable period (or portion thereof) beginning after the close of business on the Deconsolidation Date.

"Pre-Deconsolidation Period" shall mean any Taxable period ending on or before the close of business on the Deconsolidation Date; provided that if a Taxable period ending after the Deconsolidation Date contains any days which fall prior to or on the Deconsolidation Date, only the portion of such Taxable period up to and including the Deconsolidation Date shall be included in the Pre-Deconsolidation Period.

"Refund" shall mean any refund of Taxes, including any reduction in Taxes by means of a credit, offset or otherwise.

"Return" shall mean any Tax return, statement, report, form, election, claim or surrender (including estimated Tax returns and reports, extension requests and forms, and information returns and reports) required to be filed with any Taxing Authority.

"Separate Group Taxable Income" shall mean, with respect to a Group, such Group's Taxable income computed as if such Group were a separate consolidated, combined or unitary group, and applying such Tax principles, including limitations and carryovers (excluding limits for charitable contributions and dividends-received deduction, and accounting for deferred intercompany transactions consistent with the deferral and recognition rules of Treasury Regulations Section 1.1502-13 (or any successor rule) or analogous state or local rule), that would have been applicable to such Group had such Group never been part of the Consolidated Group or any other consolidated, combined or unitary group. In the context of state and local tax, Separate Group Taxable Income shall be computed prior to the application of any apportionment formula. Additionally, to the extent a member of a Group has a net operating loss or any other tax attribute that was created prior to becoming a member of the Group but can be carried forward and used by the Group (in the context of state or local law, either before or after apportionment, as determined under applicable law), such attribute will factor into such Group's calculation of Separate Group Taxable Income (taking into account any applicable limitations on the use thereof).

"Separate Group Taxable Loss" shall mean, with respect to a Group, such Group's Taxable loss computed as if such Group were a separate consolidated, combined or unitary group, and applying such Tax principles, including limitations and carryovers (excluding limits for charitable contributions and dividends-received deduction, and accounting for deferred intercompany transactions consistent with the deferral and recognition rules of Treasury Regulations Section 1.1502-13 (or any successor rule) or analogous state or local rule), that would have been applicable to such Group had such Group never been

part of the Consolidated Group or any other consolidated, combined or unitary group. In the context of state and local tax, Separate Group Taxable Loss shall be computed prior to the application of any apportionment formula. Additionally, to the extent a member of a Group has a net operating loss or any other Tax attribute that was created prior to becoming a member of the Group but can be carried forward and used by the Group (in the context of state or local law, either before or after apportionment, as determined under applicable law), such attribute will factor into the Group's calculation of Separate Group Taxable Loss (taking into account any applicable limitations on the use thereof).

"State Separate Group Tax Liability" shall mean, with respect to a particular state or locality, the product of the Group's Separate Group Taxable Income and the Combined Apportionment Factor and the State Tax Rate, reduced by any applicable Tax credits that the Group would be able to use if it were calculating its Tax liability on a stand-alone basis.

"State Tax Rate" shall mean, with respect to a particular state or locality, the highest applicable tax rate imposed under applicable law on the Separate Group Taxable Income of the Group for the relevant Taxable period (or portion thereof).

"Subsidiary" of any Person shall mean any corporation, partnership or other entity directly or indirectly owned more than 50 percent (by vote or value) by such Person.

"Tax" (and the correlative meaning, "Taxes," "Taxing" and "Taxable") shall mean (A) any tax imposed under Subtitle A of the Code, or any net income, gross income, gross receipts, alternative or add-on minimum, sales, use, business and occupation, value-added, trade, goods and services, ad valorem, franchise, profits, license, business royalty, withholding, payroll, employment, capital, excise, transfer, recording, severance, stamp, occupation, premium, property, asset, real estate acquisition, environmental, custom duty, or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest and any penalty, addition to tax or additional amount imposed by a Taxing Authority; (B) any liability of a member of the MS Group or the MSCI Group, as the case may be, for the payment of any amounts of the type described in clause (A) for any Taxable period resulting from such member being a part of a consolidated group pursuant to the application of Treasury Regulations Section 1.1502-6 or any similar provision applicable under state, local or foreign law; or (C) any liability of a member of the MS Group or the MSCI Group for the payment of any amounts described in clause (A) as a result of any express or implied obligation to indemnify any other Person.

"Tax Benefit" shall have the meaning ascribed to it in Section 10(d) of this Agreement.

"Tax Proceeding" shall mean any Tax audit, dispute or proceeding (whether administrative, judicial or contractual).

"Taxing Authority" shall mean any governmental authority (domestic or foreign), including, without limitation, any state, municipality, political subdivision or governmental agency, responsible for the imposition of any Tax.

"Underpayment Rate" shall mean the underpayment rate as set forth in Section 6621 of the Code.

(b) Any term used in this Agreement which is not defined in this Agreement shall, to the extent the context requires, have the meaning assigned to it in the Code or the applicable Treasury regulations thereunder (as interpreted in administrative pronouncements and judicial decisions), or in comparable provisions of applicable law.

2. Tax Sharing Agreements. Any and all existing Tax sharing agreements or arrangements, written or unwritten, between any member of the MS Group and any member of the MSCI Group, other than this Agreement, shall terminate upon the execution of this Agreement. Upon the execution of this Agreement, neither the members of the MSCI Group nor the members of the MS Group shall have any further rights or liabilities thereunder, and this Agreement shall be the only Tax sharing agreement between the members of the MSCI Group and the members of the MS Group. MS and MSCI shall act in good faith in the performance of this Agreement.

3. Federal Income Taxes.

(a) Return Filing.

(i) MS shall prepare and file, or cause to be prepared and filed, Consolidated Federal Returns for which the Consolidated Group is required or permitted to file a Consolidated Federal Return using, *inter alia*, information provided by MSCI. MSCI shall provide MS with all necessary information to file a Consolidated Federal Return not later than 45 days after MS's fiscal year-end and shall respond promptly to all information requests, but in no event more than two business days following a request. Each member of the Consolidated Group shall execute and file such consents, elections and other documents as may be required or appropriate for the filing of such Consolidated Federal Returns. All Tax elections shall be at the sole discretion of MS provided, however, that MSCI shall be entitled to direct MS to make any and all Tax elections that exclusively affect the MSCI Group, subject to MS's consent. All income tax computations performed on a consolidated basis will be performed or approved by MS. MS shall not change any method of accounting that

relates exclusively to the MSCI Group for any Tax purpose if such change adversely affects the MSCI Group unless such change is required by law. MS shall notify and discuss with MSCI prior to the filing of a Consolidated Federal Return any potential material differences in the information provided by MSCI to be used in the preparation of such Consolidated Federal Return and the position MS intends to take on such Consolidated Federal Return.

(ii) MS shall pay, or cause to be paid, and, subject to the provisions of Section 3(b), shall be responsible for, any and all federal income taxes due or required to be paid with respect to, or required to be reported on, any such Consolidated Federal Return.

(iii) In the event a Consolidated Federal Return is not filed, each relevant member of the MS Group and MSCI Group shall be responsible for (i) filing its own Pre-Deconsolidation Period Return in respect of federal income taxes as a separate entity, including requests for extension, as if this Agreement were not in effect and (ii) making Tax payments (including estimated Tax payments, if necessary). Each such member filing a Return as a separate entity shall be entitled to any Tax Benefit and shall be liable for any Tax burden resulting from the filing of such separate Return.

(b) Allocated Tax Charge.

(i) MS shall be responsible for calculating the Separate Group Taxable Income or Separate Group Taxable Loss of each Group included in the Consolidated Federal Return. Each Group included in the Consolidated Federal Return shall bear its Federal Separate Group Tax Liability, if any. For purposes of such calculation, the deduction for state and local taxes to which each Group is entitled will be determined in a manner consistent with Section 4 of this Agreement.

(ii) If the MSCI Group included in the Consolidated Federal Return incurs a Separate Group Taxable Loss, MS shall pay to the MSCI Group (A) the amount, if any, by which the federal income taxes payable with respect to the Consolidated Federal Return are actually reduced by reason of the MSCI Group's Separate Group Taxable Loss and (B) any Refund of federal income taxes or other federal income Tax Benefit attributable to such Separate Group Taxable Loss that is Actually Realized, in each case as determined by MS in its sole discretion (including that any Tax Benefits of the MS Group shall be fully utilized before utilizing any Tax Benefits of the MSCI Group). To the extent the MSCI Group receives a payment or credit from

MS in respect of a Separate Company Taxable Loss pursuant to this Section 3(b)(ii), such loss shall not be carried forward or carried back by the MSCI Group for purposes of determining Separate Group Taxable Income or Separate Group Taxable Loss in any other Taxable period (or portion thereof). To the extent the MSCI Group does not receive a payment or credit from MS in respect of a Separate Group Taxable Loss pursuant to this Section 3(b)(ii), such loss may be carried forward or carried back, subject to any applicable limitation with respect to carry forward or carry back losses, by the MSCI Group for purposes of determining Separate Group Taxable Income or Separate Group Taxable Loss in another Taxable period (or portion thereof).

(iii) If the MSCI Group included in the Consolidated Federal Return has a foreign Tax credit or other Tax credit that it is unable to use in its calculation of Federal Separate Group Tax Liability (other than an AMT credit), MS shall pay to the MSCI Group (A) the amount, if any, by which the federal income taxes payable with respect to the Consolidated Federal Return is actually reduced by reason of the MSCI Group's Tax credit and (B) any Refund of federal income taxes or other federal income Tax Benefit attributable to such Tax credit that is Actually Realized, in each case as determined by MS in its sale discretion (including that any Tax Benefits of the MS Group shall be fully utilized before utilizing any Tax Benefits of the MSCI Group). To the extent the MSCI Group receives a payment or credit from MS in respect of a Tax credit pursuant to this Section 3(b)(iii), the MSCI Group's Federal Separate Group Tax Liability will be adjusted to reflect the fact that the MSCI Group has previously received the benefit of such credit. To the extent the MSCI Group does not receive a payment or credit from MS in respect of a Tax credit pursuant to this Section 3(b)(iii), such Tax credit may be carried forward or carried back, subject to any applicable limitation with respect to carry forward or carry back of Tax credits, by the MSCI Group for purposes of calculating its Separate Group Tax Liability in another Taxable period (or portion thereof).

(iv) In the event a Consolidated Group incurs an AMT liability with respect to any Taxable period (or portion thereof), MS shall be solely responsible for such liability. Any Tax Benefit arising from the utilization of a consolidated federal AMT credit shall be for the sale benefit of MS.

4. State and Local Income Taxes.

(a) Return Filing.

(i) MS shall prepare and file, or cause to be prepared and filed, Consolidated State Returns for which a Consolidated Group is required or permitted to file a Consolidated State Return using, *inter alia*, information provided by MSCI. MSCI shall provide MS with all necessary information to file a Consolidated State Return not later than 45 days after MS's fiscal year-end and shall respond promptly to all information requests, but in no event more than two business days following a request. Each member of the Consolidated Group shall execute and file such consents, elections and other documents as may be required or appropriate for the filing of such Consolidated State Returns. All Tax elections shall be made at the discretion of MS provided, however, that MSCI shall be entitled to direct MS to make any and all Tax elections that exclusively affect the MSCI Group, subject to MS's consent. All Tax computations performed on a combined, consolidated or unitary basis will be performed or approved by MS. MS shall not change any method of accounting that relates exclusively to the MSCI Group for any Tax purpose if such change adversely affects the MSCI Group unless such change is required by law. MS shall notify and discuss with MSCI prior to the filing of a Consolidated State Return any potential material differences in the information provided by MSCI to be used in the preparation of such Consolidated State Return and the position MS intends to take on such Consolidated State Return.

(ii) MS shall pay, or cause to be paid, and, subject to the provisions of Section 4(b), shall be responsible for, any and all income taxes due or required to be paid with respect to, or required to be reported on, any such Consolidated State Return.

(iii) In the event a Consolidated State Return is not filed, each relevant member of the MS Group and MSCI Group shall be responsible for (A) filing its own Return as a separate entity, or its own Return in respect of state and local income Taxes relating to a group consisting solely of members of the MS Group or members of the MSCI Group, as the case may be, on behalf of the separate group, in each case including requests for extension, as if this Agreement were not in effect and (B) making Tax payments (including estimated Tax payments, if necessary). Each such member filing a Return as a separate entity shall be entitled to any Tax Benefit and shall be liable for any Tax burden resulting from the filing of such separate Return.

(b) Allocated Tax Charge.

(i) MS shall be responsible for calculating the Separate Group Taxable Income or Separate Group Taxable Loss

for each Group included in a Consolidated State Return. Each Group included in a Consolidated State Return shall bear its State Separate Group Tax Liability, if any.

(ii) If the MSCI Group included in a Consolidated State Return incurs a Separate Group Taxable Loss, MS shall pay, or shall cause to be paid, to the MSCI Group (A) the amount, if any, by which the state or local income taxes reflected on such Return are actually reduced by reason of the MSCI Group's Separate Group Taxable Loss and (B) any Refund of state or local income taxes or other state or local income Tax Benefit attributable to such Separate Group Taxable Loss that is Actually Realized, in each case as determined by MS in its sole discretion (including that any Tax Benefits of the MS Group shall be fully utilized before utilizing any Tax Benefits of the MSCI Group). To the extent the MSCI Group receives a payment or credit from MS in respect of a Separate Group Taxable Loss pursuant to this Section 4(b)(ii), such loss shall not be carried forward or carried back by the MSCI Group for purposes of determining Separate Group Taxable Income or Separate Group Taxable Loss in any other Taxable period (or portion thereof). To the extent the MSCI Group does not receive a payment or credit from MS in respect of a Separate Group Taxable Loss pursuant to this Section 4(b)(ii), such loss may be carried forward or carried back, subject to any applicable limitation with respect to carry forward or carry back losses, by the MSCI Group for purposes of determining Separate Group Taxable Income or Separate Group Taxable Loss in another Taxable period (or portion thereof).

(iii) If the MSCI Group included in a Consolidated State Return has a Tax credit that it is unable to use in its calculation of State Separate Group Tax Liability, MS shall pay to the MSCI Group (A) the amount, if any, by which the state or local income taxes reflected on such Return is actually reduced by reason of the Consolidated Group's Tax credit and (B) any Refund of state or local income taxes or other state or local income Tax Benefit attributable to such Tax credit that is Actually Realized, in each case as determined by MS in its sole discretion (including that any Tax Benefits of the MS Group shall be fully utilized before utilizing any Tax Benefits of the MSCI Group). To the extent the MSCI Group receives a payment or credit from MS in respect of a Tax credit pursuant to this Section 4(b)(i)(C), the MSCI Group's State Separate Group Tax Liability will be adjusted to reflect the fact that the MSCI Group has previously received the benefit of such credit. To the extent the MSCI Group does not receive a payment or credit from MS in respect of a Tax

credit pursuant to this Section 4(b)(iii), such Tax credit may be carried forward or carried back, subject to any applicable limitation with respect to carry forward or carry back of Tax credits, by the MSCI Group for purposes of calculating its State Separate Group Tax Liability in another Taxable period (or portion thereof).

5. Foreign Income Tax. With respect to each Group's Tax liability for foreign Taxes, the principles set forth in Section 4 shall apply *mutatis mutandis.*

6. Estimated Tax Payments.

(a) If estimated Tax payments are required with respect to a Consolidated Group for a Pre-Deconsolidation Period, MS shall pay, or cause to be paid, to the IRS, and/or to each relevant state and local Taxing Authority, on behalf of the members of such Consolidated Group, those estimated Tax payments that are due on the relevant dates prescribed by applicable law. On February 15 (or the proper due date under applicable law), MS shall pay to the IRS, and to each relevant state and local Taxing Authority, on behalf of the members of any Consolidated Group, the payment, if any, required to be made with a request for an extension of time in which to file a Consolidated Federal Return or a Consolidated State Return, as the case may be. Each Group's share of such estimated Tax payments, and payments required to be made with a request for an extension of time in which to file a Consolidated Federal Return or a Consolidated State Return, shall be determined in a manner consistent with the methods set forth in Sections 3 and 4 of this Agreement. Reimbursement to MS of the MSCI Group's share of any quarterly estimated tax payments or any payment made with a request for an extension of time in which to file a Consolidated Federal Return or a Consolidated State Return, shall be made within twenty business days after receiving notice of such liability from MS. If the MSCI Group's share of any estimated Tax payment is negative, MS shall reimburse MSCI within twenty business days after the due date under applicable law of such estimated tax payment.

(b) Notwithstanding the provisions of Section 6(a), if MS requests in writing an advance reimbursement from the MSCI Group of the MSCI Group's share of a quarterly estimated Tax payment or any payment required to be made with a request for an extension of time in which to file a Consolidated Federal Return or a Consolidated State Return, which request shall be not more than ten business days and not less than 5 business days prior to the due date of such payment, the MSCI Group shall reimburse MS not later than the due date of such estimated Tax payment.

7. Settlement Procedures; Certain Other Payments.

(a) MS shall calculate settlement of the final federal, state, local and foreign Tax liability for all Pre-Deconsolidation Periods, and notify the MSCI Group of such settlement. Subject to Section 21 of this Agreement (relating to dispute resolution procedures), the MSCI Group shall pay to MS its share of such Tax liability, as determined under Sections 3, 4 and 5 of this Agreement, within twenty business days after receiving notice of such Tax liability from MS. Any amounts paid by any member of the MSCI Group pursuant to Section 6 and any amounts receivable by the MSCI Group in respect of a Separate Group Taxable Loss or Tax credit shall be included in determining the payments due from the MSCI Group. If the sum of any payments by the MSCI Group pursuant to Section 6, and any amounts receivable by the MSCI Group in respect of a Separate Group Taxable Loss or Tax credit exceed its Tax liability, such excess shall be refunded to the MSCI Group. Interest will be due on any underpayment or overpayment of Tax, computed from the date on which a final Return is filed, (i) if owed by the MSCI Group to MS on an underpayment, at the Underpayment Rate and (ii) if owed by MS to the MSCI Group on an overpayment, the Overpayment Rate.

(b) If a portion or all of an unused loss or Tax credit is allocated to a member of the Consolidated Group, pursuant to Treasury Regulations Section 1.1502-21(b) or Treasury Regulations Section 1.1502-79, and is carried back or forward to a Taxable year in which such member filed a separate Return or consolidated, combined or unitary Return with an affiliated group that is not a Consolidated Group, any Refund or reduction in Tax liability arising from such carry back or carryover shall be retained by such member, subject to future audit adjustments. Notwithstanding the foregoing, MS, in its sole discretion, shall determine whether an election shall be made to relinquish the entire carry back period with respect to part or all of a consolidated net operating loss for any Pre-Deconsolidation Period in accordance with Treasury Regulations Section 1.1502-21(b)(3).

(c) Notwithstanding Section 7(b) above, no member of the MSCI Group shall make any election to carry back any Tax item from a Post-Deconsolidation Period to a Pre-Deconso1idation Period without MS's written consent. In the event that MS consents to the carry back of any Tax item by a member of the MSCI Group from a Post- Deconsolidation Period to a Pre-Deconsolidation Period or in the event that a member of the MSCI Group is required by applicable law to carry back a Tax item from a Post-Deconsolidation Period to a Pre- Deconsolidation Period, MS shall currently compensate the MSCI Group only for a Tax item that is carried back which does not result in the loss or deferral of any Tax attribute of any member of the MS Group. In the event that such item of a member of the MS Group is only deferred, MS

shall make a payment to the MSCI Group in respect of such deferred item at the time the MS Group Actually Realizes the deferred Tax attribute. To the extent the MS Group suffers a permanent loss of such Tax attribute, no payment shall be made to the MSCI Group.

(d) MSCI and MS hereby acknowledge and agree that Sections 6 and 7(a) are applicable only with respect to Pre-Deconsolidation Periods for which no [mal Return has been filed prior to the date hereof.

(e) MSCI shall make payments to MS in respect of the Tax Benefit recognized by any member of the MSCI Group from the exercise of options on MS stock and the conversion of restricted MS stock units by employees of MSCI and the members of the MSCI Group.

8. Other Taxes. All federal, state, local, foreign and other Taxes that are not otherwise expressly dealt with herein shall be the responsibility of the Person who has primary liability for such Taxes, and the filing of any Returns with respect to such Taxes shall be the responsibility of the Person responsible for filing such Returns under applicable law.

9. Additional Events. The parties agree that, in the event MS decides to distribute shares of MSCI to MS shareholders in a transaction intended to qualify under Section 355 of the Code, this Agreement will be amended prior to the distribution date to include representations, covenants and indemnities substantially in the form provided in Exhibit A attached hereto.

10. Indemnities.

(a) MSCI Indemnity. MSCI and each member of the MSCI Group will jointly and severally indemnify MS and the members of the MS Group against, and hold them harmless from:

(i) any Tax liability of the MSCI Group as determined in accordance with this Agreement;

(ii) any liability or damage resulting from a breach by MSCI or any member of the MSCI Group of any representation or covenant made by MSCI herein, including any representation or covenant made by MSCI pursuant to the amendment to this Agreement as provided in Section 9; and

(iii) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any Tax liability or damage described in (i) or (ii), including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such Tax, liability or damage.

(b) MS Indemnity. MS and each member of the MS Group will jointly and severally indemnify MSCI and the members of the MSCI Group against, and hold them harmless from:

(i) any Tax liability of the Consolidated Group, other than any such liabilities described in Section 10(a);

(ii) any Taxes imposed on MSCI or any member of the MSCI Group under Treasury Regulation 1.1502-6 (or similar provision of state, local or foreign law) solely as a result of MSCI or any such member being or having been a member of a Consolidated Group to the extent payment is first sought by a Taxing Authority from a member of the MSCI Group;

(iii) any liability or damage resulting from a breach by MS or any member of the MS Group of any representation or covenant made by MS herein; and

(iv) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any Tax liability or damage described in (i), (ii) or (iii) including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such Tax, liability or damage.

If a member of the MS Group ceases to be an Affiliate of MS as a result of a sale of its stock to a third party (whether or not treated as a sale or exchange of stock for Tax purposes), such member of the MS Group shall be released from its obligations under this Agreement upon such sale and neither MS nor any member of the MS Group shall have any obligation to indemnify MSCI or any member of the MSCI Group under Section 10(b)(iii) for any liability or damage attributable to actions taken by such Affiliate after such sale.

If a member of the MSCI Group ceases to be an Affiliate of MSCI as a result of a sale of its stock to a third party (whether or not treated as a sale or exchange of stock for Tax purposes) (a "Former MSCI Group Member"), such Former MSCI Group Member shall be released from its indemnity obligations under this Section 10, provided that the Applicable Percentage with respect to such transaction does not exceed 15%. The "Applicable Percentage" shall mean with respect to each transaction the sum of (a) (i) the aggregate of the audited operating revenue for the previous 12 months as of the time of its separation from the MSCI Group of each Former MSCI Group Member that is a party to such transaction divided by

(ii) the audited operating revenue of the MSCI Group for the previous 12 months as of the time immediately prior to such transaction, and (b) for each Former MSCI Group Member that previously separated from the MSCI Group, (iii) the audited operating revenue of such Former MSCI Group Member for the previous 12 months as of the time of its separation from the MSCI Group divided by (iv) the audited operating revenue of the MSCI Group for the previous 12 months as of the time immediately prior to its separation from the MSCI Group. In any transaction in which the Applicable Percentage exceeds 15%, which may be the first transaction with respect to a Former MSCI Group Member, each Former MSCI Group Member that is a party to such transaction and all future Former MSCI Group Members shall remain liable for the indemnity obligations under this Section 10.

(c) Discharge of Indemnity. MSCI, MS and the members of the MSCI Group and MS Group, respectively, shall discharge their obligations under Sections 10(a) and 10(b) hereof, respectively, by paying the relevant amount within 30 days of demand therefor. Any such demand shall include a statement showing the amount due under Section 10(a) or l0(b), as the case may be. Items described in Section 10(a)(i) and l0(b)(i) shall be calculated as set forth in Sections 3, 4, 5 and 6. Notwithstanding the foregoing, if either MSCI, MS or any member of the MSCI Group or MS Group disputes in good faith the fact or the amount of its obligation under Section 10(a) or Section 10(b), then no payment of the amount in dispute shall be required until any such good faith dispute is resolved in accordance with Section 21 hereof; provided, however, that any amount not paid within 30 days of demand therefor shall bear interest as provided in Section 14.

(d) Tax Benefits. If an indemnification obligation of any member of the MS Group or any member of the MSCI Group, as the case may be, under this Section 10 with respect to a Consolidated Group arises in respect of an adjustment that makes allowable to a member of the MSCI Group or a member of the MS Group, respectively, any deduction, amortization, exclusion from income or other allowance (a "Tax Benefit") which would not, but for such adjustment, be allowable, then any payment by any member of the MS Group or any member of the MSCI Group, respectively, pursuant to this Section 10 shall be an amount equal to (x) the amount otherwise due but for this subsection (d), minus (y) the present value of the product of the Tax Benefit multiplied (i) by the maximum applicable federal, foreign, state or local, as the case may be, corporate Tax rate in effect at the time such Tax Benefit becomes allowable to a member of the MSCI Group or a member of the MS Group (as the case may be) or (ii) in the case of a credit, by 100 percent. The present value of such product shall be determined by discounting such product from the time the Tax Benefit becomes allowable at a rate equal to the Prime Rate as published in the *Wall Street Journal, Eastern Edition*.

11. Guarantees. MS or MSCI, as the case may be, shall guarantee or otherwise perform the obligations of each member of the MS Group or the MSCI Group, respectively, under this Agreement

12. Communication and Cooperation.

(a) Consult and Cooperate. MSCI and MS shall consult and cooperate (and shall cause each member of the MSCI Group or the MS Group, respectively, to cooperate) fully at such time and to the extent reasonably requested by the other party in connection with all matters subject to this Agreement. Such cooperation shall include, without limitation,

(i) the retention, and provision on reasonable request, of any and all information including all books, records, documentation or other information pertaining to Tax matters relating to the MS Group and the MSCI Group, any necessary explanations of information, and access to personnel, until one year after the expiration of the applicable statute of limitation (giving effect to any extension, waiver, or mitigation thereof);

(ii) the execution of any document that may be necessary (including to give effect to Section 13) or helpful in connection with any required Return or in connection with any audit, proceeding, suit or action; and

(iii) the use of the parties' best efforts to obtain any documentation from a governmental authority or a third party that may be necessary or helpful in connection with the foregoing.

(b) Provide Information. MS and MSCI shall keep each other fully informed with respect to any material development relating to the matters subject to this Agreement.

(c) Tax Attribute Matters. MS and MSCI shall promptly advise each other with respect to any proposed Tax adjustments relating to a Consolidated Group, which are the subject of an audit or investigation, or are the subject of any proceeding or litigation, and which may affect any Tax liability or any Tax attribute of MS, MSCI, the MS Group, the MSCI Group or any member of the MSCI Group or the MS Group (including, but not limited to, basis in an asset or the amount of earnings and profits).

13. Audits and Contest.

(a) MS or MSCI shall promptly notify the other in writing upon the receipt of any notice of Tax Proceeding from the relevant Taxing

Authority that could reasonably result in an indemnity obligation of a party under this Agreement; provided, that a party's right to indemnification under this Agreement shall not be limited in any way by a failure to so notify, except to the extent that the indemnifying party is materially prejudiced by such failure.

(b) MS shall have full control over all matters relating to any Return or any Tax Proceeding relating to any Tax matters of at least one member of the MS Group; provided, however, that MSCI shall have full control over Tax Proceedings involving issues relating solely to a Tax liability of one or more members of the MSCI Group. Except as provided in Section B(c), MS shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any matter described in the preceding sentence.

(c)

(i) Upon request, during the course of any Tax Proceeding relating to a Tax liability or damage described in Section l0(a), MSCI shall from time to time furnish MS with evidence reasonably satisfactory to MS of MSCI's ability to pay the amount for which it could reasonably be expected to be responsible pursuant to Section l0(a). If at any time during such Tax Proceeding MS determines that MSCI could not pay such amount, then MSCI shall be required to furnish a guarantee or performance bond satisfactory to MS in an amount equal to the amount for which MSCI could reasonably be expected to be responsible pursuant to Section 10(a).

(ii) Notwithstanding anything to the contrary in this Agreement, in the event a Tax Proceeding involves an issue that is common to both the MS Group and the MSCI Group, MS shall use its best efforts to settle such issues on behalf of the MS Group and the MSCI Group on a consistent basis.

(d) The indemnified party agrees to give notice to the indemnitor of the assertion of any claim, or the commencement of any suit, action or proceeding in respect of which indemnity may be sought hereunder within 30 days of such assertion or commencement, or such earlier time that would allow the indemnitor to timely respond to such claim, suit action or proceeding.

(e) With respect to Returns relating solely to one or more members of the MSCI Group (taking into account the parties' obligations under Section 10), MSCI and the members of the MSCI Group shall have full control over all matters relating to any Tax Proceeding in connection therewith. MSCI and the members of the MSCI Group shall have absolute

discretion with respect to any decisions to be made, or the nature of any. action to be taken, with respect to any matter described in the preceding sentence.

14. Payments. All payments to be made hereunder shall be made in immediately available funds. Except as otherwise provided, all payments required to be made pursuant to this Agreement will be due 30 days after the receipt of notice of such payment or, where no notice is required, 30 days after the fixing of liability or the resolution of a dispute. Payments shall be deemed made when received. Any payment that is not made by the MS Group when due shall bear interest at the Overpayment Rate for each day until paid. Any payment that is not made by the MSCI Group when due shall bear interest at the Underpayment Rate for each day until paid. If, pursuant to a Final Determination, any amount paid by MS or the members of the MS Group or MSCI or the members of the MSCI Group, as the case may be, pursuant to this Agreement results in any increased Tax liability or reduction of any Tax asset of MSCI or any member of the MSCI Group or MS or any member of the MS Group, respectively, then MS or MSCI, as appropriate, shall indemnify the other party and hold it harmless from any interest or penalty attributable to such increased Tax liability or the reduction of such Tax asset and shall pay to the other party, in addition to amounts otherwise owed, the After-Tax Amount. With respect to any payment required to be made or received under this Agreement, MS has the right to designate, by written notice to MSCI, which member of the MS Group will make or receive such payment.

15. Notices. Any notice, demand, claim, or other communication under this Agreement shall be in writing and shall be deemed to have been given upon the delivery or mailing, thereof, as the case may be, if delivered personally or sent by certified mail, return receipt requested, postage prepaid, to the parties at the following addresses (or at such other address as a party may specify by notice to the other):

If to MS or the MS Group, to:

Morgan Stanley
1633 Broadway, 25th Floor
New York, NY 10019
Attn: Harvey B. Mogenson, Global Head of Tax
Facsimile: (212) 507-3643

With a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Attn: John A. Bick
Facsimile: (212) 450-3500

If to MSCI or the MSCI Group, to:

MSCI Inc.
88 Pine Street
New York, NY 10005
Attn: Frederick W. Bogdan, General Counsel
Facsimile: (212) 804-2906

16. Costs and Expenses.

(a) Except as expressly set forth in this Agreement, each party shall bear its own costs and expenses incurred pursuant to this Agreement. For purposes of this Agreement, costs and expenses shall include, but not be limited to, reasonable attorneys' fees, accountant fees and other related professional fees and disbursements. Notwithstanding anything to the contrary in this Agreement, each of the MSCI Group and the MS Group will be responsible for its allocable portion, as determined by MS, of (i) all costs and expenses attributable to filing any Return that reflects the income, assets or operations of the MSCI Group or the MS Group, respectively and (ii) all costs and expenses incurred by MS or MSCI, respectively, in complying with the provisions of Section 12 of this Agreement.

(b) With respect to all Tax Proceedings, including any pending litigation with any Taxing Authority, costs shall be allocated in good faith by MS. Each party hereto shall be liable for its allocable portion of such costs as provided in Section 10.

17. UK Group Relief. Notwithstanding any agreement, arrangement or understanding to the contrary, the MS Group shall not provide UK group relief to any member of the MSCI Group for any taxable period ending after the date of this Agreement and shall not be obligated to provide UK group relief to any member of the MSCI Group for any preceding taxable period.

18. Effectiveness; Termination and Survival. This Agreement shall become effective upon its execution. Unless terminated earlier by mutual consent of MS and MSCI, all rights and obligations arising hereunder shall survive until they are fully effectuated or performed and, provided, further, that notwithstanding anything in this Agreement to the contrary, this Agreement shall remain in effect and its provisions shall survive for one year after the full period of all applicable statutes of limitation (giving effect to any extension, waiver or mitigation thereof) and, with respect to any claim hereunder initiated prior to the end of such period, until such claim has been satisfied or otherwise resolved.

19. Section Headings. The headings contained in this Agreement are inserted for convenience only and shall not constitute a part hereof or in any way affect the meaning or interpretation of this Agreement.

20. Entire Agreement; Amendments and Waivers.

(a) Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein. No alteration, amendment, modification, or waiver of any of the terms of this Agreement shall be valid unless made by an instrument signed by an authorized officer of each of MS and MSCI, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) Amendments and Waivers. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver hereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege. This Agreement shall not be waived, amended or otherwise modified except in writing, duly executed by all of the parties hereto.

21. Governing Law and Interpretation. This Agreement shall be construed and enforced in accordance with the laws of the State of New York without giving, effect to laws and principles relating to conflicts of law.

22. Dispute Resolution. In the event of any dispute relating to this Agreement, including whether a Tax liability is a liability of the MS Group or the MSCI Group, the parties shall work together in good faith to resolve such dispute within 30 days. If the parties are unable to resolve such dispute within 30 days, such dispute shall be resolved by an accounting firm whose selection shall be reasonably satisfactory to both parties and whose fees and costs shall be shared equally by MS and MSCI.

23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

24. Assignments; Third Party Beneficiaries. Except as provided below, this Agreement shall be binding upon and shall inure only to the benefit of the parties hereto and their respective successors and assigns, by merger, acquisition of assets or otherwise (including but not limited to any successor of a party hereto succeeding to the Tax attributes of such party under applicable law). This Agreement is not intended to benefit any person other than the parties hereto and such successors and assigns, and no such other person shall be a third party beneficiary hereof. If, during the period beginning on the date hereof and ending upon the expiration of the survival period set forth in Section 17, any Person becomes a Subsidiary of MSCI, such Subsidiary shall be bound by the terms of this Agreement and MSCI shall provide evidence to MS of such Subsidiary's agreement to be bound by the terms of this Agreement.

25. Authorization, etc. Each of the parties hereto hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such party, that this Agreement constitutes a legal, valid and binding obligation of each such party, and that the execution, delivery and performance of this Agreement by such party does not contravene or conflict with any provision or law or of its charter or bylaws or any agreement, instrument or order binding on such party.

[Remainder of this page is intentionally left blank]

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

MS on its own behalf
and on behalf of the members of
the MS Group

By: /s/ Colm Kelleher
Name: Colm Kelleher
Title: Chief Financial Officer

MSCI on its own behalf and
on behalf of the members of
the MSCI Group

By: _____
Name:
Title:

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

MS on its own behalf
and on behalf of the members of
the MS Group

By: _____
Name:
Title:

MSCI on its own behalf and
on behalf of the member of
the MSCI Group

By: /s/ Henry Fernandez
Name: Henry Fernandez
Title: CEO & President

EXHIBIT A

1. Definitions.

"Distribution" shall mean the distribution by MS of stock of MSCI to MS shareholders in a transaction that is intended to qualify under Section 355 of the Code.

"Distribution Date" shall mean the date on which the Distribution shall be effected.

2. Certain Representations, Covenants and Indemnities Applicable to a Distribution.

(a) MSCI Representations. MSCI and each member of the MSCI Group represents, and covenants that on the Distribution Date, that there is no plan or intention:

(i) to take any action that would prevent any member of the MSCI Group conducting an active business relied upon (as designated by MS) to meet the requirements of Section 355(b) of the Code or a similar provision of state law from meeting such requirements,

(ii) to sell or otherwise dispose of any asset of MSCI or any member of the MSCI Group subsequent to the Distribution, in a manner that would result in any increased Tax liability or reduction of any Tax asset of the MS Group or any member thereof,

(iii) to take any action inconsistent with any written information and representations furnished to the IRS, or other Taxing Authority in connection with a ruling request, or to counsel in connection with any opinion being delivered by counsel with respect to the Distribution, regardless of whether such information and representations were included in the ruling or in the opinion (provided, however, that with respect to the foregoing, MS has provided MSCI with a written copy of such information and representation),

(iv) to repurchase stock of MSCI in a manner contrary to the requirements of IRS Revenue Procedure 96-30, as modified by IRS Revenue Procedure 2003-48, or in a manner contrary to any representations made in a ruling request and disclosed to MSCI,

(v) to take any action that management of MSCI knows, or should have known (as disclosed to MSCI by MS), is reasonably likely to contravene any representation made to, or an agreement entered into with, a Taxing Authority prior to the Distribution Date to which any member of the MSCI Group or the MS Group is a party, or

(vi) to enter into any negotiations, agreements, or arrangements with respect to transactions or events (including stock issuances, pursuant to the exercise of options or otherwise, option grants, the adoption of, or authorization of shares under, a stock option plan, capital contributions, or acquisitions, but not including the Distribution) which may cause the Distribution to be treated as part of a plan pursuant to which one or more Persons acquire directly or indirectly MSCI stock representing a "50- percent or greater interest" within the meaning of Section 355(d)(4) of the Code.

(b) MSCI Covenants. MSCI covenants to MS that, without either (i) the prior written consent of MS, (ii) a supplemental private letter ruling issued by the IRS, or (iii) an unqualified written opinion of nationally recognized tax counsel selected by MS (in the case of (ii) and (iii), satisfactory to MS in its sole discretion):

(i) during the twelve-month period following the Distribution Date, neither MSCI, nor any member of the MSCI Group conducting an active business relied upon to meet the requirements of Section 355(b) of the Code (as designated by MS) or a similar provision of state law, will liquidate, merge or consolidate with any other Person,

(ii) during the two-year period following the Distribution Date, MSCI will not sell, exchange, distribute or otherwise dispose of its assets or those of any member of the MSCI Group in a manner that would result in any increased Tax liability or reduction of any Tax asset of the MS Group or any member thereof,

(iii) following the Distribution, MSCI will, for a minimum of twelve months, continue each active business relied upon to meet the requirements of Section 355(b) of the Code (as designated by MS) or a similar provision of state law,

(iv) MSCI will not, nor will it permit any member of the MSCI Group to, take any action inconsistent with the information and representations furnished to the IRS or other Taxing Authority in connection with a ruling request, or to counsel in

connection with any opinion being delivered by counsel with respect to the Distribution, regardless of whether such information and representations were included in the ruling or in the opinion (provided, however, that with respect to the foregoing, MS has provided MSCI with a written copy of such information and representation),

(v) MSCI will not take any action that management of MSCI knows, or should have known (as disclosed to MSCI by MS), is reasonably likely to contravene any representation made to, or an agreement entered into with, a Taxing Authority prior to the Distribution Date to which any member of the MSCI Group or the MS Group is a party,

(vi) during the two-year period following the Distribution Date, MSCI will not repurchase stock of MSCI in a manner contrary to the requirements of IRS Revenue Procedure 96-30, as modified by IRS Revenue Procedure 2003-48, or in a manner contrary to the representations disclosed to MSCI and made in a ruling request,

(vii) MSCI will not, nor will it permit any member of the MSCI Group to, make or change any accounting method, amend any Return or take any Tax position on any Return, take any other action or enter into any transaction that results in any increased Tax liability or reduction of any Tax asset of the MS Group or any member thereof in respect of any pre-Distribution period,

(viii) during the two-year period following the Distribution Date, MSCI will not enter into any transaction or make any change in its equity structure (including stock issuances, pursuant to the exercise of options or otherwise, options grants, the adoption of, or authorization of shares under, a stock option plan, capital contributions, or acquisitions) which may cause the Distribution to be treated as part of a plan (or series of related transactions) pursuant to which one or more Persons acquire directly or indirectly MSCI stock representing a “50-percent or greater interest” within the meaning of Section 355(d)(4) of the Code, and

(ix) during the five-year period from the Distribution Date, MSCI will not enter into any transaction or make any change in its equity structure which may cause the Distribution to fail to satisfy the distribution of control requirement of Section 355(a)(1) of the Code.

MSCI agrees that, regardless of whether MS consents to, or receives a ruling or opinion with respect to, any action referred to in this Section, MS is to have no liability for any Tax resulting from any such action and MSCI agrees to indemnify and hold harmless the MS Group against any such Tax. MSCI shall also bear all costs incurred by MS in connection with obtaining any opinion of counsel, a supplemental private letter ruling or in connection with MS's determination of whether or not to grant any written consent required under this Section.

(c) MSCI Indemnity. MSCI and each member of the MSCI Group will jointly and severally indemnify MS and the members of the MS Group against, and hold them harmless from:

(i) any income tax liability of the MSCI Group as determined in accordance with this Agreement;

(ii) any liability or damage resulting from a breach by MSCI or any member of the MSCI Group of any representation or covenant made by MSCI herein;

(iii) any income tax liability (a) resulting from the Distribution that is intended to qualify as tax free to MS or its shareholders under Sections 355 and/or 368(a)(1)(D) of the Code (or similar provisions of state law) from failing to so qualify and (b) that is attributable to any action of MSCI or any member of the MSCI Group, without regard to whether MS has consented to such action; and

(iv) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any income tax liability or damage described in (i), (ii) or (iii), including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such income tax, liability or damage.

Exhibit 10.13

EXECUTION VERSION

SHAREHOLDER AGREEMENT

by and between

MORGAN STANLEY

and

MSCI INC.

Dated as of November 20, 2007

SHAREHOLDER AGREEMENT

THIS SHAREHOLDER AGREEMENT (**"Agreement"**) is entered into as of November 20, 2007 by and between MSCI Inc., a Delaware corporation (**"MSCI"**), and Morgan Stanley, a Delaware corporation (**"Morgan Stanley"**).

RECITALS

WHEREAS, Morgan Stanley beneficially owns approximately ninety- seven percent (97%) of the issued and outstanding MSCI Class B Common Stock, par value $0.01 per share (**"Class B Common Stock"**), and MSCI is a member of Morgan Stanley's "affiliated group" of corporations for federal income tax purposes;

WHEREAS, MSCI has issued shares of Class A Common Stock, $0.01 par value per share (**"Class A Common Stock"**), to the public in an offering (the **"Initial Public Offering"**) pursuant to registration statement no. 333-144975 under the Securities Act of 1933, as amended; and

WHEREAS, the parties desire to enter into this Agreement to set forth their agreement regarding (i) Morgan Stanley's rights to purchase additional shares of Class B Common Stock upon any issuance of capital stock of MSCI to any person in order to allow Morgan Stanley to prevent a Morgan Stanley Ownership Reduction, (ii) Morgan Stanley's rights to purchase shares of nonvoting classes of capital stock of MSCI to permit Morgan Stanley to own no less than eighty percent (80%) of each class of such stock outstanding, (iii) certain registration rights with respect to Class B Common Stock (and any other securities issued in respect thereof or in exchange therefor) and (iv) certain representations, warranties, covenants and agreements applicable to MSCI so long as it is a subsidiary of Morgan Stanley.

AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Morgan Stanley and MSCI, for themselves, their successors and assigns, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions.* As used in this Agreement, the following terms will have the following meanings, applicable both to the singular and the plural forms of the terms described:

"Affiliate" means, with respect to any Person, any Person controlling, controlled by or under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to vote a majority of the securities having voting power for the election of directors (or other Persons acting in similar capacities) of such Person or otherwise to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning ascribed thereto in the preamble hereto, as such agreement may be amended and supplemented from time to time in accordance with its terms.

"Applicable Stock" means at any time the MSCI Stock owned by the Morgan Stanley Entities.

"Blackout Period" has the meaning ascribed thereto in Section 3.01(a)(iv).

"Class A Common Stock" has the meaning ascribed thereto in the recitals to this Agreement.

"Class B Common Stock" has the meaning ascribed thereto in the recitals to this Agreement.

"Class B Common Stock Option" has the meaning ascribed thereto in Section 2.01(a).

"Class B Common Stock Issuance Notice" has the meaning ascribed thereto in Section 2.02.

"Code" means the Internal Revenue Code of 1986, as amended.

"Damages" has the meaning ascribed thereto in Section 3.07.

"Demand Holder" has the meaning ascribed thereto in Section 3.01(a).

"Demand Piggyback" has the meaning ascribed thereto in Section 3.02(c).

"Demand Registration" has the meaning ascribed thereto in Section 3.01(a).

"e-mail" has the meaning ascribed thereto in Section 5.06.

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

"Holder" means Morgan Stanley and any Transferee.

"Indemnified Party" has the meaning ascribed thereto in Section 3.07(6).

"Indemnifying Party" has the meaning ascribed thereto in Section 3.07(c).

"Initial Public Offering" has the meaning ascribed thereto in the recitals to this Agreement.

"Initial Public Offering Date" means the date of completion of the initial sale of Class A Common Stock in the Initial Public Offering.

"Issuance Event" has the meaning ascribed thereto in Section 2.02.

"Issuance Event Date" has the meaning ascribed thereto in Section 2.02.

"Issuance Notice" has the meaning ascribed thereto in Section 2.02.

"Market Price" of any shares of Class A Common Stock on any date means (i) the average of the last sale price of such shares on each of the five trading days immediately preceding such date on the New York Stock Exchange or, if such shares are not quoted thereon, on the principal national securities exchange on which such shares are traded or (ii) if such sale prices are unavailable or such shares are not so traded, the value of such shares on such date determined in accordance with agreed-upon procedures reasonably satisfactory to MSCI and Morgan Stanley.

"Maximum Offering Size" means the largest number of shares that can be sold in an offering of Registrable Securities without having an adverse effect on such offering, including the price at which such Registrable Securities can be sold, as determined by a nationally recognized investment banking firm selected, in the case of a Demand Registration, by a Demand Holder and reasonably acceptable to MSCI and, in the case of a Piggyback Registration, selected by MSCI. In the case of an underwritten offering, such investment banking firm shall also serve as the lead underwriter or managing underwriter.

"Morgan Stanley" has the meaning ascribed thereto in the preamble hereto.

"Morgan Stanley Entities" means Morgan Stanley and its Subsidiaries (excluding MSCI Entities) and **"Morgan Stanley Entity"** means any of the Morgan Stanley Entities.

"Morgan Stanley Ownership Reduction" means any decrease at any time in the Value Ownership Percentage to less than 50% or the Vote Ownership Percentage to less than 80%.

"MSCI" has the meaning ascribed thereto in the preamble hereto.

"MSCI Entities" means MSCI and its Subsidiaries and **"MSCI Entity"** shall mean any of the MSCI Entities.

"MSCI Piggyback" has the meaning ascribed thereto in Section 3.02(b).

"MSCI Stock" means the Class A Common Stock, the Class B Common Stock and any other security of MSCI treated as stock for purposes of Sections 355 and 1504 of the Code.

"Nonvoting Stock" means any class of MSCI capital stock not having the right to vote generally for the election of directors.

"Nonvoting Stock Option" has the meaning ascribed thereto in Section 2.01(b).

"Nonvoting Stock Issuance Notice" has the meaning ascribed thereto in Section 2.02.

"Options" has the meaning ascribed thereto in Section 2.01(b).

"Other Holders" has the meaning ascribed thereto in Section 3.02(b).

"Other Securities" has the meaning ascribed thereto in Section 3.02.

"Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated. organization, government (and any department or agency thereof) or other entity.

"Piggyback Registration" has the meaning ascribed thereto in Section 3.02.

"Registrable Securities" means Class B Common Stock and any stock or other securities into which or for which such Class B Common Stock may hereafter be changed, converted or exchanged and any other shares or securities issued to Holders of such Class B Common Stock (or such shares or other securities into which or for which such shares are so changed, converted or exchanged) upon any reclassification, share combination, share subdivision, share dividend, share exchange, merger, consolidation or similar transaction or event or pursuant to the Nonvoting Stock Option. As to any particular Registrable Securities, such Registrable Securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale by the Holder thereof shall have been declared effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) they shall have been sold to the public in accordance with Rule 144, (iii) they shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by MSCI and

subsequent disposition of them shall not require registration or qualification of them under the Securities Act or any state securities or blue sky law then in effect or (iv) they shall have ceased to be outstanding.

"Registration Expenses" means any and all expenses incident to performance of or compliance with any registration of securities pursuant to Article 3, including, without limitation, (i) the fees, disbursements and expenses of MSCI's counsel and accountants and the reasonable fees and expenses of one counsel selected by the Holders; (ii) all expenses, including filing fees, in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus, any other offering document and amendments and supplements thereto and the mailing and delivering of copies thereof to any underwriters and dealers; (iii) the cost of printing or producing any agreements among underwriters, underwriting agreements, and blue sky or legal investment memoranda, any selling agreements and any other documents in connection with the offering, sale or delivery of the securities to be disposed of; (iv) all expenses in connection with the qualification of the securities to be disposed of for offering and sale under state securities laws, including the fees and disbursements of counsel for the underwriters or the Holders of securities in connection with such qualification and in connection with any blue sky and legal investment services; (v) the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the securities to be disposed of; (vi) transfer agents' and registrars' fees and expenses and the fees and expenses of any other agent or trustee appointed in connection with such offering; (vii) all security engraving and security printing expenses; (viii) all fees and expenses payable in connection with the listing of the securities on any securities exchange or automated interdealer quotation system or the rating of such securities; (ix) any other fees and disbursements of underwriters customarily paid by the issuers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any; and (x) other reasonable out-of-pocket expenses of Holders other than legal fees and expenses referred to in clause (i) above; *provided*, *that*, the internal administrative costs of each Holder and MSCI shall not be considered "Registration Expenses".

"Rule 144" means Rule 144 (or any successor rule to similar effect) promulgated under the Securities Act.

"Rule 415 Offering" means an offering on a delayed or continuous basis pursuant to Rule 415 (or any successor rule to similar effect) promulgated under the Securities Act.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute.

"Selling Holder" has the meaning ascribed thereto in Section 3.04(e).

"Subsidiary" means, as to any Person, any corporation, association, partnership, joint venture or other business entity of which more than 50% of the voting capital stock or other voting ownership interests is owned or controlled directly or indirectly by such Person or by one or more of the Subsidiaries of such Person or by a combination thereof.

"Tax" means any tax, governmental fee or other like assessment or charge of any kind whatsoever (including, but not limited to, withholding on amounts paid to or by any Person), together with any interest, penalty, addition to tax or additional amount imposed by any governmental authority responsible for the imposition of any such tax (domestic or foreign), and any liability for any of the foregoing as transferee.

"Tax-Free Spin-Off" means a tax-free distribution under Section 355 of the Code or any corresponding provision of any successor statute.

"Transferee" has the meaning ascribed thereto in Section 3.09.

"Value Ownership Percentage" means, at any time, the fraction, expressed as a percentage and rounded to the next lowest thousandth of a percent, whose numerator is the aggregate value (as determined by Morgan Stanley in good faith) of the Applicable Stock and whose denominator is the aggregate value (as determined by Morgan Stanley in good faith) of the then outstanding shares of MSCI Stock.

"Vote Ownership Percentage" means, at any time, the fraction, expressed as a percentage and rounded to the next lowest thousandth of a percent, whose numerator is the aggregate voting power (as determined under Section 355 of the Code) of the Applicable Stock and whose denominator is the aggregate voting power (as determined under Section 355 of the Code) of the then outstanding shares of MSCI Stock.

Section 1.02. *Internal References.* Unless the context indicates otherwise, references to Articles, Sections and paragraphs shall refer to the corresponding articles, sections and paragraphs in this Agreement, and references to the parties shall mean the parties to this Agreement.

ARTICLE 2
OPTIONS

Section 2.01. *Options.* (a) MSCI hereby grants to Morgan Stanley, on the terms and conditions set forth herein, a continuing right (the **"Class B Common Stock Option"**) to purchase from MSCI, at the times set forth herein, such number of shares of Class B Common Stock as is necessary to allow Morgan Stanley Entities to prevent a Morgan Stanley Ownership Reduction. The Class B Common Stock Option shall be assignable, in whole or in part and from time to

time, by Morgan Stanley to any Morgan Stanley Entity. The exercise price for the shares of Class B Common Stock purchased pursuant to the Class B Common Stock Option shall be the Market Price of the Class A Common Stock as of the date of first delivery of notice of exercise of the Class B Common Stock Option by Morgan Stanley (or its permitted assignee hereunder) to MSCI.

(b) MSCI hereby grants to Morgan Stanley, on the terms and conditions set forth herein, a continuing right (the **"Nonvoting Stock Option"** and, together with the Class B Common Stock Option, the **"Options"**) to purchase from MSCI, at the times set forth herein, such number of shares of Nonvoting Stock as is necessary to allow Morgan Stanley Entities to own eighty percent (80%) of each class of outstanding Nonvoting Stock. The Nonvoting Stock Option shall be assignable, in whole or in part and from time to time, by Morgan Stanley to any Morgan Stanley Entity. The exercise price for the shares of Nonvoting Stock purchased pursuant to the Nonvoting Stock Option shall be the price at which such Nonvoting Stock is then being sold to third parties or, if no Nonvoting Stock is being sold, the fair market value thereof as determined in good faith by the board of directors of MSCI.

Section 2.02. *Notice.* At least 20 business days prior to (i) any issuance of any shares of MSCI Stock and (ii) each date on which an event could occur that, in the absence of an exercise of the Class B Common Stock Option, would result in a reduction in the Vote Ownership Percentage or Value Ownership Percentage, MSCI will notify Morgan Stanley in writing (a **"Class B Common Stock Issuance Notice"**) of any plans it has to issue such shares or the date on which such event could first occur. At least 20 business days prior to (x) any issuance of shares of Nonvoting Stock and (y) each date on which an event could occur that, in the absence of an exercise of the Nonvoting Stock Option, would result in any reduction in the percentage of any class of Nonvoting Stock owned by Morgan Stanley Entities or otherwise result in Morgan Stanley Entities owning less than eighty percent (80%) of each class of outstanding Nonvoting Stock, MSCI will notify Morgan Stanley in writing (a **"Nonvoting Stock Issuance Notice"** and, together with a Class B Common Stock Issuance Notice, an **"Issuance Notice"**) of any plans it has to issue such shares or the date on which such event could first occur. Each Issuance Notice must specify the date on which MSCI intends to issue such additional shares or on which such event could first occur (such issuance or event being referred to herein as an **"Issuance Event"** and the date of such issuance or event as an **"Issuance Event Date"**), the number of shares MSCI intends to issue or may issue and the other terms and conditions of such Issuance Event.

Section 2.03. *Option Exercise And Payment.* The Class B Common Stock Option may be exercised by Morgan Stanley (or any Morgan Stanley Entity to which all or any part of the Class B Common Stock Option has been assigned) only for such number of shares as are necessary to prevent a Morgan Stanley Ownership Reduction. The Nonvoting Stock Option may be exercised by Morgan Stanley (or any Morgan Stanley Entity to which all or any part of the Nonvoting

Stock Option has been assigned) only for such number of shares as are necessary for Morgan Stanley Entities to own, in the aggregate, eighty percent (80%) of each class of outstanding Nonvoting Stock. Each Option may be exercised (to the extent then exercisable in accordance with its terms) at any time after receipt of an applicable Issuance Notice and prior to the applicable Issuance Event Date by the delivery to MSCI of a written notice to such effect specifying (i) the number of shares of Class B Common Stock or Nonvoting Stock (as the case may be) to be purchased by Morgan Stanley, or any Morgan Stanley Entity, and (ii) a calculation of the exercise price for such shares. Upon any such exercise of either Option, MSCI will, immediately prior to the issuance or event in connection with an Issuance Event, deliver to Morgan Stanley (or any Morgan Stanley Entity designated by Morgan Stanley), against payment therefor, certificates (issued in the name of Morgan Stanley or its permitted assignee hereunder, or as directed by Morgan Stanley) representing the shares of Class B Common Stock or Nonvoting Stock (as the case may be) being purchased upon such exercise. Payment for such shares shall be made by wire transfer or intrabank transfer to such account as shall be specified by MSCI, for the full purchase price for such shares.

Section 2.04. *Initial Public Offering.* Notwithstanding the foregoing, Morgan Stanley shall not be entitled to exercise the Class B Common Stock Option in connection with the Initial Public Offering of the Class A Common Stock.

Section 2.05. *Termination Of Options.* The Options shall terminate upon the occurrence of a Morgan Stanley Ownership Reduction, other than a Morgan Stanley Ownership Reduction resulting from any Issuance Event in violation of this Agreement. Each Option, or any portion thereof assigned to any Morgan Stanley Entity other than Morgan Stanley, also shall terminate in the event that the Person to whom such Option, or such portion thereof has been transferred, ceases to be a Morgan Stanley Entity for any reason whatsoever.

ARTICLE 3
REGISTRATION RIGHTS

Section 3.01. *Demand Registration - Registrable Securities.* (a) Upon written notice provided at any time after the Initial Public Offering Date from any Holder of Registrable Securities requesting that MSCI effect the registration under the Securities Act of any or all of the Registrable Securities held by such Holder (a **"Demand Holder"**), which notice shall specify the intended method or methods of disposition of such Registrable Securities, MSCI shall use its reasonable best efforts to effect the registration under the Securities Act and applicable state securities laws of such Registrable Securities for disposition in accordance with the intended method or methods of disposition stated in such request (including in a Rule 415 Offering, if MSCI is then eligible to register such Registrable Securities on Form S-3 (or a successor form) for such offering) (a **"Demand Registration"**); *provided, that:*

(i) the Holders of Registrable Securities may collectively exercise their rights to a Demand Registration on not more than five occasions;

(ii) the Holders of Registrable Securities shall not exercise their rights to a Demand Registration within the six-month period following any registration and sale of Registrable Securities effected pursuant to a prior exercise of rights to a Demand Registration;

(iii) the rights to effect a Demand Registration shall terminate on the tenth anniversary of the date of this Agreement; and

(iv) if the board of directors of MSCI determines in good faith that a Demand Registration (A) would materially impede, delay, interfere with or otherwise materially adversely affect any pending financing, registration of securities by MSCI in a primary offering for its own account, acquisition, corporate reorganization or other significant transaction involving MSCI or (B) would require disclosure of non-public material information that MSCI has a *bona fide* business purpose for preserving as confidential, MSCI shall be entitled to defer the filing or effectiveness of a registration statement, or to suspend the use of an effective registration statement, for the shortest period of time reasonably required (each such period, a **"Blackout Period"**); *provided*, *that*, MSCI shall not be entitled to invoke Blackout Periods for more than an aggregate of sixty (60) days in any 12-month period. MSCI shall notify each Holder of the expiration or earlier termination of a Blackout Period and, as soon as reasonably practicable after such expiration or termination, shall amend or supplement any effective registration statement to the extent necessary to permit the Holders to resume the use thereof in connection with the offer and sale of their Registrable Securities in accordance with applicable law.

(b) Notwithstanding any other provision of this Agreement to the contrary, a Demand Registration shall not be deemed to have been effected if no Registrable Securities are sold under the registration statement (and, therefore, not requested for purposes of paragraph (a) above).

(c) In the event that a Demand Registration shall involve, in whole or in part, an underwritten offering, the Demand Holder shall have the right to designate an underwriter or underwriters as the lead or managing underwriters of such underwritten offering reasonably acceptable to MSCI (and MSCI hereby acknowledges that Morgan Stanley & Co. Incorporated is reasonably acceptable) and, in connection with each Demand Registration, the Demand Holder may select one counsel to represent all Holders participating in such offering.

(d) MSCI shall have the right to cause the registration of additional equity securities for sale for the account of any Person (including, without limitation, MSCI and any existing or former directors, officers or employees of the MSCI Entities) in any Demand Registration; *provided, that,* if the Demand Holder is advised in writing (with a copy to MSCI) that the inclusion of such additional equity securities in such registration would be likely to exceed the Maximum Offering Size, the registration of such additional equity securities or part thereof shall not be permitted.

(e) The Demand Holder may require that any such additional equity securities described in Section 3.01(d) be included on the same conditions as the Registrable Securities of the Demand Holder to be included therein.

(f) If the Demand Holder believes that the aggregate number of Registrable Securities requested to be included in a Demand Registration would be likely to exceed the Maximum Offering Size, the Demand Holder may request a determination of the Maximum Offering Size. In the event that the Maximum Offering Size is determined to be less than the aggregate number of Registrable Securities requested to be included in such offering, the number of Registrable Securities to be included in the registration statement shall be reduced to the Maximum Offering Size and the number of Registrable Securities in excess of the amount requested by the Demand Holder, if any, shall be allocated *pro rata* among the other Holders requesting to be included in such offering on the basis of the relative number of Registrable Securities then held by each such Holder; *provided, that*, any number in excess of a Holder's request may be reallocated among the remaining requesting Holders in a like manner.

Section 3.02. *Piggyback Registration.* In the event that MSCI at any time after the Initial Public Offering Date proposes to register any of its Common Stock, any other of its equity securities or securities convertible into or exchangeable for its equity securities (collectively, including Common Stock, **"Other Securities"**) under the Securities Act, whether or not for sale for its own account, in a manner that would permit registration of Registrable Securities for sale for cash to the public under the Securities Act, it shall at each such time give, at least 30 days prior to the anticipated filing date of the registration statement relating to such registration, written notice to each Holder of Registrable Securities of its intention to do so and of the rights of such Holder under this Section 3.02. Subject to the terms and conditions hereof, such notice shall offer each such Holder the opportunity to include in such registration statement such number of Registrable Securities as such Holder may request (a **"Piggyback Registration"**). Upon the written request of any such Holder made within 15 days after the receipt of MSCI's notice (which request shall specify the number of Registrable Securities intended to be disposed of and the intended method of disposition thereof), MSCI shall use its reasonable best efforts to effect, in connection with the registration of the Other Securities, the registration under the Securities Act of all Registrable Securities which MSCI has been so requested to register, to the extent required to permit the Piggyback Registration; *provided, that:*

(a) if, at any time after giving such written notice of its intention to register any Other Securities and prior to the effective date of the registration statement filed in connection with such registration, MSCI shall determine for any reason not to register the Other Securities, MSCI may, at its election, give written notice of such determination to such Holders and thereupon MSCI shall be relieved of its obligation to register such Registrable Securities in connection with the registration of such Other Securities; *provided, that,* such determination by MSCI shall not prejudice the rights of the Holders of Registrable Securities to immediately request a Demand Registration in accordance with Section 3.01;

(b) if the registration referred to in the first sentence of this Section 3.02 is to be an underwritten registration on behalf of MSCI (an **"MSCI Piggyback"**) and MSCI is advised in writing that the inclusion of all or a part of such Registrable Securities in such registration would be likely to exceed the Maximum Offering Size, MSCI shall include in such registration: (i) *first,* all Other Securities MSCI proposes to sell for its own account and (ii) *second,* the number of securities (including Registrable Securities) that such underwriters advise can be so sold without adversely affecting such offering, allocated *pro rata* among the holders, other than MSCI, of Other Securities (the **"Other Holders"**) and the Holders of Registrable Securities on the basis of the number of securities requested in accordance with this Section 3.02 to be included therein by each Other Holder and each Holder of Registrable Securities; *provided, that,* in the event that the Maximum Offering Size is less than all of such Registrable Securities requested to be included in such offering, any Morgan Stanley Entity may withdraw its request for a Piggyback Registration and 90 days subsequent to the effective date of the registration statement for the registration of such Other Securities request a Demand Registration in accordance with Section 3.01;

(c) if the registration referred to in the first sentence of this Section 3.02 is to be an underwritten secondary registration on behalf of Other Holders (a **"Demand Piggyback"**) and MSCI is advised in writing that the inclusion of such additional securities in such registration would be likely to exceed the Maximum Offering Size, MSCI shall include in such registration the number of additional securities (including Registrable Securities) that such underwriters advise can be so sold without adversely affecting such offering, allocated *pro rata* among the Other Holders and the Holders of Registrable Securities on the basis of the number of securities (including Registrable Securities) requested in accordance with this Section 3.02 to be included therein by each Other Holder and each Holder of Registrable Securities; *provided, that,* in the event that the Maximum Offering Size is less than all of such Registrable Securities requested to be included in such offering, any Morgan Stanley Entity may withdraw its request for a Piggyback Registration and 90 days subsequent to the effective date of the registration statement for the registration of such Other Securities request a Demand Registration in accordance with Section 3.01;

(d) MSCI shall not be required to effect a Piggyback Registration incidental to the registration of any of its securities in connection with mergers, acquisitions, exchange offers, subscription offers, dividend reinvestment plans or stock option or other executive or employee benefit or compensation plans;

(e) no registration of Registrable Securities effected under this Section 3.02 shall relieve MSCI of its obligation to effect a Demand Registration; and

(f) the right to effect a Piggyback Registration shall terminate on the tenth anniversary of this Agreement.

Section 3.03. *Expenses.* (a) In the case of a Demand Registration,

(i) MSCI shall pay all Registration Expenses until and including the second occasion upon which a request for a Demand Registration shall have resulted in the sale of Registrable Securities under a registration statement; and

(ii) the requesting Holders shall pay all Registration Expenses arising in connection with any request for a Demand Registration thereafter.

(b) In the case of a Demand Piggyback, each Holder of Registrable Securities exercising its rights to effect a Piggyback Registration shall be responsible for a *pro rata* portion of the Registration Expenses, based on the number of Registrable Securities included therein by such Holder in proportion to the total number of securities included in such registration.

(c) In the case of an MSCI Piggyback, MSCI shall pay all Registration Expenses.

Section 3.04. *Registration And Qualification.* If and whenever MSCI is required to effect a Demand Registration or a Piggyback Registration, MSCI shall as promptly as practicable:

(a) prepare, file and use its reasonable best efforts to cause to become effective a registration statement under the Securities Act relating to the Registrable Securities to be offered;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities until the earlier of (i) such time as all of such Registrable Securities have been disposed of in accordance with the intended methods of disposition set forth in such registration statement and (ii) the expiration of the 90-day period after such registration statement becomes effective; *provided*, *that*,

such 90-day period shall be extended for such number of days that equals the number of days elapsing from (x) the date the written notice contemplated by paragraph (f) below is given by MSCI to (y) the date on which MSCI delivers to the Holders of Registrable Securities the supplement or amendment contemplated by paragraph (f) below;

(c) furnish to the Holders of Registrable Securities and to any underwriter of such Registrable Securities such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, such documents incorporated by reference in such registration statement or prospectus, and such other documents, as the Holders of Registrable Securities or such underwriter may reasonably request, and a copy of any and all transmittal letters or other correspondence to or received from, the SEC or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering;

(d) use its reasonable best efforts to register or qualify all Registrable Securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as the Holders of such Registrable Securities or any underwriter to such Registrable Securities shall request, and use its reasonable best efforts to obtain all appropriate registrations, permits and consents in connection therewith, and do any and all other acts and things which may be necessary or advisable to enable the Holders of Registrable Securities or any such underwriter to consummate the disposition in such jurisdictions of its Registrable Securities covered by such registration statement; *provided*, *that*, MSCI shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any such jurisdiction wherein it is not so qualified or to consent to general service of process in any such jurisdiction;

(e) (i) use its reasonable best efforts to furnish to each Holder of Registrable Securities included in such registration (each, a **"Selling Holder"**) and to any underwriter of such Registrable Securities an opinion of counsel for MSCI addressed to each Selling Holder and dated the date of the closing under the underwriting agreement (if any) (or if such offering is not underwritten, dated the effective date of the registration statement), and (ii) use its reasonable best efforts to furnish to each Selling Holder a "cold comfort" letter addressed to each Selling Holder and signed by the independent public accountants who have audited the financial statements of MSCI included in such registration statement, in each such case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other matters as the Selling Holders may reasonably request and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements;

(f) as promptly as practicable, notify the Selling Holders in writing (i) at any time when a prospectus relating to a registration pursuant to a Demand Registration or Piggyback Registration is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (ii) of any request by the SEC or any other regulatory body or other body having jurisdiction for any amendment of or supplement to any registration statement or other document relating to such offering, and in either such case, at the request of the Selling Holders prepare and furnish to the Selling Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(g) if reasonably requested by the lead or managing underwriters, use its reasonable best efforts to list all such Registrable Securities covered by such registration on each securities exchange on which the Class A Common Stock of MSCI is then listed;

(h) to the extent reasonably requested by the lead or managing underwriters, send appropriate officers of MSCI to attend any “road shows” scheduled in connection with any such registration, with all out-of-pocket costs and expense incurred by MSCI or such officers in connection with such attendance to be paid by MSCI; and

(i) so long as the board of directors of MSCI shall not have provided by resolution or resolutions that all or some of all classes or series of the stock of MSCI shall be represented by uncertificated shares, furnish for delivery in connection with the closing of any offering of Registrable Securities pursuant to a Demand Registration or Piggyback Registration unlegended certificates representing ownership of the Registrable Securities being sold in such denominations as shall be requested by the Selling Holders or the underwriters.

Section 3.05. *Conversion Of Other Securities, Etc.* Subject to any limitations in Section 3.09, in the event that any Holder offers any options, rights, warrants or other securities issued by it or any other Person that are offered with, convertible into or exercisable or exchangeable for any Registrable Securities, the Registrable Securities underlying such options, rights, warrants or other securities shall continue to be eligible for Demand Registration or Piggyback Registration.

Section 3.06. *Underwriting; Due Diligence.* (a) If requested by the underwriters for any underwritten offering of Registrable Securities pursuant to a Demand Registration or Piggyback Registration, MSCI shall enter into an underwriting agreement with such underwriters for such offering, which agreement will contain such representations and warranties by MSCI and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnification and contribution provisions substantially to the effect and to the extent provided in Section 3.07, and agreements as to the provision of opinions of counsel and accountants' letters to the effect and to the extent provided in Section 3.04(e). The Selling Holders on whose behalf the Registrable Securities are to be distributed by such underwriters shall be parties to any such underwriting agreement and the representations and warranties by, and the other agreements on the part of, MSCI to and for the benefit of such underwriters, shall also be made to and for the benefit of such Selling Holders. Such underwriting agreement shall also contain such representations and warranties by such Selling Holders and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnification and contribution provisions substantially to the effect and to the extent provided in Section 3.07.

(b) In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act pursuant to this Article 3, MSCI shall give the Holders of such Registrable Securities and the underwriters, if any, and their respective counsel and accountants, such reasonable and customary access to its books and records and such opportunities to discuss the business of MSCI with its officers and the independent public accountants who have certified the financial statements of MSCI as shall be necessary, in the opinion of such Holders and such underwriters or their respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act, *provided, that*, such Holders and the underwriters and their respective counsel and accountants shall use their reasonable best efforts to coordinate any such investigation of the books and records of MSCI and any such discussions with MSCI's officers and accountants so that all such investigations occur at the same time and all such discussions occur at the same time.

Section 3.07. *Indemnification And Contribution.* (a) In the case of each offering of Registrable Securities made pursuant to this Article 3, MSCI agrees to indemnify and hold harmless, to the extent permitted by law, each Selling Holder, each underwriter of Registrable Securities so offered and each Person, if any, who controls any of the foregoing Persons within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and the officers, directors, affiliates, employees and agents of each of the foregoing, against any and all losses, liabilities, costs (including reasonable expenses of investigation and reasonable attorney's fees and expenses), claims and damages, joint or several, to which they or any of them may become subject, under the Securities Act or

otherwise, including any amount paid in settlement of any litigation commenced or threatened (**"Damages"**), insofar as such Damages (or actions or proceedings in respect thereof, whether or not such indemnified Person is a party thereto) arise out of or are based upon any untrue statement by MSCI or alleged untrue statement by MSCI of a material fact contained in the registration statement (or in any preliminary or final prospectus included therein) or in any offering memorandum or other offering document relating to the offering and sale of such Registrable Securities prepared by MSCI or at its direction, or any amendment thereof or supplement thereto, or in any document incorporated by reference therein, or any omission by MSCI or alleged omission by MSCI to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided, that*, MSCI shall not be liable to any Person in any such case to the extent that any such Damages arise out of or relates to any untrue statement or alleged untrue statement, or any omission, if such statement or omission shall have been made in reliance upon and in conformity with information relating to a Selling Holder or another holder of securities included in such registration statement furnished to MSCI by or on behalf of such Selling Holder, other holder or underwriter, as the case may be, specifically for use in the registration statement (or in any preliminary or final prospectus included therein), offering memorandum or other offering document, or any amendment thereof or supplement thereto. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Selling Holder or any other holder and shall survive the transfer of such securities. The foregoing indemnity agreement is in addition to any liability that MSCI may otherwise have to each Selling Holder, other holder or underwriter of the Registrable Securities or any controlling person of the foregoing and the officers, directors, affiliates, employees and agents of each of the foregoing; *provided, further*, that, in the case of an offering with respect to which a Selling Holder has designated the lead or managing underwriters (or a Selling Holder is offering Registrable Securities directly, without an underwriter), this indemnity does not apply to any Damages arising out of or relating to any untrue statement or alleged untrue statement or omission or alleged omission in any preliminary prospectus or offering memorandum if a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) or offering memorandum was not sent or given by or on behalf of any underwriter (or such Selling Holder or other holder, as the case may be) to such Person asserting such Damages at or prior to the written confirmation of the sale of the Registrable Securities as required by the Securities Act and such current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) or offering memorandum would have cured the defect giving rise to such Damages.

(b) In the case of each offering made pursuant to this Agreement, each Selling Holder, by exercising its registration rights hereunder, agrees to indemnify and hold harmless, and to cause each underwriter of Registrable Securities included in such offering (in the same manner and to the same extent as set forth in Section 3.07(a)) to agree to indemnify and hold harmless, MSCI, each other

underwriter who participates in such offering, each other Selling Holder or other holder with securities included in such offering and in the case of an underwriter, such Selling Holder or other holder, and each Person, if any, who controls any of the foregoing within the meaning of the Securities Act and the officers, directors, affiliates, employees and agents of each of the foregoing, against any and all Damages to which they or any of them may become subject, under the Securities Act or otherwise, including any amount paid in settlement of any litigation commenced or threatened, insofar as such Damages (or actions or proceedings in respect thereof, whether or not such indemnified Person is a party thereto) arise out of or are based upon any untrue statement or alleged untrue statement by such Selling Holder or underwriter, as the case may be, of a material fact contained in the registration statement (or in any preliminary or final prospectus included therein) or in any offering memorandum or other offering document relating to the offering and sale of such Registrable Securities prepared by MSCI or at its direction, or any amendment thereof or supplement thereto, or any omission by such Selling Holder or underwriter, as the case may be, or alleged omission by such Selling Holder or underwriter, as the case may be, of a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that such untrue statement of a material fact is contained in, or such material fact is omitted from, information relating to such Selling Holder or underwriter, as the case may be, furnished to MSCI by or on behalf of such Selling Holder or underwriter, as the case may be, specifically for use in such registration statement (or in any preliminary or final prospectus included therein), offering memorandum or other offering document. The foregoing indemnity is in addition to any liability which such Selling Holder or underwriter, as the case may be, may otherwise have to MSCI, or controlling persons and the officers, directors, affiliates, employees, and agents of each of the foregoing; *provided*, *that*, in the case of an offering made pursuant to this Agreement with respect to which MSCI has designated the lead or managing underwriters (or MSCI is offering securities directly, without an underwriter), this indemnity does not apply to any Damages arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission in any preliminary prospectus or offering memorandum if a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) or offering memorandum was not sent or given by or on behalf of any underwriter (or MSCI, as the case may be) to such Person asserting such Damages at or prior to the written confirmation of the sale of the Registrable Securities as required by the Securities Act and such current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) or offering memorandum would have cured the defect giving rise to such Damages.

(c) If any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to paragraph (a) or (b), such Person (an **"Indemnified Party"**) shall promptly notify the Person against whom such indemnity may be sought (the **"Indemnifying Party"**) in writing and the Indemnifying Party shall assume the

defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses; *provided*, *that*, the failure of any Indemnified Party so to notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure to notify. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) in the reasonable judgment of such Indemnified Party representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that, in connection with any proceeding or related proceedings in the same jurisdiction, the Indemnifying Party shall not be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. Without the prior written consent of the Indemnified Party, no Indemnifying Party shall effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding.

(d) If the indemnification provided for in this Section 3.07 is unavailable to the Indemnified Parties in respect of any Damages, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Damages (i) as between MSCI and the Selling Holders on the one hand and the underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by MSCI and such Selling Holders on the one hand and the underwriters on the other, from the offering of the Registrable Securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of MSCI and such Selling Holders on the one hand and of such underwriters on the other in connection with the statements or omissions that resulted in such Damages, as well as any other relevant equitable considerations and (ii) as between MSCI on the one hand and each such Selling Holders on the other, in such proportion as is appropriate to reflect the relative fault of MSCI and of each such Selling Holder in connection with such statements or omissions, as well as

any other relevant equitable considerations. The relative benefits received by MSCI and such Selling Holders on the one hand and such underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by MSCI and such Selling Holders bear to the total underwriting discounts and commissions received by such underwriters, in each case as set forth in the table on the cover page of the prospectus or offering memorandum. The relative fault of MSCI and such Selling Holders on the one hand and of such underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by MSCI and such Selling Holders or by such underwriters. The relative fault of MSCI on the one hand and of each such Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

MSCI and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 3.07 were determined by *pro rata* allocation (even if the underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Damages referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 3.07, no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any Damages that such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Shareholder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities of such Shareholder were offered to the public (less underwriters' discounts and commissions) exceeds the amount of any Damages that such Shareholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11 (f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Each Selling Holder's obligation to contribute pursuant to this Section 3.07 is several in the proportion that the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all such Selling Holders and not joint.

(e) Indemnification and contribution similar to that specified in the preceding paragraphs of this Section 3.07 (with appropriate modifications) shall be given by MSCI, the Selling Holders and underwriters with respect to any required registration or other qualification of securities under any state law or regulation or governmental authority.

(f) The obligations of the parties under this Section 3.07 shall be in addition to any liability which any party may otherwise have to any other party.

Section 3.08. *Rule 144 And Form S-3.* Commencing 90 days after the Initial Public Offering Date, MSCI shall use its reasonable best efforts to ensure that the conditions to the availability of Rule 144 set forth in paragraph (c) thereof shall be satisfied. Upon the request of any Holder of Registrable Securities, MSCI will deliver to such Holder a written statement as to whether it has complied with such requirements. MSCI further agrees to use its reasonable best efforts to cause all conditions to the availability of Form S-3 (or any successor form) under the Securities Act of the filing of registration statements under this Agreement to be met as soon as practicable after the Initial Public Offering Date. Notwithstanding anything contained in this Section 3.08, MSCI may deregister under Section 12 of the Exchange Act if it then is permitted to do so pursuant to the Exchange Act and the rules and regulations thereunder.

Section 3.09. *Transfer Of Registration Rights.* Subject to the limitations set forth in Section 3.01(a), any Holder may transfer all or any portion of its rights under this Article 3 to any transferee of a number of Registrable Securities owned by such Holder exceeding three percent (3%) of the outstanding class or series of such securities at the time of transfer (each transferee that receives such minimum number of Registrable Securities, a **"Transferee"**). Any transfer of registration rights pursuant to this Section 3.09 shall be effective upon receipt by MSCI of (i) written notice from such Holder stating the name and address of any Transferee and identifying the number of Registrable Securities with respect to which the rights under this Agreement are being transferred and the nature of the rights so transferred and (ii) a written agreement from such Transferee to be bound by the terms of this Article 3 and Sections 5.03, 5.04, 5.09, 5.11 and 5.12 of this Agreement. The Holders may exercise their rights hereunder in such priority as they shall agree upon among themselves.

Section 3.10. *Holdback Agreement.* If any registration pursuant to this Article 3 shall be in connection with an underwritten public offering of Registrable Securities, each Selling Holder agrees not to effect any public sale or distribution, including any sale under Rule 144, of any equity security of MSCI (otherwise than through the registered public offering then being made), within 7 days prior to or 90 days (or such lesser period as the lead or managing underwriters may permit) after the effective date of the registration statement (or the commencement of the offering to the public of such Registrable Securities in the case of Rule 415 offerings). MSCI hereby also so agrees and agrees to cause each other holder of equity securities or securities convertible into or

exchangeable or exercisable for such securities (other than in the case of equity securities, under dividend reinvestment plans or employee stock plans) purchased from MSCI otherwise than in a public offering to so agree.

Section 3.11. *Agency Prospectus.* (a) From time to time upon request by Morgan Stanley in connection with any public or registered offering of securities by MSCI or any other Person of any MSCI Stock or any Tax-Free Spin-Off of MSCI, MSCI shall prepare and file with the SEC under the Securities Act a registration statement and an "agency prospectus" or other related document to the extent necessary or desirable to permit Morgan Stanley to effect agency transactions by Morgan Stanley & Co. Incorporated in MSCI Stock.

(b) MSCI shall pay all Registration Expenses relating to the preparation and filing of such registration statement and agency prospectus.

(c) MSCI hereby agrees that its indemnification and contribution obligations under Section 3.07 shall apply, *mutatis mutandis*, to paragraphs (a) and (b) above, as if set forth in this Section 3.11.

ARTICLE 4
CERTAIN COVENANTS AND AGREEMENTS

Section 4.01. *No Violations.* (a) Prior to the occurrence of any Morgan Stanley Ownership Reduction, MSCI covenants and agrees that it will not take any action or enter into any commitment or agreement which, to the knowledge of MSCI, may reasonably be anticipated to result, with or without notice and with or without lapse of time or otherwise, in a contravention or event of default by any Morgan Stanley Entity of (i) any provisions of applicable law or regulation, including but not limited to provisions pertaining to the Code or the Employee Retirement Income Security Act of 1974, as amended, (ii) any provision of Morgan Stanley's certificate of incorporation or bylaws, (iii) any credit agreement or other material instrument binding upon Morgan Stanley, or (iv) any judgment, order or decree of any governmental body, agency or court having jurisdiction over Morgan Stanley or any of their respective assets.

(b) MSCI and Morgan Stanley agree to provide to the other any information and documentation requested by the other for the purpose of evaluating and ensuring compliance with Section 4.01(a) hereof.

(c) Notwithstanding the foregoing Sections 4.01(a) and 4.01(b), nothing in this Agreement is intended to limit or restrict in any way the ability of Morgan Stanley to effect, restrict or limit any action or proposed action of MSCI, including, but not limited to, the incurrence by MSCI of indebtedness, based upon Morgan Stanley's internal policies or other factors.

Section 4.02. *Additional Undertakings.* (a) From time to time, if requested by MSCI, Morgan Stanley will provide in writing to MSCI notice of the amount of its aggregate ownership of MSCI Stock.

(b) If at any time prior to the Tax-Free Spin-Off Morgan Stanley owns less than 80% of the total value of MSCI Stock as calculated in accordance with Section 1504(a) of the Code, MSCI will not take any action, including the redemption or repurchase of any MSCI Stock, that has the direct or indirect effect of reducing the value of MSCI Stock outstanding for such calculation without the prior written approval of Morgan Stanley.

ARTICLE 5
MISCELLANEOUS

Section 5.01. *Indemnification.* MSCI agrees to indemnify Morgan Stanley, its Affiliates and their respective successors and assigns against, and agrees to hold each of them harmless from, any and all damage, loss, liability, expense (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding, whether involving a third party claim or a claim solely between the parties hereto), or Taxes (including but not limited to, any Taxes or expense of any Morgan Stanley Entity in connection with any taxable disposition of MSCI Stock held by any Morgan Stanley Entity in the event that Morgan Stanley is unable to effect a Tax- Free Spin-Off as a result of any breach by MSCI of its obligations hereunder) incurred or suffered by Morgan Stanley, any Affiliate of Morgan Stanley or any of their respective successors and assignees arising out of any misrepresentation or breach of warranty or breach of covenant (including, without limitation, Section 4.02) or agreement made or to be performed by MSCI pursuant to this Agreement. Any indemnification payment required to be paid by MSCI to Morgan Stanley under this Section 5.01 shall be increased by an amount (as reasonably determined by Morgan Stanley) equal to any Taxes (including Taxes on such increased amount) Morgan Stanley is required to pay (which amount shall not be reduced by any Tax asset or Tax attribute available to Morgan Stanley) as a result of receiving such indemnification payment. Morgan Stanley will provide MSCI with a brief summary describing how such amount was calculated.

Section 5.02. *Subsidiaries.* Morgan Stanley agrees and acknowledges that Morgan Stanley shall be responsible for the performance by each Morgan Stanley Entity of the obligations hereunder applicable to such Morgan Stanley Entity.

Section 5.03. *Amendments.* This Agreement may not be amended or terminated orally, but only by a writing duly executed by or on behalf of the parties hereto. Any such amendment shall be validly and sufficiently authorized for purposes of this Agreement if it is signed on behalf of Morgan Stanley and MSCI by any of their respective presidents or vice presidents.

Section 5.04. *Term.* This Agreement shall remain in effect until all Registrable Securities held by Holders have been transferred by them to Persons other than Transferees; *provided, that*, the provisions of Section 3.07 shall survive any such expiration.

Section 5.05. *Severability.* If any provision of this Agreement or the application of any such provision to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement or such provision of the application of such provision to such party or circumstances, other than those to which it is so determined to be invalid, illegal or unenforceable, shall remain in full force and effect to the fullest extent permitted by law and shall not be affected thereby, unless such a construction would be unreasonable.

Section 5.06. *Notices.* All notices and other communications required or permitted hereunder shall be in writing, shall be deemed duly given upon actual receipt, and shall be delivered (a) in person, (b) by registered or certified mail, postage prepaid, return receipt requested, (c) by facsimile or (d) by electronic mail transmission (**"e-mail"**) (if agreed to by the parties and to recipients designated by each party), addressed as follows:

(a) If to MSCI, to:

MSCI Inc.
88 Pine Street
New York, NY 10005
Attention: Frederick W. Bogdan, General Counsel
Fax: (212)804-2906

(b) If to Morgan Stanley, to:

Morgan Stanley
1585 Broadway
New York, NY 10036
Attention: Martin M. Cohen, Director of Company Law
Fax: (212) 507-3334

or to such other addresses or telecopy numbers as may be specified by like notice to the other parties.

Section 5.07. *Further Assurances.* Morgan Stanley and MSCI shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such instruments and take such other action as may be necessary or advisable to carry out their obligations under this Agreement and under any exhibit, document or other instrument delivered pursuant hereto.

Section 5.08. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same agreement.

Section 5.09. *Governing Law.* This Agreement and the transactions contemplated hereby shall be construed in accordance with, and governed by, the internal laws of the State of New York.

Section 5.10. *Jurisdiction.* The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the United States District Court for the Southern District of New York or any New York State court sitting in New York City, so long as one of such courts shall have subject matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the State of New York, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on a party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 5.06 shall be deemed effective service of process on such party. MSCI is registered to do business in the State of New York as NY MSCI.

Section 5.11. *Entire Agreement.* This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof.

Section 5.12. *Successors.* This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns. Nothing contained in this Agreement, express or implied, is intended to confer upon any other person or entity any benefits, rights or remedies.

Section 5.13. *Specific Performance.* The parties hereto acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, it is agreed that they shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction in the United States or any state thereof, in addition to any other remedy to which they may be entitled at law or equity.

[Remainder of this page is intentionally left blank]

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

MORGAN STANLEY

By: /s/ Colm Kelleher
Name: Colm Kelleher
Title: Chief Financial Officer

MSCI INC.

By: _____
Name:
Title:

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

MORGAN STANLEY

By: _____
Name:
Title:

MSCI INC.

By: /s/ Henry Fernandez
Name: Henry Fernandez
Title: CEO & President

Exhibit 10.14

EXECUTION VERSION

CREDIT AGREEMENT

Dated as of November 20, 2007

among

MSCI INC.,
as the Borrower,

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent and Collateral Agent,

BANK OF AMERICA, N.A.,
as Swing Line Lender and L/C Issuer,

and

The Other Lenders Party Hereto

MORGAN STANLEY SENIOR FUNDING, INC. and
BANC OF AMERICA SECURITIES LLC,

as Joint Lead Arrangers and Joint Book Managers,

MORGAN STANLEY SENIOR FUNDING, INC.,
as Syndication Agent,

and

MIZUHO CORPORATE BANK, LTD.,
as Documentation Agent

BANK OF AMERICA, N.A.,

as successor administrative agent and collateral agent

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SCHEDULES

EXHIBITS

CREDIT AGREEMENT

This CREDIT AGREEMENT ("Agreement") is entered into as of November 20, 2007, among MSCI Inc., a Delaware corporation doing business in the State of New York as NY MSCI (the "Borrower"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent and Collateral Agent, and BANK OF AMERICA, N.A., as Swing Line Lender and L/C Issuer.

PRELIMINARY STATEMENTS:

The Borrower desires to repay (the "Refinancing") in part its demand notes issued to Morgan Stanley with proceeds from a senior secured financing. In addition, the Borrower desires to obtain financing for its ongoing working capital and general corporate requirements, including Permitted Acquisitions.

The Borrower has requested that the Lenders provide a term A loan facility, a term B loan facility and a revolving credit facility, and the Lenders have indicated their willingness to lend and the L/C Issuer has indicated its willingness to issue letters of credit, in each case, on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Additional Commitments Effective Date" has the meaning specified in Section 2.14(b).

"Additional Lender" has the meaning specified in Section 2.14(b).

"Additional Revolving Credit Commitments" means the commitments of the Additional Revolving Credit Lenders to make Additional Revolving Credit Loans pursuant to Section 2.14.

"Additional Revolving Credit Lenders" means the lenders providing the Additional Revolving Credit Commitments.

"Additional Revolving Credit Loans" means any loans made in respect of any Additional Revolving Credit Commitments that shall have been added pursuant to Section 2.14.

"Additional Term A Commitments" means the commitments of the Additional Term A Lenders to make Additional Term A Loans pursuant to Section 2.14.

"Additional Term A Lenders" means the lenders providing the Additional Term A Loans.

"Additional Term A Loans" means any loans made in respect of any Additional Term A Commitments that shall have been added pursuant to Section 2.14.

"Additional Term B Commitments" means the commitments of the Additional Term B Lenders to make Additional Term B Loans pursuant to Section 2.14.

"Additional Term B Lenders" means the lenders providing the Additional Term B Loans.

"Additional Term B Loans" means any loans made in respect of any Additional Term B Commitments that shall have been added pursuant to Section 2.14.

"Administrative Agent" means MSSF in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitments" means the Commitments of all the Lenders.

"Aggregate Credit Exposures" means, at any time, in respect of (a) the Term A Facility or the Term B Facility, the aggregate amount of the Term A Loans or the Term B Loans, as the case may be, outstanding at such time and (b) in respect of the Revolving Credit Facility, the sum of (i) the unused portion of the Revolving Credit Facility at such time and (ii) the Total Revolving Credit Outstandings at such time.

"Agreement" means this Credit Agreement.

"Applicable Fee Rate" means 0.50% per annum.

"Applicable Percentage" means (a) in respect of the Term A Facility, with respect to any Term A Lender at any time, the percentage (carried out to the ninth decimal place) of the Term A Facility represented by (i) on or prior to the Closing Date, such Term A Lender's Term A Commitment at such time and (ii) thereafter, the principal amount of such Term A Lender's Term A Loans at such time, (b) in respect of the Term B Facility, with respect to any Term B Lender at any time, the percentage (carried out to the ninth decimal place) of the Term B Facility represented by (i) on or prior to the Closing Date, such Term B Lender's Term B

Commitment at such time and (ii) thereafter, the principal amount of such Term B Lender's Term B Loans at such time and (c) in respect of the Revolving Credit Facility, with respect to any Revolving Credit Lender at any time, the percentage (carried out to the ninth decimal place) of the Revolving Credit Facility represented by such Revolving Credit Lender's Revolving Credit Commitment at such time. If the commitment of each Revolving Credit Lender to make Revolving Credit Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, or if the Revolving Credit Commitments have expired, then the Applicable Percentage of each Revolving Credit Lender in respect of the Revolving Credit Facility shall be determined based on the Applicable Percentage of such Revolving Credit Lender in respect of the Revolving Credit Facility most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender in respect of each Facility is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means (a) in respect of the Term A Facility and the Revolving Credit Facility, (i) from the Closing Date to the date on which the Administrative Agent receives a Compliance Certificate pursuant to Section 6.02(a) for the fiscal quarter ending February 29, 2008, 1.50% per annum for Base Rate Loans and 2.50% per annum for Eurodollar Rate Loans and Letter of Credit Fees and (ii) thereafter, the applicable percentage per annum set forth below determined by reference to the Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Applicable Rate

Pricing Level	Consolidated Leverage Ratio	Eurodollar Rate (Letters of Credit)	Base Rate
1	£1.25:1	1.50%	0.50%
2	>1.25:1 but £1.75:1	1.75%	0.75%
3	>1.75:1 but £2.25:1	2.00%	1.00%
4	>2.25:1 but £2.75:1	2.25%	1.25%
5	>2.75:1	2.50%	1.50%

and (b) in respect of the Term B Facility, (i) from Closing Date to the date on which the Administrative Agent receives a Compliance Certificate pursuant to Section 6.02(a) for the fiscal quarter ending February 29, 2008, 2.00% per annum for Base Rate Loans and 3.00% per annum for Eurodollar Rate Loans and (ii) thereafter, the applicable percentage per annum set forth below determined by reference to the Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Applicable Rate

Pricing Level	Consolidated Leverage Ratio	Eurodollar Rate	Base Rate
1	£2.25:1	2.50%	1.50%
2	>2.25:1 but £2.75:1	2.75%	1.75%
3	>2.75:1	3.00%	2.00%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the written request of the Required Lenders, Pricing Level 5 shall apply in respect of the Term A Facility and the Revolving Credit Facility and Pricing Level 3 shall apply in respect of the Term B Facility, in each case as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered until the first Business Day immediately following delivery of such Compliance Certificate, at which time the Applicable Rate shall be determined based on such Compliance Certificate.

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b).

"Applicable Revolving Credit Percentage" means with respect to any Revolving Credit Lender at any time, such Revolving Credit Lender's Applicable Percentage in respect of the Revolving Credit Facility at such time.

"Appropriate Lender" means, at any time, (a) with respect to any of the Term A Facility, the Term B Facility or the Revolving Credit Facility, a Lender that has a Commitment with respect to such Facility or holds a Term A Loan, a Term B Loan or a Revolving Credit Loan, respectively, at such time, (b) with respect to the Letter of Credit Sublimit, (i) the L/C Issuer and (ii) if any Letters of Credit have been issued pursuant to Section 2.03(a), the Revolving Credit Lenders and (c) with respect to the Swing Line Sublimit, (i) the Swing Line Lender and (ii) if any Swing Line Loans are outstanding pursuant to Section 2.04(a), the Revolving Credit Lenders.

"Approved Fund" means any Fund that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed or advised by the same investment advisor or investment advisors that are Affiliates of one another.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease or other agreement or instrument were accounted for as a Capitalized Lease and (c) all Synthetic Debt of such Person.

"Audited Financial Statements" means the audited consolidated statement of financial condition of the Borrower and its Subsidiaries for the fiscal year ended November 30, 2006, and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Availability Period" means in respect of the Revolving Credit Facility, the period from and including the Closing Date to the earliest of (i) the Maturity Date for the Revolving Credit Facility, (ii) the date of termination of the Revolving Credit Commitments pursuant to Section 2.06, and (iii) the date of termination of the commitment of each Revolving Credit Lender to make Revolving Credit Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

"Bank of America" means Bank of America, N.A. and its successors.

"BAS" means Banc of America Securities LLC and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Revolving Credit Loan, a Term A Loan or a Term B Loan that bears interest based on the Base Rate.

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 6.02.

"Borrowing" means a Revolving Credit Borrowing, a Swing Line Borrowing, a Term A Borrowing or a Term B Borrowing, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, New York, New York and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Capital Expenditures" means, with respect to any Person for any period, any expenditure in respect of the purchase or other acquisition of any fixed or capital asset (excluding normal replacements and maintenance which are properly charged to current operations) that are (or are required to be) set forth in a consolidated statement of cash flows of such Person for such period in accordance with GAAP. For purposes of this definition, (a) the purchase price of equipment that is purchased substantially contemporaneously with the trade-in of other equipment shall be included in Capital Expenditures only to the extent of the gross amount by which such purchase price exceeds the credit granted by the seller of such equipment for the equipment being traded in at such time and (b) "Capital Expenditures" shall not include expenditures (i) made to restore, replace, rebuild, develop, maintain, improve or upgrade property, to the extent such expenditure is made with, or subsequently reimbursed out of, insurance proceeds, indemnity payments, condemnation awards (or payments in lieu thereof) or damage recovery proceeds or other settlements relating to any damage, loss, destruction or condemnation of such property, (ii) constituting reinvestment of the Net Cash Proceeds of any Disposition, to the extent permitted under Section 2.05(b)(ii), (iii) made by the Borrower or any of its Subsidiaries as payment of the consideration for Permitted Acquisitions, (iv) made by the Borrower or any of its Subsidiaries to effect leasehold improvements to any property leased by the Borrower or any of its Subsidiaries as lessee, to the extent that such expenses have been reimbursed in cash by the landlord, (v) actually paid for or reimbursed by a third party (excluding the Borrower and any of its Subsidiaries) and for which none of the Borrower and its Subsidiaries has provided or is required to provide or incur, directly or indirectly, any consideration or monetary obligation to such third party or any other person (whether before, during or after such period), or (vi) made with the Equity Net Cash Proceeds from the sale or issuance of Qualified Equity Interests of the Borrower that are Not Otherwise Applied.

"Capitalized Leases" means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

"Cash Collateral" has the meaning specified in Section 2.03(g).

"Cash Collateralize" has the meaning specified in Section 2.03(g).

"Cash Equivalents" means any of the following types of Investments, to the extent owned by the Borrower or any of its Subsidiaries free and clear of all Liens (other than Liens created under the Collateral Documents and other Liens permitted under this Agreement):

(a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;

(b) time deposits with, or certificates of deposit or bankers' acceptances of, any commercial bank that (i) (A) is a Lender or (B) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal

banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) of this definition and (iii) has combined capital and surplus of at least $500,000,000, in each case with maturities of not more than 360 days from the date of acquisition thereof;

(c) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated, at the time of acquisition thereof, at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P, in each case with maturities of not more than 360 days from the date of acquisition thereof;

(d) readily marketable direct obligations issued by any state, commonwealth or territory of the United States or any political subdivision or taxing authority thereof having, at the time of acquisition thereof, an Investment Grade Rating with maturities of 360 days or less from the date of acquisition;

(e) readily marketable direct obligations issued by any foreign government or any political subdivision or public instrumentality thereof, in each case having, at the time of acquisition thereof, an Investment Grade Rating with maturities of 360 days or less from the date of acquisition;

(f) fully collateralized repurchase agreements with a term of not more than 30 days for underlying securities described in clauses (a) through (e) above and entered into with a financial institution satisfying the criteria described in clause (b) above;

(g) any money market or similar fund not less than 90% of the assets of which are comprised of cash or any of the items specified in clauses (a) through (f) of this definition and as to which withdrawals are permitted at least every 90 days; and

(h) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

"Casualty Event" shall mean, with respect to any property of the Borrower or any of its Subsidiaries, any loss of or damage to, or any condemnation of, such property for which the Borrower or any of its Subsidiaries receives insurance proceeds or proceeds of a condemnation award.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"Change of Control" means an event or series of events by which:

(a) except as a result of any spin-off of the Borrower and its Subsidiaries by Morgan Stanley, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than the Permitted Holders becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of equity securities of the Borrower representing more than the greater of (i) 40% of the combined voting power of all of the issued and outstanding equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower and (ii) the percentage of the combined voting power of all of the issued and outstanding equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower then held by the Permitted Holders; or

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) (x) who were members of that board or equivalent governing body on the first day of such period, (y) whose election or nomination to that board or equivalent governing body was approved by Morgan Stanley or any of its Affiliates (other than the Borrower or any of its Subsidiaries) or (z) who became members of that board or equivalent body in connection with any spin-off of the Borrower and its Subsidiaries by Morgan Stanley, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors).

"Class" means, with respect to any Loan or Commitment, its character as a Revolving Credit Loan, a Revolving Credit Commitment, a Term A Loan, a Term A Commitment, a Term B Loan or a Term B Commitment, as the case may be.

"Closing Date" means the first date all the conditions precedent in Section 4.01 and Section 4.02 are satisfied or waived in accordance with Section 10.01 and the initial Credit Extension under this Agreement is made.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means all of the "Collateral" and "Material Real Property" referred to in the Collateral Documents and all of the other property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Collateral Agent for the benefit of the Secured Parties.

"Collateral Agent" means MSSF in its capacity as collateral agent under any of the Collateral Documents or any successor or replacement collateral agent.

"Collateral Documents" means, collectively, the Security Agreement, the Intellectual Property Security Agreement, the Mortgages, each of the mortgages, collateral assignments, Security Agreement Supplements, IP Security Agreement Supplements, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent pursuant to Section 6.12, and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

"Commitment" means a Term A Commitment, a Term B Commitment or a Revolving Credit Commitment, as the context may require.

"Committed Loan Notice" means a notice of (a) a Term Borrowing, (b) a Revolving Credit Borrowing, (c) a conversion of Loans from one Type to the other, or (d) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D or any other form reasonably acceptable to the Borrower and the Administrative Agent.

"Consolidated EBITDA" means, at any date of determination, an amount equal to Consolidated Net Income of the Borrower and its Subsidiaries on a consolidated basis for the most recently completed Measurement Period plus (a) the following to the extent deducted (and not added back) in calculating such Consolidated Net Income (without duplication): (i) Consolidated Interest Charges, (ii) the provision for Federal, state, local and foreign income taxes and for foreign withholding taxes payable, (iii) depreciation and amortization expense, including any amortization of intangibles, (iv) non-cash charges (including founders' grants made in connection with the IPO and non-cash charges related to employee benefit or other management or stock compensation plans or expense) (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA in such future period to such extent, and excluding amortization of a prepaid cash item that was in a prior period), (v) restructuring charges, integration costs or reserves (including such items related to Permitted Acquisitions and to closure/consolidation of facilities), (vi) transaction costs, fees and expenses in connection with the Transaction, or, to the extent permitted hereunder, any sale of Equity Interests, any Permitted Acquisition or other Investment permitted under Section 7.03, any Disposition permitted under Section 7.05, the incurrence of, or any refinancing of, any Indebtedness permitted under Section 7.02 (in each case whether or not successful), (vii) any net after-tax loss from the early extinguishment of Indebtedness or hedging obligations or other derivative instruments, (viii) costs of surety bonds incurred in connection with financing activities, (ix) mark-to-market losses recognized pursuant to Financial Accounting Standards

Board Statement No. 133 or any successor thereof, (x) to the extent reimbursement therefor is actually received by the Borrower or a Subsidiary, expenses incurred to the extent covered by indemnification provisions in any agreement in connection with a Permitted Acquisition and (xi) cash expenses incurred during such period in connection with casualty events to the extent such expenses are reimbursed in cash by insurance during such period and minus (b) the following to the extent included in calculating such Consolidated Net Income (without duplication): (i) Federal, state, local and foreign income tax credits, (ii) all non-cash items increasing Consolidated Net Income (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), (iii) any net after-tax income from the early extinguishment of Indebtedness or hedging obligations or other derivative instruments, and (iv) mark-to-market gains recognized pursuant to Financial Accounting Standards Board Statement No. 133 or any successor thereof (in each case of or by the Borrower and its Subsidiaries for such Measurement Period); provided that (x) the Consolidated EBITDA for the fiscal quarters ended February 28, 2007, May 31, 2007 and August 31, 2007 shall be as set forth on Schedule I hereto, (y) there shall be excluded in determining Consolidated EBITDA non-operating currency transaction gains and losses (including the net loss or gain resulting from Swap Contracts for currency exchange risk) and (z) for purposes of determining the Consolidated Leverage Ratio and Consolidated Interest Coverage Ratio, Consolidated EBITDA shall be determined on a Pro Forma Basis.

"Consolidated Funded Indebtedness" means, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis, the sum, without duplication, of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money Indebtedness, (c) all direct but not contingent obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, (d) all obligations in respect of the deferred purchase price of property or services (other than accrued expenses, deferred expenses and trade accounts payable in the ordinary course of business and earn-out obligations), (e) all Attributable Indebtedness, (f) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) through (e) above of Persons other than the Borrower or any of its Subsidiaries, and (g) all Indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Borrower or any of its Subsidiaries is a general partner or joint venturer (but only to the extent such Person is liable therefor as a result of such Person's ownership interest in such joint venture), unless such Indebtedness is expressly made non-recourse to the Borrower or such Subsidiary. Notwithstanding any other provision of this Agreement to the contrary, the amount of Consolidated Funded Indebtedness for which recourse is limited either to a specified amount or to an identified asset of such Person shall be deemed to be equal to such specified amount or the fair market value of such identified asset as determined by such Person in good faith, as the case may be.

"Consolidated Interest Charges" means, for any Measurement Period, the sum, without duplication, of (a) all interest, premium payments and debt discount in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP but, in any

event, excluding upfront fees and expenses and the amortization of deferred financing costs, and (b) the portion of rent expense under Capitalized Leases that is treated as interest in accordance with GAAP, in each case, of or by the Borrower and its Subsidiaries on a consolidated basis for such period. For purposes of the foregoing, interest expense shall be determined after giving effect to any net payments made or received by the Borrower or any Subsidiary with respect to interest rate Swap Contracts.

"Consolidated Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated EBITDA to (b) Consolidated Interest Charges paid in cash, in each case, of or by the Borrower and its Subsidiaries on a consolidated basis for the most recently completed Measurement Period; provided that, for purposes of determining such amount of Consolidated Interest Charges paid in cash for any Measurement Period ending on or prior to the first anniversary of the Closing Date, Consolidated Interest Charges paid in cash means an amount equal to the Consolidated Interest Charges paid in cash from the Closing Date through the date of determination multiplied by a fraction the numerator of which is 365 and the denominator of which is the number of days from the Closing Date through the date of determination.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness as of such date to (b) Consolidated EBITDA of the Borrower and its Subsidiaries on a consolidated basis for the most recently completed Measurement Period.

"Consolidated Net Income" means, at any date of determination, the net income (or loss) of the Borrower and its Subsidiaries on a consolidated basis for the most recently completed Measurement Period; provided that Consolidated Net Income shall exclude, without duplication, (a) any net after-tax extraordinary, unusual or non-recurring gains, losses or expenses (including severance and relocation costs and one-time compensation charges) for such Measurement Period and the cumulative effect of a change in accounting principles during such Measurement Period, (b) any net after-tax gains or losses on asset sales outside the ordinary course of business, (c) the net income of any Subsidiary (other than a Guarantor) during such Measurement Period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Subsidiary during such Measurement Period, except that the Borrower's equity in the net income of any such Person for such Measurement Period shall be included in Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such Period to the Borrower or a Guarantor as a dividend or other distribution, and (d) any income (or loss) for such Measurement Period of any Person (other than the Borrower) if such Person is not a Subsidiary, except that the Borrower's equity in the net income of any such Person for such Measurement Period shall be included in Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such Period to the Borrower or a Subsidiary as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary (other than a Guarantor), such Subsidiary is not precluded from further distributing such amount to the Borrower (or a Guarantor) as described in clause (c) of this proviso).

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Cumulative Excess Cash Flow" means the sum of Excess Cash Flow (but not less than zero for any period) for the fiscal year ending on November 30, 2008 and Excess Cash Flow for each succeeding and completed fiscal year (it being understood that no Excess Cash Flow generated during any period shall be deemed to be Cumulative Excess Cash Flow until the financial statements for such period are delivered pursuant to Section 6.01(a) and the related Compliance Certificate is delivered pursuant to Section 6.02(a)).

"Current Assets" means, with respect to any Person, all assets (other than cash, Cash Equivalents and deferred income taxes) of such Person that, in accordance with GAAP, would be classified as current assets on the balance sheet of such Person, after deducting appropriate and adequate reserves therefrom in each case in which a reserve is proper in accordance with GAAP.

"Current Liabilities" means, with respect to any Person, all items that, in accordance with GAAP, would be classified as current liabilities on the balance sheet of such Person, but excluding, without duplication, (a) the current portion of any long-term Indebtedness, (b) outstanding Revolving Credit Loans, Swing Line Loans and L/C Obligations to the extent otherwise included therein and (c) deferred income taxes.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans under the Term B Facility plus (iii) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

"Defaulting Lender" means any Lender that (a) has failed to fund any portion of the Term Loans, Revolving Credit Loans, participations in L/C Obligations or participations in Swing Line Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Equity Interests" means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity interests), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case of clauses (a) through (d) above, prior to the date that is ninety-one (91) days after the Maturity Date of the Term B Facility; provided that an Equity Interest shall not be deemed to be a Disqualified Equity Interest solely because it is redeemable or is required to be redeemed as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments and all outstanding Letters of Credit.

"Documentation Agent" means Mizuho Corporate Bank, Ltd. in its capacity as a documentation agent under this Agreement.

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia.

"ECF Percentage" has the meaning specified in Section 2.05(b)(i).

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

"Engagement Letter" means the engagement letter, dated September 25, 2007, among the Borrower, the Administrative Agent and the Lead Arrangers.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public waste systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity Net Cash Proceeds" means, with respect to the issuance or sale of any Qualified Equity Interest of the Borrower, the excess of (i) the sum of the cash and Cash Equivalents received in connection with such issuance or sale over (ii) all taxes, underwriting discounts and commissions and other reasonable out-of-pocket fees and expenses incurred by the Borrower in connection with such issuance or sale.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities of such Person convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting.

"ERISA" means the Employee Retirement Income Security Act of 1974 and the regulations promulgated and the rulings issued thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any

ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Eurodollar Rate" means, for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the "Eurodollar Rate" for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by the Administrative Agent and with a term equivalent to such Interest Period would be offered by the Administrative Agent's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

"Eurodollar Rate Loan" means a Revolving Credit Loan, a Term A Loan or a Term B Loan that bears interest at a rate based on the Eurodollar Rate.

"Event of Default" has the meaning specified in Section 8.01.

"Excess Cash Flow" means, for any fiscal year of the Borrower, the excess (if any) of (a) the sum, without duplication, of (i) Consolidated EBITDA for such fiscal year, (ii) if there was a net increase in consolidated Current Liabilities of the Borrower and its Subsidiaries for such fiscal year, the amount of such net increase, (iii) if there was a net decrease in consolidated Current Assets of the Borrower and its Subsidiaries for such fiscal year, the amount of such net decrease and (iv) to the extent excluded from the calculation of Consolidated Net Income, after-tax extraordinary, unusual or non-recurring cash gains over (b) the sum (for such fiscal year), without duplication, of (i) Consolidated Interest Charges actually paid in cash by the Borrower and its Subsidiaries, (ii) scheduled principal repayments, to the extent actually made, of Term Loans pursuant to Section 2.07(a) and Section 2.07(b), (iii) all income taxes and foreign withholding taxes actually paid in cash by the Borrower and its Subsidiaries, (iv) Capital Expenditures actually made by the Borrower and its Subsidiaries in such fiscal year to a party other than the Borrower or any of its Subsidiaries solely to the extent permitted by this Agreement, except to the extent such Capital Expenditures were financed with proceeds of Indebtedness (other than Revolving Credit Loans) or Equity Interests of the Borrower or any of its Subsidiaries or other proceeds from a financing transaction that would not be included in Consolidated EBITDA, (v) if there was a net increase in consolidated Current Assets of the Borrower and its Subsidiaries for such fiscal year, the amount of such net increase, (vi) if there

was a net decrease in consolidated Current Liabilities of the Borrower and its Subsidiaries for such fiscal year, the amount of such net decrease, (vii) cash used to consummate a Permitted Acquisition during such fiscal year to the extent not financed with proceeds of Indebtedness (other than Revolving Credit Loans) or Equity Interests of the Borrower or any of its Subsidiaries, or other proceeds from a financing transaction that would not be included in Consolidated EBITDA, (viii) the aggregate amount of principal payments of Consolidated Funded Indebtedness (other than the Loans) made during such fiscal year, excluding any amount funded with proceeds from the issuance of Indebtedness (other than Revolving Credit Loans) or Equity Interests of the Borrower or any of its Subsidiaries or other proceeds from a financing transaction that would not be included in Consolidated EBITDA, provided that (A) such payments are otherwise permitted under this Agreement and (B) if such Indebtedness consists of a revolving line of credit, the commitments under such revolving line of credit are permanently reduced by the amount of such payment, (ix) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by the Borrower or any of its Subsidiaries during such period that are required to be made in connection with any prepayment of Indebtedness and that are accounted for as extraordinary items, except to the extent such premium, make-whole or penalty payments are financed with the proceeds of Indebtedness (other than Revolving Credit Loans) or Equity Interests of the Borrower or any of its Subsidiaries or other proceeds from a financing transaction that would not be included in Consolidated EBITDA, (x) cash payments made during such fiscal year in respect of non-cash charges that increased Excess Cash Flow in any prior applicable fiscal year, (xi) to the extent excluded from the calculation of Consolidated Net Income, after-tax extraordinary, unusual or non-recurring cash losses or expenses, (xii) cash costs, fees and expenses in connection with the Transaction, or, to the extent permitted hereunder, any sale of Equity Interests, any Permitted Acquisition or other Investment permitted under Section 7.03, any Disposition permitted under Section 7.05, the incurrence of, or any refinancing of, any Indebtedness permitted under Section 7.02 (in each case whether or not successful) and not paid with the proceeds of any financing transaction, including proceeds of the Loans (other than Revolving Credit Loans), (xiii) to the extent included in calculating Consolidated EBITDA, cash expenses of surety bonds incurred in connection with financing activities and (xiv) to the extent included in calculating Consolidated EBITDA, restructuring charges and integration costs that are cash expenditures.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any branch profits taxes imposed by the United States and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 10.13), any United States withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.01(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 3.01(a).

"Facility" means the Term A Facility, the Term B Facility or the Revolving Credit Facility, as the context may require.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"Fee Letter" means the fee letter agreement, dated September 25, 2007, among the Borrower, the Administrative Agent and the Lead Arrangers.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than the United States. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any direct or indirect Subsidiary of the Borrower which is not a Domestic Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Granting Lender" has the meaning specified in Section 10.06(h).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made (or, if such Guarantee is limited by its terms to a lesser amount, such lesser amount) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith; provided that, in the case of any Guarantee of the type set forth in clause (b) above, if recourse to such Person for such Indebtedness is limited to the assets subject to such Lien, then such Guarantee shall be a Guarantee hereunder solely to the extent of the lesser of (x) the amount of the Indebtedness secured by such Lien and (y) the value of the assets subject to such Lien. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantors" means, collectively, the Subsidiaries of the Borrower listed on Schedule 6.12 and each other Subsidiary of the Borrower that shall be required to execute and deliver a Guaranty or Guaranty supplement pursuant to Section 6.12.

"Guaranty" means, collectively, the Guaranty made by the Guarantors in favor of the Secured Parties, substantially in the form of Exhibit F, together with each other guaranty and guaranty supplement delivered pursuant to Section 6.12.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedge Bank" means any Person that, at the time it enters into a Secured Hedge Agreement, is a Lender or an Affiliate of a Lender or, if such Secured Hedge Agreement is entered into within 90 days from (and including) the Closing Date, an Affiliate of the Borrower (other than one of its Subsidiaries), in its capacity as a party to such Secured Hedge Agreement.

"Immaterial Subsidiary" means, at any date of determination, a Subsidiary of the Borrower that, together with all other Immaterial Subsidiaries, (i) did not have total assets on the

last day of the most recent Measurement Period that equaled or exceeded 5% of the consolidated total assets of the Borrower and its Subsidiaries at such date, (ii) did not contribute 5% or more of the Consolidated EBITDA of the Borrower and its Subsidiaries for such period and (iii) does not own any Material Intellectual Property or any Material Real Property.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable, deferred expenses or accrued expenses in the ordinary course of business and earn-out obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP and if not paid after becoming due and payable);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness of such Person;

(g) all obligations of such Person in respect of Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer (but only to the extent such Person is liable therefor as a result of such Person's ownership interest in such joint venture), unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitees" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Intellectual Property Security Agreement" has the meaning specified in Section 4.01(a)(iv).

"Interest Payment Date" means, (a) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date of the Facility under which such Loan was made; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan or Swing Line Loan, the last Business Day of each February, May, August and November, commencing with the last Business Day of February 2008, and the Maturity Date of the Facility under which such Loan was made (with Swing Line Loans being deemed made under the Revolving Credit Facility for purposes of this definition).

"Interest Period" means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter, or if available to, and consented to by, all the Appropriate Lenders, nine or twelve months thereafter, as selected by the Borrower in its Committed Loan Notice; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date of the Facility under which such Loan was made.

"Interim Audited Financial Statements" has the meaning specified in Section 4.01(f).

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit or all or substantially all of the business of, such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, but shall be reduced by the amount equal to any returns (including dividends, interest, distributions, returns of principal and profits on sale) received by (or, in the case of any Guarantee, the reduction in exposure to) the Borrower or any of the Subsidiaries in cash in respect of any such Investments made after the Closing Date.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB- (or the equivalent) by S&P, or an equivalent rating by any other nationally recognized statistical rating agency selected by the Borrower.

"IP Rights" has the meaning specified in Section 5.17.

"IP Security Agreement Supplement" has the meaning specified in Section 12(g) of the Security Agreement.

"IPO" means the initial public offering of the Borrower's common stock.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Revolving Credit Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Revolving Credit Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Credit Borrowing.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means Bank of America in its capacity as issuer of Letters of Credit hereunder, any successor issuer of Letters of Credit hereunder or any other Lender that is approved by the Borrower and the Administrative Agent to issue Letters of Credit. The term "L/C Issuer" shall mean the applicable issuer of the relevant Letters of Credit as the context may require.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lead Arrangers" means, collectively, MSSF and BAS, in their capacities as joint lead arrangers and joint book managers.

"Lender" has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the Swing Line Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"Letter of Credit" means any standby letter of credit issued hereunder.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Expiration Date" means the day that is seven days prior to the Maturity Date then in effect for the Revolving Credit Facility (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.03(i).

"Letter of Credit Sublimit" means an amount equal to $25,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Credit Facility.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Term Loan, a Revolving Credit Loan or a Swing Line Loan.

"Loan Documents" means, collectively, (a) this Agreement, (b) the Notes, (c) the Guaranty, (d) the Collateral Documents, (e) the Fee Letter and (f) each Issuer Document; provided, that, unless otherwise specified in the applicable Collateral Document or the Guaranty, for the purposes of the Collateral Documents and the Guaranty, "Loan Documents" shall also include Secured Hedge Agreements.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"Material Adverse Effect" means (a) a material adverse effect on the operations, business, properties, liabilities (actual or contingent) or financial condition of the Borrower and its Subsidiaries, taken as a whole; (b) a material adverse effect on the ability of the Loan Parties (taken as a whole) to perform their payment obligations under any Loan Document; or (c) a material adverse effect on the rights and remedies of the Lenders and the Administrative Agent under any Loan Document, in each case other than such material adverse effect arising out of the IPO or any spin-off of the Borrower and its Subsidiaries by Morgan Stanley as disclosed in the Registration Statement that does not result in a Change of Control.

"Material Contract" means, with respect to any Person, each contract to which such Person is a party the breach of which could reasonably be expected to have a Material Adverse Effect.

"Material Domestic Subsidiary" means at any time, any Domestic Subsidiary that (a) contributed 5.0% or more of the Consolidated EBITDA of the Borrower attributable to the Borrower and the Domestic Subsidiaries for the most recent Measurement Period, (b) had consolidated assets representing 5.0% or more of the total consolidated assets of the Borrower and the Domestic Subsidiaries on the last day of the most recent Measurement Period or (c) owns any Material Intellectual Property or any Material Real Property; provided, that the Borrower shall be required, from time to time, to designate one or more Domestic Subsidiaries that would not otherwise satisfy the foregoing requirements as Material Domestic Subsidiaries to the extent that (a) the aggregate amount of the Consolidated EBITDA of the Borrower for the most recent Measurement Period attributable to all Domestic Subsidiaries that are not Material Domestic Subsidiaries would otherwise exceed 10.0% or more of the Consolidated EBITDA of the Borrower attributable to the Borrower and the Domestic Subsidiaries for such period or (b) the total consolidated assets of all Domestic Subsidiaries that are not Material Domestic Subsidiaries would otherwise exceed 10.0% or more of the total consolidated assets of the Borrower and the Domestic Subsidiaries on the last day of the most recent Measurement Period; provided further that any Domestic Subsidiary that has Guaranteed any material Indebtedness of any of the Loan Parties shall be a Material Domestic Subsidiary.

"Material Intellectual Property" means any IP Rights that are material to the operation of the business of the Borrower and its Subsidiaries, taken as a whole.

"Material Real Property" means real property owned in fee by any Loan Party with a fair market value in the good faith judgment of such Loan Party in excess of $2,500,000.

"Maturity Date" means (a) with respect to the Revolving Credit Facility, the fifth year anniversary of the Closing Date, (b) with respect to the Term A Facility, the fifth year

anniversary of the Closing Date, and (c) with respect to the Term B Facility, the seventh year anniversary of the Closing Date; provided, however, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Measurement Period" means, at any date of determination, the most recently completed four fiscal quarters of the Borrower ending on or prior to such date.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Morgan Stanley" means Morgan Stanley.

"Mortgage" means any mortgage, deed of trust, trust deeds, deed to secure debt or similar document encumbering any Material Real Property and securing the Obligations of one or more Loan Parties.

"MSSF" means Morgan Stanley Senior Funding, Inc. and its successors.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Cash Proceeds" means:

(a) with respect to any Disposition by the Borrower or any of its Subsidiaries, or any Casualty Event, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such transaction (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over (ii) the sum of (A) the principal amount, premium or penalty, if any, interest and other amounts payable in respect of any Indebtedness that is secured by the applicable asset and that is, or is required to be, repaid in connection with such transaction (other than Indebtedness under the Loan Documents), (B) the reasonable out-of-pocket fees and expenses incurred by the Borrower or such Subsidiary in connection with such transaction, (C) taxes reasonably estimated to be actually payable within two years of the date of the relevant transaction (including, in the case of any Disposition or Casualty Event in respect of property of any Foreign Subsidiary, taxes payable upon the repatriation of such proceeds to the United States) in connection therewith; provided that, if the amount of any estimated taxes pursuant to subclause (C) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds; (D) amounts provided as a reserve against any liabilities under any indemnification obligations or purchase price adjustment associated with such Disposition (provided that, to the extent and at the time any such amounts are released from such reserve other than to pay such liability, such amounts shall constitute Net Cash Proceeds); provided, further, that no such proceeds resulting from any Disposition or any Casualty Event shall be considered Net Cash Proceeds until the aggregate amount of such proceeds not applied pursuant to Section 2.05(b)(ii) exceeds $2,500,000, at which time the entire amount of such proceeds (including such $2,500,000) shall constitute Net Cash Proceeds; and

(b) with respect to the incurrence or issuance of any Indebtedness by the Borrower or any of its Subsidiaries, the excess of (i) the sum of the cash and Cash Equivalents received in connection with such transaction over (ii) all taxes (including in the case of any Indebtedness incurred or issued by any Foreign Subsidiary, taxes payable upon the repatriation of such proceeds to the United States), underwriting discounts and commissions, and other reasonable out-of-pocket fees and expenses, incurred by the Borrower or such Subsidiary in connection therewith.

In the case of any such amounts received by a Subsidiary that is not a wholly owned Subsidiary of the Borrower, the Net Cash Proceeds shall be limited to the portion of such amounts corresponding to the percentage of the Equity Interests of such Subsidiary held directly or indirectly by the Borrower.

"Not Otherwise Applied" means, with reference to any amount of Equity Net Cash Proceeds or Excess Cash Flow, as the case may be, that is proposed to be applied to a particular use or transaction, such amount that (a) is not or was not required to be applied to prepay Loans pursuant to Section 2.05(b), and (b) has not previously been (and is not simultaneously being) applied to anything other than that such particular use or transaction.

"Note" means a Term A Note, a Term B Note or a Revolving Credit Note, as the context may require.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, that, for the purposes of the Collateral Documents and the Guaranty, "Obligations" shall also include obligations of any Loan Party arising under any Secured Hedge Agreement. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents include (a) the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, attorneys' fees and disbursements, indemnities and other amounts payable by any Loan Party under any Loan Document and (b) the obligation of any Loan Party to reimburse any amount in respect of any of the foregoing that any Lender, in its sole discretion, may elect to pay or advance on behalf of such Loan Party.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any

agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Outstanding Amount" means (a) with respect to Term Loans, Revolving Credit Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans, Revolving Credit Loans and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Participant" has the meaning specified in Section 10.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

"Permitted Acquisition" has the meaning specified in Section 7.03(h).

"Permitted Encumbrances" has the meaning specified in the Mortgages.

"Permitted Holders" means Morgan Stanley and Capital Group International, Inc. and their respective Affiliates (other than the Borrower and its Subsidiaries).

"Permitted Refinancing" means, with respect to any Person, any refinancing, refunding, renewal or extension of any Indebtedness of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so refinanced, refunded, renewed or extended except by an amount equal to unpaid accrued interest and premium thereon plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Refinancing in respect of Indebtedness permitted pursuant to Section 7.02(f), such refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to

Maturity of, the Indebtedness being refinanced, refunded, renewed or extended, (c) if the Indebtedness being refinanced, refunded, renewed or extended is subordinated in right of payment to the Obligations, such refinancing, refunding, renewal or extension is subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being refinanced, refunded, renewed or extended, taken as a whole, (d) no Subsidiary that is not an obligor under the Indebtedness being refinanced, refunded renewed or extended shall be an obligor under such refinancing, refunding, renewal or extension, and (e) at the time thereof, no Event of Default shall have occurred and be continuing.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) established by the Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

"Platform" has the meaning specified in Section 6.02.

"Pledged Debt" has the meaning specified in Section 1(d)(iv) of the Security Agreement.

"Pledged Equity" has the meaning specified in Section 1(d)(iii) of the Security Agreement.

"Pro Forma Basis" means, for purposes of calculating the Consolidated Leverage Ratio and the Consolidated Interest Coverage Ratio:

(a) any Investments, Permitted Acquisitions, Dispositions of any Subsidiary, line of business or division that have been made by the Borrower or any of its Subsidiaries, and incurrences or repayment of Indebtedness during the applicable reference period or subsequent to such reference period and on or prior to the date of determination will be given pro forma effect, as if they had occurred on the first day of the applicable reference period;

(b) any Person that is a Subsidiary of the Borrower on the date of determination will be deemed to have been a Subsidiary of the Borrower at all times during such reference period; and

(c) any Person that is not a Subsidiary of the Borrower on the date of determination will be deemed not to have been a Subsidiary of the Borrower at any time during such reference period.

For purposes of this definition, whenever pro forma effect is given to a transaction, the pro forma calculations shall be made in good faith by a Responsible Officer of the Borrower. Any such pro forma calculation may include, without duplication, adjustments appropriate, in the good faith determination of the Borrower as set forth in a certificate of a Responsible Officer of the Borrower and reasonably acceptable to the Administrative Agent, to

reflect operating expense reductions and other operating improvements or synergies expected to result from any Permitted Acquisitions whether or not such adjustments would be permitted under Article 11 of Regulation S-X. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Borrower may designate.

"Public Lender" has the meaning specified in Section 6.02.

"Qualified Equity Interests" of any Person means any Equity Interests of such Person that are not Disqualified Equity Interests of such Person.

"Refinanced Term Loans" has the meaning specified in Section 10.01.

"Refinancing" has the meaning specified in the Preliminary Statements.

"Register" has the meaning specified in Section 10.06(c).

"Registration Statement" means the Borrower's registration statement on Form S-1 related to the IPO, and any amendments thereto, filed with the SEC on or prior to November 14, 2007.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Replacement Term Loans" has the meaning specified in Section 10.01.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Term Loans or Revolving Credit Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, as of any date of determination, Lenders holding more than 50% of the sum of the (a) Total Outstandings (with the aggregate amount of each Revolving Credit Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Revolving Credit Lender for purposes of this definition) and (b) aggregate unused Revolving Credit Commitments; provided that the unused Revolving Credit Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Required Revolving Lenders" means, as of any date of determination, Revolving Credit Lenders holding more than 50% of the sum of the (a) Total Revolving Credit Outstandings (with the aggregate amount of each Revolving Credit Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Revolving Credit Lender for purposes of this definition) and (b) aggregate unused Revolving Credit Commitments; provided that the unused Revolving Credit Commitment of, and the portion of the Total Revolving Credit Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

"Required Term A Lenders" means, as of any date of determination, Term A Lenders holding more than 50% of the Term A Facility on such date; provided that the portion of the Term A Facility held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Term A Lenders.

"Required Term B Lenders" means, as of any date of determination, Term B Lenders holding more than 50% of the Term B Facility on such date; provided that the portion of the Term B Facility held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Term B Lenders.

"Responsible Officer" means the chief executive officer, president, chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of the Borrower or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the Borrower's stockholders, partners or members (or the equivalent of any thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment.

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Revolving Credit Lenders pursuant to Section 2.01(c).

"Revolving Credit Commitment" means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Borrower pursuant to Section 2.01(c) or 2.14, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Revolving Credit Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from

time to time in accordance with this Agreement, including pursuant to Section 2.14. The aggregate Revolving Credit Commitments of all Revolving Credit Lenders shall be $75,000,000 on the Closing Date, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

"Revolving Credit Facility" means, at any time, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments at such time.

"Revolving Credit Lender" means, at any time, any Lender that has a Revolving Credit Commitment at such time.

"Revolving Credit Loan" has the meaning specified in Section 2.01(c).

"Revolving Credit Note" means a promissory note made by the Borrower in favor of a Revolving Credit Lender evidencing Revolving Credit Loans or Swing Line Loans, as the case may be, made by such Revolving Credit Lender, substantially in the form of Exhibit C-2.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Hedge Agreement" means any Swap Contract required or permitted under Article VI or VII that is entered into by and between the Borrower and any Hedge Bank.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders, the L/C Issuer, the Hedge Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05, and the other Persons the Obligations owing to which are or are purported to be secured by the Collateral under the terms of the Collateral Documents.

"Security Agreement" has the meaning specified in Section 4.01(a)(iii).

"Security Agreement Supplement" has the meaning specified in Section 22 of the Security Agreement.

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"SPC" has the meaning specified in Section 10.06(h).

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

"Swing Line Sublimit" means an amount equal to the lesser of (a) $10,000,000 and (b) the Revolving Credit Facility. The Swing Line Sublimit is part of, and not in addition to, the Revolving Credit Facility.

"Syndication Agent" means MSSF in its capacity as syndication agent under this Agreement.

"Synthetic Debt" means, with respect to any Person as of any date of determination thereof, all obligations of such Person in respect of transactions entered into by such Person that are intended to function primarily as a borrowing of funds (including any minority interest transactions that function primarily as a borrowing) but are not otherwise included in the definition of "Indebtedness" or as a liability on the consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term A Borrowing" means a borrowing consisting of simultaneous Term A Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Term A Lenders pursuant to Section 2.01(a).

"Term A Commitment" means, as to each Term A Lender, its obligation to make Term A Loans to the Borrower pursuant to Section 2.01(a) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term A Lender's name on Schedule 2.01 under the caption "Term A Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term A Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement, including pursuant to Section 2.14. The aggregate amount of the Term A Commitments as of the Closing Date is $200,000,000.

"Term A Facility" means, at any time, (a) on or prior to the Closing Date, the aggregate amount of the Term A Commitments at such time and (b) thereafter, the aggregate principal amount of the Term A Loans of all Term A Lenders outstanding at such time.

"Term A Lender" means (a) at any time on or prior to the Closing Date, any Lender that has a Term A Commitment at such time and (b) at any time after the Closing Date, any Lender that holds Term A Loans at such time.

"Term A Loan" means an advance made by any Term A Lender under the Term A Facility.

"Term A Note" means a promissory note made by the Borrower in favor of a Term A Lender evidencing Term A Loans made by such Term A Lender, substantially in the form of Exhibit C-1.

"Term B Borrowing" means a borrowing consisting of simultaneous Term B Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Term B Lenders pursuant to Section 2.01(b).

"Term B Commitment" means, as to each Term B Lender, its obligation to make Term B Loans to the Borrower pursuant to Section 2.01(b) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Term B Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term B Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement, including pursuant to Section 2.14. The aggregate amount of the Term B Commitments as of the Closing Date is $225,000,000.

"Term B Facility" means, at any time, (a) on or prior to the Closing Date, the aggregate amount of the Term B Commitments at such time and (b) thereafter, the aggregate principal amount of the Term B Loans of all Term B Lenders outstanding at such time.

"Term B Lender" means (a) at any time on or prior to the Closing Date, any Lender that has a Term B Commitment at such time and (b) at any time after the Closing Date, any Lender that holds Term B Loans at such time.

"Term B Loan" means an advance made by any Term B Lender under the Term B Facility.

"Term B Note" means a promissory note made by the Borrower in favor of a Term B Lender, evidencing Term B Loans made by such Term B Lender, substantially in the form of Exhibit C-1.

"Term Borrowing" means either a Term A Borrowing or a Term B Borrowing.

"Term Commitment" means either a Term A Commitment or a Term B Commitment.

"Term Facilities" means, at any time, the Term A Facility and the Term B Facility.

"Term Lender" means, at any time, a Term A Lender or a Term B Lender.

"Term Loan" means a Term A Loan or a Term B Loan.

"Threshold Amount" means $15,000,000.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Total Revolving Credit Outstandings" means the aggregate Outstanding Amount of all Revolving Credit Loans, Swing Line Loans and L/C Obligations.

"Transaction" means, collectively, (a) the Refinancing, (b) the IPO, (c) the entering into by the Loan Parties and their applicable Subsidiaries of the Loan Documents to which they are a party and (d) the payment of the fees and expenses incurred in connection with the consummation of the foregoing.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCC" means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Unfunded Pension Liability" means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"United States" and "U.S." mean the United States of America.

"Unmatured Surviving Obligations" means Obligations under this Agreement and the other Loan Documents that by their terms survive the termination of this Agreement or the other Loan Documents but are not, as of the date of determination, due and payable and for which no outstanding claim has been made.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"USA Patriot Act" has the meaning specified in Section 10.17.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"wholly-owned" means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (x) director's qualifying shares and (y) shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more wholly-owned Subsidiaries of such Person.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms. (a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the

original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern Time (daylight or standard, as applicable).

1.06 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 Currency Equivalents Generally. Any amount specified in this Agreement (other than in Articles II and IX) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount thereof in the applicable currency to be determined by the Administrative Agent at such time on the basis of the Spot Rate (as defined below) for the purchase of such currency with Dollars. For purposes of this Section 1.07, the "Spot Rate" for a currency means the rate determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date of such determination; provided that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

1.08 Pro Forma Calculation. Notwithstanding anything to the contrary herein, the calculation of the Consolidated Leverage Ratio and the Consolidated Interest Coverage Ratio on any date for any purpose under this Agreement shall be made on a Pro Forma Basis.

ARTICLE II
THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 The Loans. (a) The Term A Borrowing. Subject to the terms and conditions set forth herein, each Term A Lender severally agrees to make a single loan to the Borrower on the Closing Date in an amount not to exceed such Term A Lender's Term A Commitment. The Term A Borrowing shall consist of Term A Loans made simultaneously by the Term A Lenders in accordance with their respective Applicable Percentage of the Term A Facility. Amounts borrowed under this Section 2.01(a) and repaid or prepaid may not be reborrowed. Term A Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(b) The Term B Borrowing. Subject to the terms and conditions set forth herein, each Term B Lender severally agrees to make a single loan to the Borrower on the Closing Date in an amount not to exceed such Term B Lender's Term B Commitment; provided that the amount payable by such Term B Lender to the Borrower pursuant to such loan will equal 99.50% of the aggregate principal amount of such loan. The Term B Borrowing shall consist of Term B Loans made simultaneously by the Term B Lenders in accordance with their respective Term B Commitments. Amounts borrowed under this Section 2.01(b) and repaid or prepaid may not be reborrowed. Term B Loans may be Base Rate Loans or Eurodollar Rate Loans as further provided herein.

(c) The Revolving Credit Borrowings. Subject to the terms and conditions set forth herein, each Revolving Credit Lender severally agrees to make loans (each such loan, a "Revolving Credit Loan") to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Credit Commitment; provided, however, that after giving effect to any Revolving Credit Borrowing, (i) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility, and (ii) the aggregate Outstanding Amount of the Revolving Credit Loans of any Lender, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all L/C Obligations, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Revolving Credit Lender's Revolving Credit Commitment. Within the limits of each Revolving Credit Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(c), prepay under Section 2.05, and reborrow under this Section 2.01(c). Revolving Credit Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Loans. (a) Each Term A Borrowing, each Term B Borrowing, each Revolving Credit Borrowing, each conversion of Term Loans or Revolving Credit Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans (or, in the case of Borrowings to be made on the Closing Date, on the Closing Date), and (ii) on the requested date of any Borrowing

of Base Rate Loans; provided, however, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one, two, three or six months in duration as provided in the definition of "Interest Period," (A) the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and determine whether the requested Interest Period is acceptable to all of them and (B) not later than 11:00 a.m., three Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all such Lenders. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Term A Borrowing, a Term B Borrowing, a Revolving Credit Borrowing, a conversion of Term Loans or Revolving Credit Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Term Loans or Revolving Credit Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation (or, in the case of outstanding Eurodollar Rate Term Loans, fails to give a notice requesting a conversion or continuation before 11:00 a.m. three Business Days prior to the last date of any Interest Period then in effect), then (a) except in the case of outstanding Eurodollar Rate Term Loans, the applicable Term Loans or Revolving Credit Loans shall be made as, or converted to, Base Rate Loans, and (b) in the case of outstanding Eurodollar Rate Term Loans, such Eurodollar Rate Term Loans shall be continued as Eurodollar Rate Term Loans with an Interest Period of one month. Any such automatic conversion to Base Rate Loans, or continuation of Eurodollar Rate Term Loans for an additional Interest Period of one month, shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a Eurodollar Rate Loan.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage under the applicable Facility of the applicable Term A Loans, Term B Loans or Revolving Credit Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or, if applicable, continuation of Eurodollar Rate Term Loans for an additional Interest Period of one month, described in Section 2.02(a). In the case of a Term A Borrowing, a

Term B Borrowing or a Revolving Credit Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of the Administrative Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to the Administrative Agent by the Borrower; provided, however, that if, on the date a Committed Loan Notice with respect to a Revolving Credit Borrowing is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Revolving Credit Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. Upon notice to the Borrower from the Administrative Agent or the Required Lenders during the existence of an Event of Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Term A Borrowings, all conversions of Term A Loans from one Type to the other, and all continuations of Term A Loans as the same Type, there shall not be more than five (5) Interest Periods in effect in respect of the Term A Facility. After giving effect to all Term B Borrowings, all conversions of Term B Loans from one Type to the other, and all continuations of Term B Loans as the same Type, there shall not be more than five (5) Interest Periods in effect in respect of the Term B Facility. After giving effect to all Revolving Credit Borrowings, all conversions of Revolving Credit Loans from one Type to the other, and all continuations of Revolving Credit Loans as the same Type, there shall not be more than ten (10) Interest Periods in effect in respect of the Revolving Credit Facility.

(f) Anything in this Section 2.02 to the contrary notwithstanding, the Borrower may not select Interest Periods for Eurodollar Rate Loans that have a duration of more than one month until the earlier to occur of (i) the 15th day following the Closing Date and (ii) the date upon which the Administrative Agent has determined that primary syndication has been completed (and the Administrative Agent undertakes to notify the Borrower promptly upon making such determination).

2.03 Letters of Credit. (a) The Letter of Credit Commitment. (i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the

agreements of the Revolving Credit Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrower or its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.03(b), and (2) to honor drawings under the Letters of Credit; and (B) the Revolving Credit Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility, (y) the aggregate Outstanding Amount of the Revolving Credit Loans of any Revolving Credit Lender, plus such Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Credit Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Revolving Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Revolving Credit Lenders have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit is in an initial stated amount less than $250,000;

(D) such Letter of Credit is to be denominated in a currency other than Dollars;

(E) a default of any Lender's obligations to fund under Section 2.03(c) exists or any Lender is at such time a Defaulting Lender hereunder, unless the L/C Issuer has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the L/C Issuer's risk with respect to such Lender.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit. (i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit;

and (H) such other matters as the L/C Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the L/C Issuer may reasonably require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may reasonably require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Revolving Credit Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit (which notice has not been revoked), that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Revolving Credit Lender's Applicable Revolving Credit Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Credit Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Revolving Credit Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations. (i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 1:00 p.m. on the later of (i) the date of any payment by the L/C Issuer under a Letter of Credit and (ii)(A) the date upon which the Borrower receives notice from the L/C Issuer of such payment by the L/C Issuer, if such notice is received by the Borrower prior to 10:00 a.m. on a Business Day or (B) the Business Day immediately following the date upon which the Borrower received such notice, if such notice is received on a day that is not a Business Day or after 10:00 a.m. on a Business Day (each such date, an "Honor Date"), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Revolving Credit Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Revolving Credit Lender's Applicable Revolving Credit Percentage thereof. In such event, the Borrower shall be deemed to have requested a Revolving Credit Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Credit Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Credit Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Revolving Credit Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Credit Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Credit Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to

Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until a Revolving Credit Lender funds its Revolving Credit Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Revolving Credit Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's committed Loan included in the relevant committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(c)(vi) shall be conclusive absent manifest error.

(d) Repayment of Participations. (i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Credit Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Revolving Credit Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Revolving Credit Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any of its Subsidiaries.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall, to the extent permitted by law, be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Credit Lenders or the Required Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) Cash Collateral. If any Event of Default shall occur and be continuing, upon the request of the Administrative Agent, (i) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations. Sections 2.05 and 8.02(c) set forth certain additional requirements to deliver Cash Collateral hereunder. For purposes of this Section 2.03, Section 2.05 and Section 8.02(c), "Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and the L/C Issuer (which documents are hereby consented to by the Lenders), and "Cash Collateral" means all cash

and deposit account balances so pledged and deposited. Derivatives of such term have corresponding meanings. The Borrower hereby grants to the Administrative Agent, for the benefit of the L/C Issuer and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked, deposit accounts at the Administrative Agent. Other than any interest earned on the investment of such deposits in Cash Equivalents, such deposits shall not bear interest. If at any time the Administrative Agent determines that any funds held as Cash Collateral are subject to any right or claim of any Person other than the Administrative Agent or that the total amount of such funds is less than the aggregate Outstanding Amount of all L/C Obligations, the Borrower will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited as Cash Collateral, an amount equal to the excess of (x) such aggregate Outstanding Amount over (y) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Laws, to reimburse the L/C Issuer.

(h) Applicability of ISP. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued the rules of the ISP shall apply to each Letter of Credit.

(i) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Revolving Credit Lender in accordance with its Applicable Revolving Credit Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit at a rate per annum equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each February, May, August and November, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Revolving Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(j) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum equal to 0.125%, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each February, May, August and November, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary

issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(k) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(l) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

2.04 Swing Line Loans. (a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, to make loans (each such loan, a "Swing Line Loan") to the Borrower from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Revolving Credit Percentage of the Outstanding Amount of Revolving Credit Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Revolving Credit Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility at such time, and (ii) the aggregate Outstanding Amount of the Revolving Credit Loans of any Revolving Credit Lender at such time, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all L/C Obligations at such time, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all Swing Line Loans at such time shall not exceed such Lender's Revolving Credit Commitment, and provided further that the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall bear interest only at a rate based on the Base Rate. Immediately upon the making of a Swing Line Loan, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Revolving Credit Lender's Applicable Revolving Credit Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $100,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be

confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Credit Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower at its office either by (i) crediting the account of the Borrower on the books of the Swing Line Lender or (ii) wire transfer of such funds in immediately available funds, in each case in accordance with instructions provided to the Swing Line Lender by the Borrower.

(c) Refinancing of Swing Line Loans. (i) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Revolving Credit Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Revolving Credit Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Credit Facility and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Credit Lender shall make an amount equal to its Applicable Revolving Credit Percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in immediately available funds for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Credit Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Revolving Credit Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Credit Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's committed Loan included in the relevant committed Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations. (i) At any time after any Revolving Credit Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Revolving Credit Lender its Applicable Revolving Credit Percentage thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Revolving Credit Lender shall pay to the Swing Line Lender its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until a

Revolving Credit Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Revolving Credit Lender's Applicable Revolving Credit Percentage of any Swing Line Loan, interest in respect of such Applicable Revolving Credit Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments. (a) Optional. (i) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Term Loans and Revolving Credit Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any prepayment of Eurodollar Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof; and (C) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of the relevant Facility). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein; provided that any such notice of a prepayment to be made in connection with any refinancing of all of the Facilities with the proceeds of such refinancing or of any incurrence of Indebtedness, may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence (provided further that the failure of such contingency shall not relieve the Borrower from its obligations in respect thereof under Section 3.05). Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each prepayment of the outstanding Term Loans pursuant to this Section 2.05(a) shall be applied (x) ratably to the Term A Facility and the Term B Facility and (y) to the principal repayment installments thereof on a pro-rata basis, and each such prepayment shall be paid to the Lenders in accordance with their respective Applicable Percentages in respect of each of the relevant Facilities; provided that such prepayment shall be applied first to Base Rate Loans to the full extent thereof before application to Eurodollar Rate Loans, in each case in a manner that minimizes the amount of any payments required to be made by the Borrower pursuant to Section 3.05.

(ii) The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory. (i) Within five Business Days after financial statements have been delivered pursuant to Section 6.01(a) (commencing with the delivery of the financial statements for the fiscal year ended November 30, 2008) and the related Compliance Certificate has been delivered pursuant to Section 6.02(a), the Borrower shall prepay an aggregate principal amount of Term Loans equal to the excess (if any) of (A) 50% (such percentage as it may be reduced as described below, the "ECF Percentage") of Excess Cash Flow for the fiscal year covered by such financial statements over (B) the sum of (1) the aggregate principal amount of Term Loans voluntarily prepaid pursuant to Section 2.05(a)(i) during such fiscal year and (2) solely to the extent the amount of the Revolving Credit Commitments are reduced pursuant to Section 2.06 in connection therewith (and solely to the extent of the amount of such reduction), the aggregate principal amount of Revolving Credit Loans voluntarily prepaid pursuant to Section 2.05(a)(i) during such fiscal year (such prepayments to be applied as set forth in clause (iv) below); provided that (A) the ECF Percentage shall be 25% if the Consolidated Leverage Ratio as at the end of the fiscal year covered by such financial statements is less than or equal to 2.50:1.00 and greater than 2.00:1.00 and (B) the ECF Percentage shall be 0% if the Consolidated Leverage Ratio as at the end of the fiscal year covered by such financial statements is less than or equal to 2.00:1.00.

(ii) If (A) the Borrower or any of its Subsidiaries Disposes of any property (other than any Disposition of any property permitted by Section 7.05 (other than clause (h) thereof)) or (B) any Casualty Event occurs, which results in the realization by such Person of Net Cash Proceeds, the Borrower shall, within five Business Days of receipt of such Net Cash Proceeds, prepay an aggregate principal amount of Term Loans equal to 100% of such Net Cash Proceeds (such prepayments to be applied as set forth in clause (iv) below); provided, however, that, with respect to any Net Cash Proceeds realized under a Disposition or a Casualty Event described in this Section 2.05(b)(ii), at the election of the Borrower (as notified by the Borrower to the Administrative Agent on or prior to the fifth Business Day after the date of receipt of such Net Cash Proceeds), and so long as no Event of Default shall have occurred and be continuing, the Borrower or such Subsidiary may reinvest all or any portion of such Net Cash Proceeds in assets useful for its business (including any Permitted Acquisitions) within (A) 9 months after the receipt of such Net Cash Proceeds or (B) if the Borrower or such Subsidiary enters into a contract to reinvest all or any portion of such Net Cash Proceeds in such assets within 9 months of the receipt thereof, 12 months after the receipt of such Net Cash Proceeds (in each case, as certified by the Borrower in writing to the Administrative Agent); and provided further, however, that any Net Cash Proceeds not subject to such definitive agreement or so reinvested (or no longer intended to be so reinvested) shall be immediately applied to the prepayment of the Loans as set forth in this Section 2.05(b)(ii).

(iii) Upon the incurrence or issuance by the Borrower or any of its Subsidiaries of any Indebtedness (other than Indebtedness expressly permitted to be incurred or issued pursuant to Section 7.02), the Borrower shall prepay an aggregate principal amount of Term Loans equal to 100% of all Net Cash Proceeds received therefrom immediately upon receipt thereof by the Borrower or such Subsidiary (such prepayments to be applied as set forth in clause (iv) below).

(iv) Each prepayment of Loans pursuant to the foregoing provisions of this Section 2.05(b) shall be applied ratably to each of the Term A Facility and the Term B Facility and to the principal repayment installments thereof on a pro-rata basis; provided that such prepayment shall be applied first to Base Rate Loans to the full extent thereof before application to Eurodollar Rate Loans, in each case in a manner that minimizes the amount of any payments required to be made by the Borrower pursuant to Section 3.05.

2.06 Termination or Reduction of Commitments. (a) Optional. The Borrower may, upon notice to the Administrative Agent, terminate the Revolving Credit Facility, the Letter of Credit Sublimit or the Swing Line Sublimit, or from time to time permanently reduce the Revolving Credit Facility, the Letter of Credit Sublimit or the Swing Line Sublimit; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. three Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $1,000,000 or any whole multiple of $1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce (A) the Revolving Credit Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Credit Outstandings would exceed the Revolving Credit Facility, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (C) the Swing Line Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swing Line Loans would exceed the Letter of Credit Sublimit and (iv) any such notice of termination to be made in connection with any refinancing of all of the Facilities with the proceeds of such refinancing or of any incurrence of Indebtedness, may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence (provided that the failure to terminate or reduce as a result of the failure of such contingency shall not relieve the Borrower from its obligations in respect thereof under Section 3.05).

(b) Mandatory. (i) The aggregate Term A Commitments shall be automatically and permanently reduced to zero immediately after the Term A Borrowing.

(ii) The aggregate Term B Commitments shall be automatically and permanently reduced to zero immediately after the Term B Borrowing.

(iii) If after giving effect to any reduction or termination of Revolving Credit Commitments under this Section 2.06, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the Revolving Credit Facility at such time, the Letter of Credit Sublimit or the Swing Line Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Line Sublimit or the Revolving Credit Commitment under this Section 2.06. Upon any reduction of the Revolving Credit Commitments, the Revolving Credit Commitment of each Revolving Credit Lender shall be reduced by such Lender's Applicable Revolving Credit Percentage of such reduction amount. All fees in respect of the Revolving Credit Facility accrued until the effective date of any termination of the Revolving Credit Facility shall be paid on the effective date of such termination.

2.07 Repayment of Loans. (a) Term A Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Term A Lenders the aggregate principal amount of all Term A Loans outstanding on the following dates in the respective amounts set forth opposite such dates (which amounts shall be reduced as a result of the application of prepayments in accordance with Section 2.05):

Date	Amount
February 29, 2008	$ 5,000,000
May 31, 2008	$ 5,000,000
August 31, 2008	$ 5,000,000
November 30, 2008	$ 5,000,000
February 28, 2009	$ 5,000,000
May 31, 2009	$ 5,000,000
August 31, 2009	$ 5,000,000
November 30, 2009	$ 5,000,000
February 28, 2010	$10,000,000
May 31, 2010	$10,000,000
August 31, 2010	$10,000,000
November 30, 2010	$10,000,000
February 28, 2011	$10,000,000
May 31, 2011	$10,000,000
August 31, 2011	$10,000,000
November 30, 2011	$10,000,000
February 29, 2012	$10,000,000
May 31, 2012	$10,000,000
August 31, 2012	$10,000,000
Maturity Date	$50,000,000

provided, however, that the final principal repayment installment of the Term A Loans shall be repaid on the Maturity Date for the Term A Facility and in any event shall be in an amount equal to the aggregate principal amount of all Term A Loans outstanding on such date; provided, further, that if any date set forth in this Section 2.07(a) is not a Business Day, then such date shall be the next preceding Business Day.

(b) Term B Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Term B Lenders (i) on the last Business Day of each February, May, August and November, commencing with the last Business Day of February, 2008, an aggregate principal amount equal to 0.25% of the aggregate principal amount of all Term B Loans outstanding on the Closing Date (which payments shall be reduced as a result of the application of prepayments in accordance with Section 2.05) and (ii) on the Maturity Date for the Term B Facility, the aggregate principal amount of all Term B Loans outstanding on such date.

(c) Revolving Credit Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Revolving Credit Lenders on the Maturity Date for the Revolving Credit Facility the aggregate principal amount of all Revolving Credit Loans outstanding on such date.

(d) Swing Line Loans. The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date ten Business Days after such Loan is made and (ii) the Maturity Date for the Revolving Credit Facility.

2.08 Interest. (a) Subject to the provisions of Section 2.08(b), (i) each Eurodollar Rate Loan under a Facility shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate for such Facility; (ii) each Base Rate Loan under a Facility shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for such Facility; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for the Revolving Credit Facility minus the Applicable Fee Rate.

(b) (i) If any amount payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter, for so long as such overdue amount shall remain unpaid, bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in Sections 2.03(i) and (j):

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent for the account of each Revolving Credit Lender in accordance with its Applicable Revolving Credit Percentage, a commitment fee equal to the Applicable Fee Rate times the actual daily amount by which the Revolving Credit Facility exceeds the sum of (i) the Outstanding Amount of Revolving Credit Loans (excluding Swing Line Loans) and (ii) the Outstanding Amount of L/C Obligations; provided, however, that any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time; and provided further that no commitment fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. The commitment fee shall accrue at all times during the

Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each February, May, August and November, commencing the last Business Day of February 2008, and on the last day of the Availability Period for the Revolving Credit Facility. The commitment fee shall be calculated quarterly in arrears.

(b) Other Fees. (i) The Borrower shall pay to the Lead Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate. (a) All computations of interest for Base Rate Loans when the Base Rate is determined by Bank of America's "prime rate" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Consolidated Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under Sections 2.03(c)(iii), 2.03(i) or 2.08(b) or under Article VIII. The Borrower's obligations under this paragraph shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt. (a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the

amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback. (a) General. All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage in respect of the relevant Facility (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected on computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with

interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Appropriate Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Appropriate Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall promptly return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Term Loans and Revolving Credit Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due to such parties.

2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) Obligations in respect of any the Facilities due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of the Facilities due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations in respect of the Facilities due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations in respect of any of the Facilities owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of the Facilities owing (but not due and payable) to all Lenders hereunder and under the other Loan Parties at such time) of payment on account of the Obligations in respect of the Facilities owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of Obligations in respect of the Facilities then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this

Agreement or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant.

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

2.14 Increase in Commitments. (a) So long as no Default or Event of Default has occurred and is continuing or would result therefrom, upon notice to the Administrative Agent, at any time after the Closing Date, the Borrower may request one or more Additional Term A Commitments, one or more Additional Term B Commitments, or one or more Additional Revolving Credit Commitments (it being understood and agreed that (i) at the election of the Borrower, such additional commitments in respect of any term loans may be implemented through the addition of additional new tranches of such loans instead of being implemented as increases in the applicable Commitments and (ii) if the Borrower makes such election, the provisions of this Section shall be read in a manner that permits such election to be implemented; provided that (x) the final maturity date of any such new tranche of term loans shall be no earlier than the Maturity Date for the Term A Loans and (y) the Weighted Average Life to Maturity of any such new tranche of term loans shall be no shorter than the remaining Weighted Average Life to Maturity of the Term A Loans); provided that (i) after giving effect to any such addition, the aggregate amount of Additional Term A Commitments, Additional Term B Commitments and Additional Revolving Credit Commitments that have been added pursuant to this Section 2.14 shall not exceed $150,000,000; (ii) any such addition shall be in an aggregate amount of $10,000,000 or any whole multiple of $500,000 in excess thereof (provided that such amount may be less than $10,000,000 if such amount represents all remaining availability under the aggregate limit in respect of Additional Term A Commitments, Additional Term B Commitments and Additional Revolving Credit Commitments set forth in clause (i) to this proviso), (iii) the final maturity date of any Additional Term A Loans shall be no earlier than the Maturity Date for the Term A Loans, (iv) the final maturity date of any Additional Term B Loans shall be no earlier than the Maturity Date for the Term B Loans, (v) the weighted average life to maturity of the Additional Term A Loans shall be no shorter than the remaining weighted average life to maturity of the Term A Loans, (vi) the weighted average life to maturity of the Additional Term B Loans shall be no shorter than the remaining weighted average life to maturity of the Term B Loans, (vii) no Lender shall be required to participate in the Additional Term A Commitments, the Additional Term B Commitments or the Additional Revolving Credit Commitments, (viii) the interest rate and amortization schedule applicable to the Additional Term A Commitments and the Additional Term B Commitments shall be determined by the Borrower and the lenders thereof and (ix) the Additional Term A Loans and the Additional Term B Loans shall rank pari passu in right of payment and of security with the Revolving Credit Loans and the Term Loans.

(b) If any Additional Term A Commitments, Additional Term B Commitments or Additional Revolving Credit Commitments are added in accordance with this Section 2.14, the Administrative Agent and the Borrower shall determine the effective date (the

"Additional Commitments Effective Date") of such addition. Additional Term A Loans and/or Additional Term B Loans may be made, and Additional Revolving Credit Commitments may be provided, by any existing Lender (and each existing Term A Lender will have the right, but not an obligation, to make a portion of any Additional Term A Loans, each existing Term B Lender will have the right, but not an obligation, to make a portion of any Additional Term B Loans and each existing Revolving Credit Lender will have the right, but not an obligation, to provide a portion of any Revolving Credit Commitments, in each case on terms permitted in this Section 2.14 and otherwise on terms reasonably acceptable to the Administrative Agent) or by any other bank or other financial institution (any such other bank or other financial institution being called an "Additional Lender"), provided that the Administrative Agent shall have consented (such consent not to be unreasonably withheld) to such Lender's or Additional Lender's providing such Additional Revolving Credit Commitments if such consent would be required under Section 10.06(b) for an assignment of Revolving Credit Commitments to such Lender or Additional Lender. As a condition precedent to such addition, the Borrower shall deliver to the Administrative Agent a certificate dated as of the Additional Commitments Effective Date signed by a Responsible Officer of the Borrower certifying that, before and after giving effect to such increase, (i) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the Additional Commitments Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall have been true and correct in all material respects as of such earlier date, and except that for purposes of this Section 2.14(b), the representations and warranties contained in Section 5.05(a) and Section 5.05(b) shall be deemed to refer to the most recent financial statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01, (ii) no Default or Event of Default exists immediately before or immediately after giving effect to such addition, and (iii) the Borrower shall be in compliance, on a Pro Forma Basis, with the financial covenants set forth in Section 7.11 after giving effect to the making of Additional Term A Loans, Additional Term B Loans or Additional Revolving Credit Loans, as applicable. On each Additional Commitments Effective Date, each applicable Lender or other Person which is providing an Additional Term A Commitment, an Additional Term B Commitment or an Additional Revolving Credit Commitment (i) in the case of any Additional Revolving Credit Commitment, shall become a "Revolving Credit Lender" for all purposes of this Agreement and the other Loan Documents, (ii) in the case of any Additional Term A Commitment, shall make an Additional Term A Loan to the Borrower in a principal amount equal to such Lender's or Person's Additional Term A Commitment and (iii) in the case of any Additional Term B Commitment, shall make an Additional Term B Commitment to the Borrower in a principal amount equal to such Lender's or Person's Additional Term B Commitment. Any Additional Revolving Credit Loan shall be a "Revolving Credit Loan" for all purposes of this Agreement and the other Loan Documents. The Borrower shall prepay any Revolving Credit Loans outstanding on the Additional Commitments Effective Date with respect to any Additional Revolving Credit Commitment (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Revolving Credit Loans ratable with any revised Applicable Revolving Credit Percentages arising from any nonratable increase in the Revolving Credit Commitments.

(c) Any other terms of and documentation entered into in respect of any Additional Term A Loans or Additional Term B Loans made or any Additional Revolving Credit Commitments provided, in each case pursuant to this Section 2.14, shall be consistent with the

Term A Loans, Term B Loans or the Revolving Credit Commitments, as the case may be, (including with respect to voluntary and mandatory prepayments), other than as contemplated by Sections 2.14(a)(iii), (iv), (v), (vi) or (viii) above; provided that such other terms and documentation in respect of any Additional Term A Loans or any Additional Term B Loans may be materially different from those of the Term A Loans or Term B Loans, as the case may be, to the extent such difference shall be reasonably satisfactory to the Administrative Agent. Any Additional Term A Loans, Additional Term B Loans or Additional Revolving Credit Commitments, as applicable, made or provided pursuant to this Section 2.14 shall be evidenced by one or more entries in the accounts or records maintained by the Administrative Agent in accordance with the provisions set forth in Section 2.11.

(d) This Section 2.14 shall supersede any provisions in Section 2.13 or Section 10.01 to the contrary. Notwithstanding any other provision of any Loan Document, the Loan Documents may be amended by the Administrative Agent and the Loan Parties, if necessary, to provide for terms applicable to each Additional Term A Commitment and/or Additional Term B Commitment and/or Additional Revolving Credit Commitment, as the case may be.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes. (a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, any Lender or the L/C Issuer, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and the L/C Issuer, within 10 Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) paid by the Administrative Agent, such Lender or the L/C Issuer, as the case may be, and, without duplication, any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own

behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. After the Administrative Agent, any Lender or the L/C Issuer (as the case may be) learns of the imposition of any Indemnified Taxes or Other Taxes, the Administrative Agent, any Lender or the L/C Issuer (as the case may be) will act in good faith to promptly notify the Borrower of its obligations hereunder; provided, however, that the failure to provide Borrower with such notice shall not release the Borrower of its indemnification obligation under this Section 3.01(c).

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Each Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN (or any successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party and which provides for an exemption from or reduction in United States Federal withholding tax,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI (or any successor form),

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (A) a certificate to the effect that such Foreign Lender is not (1) a “bank” within the meaning of section 881(c)(3)(A) of the Code, (2) a “10 percent shareholder” of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (3) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code and (B) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) Treatment of Certain Refunds. If the Administrative Agent, any Lender or the L/C Issuer determines, in its sole discretion, which shall be applied in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all

reasonable out-of-pocket expenses of the Administrative Agent, such Lender or the L/C Issuer, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Administrative Agent, such Lender or the L/C Issuer, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or the L/C Issuer if the Administrative Agent, such Lender or the L/C Issuer is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent, any Lender or the L/C Issuer to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurodollar Rate Loans, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates. If the Required Lenders determine that for any reason in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, (b) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan, or (c) the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

3.04 Increased Costs; Reserves on Eurodollar Rate Loans. (a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement taken into account in determining the Eurodollar Rate or contemplated by Section 3.04(e)) or the L/C Issuer; or

(ii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein (other than with respect to Taxes and Other Taxes covered by Section 3.01);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section 3.04 or in Section 3.05 and specifying in reasonable detail the basis for such compensation and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation,

provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section 3.04 for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 Compensation for Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.13;

including any loss of anticipated profits (excluding the Applicable Rate) and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders. (a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04 or delivers a notice described in Section 3.02, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrower may replace such Lender in accordance with Section 10.13.

3.07 Survival. All of the Borrower's obligations under this Article III, as well as the Lenders' obligations under Section 3.01(e), shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

ARTICLE IV
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension. The obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction or waiver of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party (if applicable), each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Lead Arrangers:

(i) executed counterparts of this Agreement and the Guaranty, in such number as the Administrative Agent may request;

(ii) a Note executed by the Borrower in favor of each Lender that has requested a Note at least two Business Days in advance of the Closing Date;

(iii) a security agreement, in substantially the form of Exhibit G (together with each other security agreement and security agreement supplement delivered pursuant to Section 6.12, in each case as amended, the "Security Agreement"), duly executed by each Loan Party, together with:

(A) certificates representing the Pledged Equity referred to therein that constitute certificated securities (as defined in the UCC) accompanied by undated stock powers executed in blank and instruments evidencing the Pledged Debt indorsed in blank to the extent required by the Security Agreement,

(B) proper financing statements in form appropriate for filing, duly prepared for filing under the Uniform Commercial Code of all jurisdictions that the Administrative Agent may deem necessary in order to perfect the Liens created under the Security Agreement, covering the Collateral described in the Security Agreement,

(C) completed requests for information, dated on or before the date of the initial Credit Extension, listing all effective financing statements filed in the jurisdictions referred to in clause (B) above that name any Loan Party as debtor, together with copies of such other financing statements,

(D) evidence of the completion of, or of arrangements reasonably satisfactory to the Administrative Agent for the completion of, all other actions, recordings and filings of or with respect to the Security Agreement that the Administrative Agent may deem necessary in order to perfect the Liens created thereby, and

(E) evidence that all other action that the Administrative Agent may deem necessary in order to perfect the Liens created under the Security Agreement has been taken or that arrangements reasonably satisfactory to the Administrative Agent for the completion thereof have been made (including receipt of duly executed payoff letters and UCC-3 termination statements);

(iv) an intellectual property security agreement, in substantially the form of Exhibit I (together with each other intellectual property security agreement and intellectual property security agreement supplement delivered pursuant to Section 6.12, in each case as amended, the "Intellectual Property Security Agreement"), duly executed by each Loan Party party thereto, together with evidence that all action that the Administrative Agent may deem necessary in order to perfect the Liens created under the Intellectual Property Security Agreement has been taken or will be taken promptly after the Closing Date;

(v) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party;

(vi) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(vii) a favorable opinion of Davis Polk & Wardwell, special New York counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, substantially in the form of Exhibit J-1;

(viii) a favorable opinion of Morris, Nichols, Arsht & Tunnell, special Delaware counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, substantially in the form of Exhibit J-2;

(ix) a favorable opinion of general counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, substantially in the form of Exhibit J-3;

(x) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the consummation by such Loan Party of the Transaction and the execution, delivery and performance by such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(xi) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(xii) a certificate attesting to the Solvency of the Borrower and its Subsidiaries, taken as a whole, immediately after giving effect to the Transaction, from the Borrower's chief financial officer; and

(xiii) a Committed Loan Notice relating to the initial Credit Extension.

(b) All fees required to be paid to the Administrative Agent and the Lead Arrangers on or before the Closing Date pursuant to the Engagement Letter or the Fee Letter shall have been paid.

(c) Unless waived by the Administrative Agent, the Borrower shall have paid all reasonable fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to the Closing Date and payable by the Borrower pursuant to the Engagement Letter, plus such additional amounts of such fees, charges and disbursements as shall

constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(d) The Closing Date shall have occurred on or before January 31, 2008.

(e) The Refinancing shall have been consummated or shall be consummated concurrently with the initial Credit Extension.

(f) The Lead Arrangers shall have received audited consolidated financial statements of the Borrower for the 6-month period ended May 31, 2007 (the "Interim Audited Financial Statement"), accompanied by a report and opinion of Deloitte & Touche LLP.

(g) The IPO shall have been consummated or shall be consummated concurrently with the initial Credit Extension.

(h) The Lead Arrangers shall be reasonably satisfied that the amount, types and terms and conditions of all insurance maintained by or on behalf of the Borrower and its Subsidiaries are substantially consistent with the amount, types and terms and conditions of insurance maintained by other entities engaged in businesses similar to that of the Borrower, and the Administrative Agent shall have received an endorsement naming the Administrative Agent, on behalf of the Lenders, as an additional insured or loss payee, as the case may be, under all insurance policies maintained with respect to the assets and properties of the Loan Parties that constitute Collateral.

(i) After giving effect to the Transaction, including all Credit Extensions made in connection therewith, there shall be no Revolving Credit Loans, L/C Obligations or Swing Line Loans outstanding as of the Closing Date.

(j) The Lead Arrangers shall have received a certificate from the Borrower certifying that the Consolidated Leverage Ratio for the twelve-month period ended as of the most recently ended fiscal quarter prior to the Closing Date for which financial statements are available, and calculated on a Pro Forma Basis after giving effect to the Transaction, is no greater than 3.50:1.00.

(k) The Lead Arrangers shall have received all documentation and other information reasonably requested in writing at least three Business Days prior to the Closing Date in order to allow the Lead Arrangers to comply with applicable "know your customer" and anti-money laundering rules and regulations, including without limitation, the USA Patriot Act.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the satisfaction (or waiver) of the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in Sections 5.05(a) and (b) shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and (b), respectively.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power. Each Loan Party and each of its Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party and consummate the Transaction, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party have been duly authorized by all necessary corporate or other organizational action, and do not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien (other than Liens under the Collateral Documents) under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law; except with respect to any conflict, breach, contravention, payment or violation (but not creation of Liens) referred to in clause (b) or (c), to the extent that such conflict, breach, contravention, payment or violation could not reasonably be expected to have a Material Adverse Effect.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, or for the consummation of the Transaction, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance of the Liens created under the Collateral Documents (including the priority thereof contemplated thereunder) or (d) the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, except for (i) the filing of UCC financing statements and filings to perfect security interests with the United States Patent and Trademark Office and the United States Copyright Office, (ii) the recordation of any Mortgage, (iii) any filings or recordations similar to those referred to in clauses (i) and (ii) required to be made in any foreign jurisdiction, (iv) such as have been made or obtained and are in full force and effect, and (v) such other items the failure to make or obtain which could not reasonably be expected to have a Material Adverse Effect.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws or similar laws affecting creditors' rights generally or by general principles of equity.

5.05 Financial Statements; No Material Adverse Effect. (a) The Audited Financial Statements and the Interim Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and subject, in the case of the Interim Audited Financial Statements, to normal year-end audit and adjustments.

(b) The unaudited condensed consolidated statement of financial condition of the Borrower and its Subsidiaries dated August 31, 2007, and the related condensed consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the nine months ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) The consolidated forecasted business plans (including balance sheet, statements of income and cash flows prepared by management of the Borrower) of the Borrower and its Subsidiaries delivered pursuant to Section 6.01(c) were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Borrower's good faith estimate of its future financial condition and performance (it being recognized by the Administrative Agent and the Lenders that such forecasted statements are not to be viewed as facts and that actual results during the period or periods covered thereby may vary and such variances may be material).

5.06 Litigation. Except as disclosed on Schedule 5.06, there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (a) purport to restrain or contest entry into or performance under this Agreement or any other Loan Document or the consummation of the Transaction, or (b) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.07 No Default. None of any Loan Party, any Subsidiary or, to the knowledge of the Borrower, any other party to any Contractual Obligation of any Loan Party or any Subsidiary is in default under or with respect to any such Contractual Obligation which default could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the Transaction.

5.08 Ownership of Property; Liens. (a) Each Loan Party and each of its Subsidiaries has good record and marketable title to, or valid leasehold interests in, all real property necessary in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. As of the Closing Date, no Loan Party owns any Material Real Property.

(b) The property of each Loan Party and each of its Subsidiaries is subject to no Liens, other than Liens set forth on Schedule 5.08(b) or as otherwise permitted by Section 7.01.

(c) Schedule 5.08(c) sets forth a complete and accurate list of all real property owned by each Loan Party and each of its Subsidiaries as of the Closing Date, showing as of the Closing Date the street address, county or other relevant jurisdiction, state and record owner thereof.

5.09 Environmental Compliance. Except with respect to any matters that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, none of the Loan Parties nor any of their respective Subsidiaries (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any Environmental Permit or to provide any notification required under any Environmental Law or has become subject to any Environmental Liability or is conducting or financing any investigation, response or corrective action pursuant to any Environmental Law at any location; or (b) knows of any basis for Environmental Liability, except as disclosed on Schedule 5.09.

5.10 Insurance. The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates (it being understood that the Borrower and its Subsidiaries are covered as of the Closing Date, and may continue to be covered after the Closing Date, by the Morgan Stanley insurance arrangements generally applicable to Morgan Stanley and its Subsidiaries, including any self-insurance arrangements that may be maintained by Morgan Stanley from time to time).

5.11 Taxes. The Borrower and its Subsidiaries have filed, or have caused to be filed, all Federal, state and other material tax returns and reports required to be filed, and have paid, or have caused to be paid, all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (i) those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP or (ii) to the extent the failure to do any of the foregoing could not reasonably be expected to have a Material Adverse Effect. There is no proposed tax assessment against the Borrower or any of its Subsidiaries that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement other than one or more tax sharing agreements between or among Loan Parties and other Domestic Subsidiaries and the tax sharing agreement between the Borrower and Morgan Stanley or its Affiliates (other than the Borrower and its Subsidiaries).

5.12 ERISA Compliance. (a) Except with respect to any matter that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (i) each Plan is in compliance in all respects with the applicable provisions of ERISA, the Code and other Federal or state Laws, (ii) each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a

letter is currently being processed by the IRS with respect thereto and, to the best knowledge of the Borrower, nothing has occurred which would prevent, or cause the loss of, such qualification, and (iii) the Borrower and, to the knowledge of the Borrower, each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) Except as would not reasonably be expected to have a Material Adverse Effect: (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has any Unfunded Pension Liability; (iii) neither the Borrower nor, to the knowledge of the Borrower, any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) neither the Borrower nor, to the knowledge of the Borrower, any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) neither the Borrower nor, to the knowledge of the Borrower, any ERISA Affiliate has engaged in a transaction that could reasonably be expected to result in a liability to a Loan Party by reason of Section 4069 or 4212(c) of ERISA.

5.13 Subsidiaries; Equity Interests; Loan Parties. As of the Closing Date, no Loan Party has any Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are, if applicable, fully paid and non-assessable and, as of the Closing Date, are owned (other than with respect to director's qualifying shares and shares issued to foreign nationals to the extent required by applicable law) by a Loan Party in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens except those permitted under Section 7.01. As of the Closing Date, no Loan Party has any equity investments in any other corporation or entity (other than a Subsidiary) other than those specifically disclosed in Part (b) of Schedule 5.13. Set forth on Part (c) of Schedule 5.13 is a complete and accurate list as of the Closing Date of all Loan Parties, showing as of the Closing Date (as to each Loan Party) the jurisdiction of its incorporation, the address of its principal place of business and its U.S. taxpayer identification number. As of the Closing Date, the copy of the charter of each Loan Party and each amendment thereto provided pursuant to Section 4.01(a)(vi) is a true and correct copy of each such document, each of which is valid and in full force and effect. As of the Closing Date, Morgan Stanley Capital International Australia Pty Limited, Investment Performance Objects Pty Limited and Barra International, (Australia) Pty Limited, together, would constitute an Immaterial Subsidiary of the Borrower.

5.14 Margin Regulations; Investment Company Act. (a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of

purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock, in each case in violation of such Regulation U.

(b) None of the Loan Parties and their Subsidiaries is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 Disclosure. No report, financial statement, certificate or other information furnished in writing by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case as modified or supplemented by other information so furnished and by the Registration Statement), taken as a whole, contains, when furnished, any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that (i) with respect to projected, pro forma or budgeted financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time such information was prepared (it being recognized by the Administrative Agent and the Lenders that such information is not to be viewed as facts and that actual results during the period or periods covered thereby may vary and such variances may be material) and (ii) the Borrower make no representation or warranty with respect to information of a general economic or general industry nature.

5.16 Compliance with Laws. Each Loan Party and each Subsidiary thereof is in compliance in all respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. Except as set forth in Part (i) of Schedule 5.17, as disclosed in the Registration Statement or would not, individually or in the aggregate, reasonably be excepted to result in a Material Adverse Effect, (i) each Loan Party and each of its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, (ii) Part (ii) of Schedule 5.17 sets forth, as of the Closing Date, a complete and accurate list of all registrations and applications for registration in respect of such material IP Rights owned by each Loan Party and each of its Subsidiaries and (iii) no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by any Loan Party or any of its Subsidiaries infringes upon any rights held by any other Person. Except as disclosed in the Registration Statement, no claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Borrower, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Solvency. Immediately after consummation of the Transaction on the Closing Date, the Loan Parties, on a consolidated basis, are Solvent.

ARTICLE VI
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than any Unmatured Surviving Obligations) hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (unless cash collateralized in a manner reasonably satisfactory to the L/C Issuer), the Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, 6.03 and 6.11) cause each Subsidiary to:

6.01 Financial Statements. Deliver to the Administrative Agent (which shall deliver to each Lender), in form and detail reasonably satisfactory to the Administrative Agent:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of Deloitte & Touche LLP or any other independent certified public accountant of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending February 29, 2008), a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, principal accounting officer, treasurer or controller of the Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) as soon as available, but in any event no later than sixty (60) days after the end of each fiscal year of the Borrower (starting with the fiscal year ended November 30, 2008), an annual business plan of the Borrower and its Subsidiaries on a consolidated basis, including forecasts prepared by management of the Borrower (which are not required to be in accordance with GAAP) of consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on a

quarterly basis for the immediately following fiscal year (including the fiscal year in which the Maturity Date for the Term B Facility occurs) (it being recognized by the Administrative Agent and the Lenders that such information is not to be viewed as facts and that actual results during the period or periods covered thereby may vary and such variances may be material).

As to any information contained in materials furnished pursuant to Section 6.02(c), the Borrower shall not be separately required to furnish such information under Section 6.01(a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in Sections 6.01(a) and (b) above at the times specified therein.

6.02 Certificates; Other Information. Deliver to the Administrative Agent (which shall deliver to each Lender), in form and detail reasonably satisfactory to the Administrative Agent:

(a) starting with the fiscal quarter ending February 29, 2008 and concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, principal accounting officer, treasurer or controller of the Borrower;

(b) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party, in each case, prepared by independent accountants in connection with the accounts or books of any Loan Party or any of its Subsidiaries, or any audit of any of them;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other material report or communication sent to the stockholders of the Borrower, and copies of all material annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934 (other than registration statements on Form S-8 or exhibits to any of the foregoing), or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly after the furnishing thereof, copies of any material statement or report furnished to any holder of debt securities of any Loan Party or of any of its Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement involving Indebtedness then outstanding in an aggregate principal amount in excess of the Threshold Amount and not otherwise required to be furnished to the Lenders pursuant to Section 6.01 or any other clause of this Section 6.02;

(e) promptly, and in any event within five Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each material notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry

by such agency regarding financial or other operational results of any Loan Party or any of its Subsidiaries; provided that the Borrower shall not be required to provide a copy of any such communication if the Borrower is prohibited or restricted by any applicable law or by the terms of such communication from providing such copy;

(f) together with the delivery of each Compliance Certificate pursuant to Section 6.02(a) with respect to financial statements referred to in Section 6.01(a), a report supplementing Schedule 5.08(c) hereto to the extent necessary, including an identification of all owned real property Disposed of by any Loan Party, if any, or any of its Subsidiaries since the delivery of the last supplements and a list and description of all Material Real Property acquired, if any, since the delivery of the last supplements (including the street address, county or other relevant jurisdiction, state or other relevant jurisdiction, and the record owner); and

(g) subject to the proviso to clause (e), promptly, such additional information regarding the business, financial, legal or corporate affairs of any Loan Party or any of its Subsidiaries, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(b), (c), (d) or (e) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent, which shall notify each Lender, (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(a) to the Administrative Agent. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Lead Arrangers will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Subsidiaries, or the respective securities of any of the foregoing, and who may be engaged in

investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Lead Arrangers, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Administrative Agent and the Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

6.03 Notices. Promptly notify the Administrative Agent:

(a) of the occurrence of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (but in each case only to the extent the same has resulted or could reasonably be expected to result in a Material Adverse Effect) (i) breach or non-performance of, or any default under, a Contractual Obligation of the Borrower or any of its Subsidiaries; (ii) any dispute, litigation, investigation, proceeding or suspension between the Borrower or any of its Subsidiaries and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Borrower or any of its Subsidiaries, including pursuant to any applicable Environmental Laws; and

(c) of the occurrence of any ERISA Event.

Each notice pursuant to Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities in respect of (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property (other than any Lien permitted under Section 7.01); and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, except, in each case (i) to the extent the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary or (ii) to the extent the failure to pay or discharge the same could not reasonably be expected to have a Material Adverse Effect.

6.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Sections 7.03, 7.04 or 7.05 or in respect of an Immaterial Subsidiary; (b) take all commercially reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) except to the extent permitted by Section 7.05, take all commercially reasonable action to preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except, in each case with respect to clauses (a) and (b), where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.07 Maintenance of Insurance. Maintain or cause to be maintained (i) the insurance substantially similar to the insurance listed on Schedule 6.07 or (ii) with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons and providing, in the case of all material insurance policies, for not less than 30 days' prior notice (or such shorter notice as acceptable to the Administrative Agent) to the Administrative Agent of termination, lapse or cancellation of such insurance.

6.08 Compliance with Laws. Comply in all respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records. Maintain proper books of record and account (in which full, true and correct, in all material respects, entries shall be made of all material financial transactions and matters involving the assets and business of the Borrower and its Subsidiaries) in a manner that permits the preparation of financial statements in accordance with GAAP.

6.10 Inspection Rights. Permit representatives and independent contractors of the Administrative Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers responsible for financial matters, and independent public accountants (at which authorized representatives of the Borrower shall be

entitled to be present), all at the reasonable expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided that, excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent on behalf of the Lenders may exercise rights under this Section 6.10 and the Administrative Agent shall not exercise such rights more often than one (1) time during any calendar year absent the existence and continuance of an Event of Default; provided further that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the reasonable expense of the Borrower at any time during normal business hours.

6.11 Use of Proceeds. Use the proceeds of the Credit Extensions (i) in the case of the Term Loans incurred on the Closing Date, to finance in part the Refinancing and to pay fees and expenses incurred in connection with the Transaction and (ii) otherwise, for general corporate purposes, including Permitted Acquisitions, not in contravention of any Law or of any Loan Document.

6.12 Covenant to Guarantee Obligations and Give Security. (a) Upon the formation or acquisition of any new direct or indirect Subsidiary that is a wholly-owned Material Domestic Subsidiary by any Loan Party, the Borrower shall, at the Borrower's expense (it being agreed and understood that any reference to any parent of a Subsidiary in this Section 6.12 shall not include any indirect or direct parent of the Borrower):

(i) within 30 days after such formation or acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), cause such Subsidiary, and cause each direct and indirect parent of such Subsidiary (if it has not already done so), to duly execute and deliver to the Administrative Agent a guaranty or guaranty supplement, substantially in the form attached to the Guaranty or otherwise in form and substance reasonably satisfactory to the Administrative Agent, guaranteeing the other Loan Parties' obligations under the Loan Documents,

(ii) within 15 days after such formation or acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), furnish to the Administrative Agent a description of any Material Real Property of such Subsidiary, in detail reasonably satisfactory to the Administrative Agent,

(iii) within 45 days after such formation or acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), cause such Subsidiary and each direct and indirect parent of such Subsidiary (if it has not already done so) to duly execute and deliver to the Administrative Agent deeds of trust, trust deeds, deeds to secure debt and mortgages in respect of any Material Real Property of such Subsidiary and Security Agreement Supplements, IP Security Agreement Supplements and other security and pledge agreements, substantially in the applicable form (if any) attached to the Loan Documents or otherwise in form and substance reasonably satisfactory to the Administrative Agent (including delivery of all Pledged Equity and Pledged Debt in and of such Subsidiary, and other instruments of the type specified in Section 4.01(a)(iii), in each case constituting Collateral), securing payment of all the Obligations of such Subsidiary or such parent, as the case may be, under the Loan Documents and constituting Liens on all such real and personal properties,

(iv) within 60 days after such formation or acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), cause such Subsidiary and each direct and indirect parent of such Subsidiary (if it has not already done so) to take all reasonable actions (including the recording of mortgages, the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) as may be necessary to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid and subsisting Liens on the properties purported to be subject to the deeds of trust, trust deeds, deeds to secure debt, mortgages, Security Agreement Supplements, IP Security Agreement Supplements and security and pledge agreements delivered pursuant to this Section 6.12, enforceable against all third parties in accordance with their terms,

(v) within 60 days after such formation or acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), deliver to the Administrative Agent, upon the reasonable request of the Administrative Agent, a signed copy of a favorable opinion, addressed to the Administrative Agent and the other Lenders, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to the matters contained in clauses (i), (iii) and (iv) above, and as to such other matters as the Administrative Agent may reasonably request, and

(vi) as promptly as practicable after such formation or acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), deliver, upon the reasonable request of the Administrative Agent, to the Administrative Agent, with respect to each Material Real Property that is owned or held by the entity that is the subject of such formation or acquisition, title reports, surveys and engineering, soils and other reports, and environmental assessment reports, in the case of surveys and engineering, soils, environmental and other reports, which report is in possession or control of a Loan Party, each in scope, form and substance reasonably satisfactory to the Administrative Agent, provided, however, that to the extent that any Loan Party shall have otherwise received any of the foregoing items with respect to such real property, such items shall, promptly after the receipt thereof, be delivered to the Administrative Agent.

(b) Upon the acquisition of any property (which, in the case of any real property, shall be limited to Material Real Property) of the type not excluded from the definition of "Collateral" by any Loan Party, and if such property, in the reasonable judgment of the Administrative Agent (to the extent such property is material), shall not already be subject to a perfected first priority security interest in favor of the Administrative Agent for the benefit of the Secured Parties, then the Borrower shall, upon the reasonable request of the Administrative Agent, at the Borrower's expense:

(i) within 15 days after such acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), furnish to the Administrative Agent a description of the property so acquired in detail reasonably satisfactory to the Administrative Agent,

(ii) within 45 days after such acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), cause the applicable Loan Party to duly execute and deliver to the Administrative Agent deeds of trust, trust deeds, deeds to secure debt, mortgages, mortgage modifications, Security Agreement Supplements, IP Security Agreement Supplements and other security and pledge agreements, substantially in the applicable form (if any) attached to the Loan Documents or otherwise in form and substance reasonably satisfactory to the Administrative Agent, securing payment of all the Obligations of the applicable Loan Party under the Loan Documents and constituting Liens on all such properties,

(iii) within 60 days after such acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), cause the applicable Loan Party to take all reasonable actions (including the recording of mortgages, the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) as may be necessary to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid and subsisting Liens on such property, enforceable against all third parties,

(iv) within 60 days after such acquisition (or such longer period as the Administrative Agent shall agree in its sole discretion), deliver to the Administrative Agent, upon the reasonable request of the Administrative Agent, a signed copy of a favorable opinion, addressed to the Administrative Agent and the other Lenders, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to the matters contained in clauses (ii) and (iii) above and as to such other matters as the Administrative Agent may reasonably request, and

(v) as promptly as practicable after any acquisition of a Material Real Property (or such longer period as the Administrative Agent shall agree in its sole discretion), deliver, upon the reasonable request of the Administrative Agent, to the Administrative Agent, with respect to such real property, title reports, surveys and engineering, soils and other reports, and environmental assessment reports, in the case of surveys and engineering, soils, environmental and other reports, which report is in possession or control of a Loan Party, each in scope, form and substance reasonably satisfactory to the Administrative Agent, provided, however, that to the extent that any Loan Party or any of its Subsidiaries shall have otherwise received any of the foregoing items with respect to such real property, such items shall, promptly after the receipt thereof, be delivered to the Administrative Agent,

(c) Upon the reasonable request of the Administrative Agent following the occurrence and during the continuance of an Event of Default, the Borrower shall, at the Borrower's expense:

(i) within 15 days after such request (or such longer period as the Administrative Agent shall agree in its sole discretion), furnish to the Administrative Agent a description of the material real and personal properties of the Loan Parties in detail reasonably satisfactory to the Administrative Agent,

(ii) within 45 days after such request (or such longer period as the Administrative Agent shall agree in its sole discretion), duly execute and deliver, and cause each other Loan Party and each Material Domestic Subsidiary of the Borrower (if it has not already done so) to duly execute and deliver, to the Administrative Agent deeds of trust, trust deeds, deeds to secure debt, mortgages, Security Agreement Supplements, IP Security Agreement Supplements and other security and pledge agreements, substantially in the applicable form (if any) attached to the Loan Documents or otherwise in form and substance reasonably satisfactory to the Administrative Agent (including delivery of all Pledged Equity and Pledged Debt in and of such Subsidiary, and other instruments of the type specified in Section 4.01(a)(iii), in each case constituting Collateral), securing payment of all the Obligations of the applicable Loan Party under the Loan Documents and constituting Liens on all such properties,

(iii) within 60 days after such request (or such longer period as the Administrative Agent shall agree in its sole discretion), take, and cause each Loan Party and each Material Domestic Subsidiary of the Borrower to take, all reasonable actions (including the recording of mortgages, the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) as may be necessary to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid and subsisting Liens on the properties purported to be subject to the deeds of trust, trust deeds, deeds to secure debt, mortgages, Security Agreement Supplements, IP Security Agreement Supplements and security and pledge agreements delivered pursuant to this Section 6.12, enforceable against all third parties in accordance with their terms,

(iv) within 60 days after such request (or such longer period as the Administrative Agent shall agree in its sole discretion), deliver to the Administrative Agent, upon the reasonable request of the Administrative Agent, a signed copy of a favorable opinion, addressed to the Administrative Agent and the other Lenders, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to the matters contained in clauses (ii) and (iii) above, and as to such other matters as the Administrative Agent may reasonably request, and

(v) as promptly as practicable after such request (or such longer period as the Administrative Agent shall agree in its sole discretion), deliver, upon the reasonable request of the Administrative Agent, to the Administrative Agent with respect to each Material Real Property that is owned or held by any Loan Party, title reports, surveys and engineering, soils and other reports, and environmental assessment reports, in the case of surveys and engineering, soils, environmental and other reports, which report is in possession or control of a Loan Party, each in scope, form and substance reasonably satisfactory to the Administrative Agent, provided, however, that to the extent that any Loan Party shall have otherwise received any of the foregoing items with respect to such real property, such items shall, promptly after the receipt thereof, be delivered to the Administrative Agent.

(d) At any time upon reasonable request of the Administrative Agent, promptly execute and deliver any and all further instruments and documents and take all such other action as the Administrative Agent may deem necessary in obtaining the full benefits of, or (as applicable) in perfecting and preserving the Liens of, such guaranties, deeds of trust, trust deeds, deeds to secure debt, mortgages, Security Agreement Supplements, IP Security Agreement Supplements and other security and pledge agreements.

(e) Notwithstanding anything to the contrary in this Section, neither the Borrower nor any of its Subsidiaries shall be required to execute or deliver any instrument or document or take any action with respect to any property or asset (i) that is excluded from the definition of Collateral pursuant to the terms of the Security Agreement or (ii) as to which the Administrative Agent and the Borrower reasonably determine that the costs of taking such action are excessive in relation to the benefit to the Lenders of the security to be afforded thereby.

6.13 Compliance with Environmental Laws. Except to the extent that the failure to do any of the following could not, individually or in the aggregate, be reasonably likely to result in a Material Adverse Effect, (i) comply and use commercially reasonable efforts to cause all lessees and other Persons operating or occupying its properties to comply in all material respects with all applicable Environmental Laws and Environmental Permits; (ii) obtain and renew all Environmental Permits necessary for its operations and properties; and (iii) conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, as required by applicable Environmental Laws; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

6.14 Further Assurances. Promptly upon the reasonable request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable law but subject to Section 6.12(e), subject any Loan Party's properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

6.15 Compliance with Terms of Leaseholds. Make all payments and otherwise perform all obligations in respect of all leases of real property to which the Borrower or any of its Subsidiaries is a party, except, in any case, where (i) any obligation thereunder is being contested in good faith and appropriate reserves are being maintained with respect thereto to the extent required by GAAP or (ii) the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect.

6.16 Interest Rate Hedging. Enter into prior to the date that is 90 days after the Closing Date and maintain at all times thereafter until the third anniversary of the Closing Date, interest rate Swap Contracts on terms and with Persons reasonably acceptable to the Administrative Agent, covering a notional amount such that at least 50% of the Term Loans (taking into account the scheduled amortization of the Term Loans) bears interest at a fixed rate.

6.17 Material Contracts. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, except, in any case, where (i) any obligation thereunder is being contested in good faith and appropriate reserves are being maintained with respect thereto to the extent required by GAAP or (ii) the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

ARTICLE VII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than any Unmatured Surviving Obligations) hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (unless cash collateralized in a manner reasonably satisfactory to the L/C Issuer), the Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, or sign or file under the Uniform Commercial Code of any jurisdiction a financing statement that names the Borrower or any of its Subsidiaries as debtor, or assign any accounts or other right to receive income, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the date hereof and listed on Schedule 5.08(b) and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased except as contemplated by Section 7.02(d), (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 7.02(d);

(c) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business securing obligations which are not overdue for a period of more than 60 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person to the extent required under GAAP;

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

(f) deposits to secure the performance of tenders, bids, trade contracts and leases (other than Indebtedness), statutory or regulatory obligations, surety bonds, insurance obligations, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) minor defects or minor imperfections in title and zoning, land use and similar restrictions and easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person, and, in the case of any real property covered by any Mortgage, any Permitted Encumbrances with respect thereto;

(h) Liens securing judgments not constituting an Event of Default under Section 8.01(h), or securing appeal or other surety bonds related to such judgments;

(i) Liens securing Indebtedness permitted under Section 7.02(f); provided that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness (or any Permitted Refinancing thereof) and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of acquisition;

(j) Liens existing on property at the time of its acquisition or existing on property of a Person at the time such Person is merged into or consolidated with the Borrower or any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower (other than Liens on the Equity Interests of any Person that becomes a Subsidiary); provided that such Liens were not created in contemplation of such acquisition, merger, consolidation or Investment and do not extend to any assets other than such acquired property or those of the Person merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary, and the applicable Indebtedness secured by such Lien is permitted under Section 7.02;

(k) leases, licenses, subleases or sublicenses granted to other Persons in the ordinary course of business which do not (A) interfere in any material respect with the business of the Loan Parties or (B) secure any Indebtedness for borrowed money;

(l) any interest or title of (A) a lessor or sublessor under any lease or sublease or (B) a licensor or sublicensor under any license or sublicense, in each case entered into in the ordinary course of business, so long as such interest or title relate solely to the assets subject thereto;

(m) banker's liens, rights of setoff and other similar Liens that are customary in the banking industry and existing solely with respect to cash and other amounts on deposit in one or more accounts (including securities accounts) maintained by the Borrower or its Subsidiaries;

(n) Liens of a collecting bank arising under Section 4-208 (or its equivalent) of the UCC on items in the course of collection and documents and proceeds related thereto;

(o) Liens arising from precautionary filings of financing statements under the Uniform Commercial Code of any applicable jurisdiction in respect of operating leases or consignments entered into by the Borrower or its Subsidiaries in the ordinary course of business;

(p) Liens attaching to cash earnest money deposits in connection with any letter of intent or purchase agreement permitted hereunder and Liens on cash deposits held in escrow accounts pursuant to the terms of any purchase agreement permitted hereunder;

(q) Liens in the nature of trustee's Liens granted pursuant to any indenture governing any Indebtedness for borrowed money permitted by Section 7.02, in each case in favor of the trustee under such indenture and securing only obligations to pay compensation to such trustee, to reimburse its expenses and to indemnify it under the terms thereof;

(r) Liens on assets of Foreign Subsidiaries securing obligations of such Foreign Subsidiaries permitted hereunder;

(s) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(t) assignments of accounts or other rights to receive income to the extent permitted under Section 7.05;

(u) escrow deposits of source code in the ordinary course of business in connection with the licensing of intellectual property by the Borrower or any of its Subsidiaries to their customers; and

(v) other Liens so long as the aggregate outstanding amount of Indebtedness and other obligations secured thereby does not exceed $15,000,000.

7.02 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) obligations (contingent or otherwise) existing or arising under any Swap Contract, provided that such obligations are (or were) entered into by such Person in the ordinary course of business or pursuant to Section 6.16 (and not for speculative purposes) for the purpose of directly mitigating risks associated with fluctuations in interest rates, commodity prices or foreign exchange rates;

(b) Indebtedness of a Subsidiary of the Borrower owed to the Borrower or another Subsidiary of the Borrower or of the Borrower owed to a Subsidiary of the Borrower, which Indebtedness shall (i) in the case of Indebtedness owed to a Loan Party, constitute "Pledged Debt" under the Security Agreement, (ii) in the case of Indebtedness owed by a Loan Party to a non-Loan Party, be subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent and (iii) be otherwise permitted under the provisions of Section 7.03;

(c) Indebtedness under the Loan Documents;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.02 and any Permitted Refinancing thereof;

(e) (i) Guarantees of any Loan Party in respect of Indebtedness otherwise permitted hereunder of the Borrower or any Subsidiary; provided that if the Indebtedness being Guaranteed is subordinated to the Obligations, such Guarantee shall be subordinated to the Guarantee of the Obligations on terms at least as favorable to the Lenders as those contained in the subordination provisions of such Indebtedness, and (ii) Guarantees of any Subsidiary that is not a Loan Party in respect of Indebtedness otherwise permitted hereunder of any Subsidiary that is not a Loan Party;

(f) Indebtedness in respect of Capitalized Leases, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets within the limitations set forth in Section 7.01(i) and any Synthetic Debt and any Permitted Refinancing thereof; provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed $25,000,000;

(g) Indebtedness of any Person that becomes a Subsidiary of the Borrower after the date hereof in accordance with the terms of Section 7.03, which Indebtedness is existing at the time such Person becomes a Subsidiary of the Borrower and was not incurred solely in contemplation of such Person's becoming a Subsidiary of the Borrower, and any Permitted Refinancing thereof;

(h) Indebtedness representing deferred compensation to employees of the Borrower or any of its Subsidiaries incurred in the ordinary course of business;

(i) Indebtedness consisting of deferred purchase price or notes issued to current or former officers, managers, consultants, directors and employees (or their respective estates, spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of Equity Interests of the Borrower in an aggregate principal amount not to exceed $5,000,000;

(j) unsecured Indebtedness in an aggregate principal amount not to exceed $250.0 million at any time outstanding;

(k) Indebtedness in respect of (i) performance bonds, bid bonds, surety bonds, workers' compensation claims, performance and completion guarantees and similar obligations, in each case provided in the ordinary course of business, and (ii) appeal bonds;

(l) Indebtedness consisting of netting arrangements and overdraft protections incurred in the ordinary course of business;

(m) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is promptly covered by the Borrower or any Subsidiary;

(n) Indebtedness of Foreign Subsidiaries in an aggregate principal amount not exceeding $10,000,000 at any time outstanding;

(o) Indebtedness incurred by the Borrower or any of its Subsidiaries in a Permitted Acquisition or any other Investment expressly permitted hereunder, in each case to the extent constituting indemnification obligations, incentive, non-compete or other similar arrangements, or obligations in respect of purchase price (including earn-outs) or other similar adjustments;

(p) Indebtedness of any Loan Party or other Subsidiary of the Borrower on account of or in respect of letters of credit obtained in the ordinary course of business in connection with foreign operations or branches in an aggregate principal amount not exceeding $5,000,000 at any time outstanding; and

(q) Indebtedness owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business.

It is understood and agreed that any Indebtedness borrowed in a foreign currency shall continue to be permitted under this Section 7.02 notwithstanding any fluctuation in the Dollar amount of such Indebtedness, as long as the outstanding principal balance of such Indebtedness (denominated in its original currency) does not exceed the maximum amount of such Indebtedness (denominated in such currency) permitted to be outstanding on the date such Indebtedness was incurred.

7.03 Investments. Make or hold any Investments, except:

(a) Investments held by the Borrower and its Subsidiaries in the form of Cash Equivalents;

(b) advances to officers, directors and employees of the Borrower and Subsidiaries in an aggregate amount not to exceed $2,500,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;

(c) (i) Investments by the Borrower and its Subsidiaries in Loan Parties, (ii) Investments by Subsidiaries of the Borrower that are not Loan Parties in other Subsidiaries that are not Loan Parties and (iii) so long as no Event of Default has occurred and is continuing at the time of or would result from such Investment, additional Investments by the Loan Parties in Subsidiaries that are not Loan Parties in an aggregate amount not to exceed $10,000,000 at any time outstanding;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof in connection with the settlement of delinquent accounts generated in the ordinary course of business or from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e) Guarantees permitted by Section 7.02 and Guarantees of obligations (other than Indebtedness) of the Borrower and its Subsidiaries not prohibited hereunder and entered into in the ordinary course of business;

(f) (i) Investments existing on the date of this Agreement and set forth on Schedule 7.03 and (ii) Investments pursuant to any cash management arrangements with Morgan Stanley or any of its Affiliates (other than the Borrower and its Subsidiaries) in a manner consistent with past practices;

(g) Investments in Swap Contracts permitted under Section 7.02(a);

(h) the purchase or other acquisition of Equity Interests in, or all or substantially all of the assets or business of, any Person, or of assets constituting a business unit, a line of business or division of, such Person that, upon the consummation thereof, will be a Subsidiary of the Borrower or will be owned by the Borrower or a Subsidiary of the Borrower (including as a result of a merger or consolidation); provided that, with respect to each purchase or other acquisition made pursuant to this Section 7.03(h) (each of the foregoing, a "Permitted Acquisition"):

(i) any such newly-created or acquired Subsidiary and each applicable Loan Party shall comply, to the extent required, with the requirements of Section 6.12;

(ii) after giving effect to such transaction, the Borrower shall be in compliance with Section 7.07;

(iii) such purchase or other acquisition shall not include or result in any contingent liabilities that could reasonably be expected to have a Material Adverse Effect on the Borrower and its Subsidiaries, taken as a whole (as determined in good faith by the board of directors (or the persons performing

similar functions) of the Borrower if the board of directors is otherwise approving such transaction and, in each other case, by a Responsible Officer of the Borrower);

(iv) the total consideration and all assumptions of debt in connection therewith (but excluding the portion paid with Qualified Equity Interests of the Borrower or Equity Net Cash Proceeds from issuance of Qualified Equity Interests of the Borrower that are Not Otherwise Applied) paid by or on behalf of the Borrower and its Subsidiaries for any such purchase or other acquisition, when aggregated with the total such consideration (but excluding the portion paid with Qualified Equity Interests of the Borrower or Equity Net Cash Proceeds from issuance of Qualified Equity Interests of the Borrower that are Not Otherwise Applied) paid by or on behalf of the Borrower and its Subsidiaries for all other purchases and other acquisitions made by the Borrower and its Subsidiaries pursuant to this Section 7.03(h), shall not exceed $350,000,000 in any fiscal year of the Borrower; provided, further, that the total such consideration (but excluding the portion paid with Qualified Equity Interests of the Borrower or Equity Net Cash Proceeds from issuance of Qualified Equity Interests of the Borrower that are Not Otherwise Applied) paid by or on behalf of the Borrower and its Subsidiaries for all such purchases or acquisitions pursuant to this Section 7.03(h) of such Person (or the assets or business of such Person) that, upon the consummation thereof, will not be wholly-owned directly by the Borrower or one or more of its wholly-owned Subsidiaries (including as a result of a merger or consolidation) shall not exceed $50,000,000 in any fiscal year of the Borrower;

(v) (A) immediately before and immediately after giving pro forma effect to any such purchase or other acquisition, no Default shall have occurred and be continuing and (B) immediately after giving effect to such purchase or other acquisition, the Borrower and its Subsidiaries shall, on a Pro Forma Basis, be in compliance with all of the covenants set forth in Section 7.11; and

(vi) the Borrower shall have delivered to the Administrative Agent, on behalf of the Lenders, at least five Business Days (or a shorter period reasonably approved by the Administrative Agent) prior to the date on which any such purchase or other acquisition is to be consummated, a certificate of a Responsible Officer, in form and substance reasonably satisfactory to the Administrative Agent, certifying that all of the requirements set forth in this Section 7.03(h) have been satisfied or will be satisfied on or prior to the consummation of such purchase or other acquisition (or, in the case of the requirements of clause (i), will, to the extent applicable, be satisfied within the time periods specified for such satisfaction in Section 6.12);

(i) other Investments (including joint venture and minority investments) not exceeding $10,000,000 in the aggregate in any fiscal year of the Borrower;

(j) advances of payroll payments to employees in the ordinary course of the business;

(k) loans to directors, officers and employees to purchase Qualified Equity Interests of the Borrower in an aggregate principal amount not to exceed $5,000,000;

(l) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, other Investments in an amount not to exceed 100% of Cumulative Excess Cash Flow that is Not Otherwise Applied;

(m) Investments (A) received in satisfaction or partial satisfaction of accounts from financially troubled account debtors (whether in connection with a foreclosure, bankruptcy, workout or otherwise) and (B) consisting of deposits, prepayments and other credits to suppliers made in the ordinary course of business consistent with the past practices of the Borrower and its Subsidiaries;

(n) the Borrower and its Subsidiaries may (A) acquire and hold accounts receivable owing to any of them if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary terms, (B) endorse negotiable instruments held for collection or deposit in the ordinary course of business, (C) make lease, utility and other similar deposits (or prepayment thereof) in the ordinary course of business and (D) make pledges and deposits permitted by Section 7.01;

(o) Investments made as a result of the receipt of non-cash consideration from a sale, transfer or other disposition of any asset in compliance with Section 7.05;

(p) Investments of any Person existing at the time such Person becomes a Subsidiary of the Borrower or consolidates or merges with the Borrower or any of the Subsidiaries (including in connection with a Permitted Acquisition) so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such consolidation or merger;

(q) Investments to the extent that payment for such investments is made solely with Qualified Equity Interests of the Borrower (or Equity Net Cash Proceeds of the issuance thereof that are Not Otherwise Applied); and

(r) Investments consisting of any amounts paid pursuant to any contracts with any Subsidiary, or in respect of any Foreign Subsidiary's operations, providing for payment of amounts on a "cost" or "cost-plus" basis for services performed, or in the form of guarantees of leases or licenses in the ordinary course of business.

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Event of Default exists or would result therefrom:

(a) any Subsidiary may merge or consolidate with or into or may liquidate into (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that when any Loan Party is merging or consolidating with or liquidating into another Subsidiary, a Loan Party shall be the continuing or surviving Person;

(b) any Loan Party (other than the Borrower) may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to (i) any other Loan Party or (ii) any Subsidiary that is not a Loan Party in connection with an Investment permitted under Section 7.03;

(c) any Subsidiary that is not a Loan Party may dispose of all or substantially all its assets (including any Disposition that is in the nature of a liquidation) to (i) another Subsidiary that is not a Loan Party or (ii) to a Loan Party;

(d) in connection with any acquisition permitted under Section 7.03, any Subsidiary of the Borrower may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided that (i) if the Subsidiary party to such merger or consolidation was, immediately prior thereto, a wholly owned Subsidiary of the Borrower, the Person surviving such merger shall be a wholly-owned Subsidiary of the Borrower (it being agreed, however, that this proviso shall not prevent any transaction contemplated by the proviso to Section 7.03(h)(iv)) and (ii) in the case of any such merger to which any Loan Party (other than the Borrower) is a party, such Loan Party is the surviving Person;

(e) in the case of any Subsidiary of the Borrower, pursuant to a transaction otherwise permitted by Section 7.05 (other than Section 7.05(e)); and

(f) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders.

7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete, excess or worn out property or property no longer used in the business of the Borrower or its Subsidiaries, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of inventory in the ordinary course of business;

(c) Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d) Dispositions of property to the Borrower or any of its Subsidiaries; provided that if the transferor of such property is a Loan Party, the transferee thereof must be a Loan Party;

(e) Dispositions permitted by Section 7.04;

(f) Dispositions by the Borrower and its Subsidiaries of property pursuant to sale-leaseback transactions, provided that the book value of all property so Disposed of shall not exceed (i) $25,000,000 from and after the Closing Date or (ii) $5,000,000 in any fiscal year;

(g) leases, subleases, licenses or sublicenses of real or personal property in the ordinary course of business, in each case that do not materially interfere with the business of the Borrower and its Subsidiaries;

(h) additional Dispositions by the Borrower and its Subsidiaries; provided that (i) at the time of such Disposition, no Event of Default shall exist or would result from such Disposition, (ii) the aggregate fair market value of all property Disposed of in reliance on this clause (h) shall not exceed $100,000,000 and (iii) the purchase price for such asset shall be paid to the Borrower or such Subsidiary at least 75% in cash;

(i) so long as no Event of Default shall occur and be continuing, the grant of any option or other right to purchase any asset in a transaction that would be permitted under the provisions of Section 7.05(h);

(j) Disposition of Cash Equivalents;

(k) Disposition of Qualified Equity Interests of the Borrower otherwise permitted hereunder;

(l) discounts or forgiveness of accounts receivable in the ordinary course of business and/or sales thereof in connection with collection or compromise thereof;

(m) cancellations of any intercompany Indebtedness among the Loan Parties or among the non-Loan Parties;

(n) subject to the provisions in the Security Agreement, Dispositions in the ordinary course of business consisting of the abandonment of intellectual property rights (other than any Material Intellectual Property) which, in the good faith determination of the Borrower, are not material to the conduct of the business of the Borrower and its Subsidiaries;

(o) to the extent required by applicable law, the sale or other disposition of a nominal amount of Equity Interests in any Foreign Subsidiary in order to qualify members of the board of directors or equivalent governing body of such Person;

(p) transfer of property subject to Casualty Events upon receipt of the Net Cash Proceeds of such Casualty Event;

(q) dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(r) Investments permitted by Section 7.03 and Restricted Payments permitted under Section 7.06; and

(s) Disposition of Subsidiaries of the Borrower listed in Schedule 7.05.

provided, however, that any Disposition pursuant to Section 7.05 (except pursuant to Sections 7.05(e), (l), (m), (n), (o), (p), (r) and (s) and except for Disposition made from a Loan Party to another Loan Party or from a non-Loan Party to another non-Loan Party) shall be for fair market value.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(a) each Subsidiary may make Restricted Payments to any Loan Party, and any other Person that owns a direct Equity Interest in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;

(b) any Loan Party may make Restricted Payments to, or issue or sell any Equity Interests to, or accept any capital contribution from, any other Loan Party;

(c) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(d) the Borrower and each Subsidiary may purchase, redeem or otherwise acquire its Qualified Equity Interests with the proceeds received from the substantially concurrent issue of new Qualified Equity Interests;

(e) the Borrower may repurchase its Equity Interests from current or former directors, officers or employees of the Borrower or any of its Subsidiaries, their estates, spouses or former spouses or make payments to such persons upon termination of employment or directorship, in connection with the exercise of stock options, stock appreciation rights or similar equity incentives or equity based incentives pursuant to management incentive plans or in connection with the death or disability of such persons in an aggregate amount not to exceed $5,000,000 in any fiscal year;

(f) if the Permitted Holders shall have made, directly or indirectly, cash equity contributions to the Borrower to fund any Investments or any expenditures that would, by reason of such funding, be excluded from the definition of “Capital Expenditures,” and such Investment or expenditure is not made within 10 Business Days after receipt of such equity contributions, the Borrower may return such cash equity contributions to such Permitted Holders;

(g) the Borrower may repurchase Equity Interests to the extent (x) such repurchase is deemed to occur upon the exercise of any options, warrants or other equity awards and (y) such Equity Interests represent a portion of the purchase price of such options, warrants or other equity awards;

(h) the Borrower may make cash payments in lieu of issuing fractional or "odd lot" Equity Interests in connection with the spin-off of the Borrower and its Subsidiaries by Morgan Stanley; and

(i) in addition to the foregoing Restricted Payments, the Borrower may make additional Restricted Payments in an aggregate amount not to exceed $5,000,000 in any fiscal year; provided that, so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the Consolidated Leverage Ratio as of the date of the making of any such Restricted Payment is not greater than 2.0 to 1.0 (calculated on a Pro Forma Basis and after giving pro forma effect to any such Restricted Payment), such amount may be increased by an amount equal to 100% of Cumulative Excess Cash Flow that is Not Otherwise Applied.

7.07 Change in Nature of Business. Engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the date of this Agreement or any business substantially related, incidental or complementary thereto.

7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to (i) transactions between or among the Loan Parties or transactions between or among Subsidiaries of the Borrower that are not Loan Parties or transactions between a Loan Party and a Subsidiary that is not a Loan Party so long as the terms of such transaction are no less favorable to the Loan Party than it would obtain in a comparable arm's length transaction with a Person not an Affiliate; (ii) Restricted Payments permitted to be made pursuant to Section 7.06 and Investments permitted under Section 7.03 and intercompany transactions, including intercompany Indebtedness and asset transfers, expressly permitted hereunder, (iii) customary directors' fees and expenses, (iv) employment agreements, employee benefit and compensation plans, as determined in good faith by the board of directors or senior management of the Borrower, (v) payments under customary officers' and directors' indemnification arrangements, (vi) transactions with Morgan Stanley or Capital Group International, Inc. and their respective Affiliates (other than the Borrower and its Subsidiaries) pursuant to any agreements or arrangements listed in Schedule 7.08 or otherwise in a manner consistent with past practice, and any payments in connection therewith, (vii) the consummation of the Transaction and all payments to be made in connection therewith, (viii) any tax sharing agreements or arrangements among Loan Parties and other Domestic Subsidiaries or with Morgan Stanley or its Affiliates (other than the Borrower and its Subsidiaries), and any payments in connection therewith or (ix) transactions in which the Borrower or any Subsidiary delivers to the Administrative Agent a letter from an accounting, appraisal or investment banking firm of national standing stating that such transaction is fair to the Borrower or such Subsidiary from a financial point of view and which are approved by a majority of the disinterested members of the board of directors of the Borrower in good faith.

7.09 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Subsidiary to make Restricted Payments to any Loan Party or to otherwise transfer property to or invest in any Loan Party, except for any agreement in effect (A) on the date hereof and set forth on Schedule 7.09 or (B) at the time any Subsidiary becomes a Subsidiary of the Borrower, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of the Borrower, (ii) of any Material Domestic Subsidiary to Guarantee the Obligations or (iii) of the Borrower or any other Loan Party to create, incur, assume or suffer to exist Liens on property of such Person securing the Obligations; provided, however, that this clause (iii) shall not prohibit any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.02(f) solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness; or (b) requires the grant by a Loan Party of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person; provided, however, that this clause (b) shall not prohibit any Contractual Obligation in any instrument or agreement governing any Indebtedness incurred pursuant to Section 7.02(j) requiring the grant by a Loan Party of a Lien to secure such Indebtedness if a Lien is granted to secure another obligation of such Person (other than the Obligations); provided, further, that the foregoing shall not apply to Contractual Obligations which (A) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 7.03 and applicable solely to such joint venture, (B) are customary restrictions on leases, subleases, licenses or sublicenses otherwise permitted hereunder so long as such restrictions relate solely to the assets subject thereto, (C) are customary anti-assignment provisions in contracts restricting the assignment of any agreement entered into in the ordinary course of business, (D) are customary restrictions in contracts for the Disposition of any assets or any Subsidiary permitted by Section 7.05, provided that the restrictions in any such contracts shall apply only to such assets or Subsidiary that is to be Disposed of, (E) are customary provisions in leases of real property that prohibit mortgages or pledges of the lessee's interest under such lease, (F) are limitations imposed on any Subsidiary that is not a Loan Party by the terms of any Indebtedness permitted hereunder if such limitation applies only to the assets or property of such Subsidiary securing such Indebtedness, (G) are in effect at the time any Person becomes a Subsidiary and not created in anticipation thereof, (H) (x) exist on the date hereof and are identified on Schedule 7.09 and (y) to the extent Contractual Obligations permitted by clause (x) are set forth in an agreement evidencing Indebtedness, are set forth in any agreement evidencing any permitted renewal, extension or refinancing of such Indebtedness so long as such renewal, extension or refinancing does not expand the scope of such Contractual Obligations, (I) are restrictions contained in the terms of any Indebtedness permitted hereunder or any agreement pursuant to which such Indebtedness was issued if (x) such restriction applies only in the event of a payment default or a default with respect to a financial covenant contained in such Indebtedness or agreement, (y) such restriction is not materially more disadvantageous to the borrower of such Indebtedness than is customary in comparable financings (as determined by the Borrower in good faith) and (z) the Borrower determines that any such restriction will not materially affect the Borrower's ability to make principal or interest payments on the Loans, (J) are provisions imposed by any instrument or agreement governing Indebtedness of any Subsidiary that is not a Loan Party which is permitted by Section 7.02 or (K) arise under applicable law.

7.10 Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case, in violation of such Regulation U of the FRB.

7.11 Financial Covenants. (a) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than the ratio set forth below opposite such fiscal quarter:

Four Fiscal Quarters Ending	Minimum Consolidated Interest Coverage Ratio
Closing Date through November 30, 2009	3.00:1.00
December 1, 2009 through November 30, 2010	3.50:1.00
December 1, 2010 and thereafter	4.00:1.00

(b) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio at any time during any period of four fiscal quarters of the Borrower set forth below to be greater than the ratio set forth below opposite such period:

Four Fiscal Quarters Ending	Maximum Consolidated Leverage Ratio
Closing Date through November 30, 2009	3.75:1.00
December 1, 2009 through November 30, 2010	3.50:1.00
December 1, 2010 and thereafter	3.25:1.00

7.12 Capital Expenditures. Make any Capital Expenditure, except for Capital Expenditures not exceeding, in the aggregate for the Borrower and its Subsidiaries during each fiscal year set forth below, the amount set forth opposite such fiscal year:

Fiscal Year Ending November 30,	Amount
2008	$15,000,000
2009	$15,000,000
2010	$15,000,000
2011	$15,000,000
2012	$20,000,000
2013	$25,000,000
2014	$25,000,000

; provided, however, that any portion of any amount set forth above, if not expended in the fiscal year for which it is permitted above, may be carried over for expenditure in the immediately following fiscal year; and provided further that if any such amount is so carried over, it will be deemed used in the applicable subsequent fiscal year before the amount set forth opposite such fiscal year above. In addition to the foregoing Capital Expenditures, the Borrower and its Subsidiaries may make additional Capital Expenditures in an aggregate amount not to exceed 100% of Cumulative Excess Cash Flow that is Not Otherwise Applied.

7.13 Amendments of Organization Documents and Indebtedness. Amend any of its Organization Documents or amend, modify or change in any manner any term or condition of any Indebtedness set forth in Schedule 7.02 the outstanding principal amount of which exceeds the Threshold Amount, except for any refinancing, refunding, renewal or extension thereof permitted by Section 7.02(d), in each case in a manner materially adverse to the Lenders or the Administrative Agent.

7.14 Accounting Changes. Make (a) any change in accounting policies or reporting practices, except as required or permitted by GAAP or otherwise not materially adverse to the Lenders, or (b) any change to its fiscal year; provided that the Borrower may, upon written notice to the Administrative Agent given after the second anniversary of the Closing Date, change the fiscal year end to any other fiscal year end reasonably acceptable to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the other parties hereto to, make any adjustments to this Agreement that are necessary to effect such change.

7.15 Prepayments, Etc. of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Indebtedness, except (a) the prepayment of the Credit Extensions in accordance with the terms of this Agreement, (b) regularly scheduled or required repayments or redemptions of Indebtedness set forth in Schedule 7.02, (c) in connection with any Permitted Refinancing thereof that is expressly permitted to be incurred pursuant to Section 7.02 and (d) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, prepayments, redemption, purchases, defeasances or other satisfaction in an aggregate principal amount not to exceed the sum of (A) 100% of Cumulative Excess Cash Flow that is Not Otherwise Applied, (B) the Equity Net Cash Proceeds from the sale or issuance of Qualified Equity Interests of the Borrower that are Not Otherwise Applied and (C) $10,000,000.

7.16 Equity Interests of Wholly-Owned Subsidiaries. Permit any wholly owned Subsidiary to become a non-wholly owned Subsidiary, except (i) as a result of or in connection with a dissolution, liquidation, merger, consolidation, amalgamation or disposition of a Subsidiary permitted by Section 7.04 or 7.05 or an Investment permitted by Section 7.03, (ii) so long as such Subsidiary continues to be a Guarantor or (iii) as a result of any sale or issuance of Equity Interests of any Foreign Subsidiary otherwise permitted hereunder.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to (i) pay when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) pay within three Business Days after the same becomes due, any interest on any Loan or on any L/C Obligation, any fee due hereunder or any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in any of Sections 6.03(a), 6.05(a) (with respect to the Borrower only), 6.12, or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Sections 8.01(a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent or the Required Lenders; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respects when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such payment is not made within any applicable grace period in respect of any Indebtedness (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause after giving effect to any applicable grace period, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed

(automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, provided that this clause (i)(B) shall not apply to secured Indebtedness of a Loan Party or a Subsidiary that becomes due upon the sale or transfer by such Loan Party or Subsidiary of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness, or unsecured Indebtedness of a Loan Party or a Subsidiary that does not become due but contains an obligation to offer to purchase such Indebtedness following an asset sale in the event the proceeds of such sale are not reinvested in the business or used to repay a category of Indebtedness that includes the Loans (it being understood that this clause (i)(B) shall apply if such offer to purchase is actually made or required to be made); or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary thereof is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Subsidiary (other than an Immaterial Subsidiary) thereof institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Subsidiary thereof becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 30 days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Subsidiary thereof (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer is rated at least “A” by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount which could reasonably be expected to result in a Material Adverse Effect, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount which could reasonably be expected to result in a Material Adverse Effect; or

(j) Invalidity of Loan Documents. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in writing the validity or enforceability of any material provision of any Loan Document; or any Loan Party denies in writing that it has any or further liability or obligation under any material provision of any Loan Document, or purports to revoke, terminate or rescind any material provision of any Loan Document; or

(k) Change of Control. There occurs any Change of Control; or

(l) Collateral Documents. Any Collateral Document after delivery thereof pursuant to Sections 4.01 or 6.12 shall for any reason (other than pursuant to the terms thereof or as a result of a failure by the Collateral Agent to maintain possession of stock certificates and promissory notes actually delivered to it or to file Uniform Commercial Code continuation statements and except to the extent that such loss relates to real property and is covered by a lender's title insurance policy and the related insurer does not dispute coverage) cease to create a valid and perfected first priority Lien (subject to Liens permitted by Section 7.01) on any material portion of the Collateral purported to be covered thereby.

8.02 Remedies upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest but including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Borrowings and amounts owing under Secured Hedge Agreements, ratably among the Lenders, the L/C Issuer and the Hedge Banks in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit; and

Last, the balance, if any, after all of the Obligations (other than any Unmatured Surviving Obligations) have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above, and thereafter applied as provided in clause "Last" above.

ARTICLE IX
ADMINISTRATIVE AGENT

9.01 Appointment and Authority. (a) Each of the Lenders and the L/C Issuer hereby irrevocably appoints MSSF to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and solely in the case of Sections 9.06 and 9.10, the Borrower and the other Loan Parties, and the Borrower shall not have rights as a third party beneficiary of any of such provisions other than Sections 9.06 and 9.10.

(b) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (in its capacities as a Lender, Swing Line Lender (if applicable) and potential Hedge Bank) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

9.02 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender or the L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

9.06 Resignation of Administrative Agent. The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor, which shall be a bank with an office in the United States or an Affiliate of any such bank with an office in the United States and which shall, unless an Event of Default under Section 8.01(a) or 8.01(f) has occurred and is continuing at such time, be reasonably acceptable to the Borrower (which acceptance shall not be unreasonably delayed). If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications (including such acceptance by the Borrower) set forth above; provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative

Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Notwithstanding anything to the contrary in the Loan Documents, (i) MSSF shall resign as the Administrative Agent and the Collateral Agent after the completion of the primary syndication of the Facilities, and shall be discharged from all of its duties and obligations as retiring Administrative Agent as provided in the immediately preceding paragraph, and (ii) upon such resignation, Bank of America shall become the successor Administrative Agent and the successor Collateral Agent, and shall be vested with all of the rights, powers, privileges and duties as successor Administrative Agent as provided in the immediately preceding paragraph, in each case under clauses (i) and (ii) without any required consent or approval (including, without limitation, such consent or approval of the Borrower and the Required Lenders), or any notice.

After the appointment of Bank of America as Administrative Agent pursuant to the immediately preceding paragraph, any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent after such resignation by Bank of America, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer and Swing Line Lender, (ii) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Joint Lead Arrangers, Joint Book Managers, Documentation Agent and the Syndication Agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder.

9.09 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(i) and (j), 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer or in any such proceeding.

9.10 Collateral and Guaranty Matters. The Lenders and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate

Commitments and payment in full of all Obligations (other than Unmatured Surviving Obligations) and the expiration or termination of all Letters of Credit (unless cash collateralized in a manner reasonably satisfactory to the L/C Issuer), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing in accordance with Section 10.01;

(b) to release any Guarantor from its obligations under the Guaranty and its properties from any Lien under any Loan Document if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder; and

(c) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i).

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

ARTICLE X
MISCELLANEOUS

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or by the Administrative Agent or the Collateral Agent, as the case may be, with the consent of the Required Lenders) and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(b) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under such other Loan Document without the written consent of each Lender entitled to such payment;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (vi) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to such amount; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(d) change (i) Section 8.03 or Section 2.12(a) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby or (ii) the order of application of any reduction in the Commitments or any prepayment of Loans among the Facilities from the application thereof set forth in the applicable provisions of Section 2.05(b) or 2.06(b), respectively, in any manner that materially and adversely affects the Lenders under a Facility without the written consent of (i) if such Facility is the Term A Facility, the Required Term A Lenders, (ii) if such Facility is the Term B Facility, the Required Term B Lenders and (iii) if such Facility is the Revolving Credit Facility, the Required Revolving Lenders;

(e) change (i) any provision of this Section 10.01 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder (other than the definitions specified in clause (ii) of this Section 10.01(e)), without the written consent of each Lender or (ii) the definition of "Required Revolving Lenders," "Required Term A Lenders," or "Required Term B Lenders" without the written consent of each Lender under the applicable Facility;

(f) release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender;

(g) release all or substantially all of the value of the Guaranty, without the written consent of each Lender, except to the extent the release of any Subsidiary from the Guaranty is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

(h) impose any greater restriction on the ability of any Lender under a Facility to assign any of its rights or obligations hereunder without the written consent of (i) if such Facility is the Term A Facility, the Required Term A Lenders, (ii) if such Facility is the Term B Facility, the Required Term B Lenders and (iii) if such Facility is the Revolving Credit Facility, the Required Revolving Lenders;

(i) waive any condition set forth in Section 4.01, or, in the case of the initial Credit Extension, Section 4.02, without the written consent of the Required Lenders and each Lead Arranger; or

(j) without limiting the generality of clause (i) above, waive any condition set forth in Section 4.02 as to any Credit Extension under a particular Facility without the written consent of the Required Revolving Lenders, the Required Term A Lenders or the Required Term B Lenders, as the case may be;

and provided further that without limiting any requirement that the same be signed or executed by the Borrower or any other applicable Loan Party, as the case may be, (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) Section 10.06(h) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification; (v) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any provision of the Loan Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days after notice thereof; (vi) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto and (vii) any waiver, amendment or modification of any Loan Document that by its terms affects the rights or duties under such Loan Document of the Lenders under a Facility (but not the Lenders under any other Facility) may be effected by an agreement or agreements in writing entered into solely by the Borrower and if such affected Facility is (i) the Term A Facility, the Required Term A Lenders, (ii) the Term B Facility, the Required Term B Lenders and (iii) the Revolving Credit Facility, the Required Revolving Lenders. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (i) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Obligations, (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and (iii) to permit any such additional credit facilities which are term facilities to share ratably with the Term Loans in the application of prepayments and to permit any such credit facilities which are revolving credit facilities to share ratably with the Revolving Credit Facility in the application of prepayments; provided that no such consent of the Required Lenders shall be required to make any changes contemplated by Section 2.14. In addition, this Agreement may be amended with the written consent of the Administrative Agent,

the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term A Loans and Term B Loans (the "Refinanced Term Loans") with a replacement term loan or loans hereunder (the "Replacement Term Loans"); provided that (i) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans, (ii) the weighted average Applicable Rate for such Replacement Term Loans shall not be higher than the weighted average Applicable Rate for such Refinanced Term Loans, (iii) the Weighted Average Life to Maturity of such Replacement Term Loans shall not be shorter than the Weighted Average Life to Maturity of such Refinanced Term Loans at the time of such refinancing (except to the extent of nominal amortization for periods where amortization has been eliminated as a result of prepayment of the Refinanced Term Loans) and (iv) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than, those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Refinanced Term Loans in effect immediately prior to such refinancing.

Notwithstanding anything herein to the contrary, the Borrower and the Administrative Agent may, without the input or consent of any other Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate in the opinion of the Administrative Agent to effect the provisions of Section 2.14 or Section 7.14.

If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender (or all of the Lenders under any Facility) and that has been approved by the Required Lenders (or the Required Revolving Lenders, the Required Term A Lenders or the Required Term B Lenders, as the case may be), the Borrower may replace such non-consenting Lender in accordance with Section 10.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

10.02 Notices; Effectiveness; Electronic Communications. (a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies. No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.04 Expenses; Indemnity; Damage Waiver. (a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Lead Arrangers and their respective Affiliates (including the reasonable fees, charges and disbursements of one counsel (together with one local counsel, if necessary, in each relevant

jurisdiction for the Lead Arrangers)), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of one counsel (together with one local counsel, if necessary, in each relevant jurisdiction and another counsel if an actual conflict of interest exists among the Administrative Agent, the L/C Issuer and the Lenders) for the Administrative Agent, the Lenders and the L/C Issuer), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of one counsel (together with one local counsel, if necessary, in each relevant jurisdiction) for all Indemnitees; provided that the Borrower shall so indemnify for expenses of additional counsel if an actual conflict of interest exists between Indemnitees), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party or any of the Borrower's or such Loan Party's directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee (and, upon any such determination pursuant to this clause (x), any indemnification payments with respect to such losses, claims, damages, liabilities or related expenses previously received by such Indemnitee

shall be subject to reimbursement by such Indemnitee), (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for material breach of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from claims of any of the Lenders solely against one or more Lenders (and not by one or more Lenders against the Administrative Agent or the Collateral Agent only in such capacity) that have not resulted from the action, inaction, participation or contribution of the Borrower or its Subsidiaries or any of their respective officers, directors, stockholders, partners, members, employees, agents, representatives or advisors.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent , the L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns. (a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 10.06(b), (ii) by way of participation in accordance with the provisions of Section 10.06(d), (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(f), or (iv) to an SPC in accordance with the provisions of Section 10.06(h) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans (including for purposes of this Section 10.06(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts. (A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment under any Facility and the Loans at the time owing to it under such Facility or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding

thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000, in the case of any assignment in respect of the Revolving Credit Facility or the Term A Facility, or $1,000,000, in the case of any assignment in respect of the Term B Facility, unless (x) such assignment is in connection with the primary syndication of the Facilities or (y) each of the Administrative Agent and, so long as no Event of Default under Section 8.01(a), Section 8.01(f) or Section 8.01(g)(i) has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not (A) apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default under Section 8.01(a), Section 8.01(f) or Section 8.01(g)(i) has occurred and is continuing at the time of such assignment, (2) such assignment is to a Lender, an Affiliate of a Lender, an Approved Fund, MSSF or an Affiliate of MSSF (other than the Borrower or any of its Subsidiaries) or (3) such assignment is in connection with the primary syndication of the Facilities;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) any Term Commitment or Revolving Credit Commitment if such assignment is to a Person that is not a Lender with a Commitment in respect of the applicable Facility, an Affiliate of such Lender, an Approved Fund with respect to such Lender, MSSF or an Affiliate of MSSF (other than the Borrower or any of its Subsidiaries) or (2) any Term Loan to a Person that is not a Lender, an Affiliate of a Lender, an Approved Fund, MSSF or an Affiliate of MSSF (other than the Borrower or any of its Subsidiaries);

(C) the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Credit Facility;

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that (x) the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment, (y) such fee shall not apply to MSSF and its Affiliates in the case of any assignment by or to MSSF or any of its Affiliates and (z) only one such fee shall be payable in connection with simultaneous assignments by or to two or more Approved Funds. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(v) No Assignment to Borrower. No such assignment shall be made to the Borrower or any of its Subsidiaries, or any of the Borrower's Affiliates (other than MSSF and its Affiliates, excluding the Borrower and its Subsidiaries); and

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

In connection with any waiver, consent or other action requiring Required Lender, Required Revolving Lender, Required Term A Lender or Required Term B Lender consent, notwithstanding anything in this Agreement to the contrary, (x) unless a Default shall have occurred and is continuing, none of the Borrower's Affiliates shall be permitted to consent (or withhold its consent) with respect to the Loans and Commitments held by such Affiliates that are, in the aggregate, in excess of 10% of the aggregate outstanding amount of any Class of Loans and Commitments or all Loans and Commitments, as the case may be, as of the date of such waiver, consent or action, and for purposes of calculating Required Lender, Required Revolving Lender, Required Term A Lender or Required Term B Lender consent, as the case may be, an amount equal to the aggregate amount of any Loans or Commitments held by such Affiliates that is in excess of such 10% shall be deducted from the aggregate amount of Loans and Commitments outstanding entitled to vote with respect to such Class of Loans and Commitments or all Loans and Commitments, as the case may be, and (y) if a Default shall have occurred and is continuing, none of the Borrower's Affiliates shall be permitted to consent (or withhold its consent) with respect to its Loans and Commitments, and for purposes of calculating Required Lender, Required Revolving Lender, Required Term A Lender or Required Term B Lender consent, as the case may be, an amount equal to the aggregate amount of all Loans or Commitments held by such Affiliates shall be deducted from the aggregate amount of Loans and Commitments outstanding entitled to vote with respect to such Class of Loans and Commitments or all Loans and Commitments, as the case may be.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment

and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.06(d).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

Upon its receipt of a duly completed Assignment and Assumption executed by the assigning Lender and an assignee, together with any Note or Notes subject to such assignment, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), any applicable tax forms and the processing and recordation fee referred to in paragraph (b)(iv) of this Section 10.06, if applicable, and any written consent to such assignment required by paragraph (b) of this Section 10.06, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrower or any of its Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such

agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.06(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Sections 3.01, 3.04 or 3.05 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Special Purpose Funding Vehicles. Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower (an "SPC") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof or, if it fails to do so, to make such payment to the Administrative Agent as is required under Section 2.12(b)(ii). Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrower under this Agreement (including its obligations under Section 3.04), (ii) no SPC shall be liable for any indemnity or similar payment

obligation under this Agreement for which a Lender would be liable (all liability for which shall remain with the Granting Lender), and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the laws of the United States or any State thereof. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrower and the Administrative Agent and with the payment of a processing fee in the amount of $3,500 (which processing fee (x) may be waived by the Administrative Agent in its sole discretion, (y) shall not be applicable to MSSF and its Affiliates in the case of any assignment by or to MSSF or any of its Affiliates and (z) only one such fee shall be payable in connection with simultaneous assignments by or to two or more Approved Funds), assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPC.

(i) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Credit Commitment and Revolving Credit Loans pursuant to Section 10.06(b), Bank of America may, (i) upon 30 days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon 30 days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swing Line Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

10.07 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) on a confidential and need-to-know basis to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives who need to know such information in connection with the transactions contemplated hereby (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be subject to customary confidentiality obligations of professional practice or will agree (which agreement may be oral or pursuant to company policy) to be bound by the terms of this Section 10.07 (or language substantially similar to this Section 10.07), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (in which case such Person, to the extent permitted by law, shall inform the Borrower promptly), (c) to the extent required pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or by applicable laws (including for purposes of establishing a "due diligence" defense) or regulations or by any subpoena or similar legal process (in which case such Person, to the extent permitted by law, shall inform the Borrower promptly), (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.07, to (i) any permitted assignee of or Participant in, or any prospective permitted assignee of or Participant in, any of its rights or obligations under this Agreement or any Additional Lender or any potential Additional Lender or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, (ii) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or (iii) is independently developed by such Person.

For purposes of this Section, "Information" means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary thereof or their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by any Loan Party or any Subsidiary thereof, provided that, in the case of information received from a Loan Party or any such Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential or is delivered pursuant to Sections 6.01, 6.02 or 6.03 hereof. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower owing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office of such Lender or the L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or PDF (or similar file) by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

10.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and

delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.13 Replacement of Lenders. If any Lender requests compensation under Section 3.04 or delivers a notice described in Section 3.02, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, if any Lender is a Defaulting Lender or if any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents (or, in the case of a consent which requires the consent of all Lenders under a particular Facility, all of its interests, rights and obligations under such Facility) to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) (or, in the case of a consent which requires the consent of all Lenders under a particular Facility, such amounts solely with respect to such Facility);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with applicable Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Any Lender being replaced pursuant to this Section 10.13 shall promptly (i) execute and deliver an Assignment and Assumption with respect to such Lender's Commitment and outstanding Loans and participations in L/C Obligations and Swing Line Loans, and (ii) deliver any Notes evidencing such Loans to the Borrower or Administrative Agent.

10.14 Governing Law; Jurisdiction; Etc. (a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT SITTING IN NEW YORK CITY, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Lead Arrangers are arm's-length commercial transactions between the Borrower and its Subsidiaries, on the one hand, and the Administrative Agent and the Lead Arrangers, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Administrative Agent and the Lead Arrangers is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Subsidiaries, or any other Person and (B) none of the Administrative Agent and the Lead Arrangers has any obligation to the Borrower or any of its Subsidiaries with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent and the Lead Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Subsidiaries, and none of the Administrative Agent and the Lead Arrangers has any obligation to disclose any of such interests to the Borrower or any of its Subsidiaries. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent and the Lead Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.17 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "USA Patriot Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the USA Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

MSCI INC. (doing business in the State of New York as NY MSCI)

By: _____

Name: _____

Title: _____

MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent and a Lender

By: _____

Name: _____

Title: _____

BANK OF AMERICA, N.A., as a Lender, L/C Issuer and Swing Line Lender

By: _____

Name: _____

Title: _____

MIZUHO CORPORATE BANK, LTD., as a Lender

By: _____

Name: _____

Title: _____

[OTHER LENDERS]

MSCI
2007 EQUITY INCENTIVE COMPENSATION PLAN

1. Purpose. The primary purposes of the MSCI 2007 Equity Incentive Compensation Plan are to attract, retain and motivate employees and consultants to compensate them for their contributions to the Company and to align their interests with the interests of the Company.

2. Definitions. Except as otherwise provided in an applicable Award Document, the following capitalized terms shall have the meanings indicated below for purposes of the Plan and any Award:

"Administrator" means the individual or individuals to whom the Committee delegates authority under the Plan in accordance with Section 5(b).

"Award" means any award of Restricted Stock, Stock Units, Options, SARs, Performance- Based Awards or Other Awards (or any combination thereof) made under and pursuant to the terms of the Plan.

"Award Date" means the date specified in a Participant's Award Document as the grant date of the Award.

"Award Document" means a written document (including in electronic form) that sets forth the terms and conditions of an Award. Award Documents shall be authorized in accordance with Section l3(e).

"Board" means the Board of Directors of MSCI.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable rulings, regulations and guidance thereunder.

"Committee" means the Compensation Committee of the Board, any successor committee thereto or any other committee of the Board appointed by the Board to administer the Plan or to have authority with respect to the Plan, any subcommittee appointed by such Committee, or any committee of "outside directors," within the meaning of Section 162(m) of the Code (or any successor provisions thereto), of any corporation within the "affiliated group of corporations" (as defined in Section 1504 of the Code (determined without regard to Section 1504(b)).

"Company" means MSCI and all of its Subsidiaries.

"Eligible Individuals" means the individuals described in Section 6 who are eligible for Awards.

"Fair Market Value" means, with respect to a Share, the fair market value thereof as of the relevant date of determination, as determined in accordance with a valuation methodology approved by the Committee.

"Incentive Stock Option" means an Option that is intended to qualify for special federal income tax treatment pursuant to Sections 421 and 422 of the Code, as now constituted or subsequently amended, or pursuant to a successor provision of the Code, and which is so designated in the applicable Award Document.

"MSCI" means MSCI Inc., a Delaware corporation, which is registered to do business in New York as NY MSCI Inc.

"Option" or ***"Stock Option"*** means a right, granted to a Participant pursuant to Section 9, to purchase one Share.

"Other Award" means any other form of award authorized under Section 12 of the Plan, including any such Other Award the receipt of which was elected pursuant to Section 13(a).

"Participant" means an individual to whom an Award has been made.

"Performance-Based Award" means any form of award authorized under Section 11 of the Plan.

"Performance Goals" means any one or more of the following measures, each of which may be based on absolute standards or peer industry group comparatives and may be applied at various organizational levels (e.g., corporate, business unit, division): the attainment by a Share of a specified value within or for a specified period of time, earnings per share, earnings before interest expense, taxes, depreciation and amortization, return to stockholders (including dividends), return on equity, earnings, revenues (including but not limited to product revenues and ETF revenues), debt levels, leverage ratios, coverage ratios, return on sales, return on revenues, cash flow or cost reduction goals, operating profit, pretax return on total capital, economic value added, profit margins, sales growth, net income or any combination of the foregoing. The measures may pertain to performance periods of any duration, and may be weighted differently for Participants based on their management level and the extent to which their responsibilities are primarily corporate or business unit-related, and may be based in whole or in part on the performance of the Company, a Subsidiary, division and/or other operational unit under one or more of such measures. In the sole discretion of the Committee, the Committee may amend or adjust the Performance Goals or other terms and conditions of an outstanding Award in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in law or accounting principles.

"Plan" means the MSCI 2007 Equity Incentive Compensation Plan, as amended from time to time in accordance with Section 16(e) below.

"Restricted Stock" means Shares granted or sold to a Participant pursuant to Section 7.

"SAR" means a right, granted to a Participant pursuant to Section 10, to receive upon exercise of such right, in cash or Shares (or a combination thereof) as authorized by the Committee, an amount equal to the increase in the Fair Market Value of one Share over a specified exercise price.

"Section 409A" means Section 409A of the Code (or any successor provisions thereto).

"Securities Act" means the Securities Act of 1933, as amended.

"Shares" means shares of Stock.

"Stock" means the class A common stock, par value $0.01 per share, of MSCI.

"Stock Unit" means a right, granted to a Participant pursuant to Section 8, to receive one Share or an amount in cash equal to the Fair Market Value of one Share, as authorized by the Committee.

"Subsidiary" means (i) a corporation or other entity with respect to which MSCI, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's board of directors or analogous governing body, or (ii) any other corporation or other entity in which MSCI, directly or indirectly, has an equity or similar interest and which the Committee designates as a Subsidiary for purposes of the Plan.

"Substitute Awards" means Awards granted upon assumption of, or in substitution for, outstanding awards previously granted by a company or other entity acquired (directly or indirectly) by MSCI or with which MSCI combines.

3. Effective Date and Term of Plan.

(a) *Effective Date.* The Plan shall become effective upon its adoption by the Board, subject to approval by the majority of stockholder(s) of MSCI prior to the date the Company Shares are distributed to public shareholders. Prior to such stockholder approval, the Committee may grant Awards conditioned on stockholder approval, but no Shares may be issued or delivered pursuant to any such Award until the stockholder(s) of MSCI have approved the Plan.

(b) *Term of Plan.* No Awards may be made under the Plan after the date that is 10 years from the date of shareholder approval.

4. Stock Subject to Plan.

(a) *Overall Plan Limit.* The total number of Shares that may be delivered pursuant to Awards shall be 12,500,000 as calculated pursuant to Section 4(c). The number of Shares available for delivery under the Plan shall be adjusted as provided in Section 4(b). Shares delivered under the Plan may be authorized but unissued shares or treasury shares that MSCI acquires in the open market, in private transactions or otherwise.

(b) *Adjustments for Certain Transactions.* In the event of a stock split, reverse stock split, stock dividend, recapitalization, reorganization, merger, consolidation, extraordinary dividend or distribution, split-up, spin-off, split-off, combination, reclassification or exchange of shares, warrants or rights offering to purchase Stock at a price substantially below Fair Market Value or other change in corporate structure or any other event that affects MSCI's capitalization, the Committee shall equitably adjust (i) the number and kind of shares authorized for delivery under the Plan, including the maximum number of Shares available for stock-based Awards as provided in Section 4 (d) and the maximum number of Incentive Stock Options as provided in

Section 4(e), and (ii) the number and kind of shares subject to any outstanding Award and the exercise or purchase price per share, if any, under any outstanding Award. In the discretion of the Committee, such an adjustment may take the form of a cash payment to a Participant. The Committee shall make all such adjustments, and its determination as to what adjustments shall be made, and the extent thereof, shall be final. Unless the Committee determines otherwise, such adjusted Awards shall be subject to the same vesting schedule and restrictions to which the underlying Award is subject.

(c) *Calculation of Shares Available for Delivery.* In calculating the number of Shares that remain available for delivery pursuant to Awards at any time, the following rules shall apply (subject to the limitation in Section 4(e):

1. The number of Shares available for delivery shall be reduced by the number of Shares subject to an Award and, in the case of an Award that is not denominated in Shares, the number of Shares actually delivered upon payment or settlement of the Award.

2. The number of Shares tendered (by actual delivery or attestation) or withheld from an Award to pay the exercise price of the Award or to satisfy any tax withholding obligation or liability of a Participant shall be added back to the number of Shares available for delivery pursuant to Awards.

3. The number of Shares in respect of any portion of an Award that is canceled or that expires without having been paid or settled by the Company shall be added back to the number of Shares available for delivery pursuant to Awards to the extent such Shares were counted against the Shares available for delivery pursuant to clause (1).

4. If an Award is settled or paid by the Company in whole or in part through the delivery of consideration other than Shares, or by delivery of fewer than the full number of Shares that was counted against the Shares available for delivery pursuant to clause (1), there shall be added back to the number of Shares available for delivery pursuant to Awards the excess of the number of Shares that had been so counted over the number of Shares (if any) actually delivered upon payment or settlement of the Award.

(d) *Individual Limits on Stock-based Awards.* The maximum number of Shares that may be subject to Options or SARs granted to or elected by a Participant in any fiscal year shall be 5,000,000. Additionally, the maximum number of Shares that may be subject to any other type of Award granted to or elected by a Participant in any fiscal year shall be 5,000,000.

(e) *ISO Limit.* The full number of Shares available for delivery under the Plan may be delivered pursuant to Incentive Stock Options, except that in calculating the number of Shares that remain available for Awards of Incentive Stock Options the rules set forth in Section 4(c) shall not apply to the extent not permitted by Section 422 of the Code.

5. Administration.

(a) *Committee Authority Generally.* The Committee shall administer the Plan and shall have full power and authority to make all determinations under the Plan, subject to the express

provisions hereof, including without limitation: (i) to select Participants from among the Eligible Individuals; (ii) to make Awards; (iii) to determine the number of Shares subject to each Award or the cash amount payable in connection with an Award; (iv) to establish the terms and conditions of each Award, including, without limitation, those related to vesting, cancellation, payment, and exercisability, and the effect, if any, of certain events on a Participant's Awards, such as the Participant's termination of employment with the Company; (v) to specify and approve the provisions of the Award Documents delivered to Participants in connection with their Awards; (vi) to construe and interpret any Award Document delivered under the Plan; (vii) to prescribe, amend and rescind rules and procedures relating to the Plan; (viii) to make all determinations necessary or advisable in administering the Plan and Awards, including without limitation determinations as to whether (and if so as of what date) a Participant has commenced, or has experienced a termination of, employment; provided, however, that to the extent full or partial payment of any Award that constitutes a deferral of compensation subject to Section 409A is made upon or as a result of a Participant's termination of employment, the Participant will be considered to have experienced a termination of employment if, and only if, the Participant has experienced a separation from service with the Participant's employer for purposes of Section 409A; (ix) to vary the terms of Awards to take account of securities law and other legal or regulatory requirements of jurisdictions in which Participants work or reside or to procure favorable tax treatment for Participants; and (x) to formulate such procedures as it considers to be necessary or advisable for the administration of the Plan.

(b) *Delegation.* To the extent not prohibited by applicable laws or rules of the exchange of primary listing, the Committee may from time to time delegate some or all of its authority under the Plan to one or more Administrators consisting of one or more members of the Committee as a subcommittee or subcommittees thereof or of one or more members of the Board who are not members of the Committee or one or more officers of the Company (or of any combination of such persons). Any such delegation shall be subject to the restrictions and limits that the Committee specifies at the time of such delegation or thereafter. The Committee may at any time rescind all or part of the authority delegated to an Administrator or appoint a new Administrator. At all times, an Administrator appointed under this Section 5(b) shall serve in such capacity at the pleasure of the Committee. Any action undertaken by an Administrator in accordance with the Committee's delegation of authority shall have the same force and effect as if undertaken directly by the Committee, and any reference in the Plan to the Committee shall, to the extent consistent with the terms and limitations of such delegation, be deemed to include a reference to an Administrator.

(c) *Authority to Construe and Interpret.* The Committee shall have full power and authority, subject to the express provisions hereof, to construe and interpret the Plan.

(d) *Committee Discretion.* All of the Committee's determinations in carrying out, administering, construing and interpreting the Plan shall be made or taken in its sole discretion and shall be final, binding and conclusive for all purposes and upon all persons. In the event of any disagreement between the Committee and an Administrator, the Committee's determination on such matter shall be final and binding on all interested persons, including any Administrator. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the

foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Award Documents, as to the persons receiving Awards under the Plan, and the terms and provisions of Awards under the Plan.

(e) *No Liability.* Subject to applicable law: (i) no member of the Committee or any Administrator shall be liable for anything whatsoever in connection with the exercise of authority under the Plan or the administration of the Plan except such person's own willful misconduct; (ii) under no circumstances shall any member of the Committee or any Administrator be liable for any act or omission of any other member of the Committee or an Administrator; and (iii) in the performance of its functions with respect to the Plan, the Committee and an Administrator shall be entitled to rely upon information and advice furnished by the Company's officers, the Company's accountants, the Company's counsel and any other party the Committee or the Administrator deems necessary, and no member of the Committee or any Administrator shall be liable for any action taken or not taken in good faith reliance upon any such advice.

6. Eligibility. Eligible Individuals shall include all officers, other employees (including prospective employees), consultants of and other persons who perform services for, the Company, non-employee directors of Subsidiaries and employees and consultants of joint ventures, partnerships or similar business organizations in which MSCI or a Subsidiary has an equity or similar interest. Any Award made to a prospective employee shall be conditioned upon, and effective not earlier than, such person's becoming an employee. An individual's status as an Administrator will not affect his or her eligibility to receive Awards under the Plan.

7. Restricted Stock. An Award of Restricted Stock shall be subject to the terms and conditions established by the Committee in connection with the Award and specified in the applicable Award Document. Restricted Stock may, among other things, be subject to restrictions on transfer, vesting requirements or cancellation under specified circumstances.

8. Stock Units. An Award of Stock Units shall be subject to the terms and conditions established by the Committee in connection with the Award and specified in the applicable Award Document. Each Stock Unit awarded to a Participant shall correspond to one Share. Upon satisfaction of the terms and conditions of the Award, a Stock Unit will be payable, at the discretion of the Committee, in Stock or in cash equal to the Fair Market Value on the payment date of one Share. As a holder of Stock Units, a Participant shall have only the rights of a general unsecured creditor of MSCI. A Participant shall not be a stockholder with respect to the Shares underlying Stock Units unless and until the Stock Units convert to Shares. Stock Units may, among other things, be subject to restrictions on transfer, vesting requirements or cancellation under specified circumstances.

9. Options.

(a) *Options Generally.* An Award of Options shall be subject to the terms and conditions established by the Committee in connection with the Award and specified in the applicable Award Document. The Committee shall establish (or shall authorize the method for establishing) the exercise price of all Options awarded under the Plan, except that the exercise

price of an Option shall not be less than 100% of the Fair Market Value of one Share on the Award Date. Notwithstanding the foregoing, the exercise price of an Option that is a Substitute Award may be less than the Fair Market Value per Share on the Award Date, provided that such substitution complies with applicable laws and regulations, including the listing requirements of the exchange of primary listing and Section 409A or Section 424 of the Code, as applicable. Upon satisfaction of the conditions to exercisability of the Award, a Participant shall be entitled to exercise the Options included in the Award and to have delivered, upon MSCI's receipt of payment of the exercise price and completion of any other conditions or procedures specified by MSCI, the number of Shares in respect of which the Options shall have been exercised. Options may be either nonqualified stock options or Incentive Stock Options. Options and the Shares acquired upon exercise of Options may, among other things, be subject to restrictions on transfer, vesting requirements or cancellation under specified circumstances.

(b) *Prohibition on Restoration Option Grants.* Anything in the Plan to the contrary notwithstanding, the terms of an Option shall not provide that a new Option will be granted, automatically and without additional consideration in excess of the exercise price of the underlying Option, to a Participant upon exercise of the Option.

(c) *Prohibition on Repricing of Options and SARs.* Anything in the Plan to the contrary notwithstanding, the Committee may not reprice any Option or SAR. "Reprice" means any of the following or any other action that has the same effect: (i) amending an Option or SAR to reduce its exercise price, (ii) canceling an Option or SAR at a time when its exercise price exceeds the Fair Market Value of one Share in exchange for an Option, SAR, Restricted Stock, Stock Unit, Performance-Based Award or Other Award, unless the cancellation or exchange occurs in connection with a merger, acquisition, spin-off or other similar corporate transaction; or (iii) taking any other action that is treated as a repricing under generally accepted accounting principles; *provided*, *however*, that adjustments pursuant to Section 4(b) shall not be deemed to be a repricing that is prohibited by this Section 9(c).

(d) *Payment of Exercise Price.* Subject to the provisions of the applicable Award Document and to the extent authorized by rules and procedures of MSCI from time to time, the exercise price of the Option may be paid in cash, by actual delivery or attestation to ownership of freely transferable Shares already owned by the person exercising the Option, or by such other means as MSCI may authorize.

(e) *Maximum Term on Stock Options and SARs.* No Option or SAR shall have an expiration date that is later than the tenth anniversary of the Award Date thereof.

10. SARs. An Award of SARs shall be subject to the terms and conditions established by the Committee in connection with the Award and specified in the applicable Award Document. The Committee shall establish (or shall authorize the method for establishing) the exercise price of all SARs awarded under the Plan, except that the exercise price of a SAR shall not be less than 100% of the Fair Market Value of one Share on the Award Date. Notwithstanding the foregoing, the exercise price of any SAR that is a Substitute Award may be less than the Fair Market Value of one Share on the Award Date, subject to the same conditions set forth in Section 9(a) for Options that are Substitute Awards. Upon satisfaction of the conditions to the payment of the Award, each SAR shall entitle a Participant to an amount, if any, equal to the Fair Market Value

of one Share on the date of exercise over the SAR exercise price specified in the applicable Award Document. At the discretion of the Committee, payments to a Participant upon exercise of a SAR may be made in Shares, cash or a combination thereof. SARs and the Shares that may be acquired upon exercise of SARs may, among other things, be subject to restrictions on transfer, vesting requirements or cancellation under specified circumstances.

11. Performance-Based Awards. The Committee is authorized to grant Performance- Based Awards denominated in cash, Shares, Other Awards or a combination thereof, subject to the following terms and conditions and to such other terms and conditions, not inconsistent herewith, as the Committee shall determine. Performance-Based Awards granted under the Plan may be earned upon achievement or satisfaction of Performance Goals or any other performance conditions specified by the Committee. In addition, the Committee may specify that any other Award shall constitute a Performance-Based Award by conditioning the right of a participant to exercise the Award or have it settled, and the timing thereof, upon achievement or satisfaction of such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase the amounts payable under any Award subject to performance conditions. Notwithstanding the foregoing, the Committee may not exercise its discretion to increase the amounts payable under any Award subject to performance conditions which are intended to comply with Section I62(m) of the Code.

12. Other Awards. The Committee shall have the authority to establish the terms and provisions of other forms of equity-based or equity-related Awards (such terms and provisions to be specified in the applicable Award Document) not described above that the Committee determines to be consistent with the purpose of the Plan and the interests of the Company, which Awards may provide for (i) cash or Stock payments based in whole or in part on the value or future value of Stock or on any amount that MSCI pays as dividends or otherwise distributes with respect to Stock, (ii) the acquisition or future acquisition of Stock, (iii) cash or Stock payments (including payment of dividend equivalents in cash or Stock) based on one or more criteria determined by the Committee unrelated to the value of Stock, or (iv) any combination of the foregoing. The Committee also shall have the authority, without limitation, to grant annual cash incentive awards to Eligible Individuals and to establish the terms and provisions of such cash incentive awards. Awards pursuant to this Section 12 may, among other things, be made subject to restrictions on transfer, vesting requirements or cancellation under specified circumstances.

13. General Terms and Provisions.

(a) *Awards in General.* Awards may, in the discretion of the Committee, be made in substitution in whole or in part for cash or other compensation payable to an Eligible Individual. In accordance with rules and procedures authorized by the Committee, an Eligible Individual may elect one form of Award in lieu of any other form of Award, or may elect to receive an Award in lieu of all or part of any compensation that otherwise might have been paid to such Eligible Individual; *provided, however*, that any such election shall not require the Committee to make any Award to such Eligible Individual. Any such substitute or elective Awards shall have terms and conditions consistent with the provisions of the Plan applicable to such Award.

Awards may be granted in tandem with, or independent of, other Awards. The grant, vesting or payment of an Award may, among other things, be conditioned on the attainment of performance objectives, including without limitation objectives based in whole or in part on net income, pre tax income, return on equity, earnings per share, total shareholder return or book value per share.

(b) *Discretionary Awards.* All grants of Awards and deliveries of Shares, cash or other property under the Plan shall constitute a special discretionary incentive payment to the Participant and shall not be required to be taken into account in computing the amount of salary, wages or other compensation of the Participant for the purpose of determining any contributions to or any benefits under any pension, retirement, profit-sharing, bonus, life insurance, severance or other benefit plan of the Company or other benefits from the Company or under any agreement with the Participant, unless MSCI specifically provides otherwise.

(c) *Dividends and Distributions.* If MSCI pays any dividend or makes any distribution to holders of Stock, the Committee may in its discretion authorize payments (which may be in cash, Stock (including Restricted Stock) or Stock Units or a combination thereof) with respect to the Shares corresponding to an Award, or may authorize appropriate adjustments to outstanding Awards, to reflect such dividend or distribution. The Committee may make any such payments subject to vesting, deferral, restrictions on transfer or other conditions. Any determination by the Committee with respect to a Participant's entitlement to receive any amounts related to dividends or distributions to holders of Stock, as well as the terms and conditions of such entitlement, if any, will be part of the terms and conditions of the Award, and will be included in the Award Document for such Award.

(d) *Deferrals.* In accordance with the procedures authorized by, and subject to the approval of, the Committee, Participants may be given the opportunity to defer the payment or settlement of an Award to one or more dates selected by the Participant. The Committee shall set forth in writing (which may be in electronic form), on or before the date the applicable deferral election is required to be irrevocable in order to meet the requirements of Section 409A, the conditions under which such election may be made.

(e) *Award Documentation and Award Terms.* The terms and conditions of an Award shall be set forth in an Award Document authorized by the Committee. The Award Document shall include any vesting, exercisability, payment and other restrictions applicable to an Award (which may include, without limitation, the effects of termination of employment, cancellation of the Award under specified circumstances, restrictions on transfer or provision for mandatory resale to the Company).

14. Certain Restrictions.

(a) *Stockholder Rights.* No Participant (or other persons having rights pursuant to an Award) shall have any of the rights of a stockholder of MSCI with respect to Shares subject to an Award until the delivery of the Shares, which shall be effected by entry of the Participant's (or other person's) name in the share register of MSCI or by such other procedure as may be authorized by MSCI. Except as otherwise provided in Section 4(b) or B(c), no adjustments shall be made for dividends or distributions on, or other events relating to, Shares subject to an Award for which the record date is prior to the date such Shares are delivered. Except for the

risk of cancellation and any restrictions on transfer that may apply to certain Shares (including restrictions relating to any dividends or other rights) as may be set forth in the applicable Award Document, the Participant shall be the beneficial owner of any Shares delivered to the Participant in connection with an Award and, upon such delivery shall be entitled to all rights of ownership, including, without limitation, the right to vote the Shares and to receive cash dividends or other dividends (whether in Shares, other securities or other property) thereon.

(b) *Transferability.* No Award granted under the Plan shall be transferable, whether voluntarily or involuntarily, other than by will or by the laws of descent and distribution or as otherwise provided for by the Committee.

15. Representation; Compliance with Law. The Committee may condition the grant, exercise, settlement or retention of any Award on the Participant making any representations required in the applicable Award Document. Each Award shall also be conditioned upon the making of any filings and the receipt of any consents or authorizations required to comply with, or required to be obtained under, applicable law.

16. Miscellaneous Provisions.

(a) *Satisfaction of Obligations.* As a condition to the making or retention of any Award, the vesting, exercise or payment of any Award or the lapse of any restrictions pertaining thereto, MSCI may require a Participant to pay such sum to the Company as may be necessary to discharge the Company's obligations with respect to any taxes, assessments or other governmental charges (including FICA and other social security or similar tax) imposed on property or income received by a Participant pursuant to the Award or to satisfy any obligation that the Participant owes to the Company. In accordance with rules and procedures authorized by MSCI, (i) such payment may be in the form of cash or other property, including the tender of previously owned Shares, and (ii) in satisfaction of such taxes, assessments or other governmental charges or, exclusively in the case of an Award that does not constitute a deferral of compensation subject to Section 409A, of other obligations that a Participant owes to the Company, MSCI may make available for delivery a lesser number of Shares in payment pr settlement of an Award, may withhold from any payment or distribution of an Award or may enter into any other suitable arrangements to satisfy such withholding or other obligation; provided, however, that to the extent an Award constitutes a deferral of compensation subject to Section 409A, the Company may offset from the payment of such Award amounts that a Participant owes to the Company with respect to any such other obligation to the extent such offset would not cause a Participant to recognize income for United States federal income tax purposes prior to the time of payment of the Award or to incur interest or additional tax under Section 409A."

(b) *No Right to Continued Employment.* Neither the Plan nor any Award shall give rise to any right on the part of any Participant to continue in the employ of the Company.

(c) *Headings.* The headings of sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

(d) *Governing Law.* The Plan and all rights hereunder shall be construed in accordance with and governed by the laws of the State of New York, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the Award to the substantive law of another jurisdiction.

(e) *Amendments and Termination.* The Board or Committee may modify, amend, suspend or terminate the Plan in whole or in part at any time and may modify or amend the terms and conditions of any outstanding Award (including by amending or supplementing the relevant Award Document at any time); provided, however, that no such modification, amendment, suspension or termination shall, without a Participant's consent, materially adversely affect that Participant's rights with respect to any Award previously made; and provided, further, that the Committee shall have the right at any time, without a Participant's consent and whether or not the Participant's rights are materially adversely affected thereby, to amend or modify the Plan or any Award under the Plan in any manner that the Committee considers necessary or advisable to comply with any law, regulation, ruling, judicial decision, accounting standards, regulatory guidance or other legal requirement. Notwithstanding the preceding sentence, neither the Board nor the Committee may accelerate the payment or settlement of any Award, including, without limitation, any Award subject to a prior deferral election, that constitutes a deferral of compensation for purposes of Section 409A except to the extent such acceleration would not result in the Participant incurring interest or additional tax under Section 409A. No amendment to the Plan may render any Board member who is not a Company employee eligible to receive an Award at any time while such member is serving on the Board. To the extent required by applicable law or the rules of the exchange of primary listing, amendments to the Plan shall not be effective unless they are approved by MSCI's stockholders.

Exhibit 10.16

MSCI
INDEPENDENT DIRECTORS' EQUITY COMPENSATION PLAN

Section 1. Purpose

MSCI Inc., a Delaware corporation, which is registered to do business in New York as NY MSCI Inc. (the ***"Company"***), hereby adopts the MSCI Independent Directors' Equity Compensation Plan (the ***"Plan"***)**.** The purpose of the Plan is to promote the long-term growth and financial success of the Company by attracting, motivating and retaining independent directors of outstanding ability and assisting the Company in promoting a greater identity of interest between the Company's independent directors and its stockholders.

Capitalized terms used herein without definition have the meanings ascribed thereto in Section 20.

Section 2. Eligibility

Only directors of the Company who are not employees of the Company or Morgan Stanley or any of their affiliates (the ***"Eligible Directors"***) shall participate in the Plan.

Section 3. Plan Operation

(a) Administration. The Plan requires no discretionary action by any administrative body with regard to any transaction under the Plan. To the extent, if any, that questions of administration arise, these shall be resolved by the Board. To the extent legally permitted, the Board may, in its discretion, delegate to the Chief Financial Officer, the Chief Legal Officer, the Secretary of the Company or to one or more officers of the Company any or all authority and responsibility to act with respect to administrative matters with respect to the Plan. All references to the ***"Plan Administrator"*** in the Plan shall refer to the Board, or the Chief Financial Officer, the Chief Legal Officer, the Secretary or to one or more officers of the Company if the Board has delegated its authority pursuant to this Section 3(a). The determination of the Plan Administrator on all matters within their authority relating to the Plan shall be conclusive.

(b) No Liability. The Plan Administrator shall not be liable for any action or determination made in good faith with respect to the Plan or any award hereunder, and the Company shall indemnify and hold harmless the Plan Administrator from all losses and expenses (including reasonable attorneys' fees) arising from the assertion or judicial determination of any such liability.

Section 4. Shares of Stock Subject to the Plan

(a) Stock. Awards under the Plan shall relate to shares of Stock.

(b) Shares Available for Awards. Subject to Section 4(c) (relating to adjustments upon changes in capitalization), as of any date, the total number of authorized shares of Stock with respect to which awards may be granted under the Plan shall be equal to the excess (if any) of (i) 500,000 shares over (ii) the sum of (a) the number of shares subject to outstanding awards

granted under the Plan and (b) the number of shares previously issued pursuant to the Plan. For purposes of clarification, any Stock granted to Eligible Directors under the Plan in connection with Section 8 shall not reduce the total number of authorized shares of Stock with respect to which awards may be granted under the Plan. In accordance with (and without limitation upon) the preceding sentence, shares of Stock covered by awards granted under the Plan that are canceled or expire unexercised shall again become available for awards under the Plan. Shares of Stock that shall be issuable pursuant to the awards granted under the Plan shall be authorized and unissued shares, treasury shares or shares of Stock purchased by, or on behalf of, the Company in open-market transactions.

(c) Adjustments. In the event of any merger, reorganization, recapitalization, consolidation, sale or other distribution of substantially all of the assets of the Company, any stock dividend, split, spin-off, split-up, split-off, distribution of cash, securities or other property by the Company, or other change in the Company's corporate structure affecting the Stock, then the following shall be automatically adjusted in order to prevent dilution or enlargement of the benefits or potential benefits intended to be awarded under the Plan:

(i) the aggregate number of shares of Stock reserved for issuance under the Plan;

(ii) the number and, if applicable, type of shares of Stock subject to outstanding awards; or

(iii) the number of Stock Units granted pursuant to Section 5(a) of the Plan or pursuant to any other automatic awards that may be provided for under the Plan in the future.

(d) Types of Award. The Company's stockholders approved the Plan on [ ]. The types of award authorized by the stockholders under the Plan are Stock Units and shares of Stock awarded at an Eligible Director's election pursuant to Section 8.

Section 5. Annual Awards of Stock Units

(a) Awards Granted.

(i) IPO Award. If a person is elected, appointed or otherwise becomes an Eligible Director on or prior to the IPO Effective Date, such Eligible Director will be granted a number of Stock Units equal to the number obtained by dividing $50,000 by the IPO Price on the IPO Effective Date.

(ii) Prorated IPO Award. If a person is elected, appointed or otherwise becomes an Eligible Director after the IPO Effective Date but prior to the first Annual Meeting, such Eligible Director will be granted a number of Stock Units equal to the number obtained by dividing $50,000 by the Fair Market Value of a share of Stock on the date such person becomes an Eligible Director (the ***"Full Grant Number"***) adjusted on a *pro rata* basis by multiplying such Full Grant Number by a fraction where the numerator is the number of days between the date that such person becomes an Eligible Director and May 1, 2008 and the denominator is 365, and such award will be granted on the date such person becomes an Eligible Director.

(iii) Annual Award. On the date of each Annual Meeting, each Eligible Director will be granted a number of Stock Units equal to the number obtained by dividing $50,000 by the Fair Market Value of a share of Stock on the date of the Annual Meeting.

(iv) Prorated Annual Award. If a person is elected, appointed or otherwise becomes an Eligible Director after the first Annual Meeting and at a time other than any Annual Meeting, such Eligible Director will be granted a number of Stock Units equal to the Full Grant Number adjusted on a *pro rata* basis by multiplying such Full Grant Number by a fraction where the numerator is 365 *minus* the number of days between the date of the last Annual Meeting and the date that such person becomes an Eligible Director and the denominator is 365, and such award will be granted on the date such person becomes an Eligible Director.

(b) Agreements. Each Stock Unit granted pursuant to this Section 5 shall be evidenced by an agreement in such form as the Board prescribes from time to time and shall comply with the following terms and conditions:

(i) Restriction Period. Stock Units granted pursuant to Section 5(a)(i) or 5(a)(ii) shall be subject to a restriction period whereby 100% of such units shall vest on May 1, 2008. Stock Units granted pursuant to Section 5(a)(iii) or 5(a)(iv) shall be subject to a restriction period whereby 100% of such units shall vest on the first anniversary of the grant date. Notwithstanding the foregoing, the Board, in its discretion, may specify in the agreement circumstances under which the award shall become immediately transferable and nonforfeitable or under which the award shall be forfeited.

(ii) Rights and Provisions Applicable to Stock Units. The agreement relating to a Stock Unit shall specify whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, or the deemed reinvestment of any deferred dividend equivalents, with respect to the number of shares of Stock subject to such award. Prior to the settlement of a Stock Unit, the holder thereof shall not have any rights as a stockholder of the Company with respect to the shares of Stock subject to such award, except to the extent that the Board, in its sole discretion, may grant dividend equivalents on Stock Units which are settled in shares of Stock. No shares of Stock and no certificates or other indicia of ownership representing shares of Stock that are subject to a Stock Unit shall be issued upon the grant of a Stock Unit. Instead, shares of Stock subject to Stock Units and the certificates or other indicia of ownership representing such shares of Stock shall be distributed only at the time of settlement of such Stock Units in accordance with the terms and conditions of this Plan and the agreements relating to such Stock Units.

(c) Limitation on Transfer. Stock Units may not be sold, transferred, pledged, assigned or otherwise conveyed by an Eligible Director, unless as otherwise provided for by the Board.

(d) Deferral of Awards. Each Eligible Director may elect to defer an award of Stock Units in accordance with Section 6.

Section 6. Deferral Elections

The Board may permit the deferral of any Retainer or award granted under this Plan, subject to the rules and procedures as it may establish, in accordance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, (the ***"Code")*** or other applicable law, and which may include provisions for the payment or crediting of dividend equivalents, on a current or deferred basis, or the deemed reinvestment of any deferred dividend equivalents, with respect to the number of shares of Stock subject to such award. The Board shall set forth in writing (which may be in electronic form), on or before the date the applicable deferral election is required to be irrevocable in order to meet the requirements of Section 409A, the conditions under which such election may be made.

Section 7. Retainers

Each Eligible Director shall be eligible to receive a cash Retainer, as established by the Board, from time to time.

Section 8. Election to Receive Stock

(a) Election. An Eligible Director may make a Stock Election to receive all or part of any or all of such Eligible Director's Retainers in shares of Stock by submitting a Stock Election Form to the Secretary indicating the Stock Amount. A Stock Election Form shall be effective only with respect to Retainers payable after the date on which the Secretary receives the Stock Election Form. Each Stock Election, once made, shall be irrevocable. Notwithstanding the foregoing, a Stock Election may be superseded with respect to future payments of an Eligible Director's Retainers by submitting a new Stock Election Form to the Secretary.

(b) Payment in Stock. As of each Retainer Payment Date, an Eligible Director who has made a Stock Election will receive, in lieu of the Retainer elected to be received in Stock, a whole number of shares of Stock (but not fractional shares) determined by dividing:

(i) the amount of the Retainer that is payable to the Eligible Director on the applicable Retainer Payment Date and is subject to a Stock Election; by

(ii) the Fair Market Value of a share of Stock on such Retainer Payment Date.

In no circumstances shall an Eligible Director be entitled to receive, or shall the Company have any obligation to issue to the Eligible Director, any fractional share of Stock. In lieu of any fractional share of Stock, the Eligible Director shall be entitled to receive, and the Company shall be obligated to pay to such Eligible Director, cash equal to the value of any fractional share of Stock (determined by using the Fair Market Value of a share of Stock on such Retainer Payment Date).

Section 9. Fair Market Value

"Fair Market Value" shall mean, with respect to each share of Stock for any day:

(a) on the IPQ Effective Date, the IPQ Price;

(b) if the Stock is listed on any established exchange or a national market system (including without limitation The Nasdaq National Market or The Nasdaq Small Cap Market of The Nasdaq Stock Market) (such exchange or system, a ***"Qualified Exchange"***), its Fair Market Value shall be the closing sales price for the Stock (or the closing bid, if no sales were reported) as quoted on such Qualified Exchange for the last market trading day prior to the time of determination, as reported in *The Wall Street Journal* or such other source as the Board deems reliable;

(c) if the Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for the Stock on the last market trading day prior to the day of determination; or

(d) in the absence of an established market for the Stock, its Fair Market Value shall be determined in good faith by the Board.

Section 10. Issuance of Stock

(a) Restrictions on Transferability. All shares of Stock delivered under the Plan shall be subject to such stop-transfer orders and other restrictions as the Company may deem advisable or legally necessary under any laws, statutes, rules, regulations and other legal requirements, including, without limitation, those of any stock exchange upon which the Stock is then listed and any applicable federal, state or foreign securities law.

(b) Compliance with Laws. Anything to the contrary herein notwithstanding, the Company shall not be required to issue any shares of Stock under the Plan if, in the opinion of legal counsel to the Company, the issuance and delivery of such shares would constitute a violation by the Eligible Director or the Company of any applicable law or regulation of any governmental authority, including, without limitation, federal and state securities laws, or the regulations of any stock exchanges on which the Company's securities may then be listed.

Section 11. Plan Amendments and Termination

The Board may suspend or terminate the Plan at any time, in whole or in part. Termination of the Plan shall not adversely affect the rights of Eligible Directors with respect to outstanding awards granted pursuant to the Plan.

The Board may also alter, amend or modify the Plan at any time. These amendments may include (but are not limited to) changes that the Board considers necessary or advisable as a result of changes in, or the adoption or interpretation of, any law, regulation, ruling, judicial decision or accounting standards (collectively, ***"Legal Requirements"***). The

Board may not amend or modify the Plan in a manner that would materially impair an Eligible Director's rights in any outstanding award without the Eligible Director's consent; *provided, however*, that the Board may, without an Eligible Director's consent, amend or modify the Plan in any manner that it considers necessary or advisable to comply with any Legal Requirement or to ensure that awards granted pursuant to the Plan are not subject to federal, state or local income tax prior to payment.

Notwithstanding the foregoing, if any provision of this Plan would, in the reasonable, good faith judgment of the Company, result in or likely result in the imposition on any Eligible Director or any other person of any tax, interest or penalty under Section 409A of the Internal Revenue Code of 1986, as amended, the Company may reform this Plan or any provision hereof, without the consent of any Eligible Director, in the manner that the Company reasonably and in good faith determines to be necessary or advisable to avoid the imposition of such tax, interest or penalty; *provided, however,* that any such reformation shall, to the maximum extent the Company reasonably and in good faith determines to be possible, retain the economic and tax benefits to the Eligible Directors hereunder while not materially increasing the cost to the Company of providing such benefits to the Eligible Directors.

Section 12. Listing, Registration and Legal Compliance

If the Plan Administrator or the Board shall at any time determine that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any award under the Plan, the issuance or purchase of shares or other rights hereunder or the taking of any other action hereunder (each such action being hereinafter referred to as a ***"Plan Action"***), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained. The term ***"Consent"*** as used herein with respect to any Plan Action means (i) the listing, registrations or qualifications in respect thereof upon any securities exchange or under any foreign, federal, state or local law, rule or regulation, (ii) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies, or (iii) any and all written agreements and representations by an Eligible Director with respect to the disposition of Stock or with respect to any other matter, which the Plan Administrator or the Board shall deem necessary or desirable in order to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made.

Section 13. Right Reserved

Nothing in the Plan shall confer upon any Eligible Director the right to continue as a director of the Company or affect any right that the Company or any Eligible Director may have to terminate the service of such Eligible Director.

Section 14. Rights as a Stockholder

An Eligible Director shall not, by reason of any Stock Unit or any other award hereunder, have any rights as a stockholder of the Company until Stock has been issued to such Eligible Director.

Section 15. Unfunded Plan

The Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary relationship between the Company and any Eligible Director or other person. To the extent any person holds any rights by virtue of a pending grant or deferral under the Plan, such rights shall be no greater than the rights of an unsecured general creditor of the Company.

Section 16. Governing Law

The Plan is deemed adopted, made and delivered in New York and shall be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such state.

Section 17. Severability

If any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan not declared to be unlawful or invalid. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner that will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

Section 18. Notices

All notices and other communications hereunder shall be given in writing and shall be deemed given when personally delivered against receipt or five days after having been mailed by registered or certified mail, postage prepaid, return receipt requested, addressed as follows: (a) if to the Company: MSCI, Wall Street Plaza, 88 Pine Street, New York, NY 10005, Attention: Global Head of Human Resources; and (b) if to an Eligible Director, at the Eligible Director's principal residential address last furnished to the Company. Either party may, by notice, change the address to which notice to such party is to be given.

Section 19. Section Headings

The Section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said Sections.

Section 20. Definitions

As used in the Plan, the following terms shall have the meanings indicated below:

"Annual Meeting" means an annual meeting of the Company's stockholders.

"Board" means the board of directors of the Company.

"Company" has the meaning set forth in Section 1.

"Consent" has the meaning set forth in Section 12.

"Eligible Directors" has the meaning set forth in Section 2.

MSCI

EQUITY INCENTIVE COMPENSATION PLAN

2007 FOUNDERS GRANT AWARD CERTIFICATE

FOR STOCK UNITS

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MSCI 2007 FOUNDERS GRANT AWARD CERTIFICATE

FOR STOCK UNITS

MSCI has awarded you stock units as an incentive for you to continue to remain in Employment and provide services to the Company, from the Date of the Award through the Scheduled Vesting Dates, as provided in this Award Certificate. This Award Certificate sets forth the general terms and conditions of your 2007 Founders Grant stock unit award.

The number of stock units in your award has been communicated to you separately in a term sheet delivered to you. If you are employed outside the United States, you will also receive an "International Supplement" that contains supplemental terms and conditions for your 2007 Founders Grant stock unit award. This Award Certificate should be read in conjunction with the International Supplement, if applicable, in order for you to understand the terms and conditions of your stock unit award.

Your stock unit award is made pursuant to the Plan. References to "stock units" in this Award Certificate mean only those stock units included in your 2007 Founders Grant stock unit award, and the terms and conditions herein apply only to such award. If you receive any other award under the Plan or another equity compensation plan, it will be governed by the terms and conditions of the applicable award documentation, which may be different from those herein.

The purpose of the Founders Grant stock unit award is, among other things, to align your interests with the interests of the Company and to reward you for your continued Employment and service to the Company in the future. In view of these purposes, you will earn each portion of your 2007 Founders Grant stock unit award only if you remain in continuous Employment through the applicable Scheduled Vesting Date.

Section 409A of the Internal Revenue Code imposes rules relating to the taxation of deferred compensation, including your 2007 Founders Grant stock unit award. The Company reserves the right to modify the terms of your 2007 Founders Grant stock unit award, including, without limitation, the payment provisions applicable to your stock units, to the extent necessary or advisable to comply with Section 409A of the Internal Revenue Code.

Capitalized terms used in this Award Certificate that are not defined in the text have the meanings set forth in Section 24 below. Capitalized terms used in this Award Certificate that are not defined in the text or in Section 24 below have the meanings set forth in the MSCI Equity Incentive Compensation Plan (the **"Plan"**).

Section 1 *Stock Units Generally.*

Each of your stock units corresponds to one share of MSCI class A common stock. A stock unit constitutes an unsecured promise by MSCI to pay you one share of MSCI class A common stock on the conversion date for the stock unit. As the holder of stock units, you have only the rights of a general unsecured creditor of MSCI. You will not be a stockholder with respect to the shares of MSCI class A common stock underlying your stock units unless and until your stock units convert to shares.

Section 2 *Vesting Schedule; Conversion; Failure to Comply with Restrictive Covenants.*

(a) *Vesting Schedule.* Your stock units will vest according to the following schedule: (i) 50% of your stock units will vest on the First Scheduled Vesting Date, (ii) 25% of your stock units will vest on the Second Scheduled Vesting Date and (iii) the remaining 25% of your stock units will vest on the Third Scheduled Vesting Date. Any fractional stock units resulting from the application of the vesting schedule will be aggregated and will vest on the First Scheduled Vesting Date. Except as otherwise provided in this Award Certificate, each portion of your stock units will vest only if you continue to serve the Company by remaining in continuous Employment through the applicable Scheduled Vesting Date. The special vesting terms set forth in Sections 5, 6, 7 and 8 of this Award Certificate apply (i) if your Employment terminates by reason of your death or Disability, (ii) if the Company terminates your Employment in an involuntary termination under the circumstances described in Section 6, (iii) if your Employment terminates in a Governmental Service Termination or (iv) if a Change in Control occurs and your Employment terminates in a Qualifying Termination. Vested stock units are subject to any transfer restrictions and cancellation and tax withholding provisions set forth in this Award Certificate.

(b) *Conversion.*

(i) Except as otherwise provided in this Award Certificate, each of your vested stock units will convert to one share of MSCI class A common stock on the Scheduled Vesting Date.

(ii) Shares to which you are entitled upon conversion of stock units under any provision of this Award certificate shall not be subject to any transfer restrictions, other than those that may arise under the securities laws or the Company’s policies.

Section 3 *Six-month Delay for Specified Employees.*

Notwithstanding the other provisions of this Award Certificate, to the extent necessary to comply with Section 409A of the Internal Revenue Code, if MSCI considers you to be one of its "specified employees" as defined in Section 409A of the Internal Revenue Code at the time of your Separation from Service, your vested stock units will convert to MSCI class A common stock on the date that is six months after your Separation from Service; *provided*, *however*, that to the extent this Section 3 is applicable, in the event that after the date of your termination of Employment, you (i) die or (ii) accept employment at a Governmental Employer and you provide the Company with satisfactory evidence demonstrating that as a result of such new employment, the divestiture of your continued interest in MSCI equity awards or continued ownership in MSCI class A common stock is reasonably necessary to avoid the violation of U.S. federal, state or local or foreign ethics law or conflicts of interest law applicable to you at such Governmental Employer, payment will be made immediately.

Section 4 *Dividend Equivalent Payments.*

Until your stock units convert to shares, if MSCI pays a regular or ordinary cash dividend on its class A common stock, you will be paid a dividend equivalent in the same amount as the dividend you would have received if you held shares for your vested and unvested stock units. No dividend equivalents will be paid to you with respect to any canceled stock units.

MSCI will decide on the form of payment and may pay dividend equivalents in shares of MSCI class A common stock, in cash or in a combination thereof. MSCI will pay the dividend equivalent when it pays the corresponding dividend on its class A common stock.

Because dividend equivalent payments are considered part of your compensation for income tax purposes, they will be subject to applicable tax and other withholding obligations.

Section 5 *Death and Disability.*

The following special vesting and payment terms apply to your stock units:

(a) *Termination of Employment due to Death.* If your Employment terminates due to death, all of your unvested stock units will immediately vest. Your stock units will convert to shares of MSCI class A common stock upon your death; *provided* that MSCI has knowledge of your death within 75 days. Such shares will be delivered to the beneficiary you have designated pursuant to Section 13 or the legal representative of your estate, as applicable.

(b) *Termination of Employment due to Disability.* If your Employment terminates due to Disability, all of your unvested stock units will immediately vest. All of your stock units will convert to shares of MSCI class A common stock on the date your Employment terminates.

Section 6 *Involuntary Termination by the Company.*

If the Company terminates your employment under circumstances not involving Cause, your unvested stock units will vest on the date your employment with the Company terminates; *provided* that you sign an agreement and release satisfactory to the Company. On that date, your stock units will convert to shares of MSCI class A common stock.

Section 7 *Governmental Service Termination.*

If your Employment terminates in a Governmental Service Termination, then all of your unvested stock units will vest on the date of your Governmental Service Termination. Your vested stock units will convert to shares of MSCI class A common stock on the date of your Governmental Service Termination.

Section 8 *Change in Control and Qualifying Termination.*

In the event of a Change in Control and the termination of your employment due to a Qualifying Termination, all stock units shall automatically vest and be converted into shares of MSCI class A common stock on the date of your Qualifying Termination.

Section 9 *Termination of Employment and Cancellation of Awards.*

(a) *Cancellation of Unvested Awards.* Your unvested stock units will be canceled and forfeited in full if your Employment terminates for any reason other than under the circumstances set forth in this Award Certificate for Death, Disability, Governmental Service Termination, an involuntary termination by the Company described in Section 6 or a Qualifying Termination following a Change in Control.

(b) *General Treatment of Vested Awards.* Except as otherwise provided in this Award Certificate, your vested stock units will convert to shares of MSCI class A common stock on the date they vest. The withholding provisions set forth in this Award Certificate will continue to apply until the later of (i) the date your stock units convert to shares of MSCI class A common stock or (ii) the date the shares of MSCI class A common stock are delivered.

Section 10 *Tax and Other Withholding Obligations.*

Pursuant to rules and procedures that MSCI establishes (including those in Section 11), you may elect to satisfy the tax or other withholding obligations arising upon conversion of your stock units by having MSCI withhold shares of MSCI class A common stock or by tendering shares of MSCI class A common stock, in each case in an amount sufficient to satisfy the tax or other withholding obligations. Shares withheld or tendered will be valued using the fair market value of MSCI class A common stock on the later of (i) the date your stock units convert or (ii) the date the shares of MSCI class A common stock are delivered, using a valuation methodology established by MSCI.

In order to comply with applicable accounting standards or the Company's policies in effect from time to time, MSCI may limit the amount of shares that you may have withheld or that you may tender.

Section 11 *Satisfaction of Obligations.*

Notwithstanding any other provision of this Award Certificate, MSCI shall have such rights of offset with respect to your stock units as set forth in Section 16(a) of the Plan.

Section 12 *Nontransferability.*

You may not sell, pledge, hypothecate, assign or otherwise transfer your stock units, other than as provided in Section 13 (which allows you to designate a beneficiary or beneficiaries in the event of your death) or by will or the laws of descent and distribution or otherwise as provided for by the Committee. This prohibition includes any assignment or other transfer that purports to occur by operation of law or otherwise. During your lifetime, payments relating to the stock units will be made only to you.

Your personal representatives, heirs, legatees, beneficiaries, successors and assigns, and those of MSCI, shall all be bound by, and shall benefit from, the terms and conditions of your award.

Section 13 *Designation of a Beneficiary.*

You may make a written designation of beneficiary or beneficiaries to receive all or part of the shares to be paid under this Award Certificate in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix A with the Company's Human Resources Department.

Any shares that become payable upon your death, and as to which a designation of beneficiary is not in effect, will be distributed to your estate.

You may replace or revoke your beneficiary designation at any time. If there is any question as to the legal right of any beneficiary to receive shares under this award, MSCI may determine in its sole discretion to deliver the shares in question to your estate. MSCI's determination shall be binding and conclusive on all persons and it will have no further liability to anyone with respect to such shares.

Section 14 *Ownership and Possession.*

(a) *Generally.* Generally, you will not have any rights as a stockholder in the shares of MSCI class A common stock corresponding to your stock units prior to conversion of your stock units.

Prior to conversion of your stock units, however, you will receive dividend equivalent payments, as set forth in Section 4 of this Award Certificate.

(b) *Following Conversion.* Subject to Section 10, following conversion of your stock units you will be the beneficial owner of the net shares issued to you, and you will be entitled to all rights of ownership, including voting rights and the right to receive cash or stock dividends or other distributions paid on the shares.

Section 15 *Securities Law Compliance Matters.*

The Administrator may, if it determines it is appropriate, affix any legend to the stock certificates representing shares of MSCI class A common stock issued upon conversion of your stock units (and any stock certificates that may subsequently be issued in substitution for the original certificates). MSCI may advise the transfer agent to place a stop order against such shares if it determines that such an order is necessary or advisable.

Section 16 *Compliance with Laws and Regulation.*

Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of shares issued upon conversion of your stock units (whether directly

or indirectly, whether or not for value, and whether or not voluntary) must be made in compliance with any applicable constitution, rule, regulation, or policy of any of the exchanges or associations or other institutions with which the Company has membership or other privileges, and any applicable law, or applicable rule or regulation of any governmental agency, self-regulatory organization or state or federal regulatory body.

Section 17 *No Entitlements.*

(a) *No Right to Continued Employment.* This stock unit award is not an employment agreement, and nothing in this Award Certificate, the International Supplement, if applicable, or the Plan shall alter your status as an "at-will" employee of the Company or your employment status with a Related Employer. None of this Award Certificate, the International Supplement, if applicable, or the Plan shall be construed as guaranteeing your Employment or as giving you any right to continue in the employ of the Company or a Related Employer during any period (including without limitation the period between the Date of the Award and any of the First Scheduled Vesting Date, the Second Scheduled Vesting Date or the Third Scheduled Vesting Date, or any portion of any of these periods), nor shall they be construed as giving you any right to be reemployed by the Company following any termination of Employment.

(b) *No Right to Future Awards.* This award, and all other awards of stock units and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of stock units or any other equity-based award at any time in the future or in respect of any future period.

(c) *No Effect on Future Employment Compensation.* MSCI has made this award to you in its sole discretion. This award does not confer on you any right or entitlement to receive compensation in any specific amount for any future fiscal year, and does not diminish in any way the Company's discretion to determine the amount, if any, of your compensation. In addition, this award is not part of your base salary or wages and will not be taken into account in determining any other employment-related rights you may have, such as rights to pension or severance pay.

Section 18 *Consents under Local Law.*

Your award is conditioned upon the making of all filings and the receipt of all consents or authorizations required to comply with, or required to be obtained under, applicable local law.

Section 19 *Award Modification.*

MSCI reserves the right to modify or amend unilaterally the terms and conditions of your stock units, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. These amendments may include (but are not limited to) changes that MSCI considers necessary or advisable as a result of changes in any, or the adoption of any new, Legal Requirement. MSCI may not modify your stock units in a manner that would materially impair your rights in your stock units without your consent; provided, however, that MSCI may, without your consent, amend or modify your stock units in any manner that MSCI considers necessary or advisable to comply with any Legal Requirement or to ensure that your stock units are not subject to United States federal, state or local income tax or any equivalent taxes in territories outside the United States prior to payment. MSCI will notify you of any amendment of your stock units that affects your rights. Any amendment or waiver of a provision of this Award Certificate (other than any amendment or waiver applicable to all recipients generally), which amendment or waiver operates in your favor or confers a benefit on you, must be in writing and signed by the Global Head of Human Resources, the Chief Administrative Officer, the Chief Financial Officer or the General Counsel (or if such positions no longer exist, by the holders of equivalent positions) to be effective.

Section 20 *Severability.*

In the event MSCI determines that any provision of this Award Certificate would cause you to be in constructive receipt for United States federal or state income tax purposes of any portion of your award, then such provision will be considered null and void and this Award Certificate will be construed and enforced as if the provision had not been included in this Award Certificate as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 21 *Successors.*

This Award Certificate shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon your death, acquire any rights hereunder in accordance with this Award Certificate or the Plan.

Section 22 *Governing Law.*

This Award Certificate and the related legal relations between you and MSCI will be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the award to the substantive law of another jurisdiction.

Section 23 *Rule of Construction for Timing of Conversion.*

With respect to each provision of this Award Certificate that provides for your stock units to convert to shares on the Scheduled Vesting Date or upon a different specified event or date, such conversion will be considered to have been timely made, and neither you nor any of your beneficiaries or your estate shall have any claim against the Company for damages based on a delay in payment, and the Company shall have no liability to you (or to any of your beneficiaries or your estate) in respect of any such delay, as long as payment is made by December 31 of the year in which occurs the Scheduled Vesting Date or such other specified event or date or if, later, by the 15th day of the third calendar month following such specified event or date.

Section 24 *Defined Terms.*

For purposes of this Award Certificate, the following terms shall have the meanings set forth below:

"Board" means the Board of Directors of MSCI.

"Cause" means:

(a) any act or omission which constitutes a breach of your obligations to the Company or your failure or refusal to perform satisfactorily any duties reasonably required of you, which breach, failure or refusal (if susceptible to cure) is not corrected (other than failure to correct by reason of your incapacity due to physical or mental illness) within ten (10) business days after written notification thereof to you by the Company;

(b) your commission of any dishonest or fraudulent act, or any other act or omission, which has caused or may reasonably be expected to cause injury to the interest or business reputation of the Company; or

(c) your violation of any securities, commodities or banking laws, any rules or regulations issued pursuant to such laws, or rules or regulations of any securities or commodities exchange or association of which the Company is a member or of any policy of the Company relating to compliance with any of the foregoing.

A **"Change in Control"** shall be deemed to have occurred if any of the following conditions shall have been satisfied:

(a) any one person or more than one person acting as a group (as determined under Section 409A), other than (A) any employee plan established by the Company or any of its Subsidiaries, (B) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person(s) any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the total voting power of the stock of the Company; *provided*, *however*, that the provisions of this subsection (a) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (c) below;

(b) a change in the composition of the Board such that, during any 12-month period, the individuals who, as of the beginning of such period, constitute the Board (the **"Existing Board"**) cease for any reason to constitute at least 50% of the Board; *provided, however*, that any Spin-off of the Company will not trigger a Change in Control pursuant to this subsection (b); *provided, further*, that any individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors immediately prior to the date of such appointment or election shall be considered as though such individual were a member of the Existing Board; and *provided, further, however*, that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 or Regulation 14A promulgated under the Exchange Act or successor statutes or rules containing analogous concepts) or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or "person" other than the Board, shall in any event be considered to be a member of the Existing Board;

(c) the consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to

applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) 50% or more of the total voting power of the Company stock (or if the Company is not the surviving entity of such merger or consolidation, 50% or more of the total voting power of the stock of such surviving entity or parent entity thereof); and *provided, further*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (as determined under Section 409A) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then outstanding shares of the Company common stock or the combined voting power of the Company's then outstanding voting securities shall not be considered a Change in Control; or

(d) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets in which any one person or more than one person acting as a group (as determined under Section 409A) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, (1) no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Company common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (2) no event or circumstances described in any of clauses (a) through (d) above shall constitute a Change in Control unless such event or circumstances also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as defined in Section 409A and the regulations and guidance thereunder. In addition, no Change in Control shall be

deemed to have occurred upon the acquisition of additional control of the Company by any one person or more than one person acting as a group that is considered to effectively control the Company.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

"Committee" means the Compensation Committee of the Board, any successor committee thereto or any other committee of the Board appointed by the Board with the powers of the Committee under the Plan, or any subcommittee appointed by such Committee.

"Company" means MSCI and all of its Subsidiaries.

"Date of the Award" means November [ ], 2007.

"Disability" means any condition that would qualify for a benefit under any group long-term disability plan maintained by the Company and applicable to you.

"Employed" and **"Employment"** refer to Employment with the Company and/or Related Employment.

"First Scheduled Vesting Date" means November [ ], 2009.[1]

"Good Reason" means:

(a) As determined by the Compensation Committee or any of its designees, a materially adverse alteration in the employee's position or in the nature or status of the employee's responsibilities from those in effect immediately prior to the Change in Control; or

(b) the Company's requiring the employee's principal place of employment to be located more than 75 miles from the location where the employee is principally employed at the time of the Change in Control (except for required travel on the Company's business to an extent substantially consistent with the employee's business travel obligations in the ordinary course of business prior to the Change in Control).

"Governmental Employer" means a governmental department or agency, self-regulatory agency or other public service employer.

[1] This date will be 2 years after the Date of the Award.

"Governmental Service Termination" means the termination of your Employment as a result of accepting employment at a Governmental Employer and you provide the Company with satisfactory evidence demonstrating that as a result of such new employment, the divestiture of your continued interest in MSCI equity awards or continued ownership in MSCI class A common stock is reasonably necessary to avoid the violation of U.S. federal, state or local or foreign ethics law or conflicts of interest law applicable to you at such Governmental Employer.

"Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance thereunder.

"Legal Requirement" means any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement.

"MSCI" means MSCI Inc., a Delaware corporation, which is registered to do business in New York as NY MSCI Inc.

"Plan" means the 2007 MSCI Equity Incentive Compensation Plan.

A **"Qualifying Termination"** means the termination of your Employment within 18 months following a Change in Control (a) if the Company terminates your Employment under circumstances not involving Cause or (b) you resign from Employment for Good Reason.

"Related Employment" means your employment with Morgan Stanley or any other employer other than the Company (such employer, herein referred to as a **"Related Employer"**), *provided* that such employment is recognized by the Company in its discretion as Related Employment; and, *provided further* that the Company may (1) determine at any time in its sole discretion that employment that was recognized by the Company as Related Employment no longer qualifies as Related Employment, and (2) condition the designation and benefits of Related Employment on such terms and conditions as the Company may determine in its sole discretion. The designation of employment as Related Employment does not give rise to an employment relationship between you and the Company, or otherwise modify your and the Company's respective rights and obligations. Notwithstanding the foregoing, so long as Morgan Stanley has any equity ownership in the Company, any employment with Morgan Stanley shall constitute Related Employment.

"Scheduled Vesting Date" means the First Scheduled Vesting Date, the Second Scheduled Vesting Date and the Third Scheduled Vesting Date as the context requires.

"Second Scheduled Vesting Date" means November [ ], 2010.[2]

"Separation from Service" means a separation from service with the Company for purposes of Section 409A determined using the default provisions set forth in Treasury Regulation §1.409A-I(h) or any successor regulation thereto. For purposes of this definition, MSCI's subsidiaries and affiliates include (and are limited to) any corporation that is in the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as MSCI and any trade or business that is under common control with MSCI (within the meaning of Section 414(c) of the Internal Revenue Code), determined in each case in accordance with the default provisions set forth in Treasury Regulation §1.409A-l(h)(3).

"Spin-off" means a tax-free distribution of the shares of MSCI common stock held by Morgan Stanley to its shareholders (including a distribution in exchange for Morgan Stanley shares or securities) or another similar transaction intended to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code or any corresponding provision of any successor statute.

"Subsidiary" means (i) a corporation or other entity with respect to which MSCI, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's board of directors or analogous governing body, or (ii) any other corporation or other entity in which MSCI, directly or indirectly, has an equity or similar interest and which the Committee designates as a Subsidiary for purposes of the Plan.

"Third Scheduled Vesting Date" means November [ ], 2011.[3]

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2 This date will be 3 years after the Date of the Award.
3 This date will be 4 years after the Date of the Award.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Certificate as of the Date of the Award.

MSCI

[ ]
[ ]

APPENDIX A

Designation of Beneficiary(ies) Under

MSCI 2007 Equity Incentive Compensation Plan

This Designation of Beneficiary shall remain in effect with respect to all awards issued to me under any MSCI equity compensation plan, including any awards that may be issued to me after the date hereof, unless and until I modify or revoke it by submitting a later dated beneficiary designation. This Designation of Beneficiary supersedes all my prior beneficiary designations with respect to all my equity awards.

I hereby designate the following beneficiary(ies) to receive any survivor benefits with respect to all my equity awards:

Beneficiary(ies) Name(s)	Relationship	Percentage
(1)		
(2)		
(3)		
(4)		

Address(es) of Beneficiary(ies):

(1)

(2)

(3)

(4)

Contingent Beneficiary

Please also indicate any contingent beneficiary and to which beneficiary above such interest relates.

Beneficiary(ies) Name(s)	Relationship	Nature of Contingency

Address(es) of Contingent Beneficiary(ies):

Name: (please print) Date:

Signature

Please sign and return this form to MSCI’s Human Resources Department.

MSCI

EQUITY INCENTIVE COMPENSATION PLAN

2007 FOUNDERS GRANT AWARD CERTIFICATE

FOR STOCK UNITS

FOR NAMED EXECUTIVE OFFICERS

TABLE OF CONTENTS

MSCI 2007 FOUNDERS GRANT AWARD CERTIFICATE

FOR STOCK UNITS FOR NAMED EXECUTIVE OFFICERS

MSCI has awarded you stock units as an incentive for you to continue to remain in Employment and provide services to the Company, from the Date of the Award through the Scheduled Vesting Dates, as provided in this Award Certificate. This Award Certificate sets forth the general terms and conditions of your 2007 Founders Grant stock unit award.

The number of stock units in your award has been communicated to you separately in a term sheet delivered to you. If you are employed outside the United States, you will also receive an "International Supplement" that contains supplemental terms and conditions for your 2007 Founders Grant stock unit award. This Award Certificate should be read in conjunction with the International Supplement, if applicable, in order for you to understand the terms and conditions of your stock unit award.

Your stock unit award is made pursuant to the Plan. References to "stock units" in this Award Certificate mean only those stock units included in your 2007 Founders Grant stock unit award, and the terms and conditions herein apply only to such award. If you receive any other award under the Plan or another equity compensation plan, it will be governed by the terms and conditions of the applicable award documentation, which may be different from those herein.

The purpose of the Founders Grant stock unit award is, among other things, to align your interests with the interests of the Company and to reward you for your continued Employment and service to the Company in the future. In view of these purposes, you will earn each portion of your 2007 Founders Grant stock unit award only if you remain in continuous Employment through the applicable Scheduled Vesting Date.

Section 409A of the Internal Revenue Code imposes rules relating to the taxation of deferred compensation, including your 2007 Founders Grant stock unit award. The Company reserves the right to modify the terms of your 2007 Founders Grant stock unit award, including, without limitation, the payment provisions applicable to your stock units, to the extent necessary or advisable to comply with Section 409A of the Internal Revenue Code.

Capitalized terms used in this Award Certificate that are not defined in the text have the meanings set forth in Section 24 below. Capitalized terms used in this Award Certificate that are not defined in the text or in Section 24 below have the meanings set forth in the MSCI Equity Incentive Compensation Plan (the **"Plan"**).

Section 1 *Stock Units Generally.*

Each of your stock units corresponds to one share of MSCI class A common stock. A stock unit constitutes an unsecured promise by MSCI to pay you one share of MSCI class A common stock on the conversion date for the stock unit. As the holder of stock units, you have only the rights of a general unsecured creditor of MSCI. You will not be a stockholder with respect to the shares of MSCI class A common stock underlying your stock units unless and until your stock units convert to shares.

Section 2 *Vesting Schedule; Conversion; Failure to Comply with Restrictive Covenants.*

(a) *Vesting Schedule.* Your stock units will vest according to the following schedule, subject to the satisfaction of the Performance Target: (i) 50% of your stock units will vest on the First Scheduled Vesting Date, (ii) 25% of your stock units will vest on the Second Scheduled Vesting Date and (iii) the remaining 25% of your stock units will vest on the Third Scheduled Vesting Date. Any fractional stock units resulting from the application of the vesting schedule will be aggregated and will vest on the First Scheduled Vesting Date. Except as otherwise provided in this Award Certificate, each portion of your stock units will vest only if you continue to serve the Company by remaining in continuous Employment through the applicable Scheduled Vesting Date. The special vesting terms set forth in Sections 5, 6, 7 and 8 of this Award Certificate apply (i) if your Employment terminates by reason of your death or Disability, (ii) if the Company terminates your Employment in an involuntary termination under the circumstances described in Section 6, (iii) if your Employment terminates in a Governmental Service Termination or (iv) if a Change in Control occurs and your Employment terminates in a Qualifying Termination. Vested stock units are subject to any transfer restrictions and cancellation and tax withholding provisions set forth in this Award Certificate.

(b) *Performance Target.* Satisfaction of the Performance Target is a condition precedent to vesting. If the Performance Target has not been satisfied, your stock units will be forfeited and you will have no further rights with respect to the award. If the Performance Target has been satisfied, you will become vested with respect to the percentage of stock units for which you are eligible to vest as set forth in (a).

(c) *Conversion.*

(i) Except as otherwise provided in this Award Certificate, each of your vested stock units will convert to one share of MSCI class A common stock on the Scheduled Vesting Date.

(ii) Shares to which you are entitled upon conversion of stock units under any provision of this Award certificate shall not be subject to any transfer restrictions, other than those that may arise under the securities laws or the Company's policies.

Section 3 *Six-month Delay for Specified Employees.*

Notwithstanding the other provisions of this Award Certificate, to the extent necessary to comply with Section 409A of the Internal Revenue Code, if MSCI considers you to be one of its "specified employees" as defined in Section 409A of the Internal Revenue Code at the time of your Separation from Service, your vested stock units will convert to MSCI class A common stock on the date that is six months after your Separation from Service; *provided, however*, that to the extent this Section 3 is applicable, in the event that after the date of your termination of Employment, you (i) die or (ii) accept employment at a Governmental Employer and you provide the Company with satisfactory evidence demonstrating that as a result of such new employment, the divestiture of your continued interest in MSCI equity awards or continued ownership in MSCI class A common stock is reasonably necessary to avoid the violation of U.S. federal, state or local or foreign ethics law or conflicts of interest law applicable to you at such Governmental Employer, payment will be made immediately.

Section 4 *Dividend Equivalent Payments.*

Until your stock units convert to shares, if MSCI pays a regular or ordinary cash dividend on its class A common stock, you will be paid a dividend equivalent in the same amount as the dividend you would have received if you held shares for your vested and unvested stock units. No dividend equivalents will be paid to you with respect to any canceled stock units.

MSCI will decide on the form of payment and may pay dividend equivalents in shares of MSCI class A common stock, in cash or in a combination thereof. MSCI will pay the dividend equivalent when it pays the corresponding dividend on its class A common stock.

Because dividend equivalent payments are considered part of your compensation for income tax purposes, they will be subject to applicable tax and other withholding obligations.

Section 5 *Death and Disability.*

The following special vesting and payment terms apply to your stock units:

(a) *Termination of Employment due to Death.* If your Employment terminates due to death, all of your unvested stock units will immediately vest, regardless of the satisfaction of the Performance Target. Your stock units will convert to shares of MSCI class A common stock upon your death; *provided* that MSCI has knowledge of your death within 75 days. Such shares will be delivered to the beneficiary you have designated pursuant to Section 13 or the legal representative of your estate, as applicable.

(b) *Termination of Employment due to Disability.* If your Employment terminates due to Disability, all of your unvested stock units will immediately vest, regardless of the satisfaction of the Performance Target. All of your stock units will convert to shares of MSCI class A common stock on the date your Employment terminates.

Section 6 *Involuntary Termination by the Company.*

If the Company terminates your employment under circumstances not involving Cause, your unvested stock units will vest on the date your employment with the Company terminates, regardless of the satisfaction of the Performance Target; *provided* that you sign an agreement and release satisfactory to the Company. On that date, your stock units will convert to shares of MSCI class A common stock.

Section 7 *Governmental Service Termination.*

If your Employment terminates in a Governmental Service Termination, then all of your unvested stock units will vest on the date of your Governmental Service Termination, regardless of the satisfaction of the Performance Target. Your vested stock units will convert to shares of MSCI class A common stock on the date of your Governmental Service Termination.

Section 8 *Change in Control and Qualifying Termination.*

In all cases in the event of a Change in Control and the termination of your employment due to a Qualifying Termination, the Performance Target will be deemed to be satisfied. Additionally, all stock units shall automatically vest and be converted into shares of MSCI class A common stock on the date of your Qualifying Termination.

Section 9 *Termination of Employment and Cancellation of Awards.*

(a) *Cancellation of Unvested Awards.* Your unvested stock units will be canceled and forfeited in full if your Employment terminates for any reason other than under the circumstances set forth in this Award Certificate for Death, Disability, Governmental Service Termination, an involuntary termination by the Company described in Section 6 or a Qualifying Termination following a Change in Control.

(b) *General Treatment of Vested Awards.* Except as otherwise provided in this Award Certificate, your vested stock units will convert to shares of MSCI class A common stock on the date they vest. The withholding provisions set forth in this Award Certificate will continue to apply until the later of (i) the date your stock units convert to shares of MSCI class A common stock or (ii) the date the shares of MSCI class A common stock are delivered.

Section 10 *Tax and Other Withholding Obligations.*

Pursuant to rules and procedures that MSCI establishes (including those in Section 11), you may elect to satisfy the tax or other withholding obligations arising upon conversion of your stock units by having MSCI withhold shares of MSCI class A common stock or by tendering shares of MSCI class A Common stock, in each case in an amount sufficient to satisfy the tax or other withholding obligations. Shares withheld or tendered will be valued using the fair market value of MSCI class A common stock on the later of (i) the date your stock units convert or (ii) the date the shares of MSCI class A common stock are delivered, using a valuation methodology established by MSCI.

In order to comply with applicable accounting standards or the Company's policies in effect from time to time, MSCI may limit the amount of shares that you may have withheld or that you may tender.

Section 11 *Satisfaction of Obligations.*

Notwithstanding any other provision of this Award Certificate, MSCI shall have such rights of offset with respect to your stock units as set forth in Section I6(a) of the Plan.

Section 12 *Nontransferability.*

You may not sell, pledge, hypothecate, assign or otherwise transfer your stock units, other than as provided in Section 13 (which allows you to designate a beneficiary or beneficiaries in the event of your death) or by will or the laws of descent and distribution or otherwise as provided for by the Committee. This

prohibition includes any assignment or other transfer that purports to occur by operation of law or otherwise. During your lifetime, payments relating to the stock units will be made only to you.

Your personal representatives, heirs, legatees, beneficiaries, successors and assigns, and those of MSCI, shall all be bound by, and shall benefit from, the terms and conditions of your award.

Section 13 *Designation of a Beneficiary.*

You may make a written designation of beneficiary or beneficiaries to receive all or part of the shares to be paid under this Award Certificate in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix A with the Company's Human Resources Department.

Any shares that become payable upon your death, and as to which a designation of beneficiary is not in effect, will be distributed to your estate.

You may replace or revoke your beneficiary designation at any time. If there is any question as to the legal right of any beneficiary to receive shares under this award, MSCI may determine in its sole discretion to deliver the shares in question to your estate. MSCI's determination shall be binding and conclusive on all persons and it will have no further liability to anyone with respect to such shares.

Section 14 *Ownership and Possession.*

(a) *Generally.* Generally, you will not have any rights as a stockholder in the shares of MSCI class A common stock corresponding to your stock units prior to conversion of your stock units.

Prior to conversion of your stock units, however, you will receive dividend equivalent payments, as set forth in Section 4 of this Award Certificate.

(b) *Following Conversion.* Subject to Section 10, following conversion of your stock units you will be the beneficial owner of the net shares issued to you, and you will be entitled to all rights of ownership, including voting rights and the right to receive cash or stock dividends or other distributions paid on the shares.

Section 15 *Securities Law Compliance Matters.*

The Administrator may, if it determines it is appropriate, affix any legend to the stock certificates representing shares of MSCI class A common stock issued upon conversion of your stock units (and any stock certificates that may

subsequently be issued in substitution for the original certificates). MSCI may advise the transfer agent to place a stop order against such shares if it determines that such an order is necessary or advisable.

Section 16 *Compliance with Laws and Regulation.*

Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of shares issued upon conversion of your stock units (whether directly or indirectly, whether or not for value, and whether or not voluntary) must be made in compliance with any applicable constitution, rule, regulation, or policy of any of the exchanges or associations or other institutions with which the Company has membership or other privileges, and any applicable law, or applicable rule or regulation of any governmental agency, self-regulatory organization or state or federal regulatory body.

Section 17 *No Entitlements.*

(a) *No Right to Continued Employment.* This stock unit award is not an employment agreement, and nothing in this Award Certificate, the International Supplement, if applicable, or the Plan shall alter your status as an "at-will" employee of the Company or your employment status with a Related Employer. None of this Award Certificate, the International Supplement, if applicable, or the Plan shall be construed as guaranteeing your Employment or as giving you any right to continue in the employ of the Company or a Related Employer during any period (including without limitation the period between the Date of the Award and any of the First Scheduled Vesting Date, the Second Scheduled Vesting Date or the Third Scheduled Vesting Date, or any portion of any of these periods), nor shall they be construed as giving you any right to be reemployed by the Company following any termination of Employment.

(b) *No Right to Future Awards.* This award, and all other awards of stock units and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of stock units or any other equity-based award at any time in the future or in respect of any future period.

(c) *No Effect on Future Employment Compensation.* MSCI has made this award to you in its sole discretion. This award does not confer on you any right or entitlement to receive compensation in any specific amount for any future fiscal year, and does not diminish in any way the Company's discretion to determine the amount, if any, of your compensation. In addition, this award is not part of your base salary or wages and will not be taken into account in determining any other employment-related rights you may have, such as rights to pension or severance pay.

Section 18 *Consents under Local Law.*

Your award is conditioned upon the making of all filings and the receipt of all consents or authorizations required to comply with, or required to be obtained under, applicable local law.

Section 19 *Award Modification.*

MSCI reserves the right to modify or amend unilaterally the terms and conditions of your stock units, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. These amendments may include (but are not limited to) changes that MSCI considers necessary or advisable as a result of changes in any, or the adoption of any new, Legal Requirement. MSCI may not modify your stock units in a manner that would materially impair your rights in your stock units without your consent; provided, however, that MSCI may, without your consent, amend or modify your stock units in any manner that MSCI considers necessary or advisable to comply with any Legal Requirement or to ensure that your stock units are not subject to United States federal, state or local income tax or any equivalent taxes in territories outside the United States prior to payment. MSCI will notify you of any amendment of your stock units that affects your rights. Any amendment or waiver of a provision of this Award Certificate (other than any amendment or waiver applicable to all recipients generally), which amendment or waiver operates in your favor or confers a benefit on you, must be in writing and signed by the Global Head of Human Resources, the Chief Administrative Officer, the Chief Financial Officer or the General Counsel (or if such positions no longer exist, by the holders of equivalent positions) to be effective.

Section 20 *Severability.*

In the event MSCI determines that any provision of this Award Certificate would cause you to be in constructive receipt for United States federal or state income tax purposes of any portion of your award, then such provision will be considered null and void and this Award Certificate will be construed and enforced as if the provision had not been included in this Award Certificate as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 21 *Successors.*

This Award Certificate shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon your death, acquire any rights hereunder in accordance with this Award Certificate or the Plan.

Section 22 *Governing Law.*

This Award Certificate and the related legal relations between you and MSCI will be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the award to the substantive law of another jurisdiction.

Section 23 *Rule of Construction for Timing of Conversion.*

With respect to each provision of this Award Certificate that provides for your stock units to convert to shares on the Scheduled Vesting Date or upon a different specified event or date, such conversion will be considered to have been timely made, and neither you nor any of your beneficiaries or your estate shall have any claim against the Company for damages based on a delay in payment, and the Company shall have no liability to you (or to any of your beneficiaries or your estate) in respect of any such delay, as long as payment is made by December 31 of the year in which occurs the Scheduled Vesting Date or such other specified event or date or if, later, by the 15th day of the third calendar month following such specified event or date.

Section 24 *Defined Terms.*

For purposes of this Award Certificate, the following terms shall have the meanings set forth below:

"Board" means the Board of Directors of MSCI.

"Cause" means:

(a) any act or omission which constitutes a breach of your obligations to the Company or your failure or refusal to perform satisfactorily any duties reasonably required of you, which breach, failure or refusal (if susceptible to cure) is not corrected (other than failure to correct by reason of your incapacity due to physical or mental illness) within ten (10) business days after written notification thereof to you by the Company;

(b) your commission of any dishonest or fraudulent act, or any other act or omission, which has caused or may reasonably be expected to cause injury to the interest or business reputation of the Company; or

(c) your violation of any securities, commodities or banking laws, any rules or regulations issued pursuant to such laws, or rules or regulations of any securities or commodities exchange or association of which the Company is a member or of any policy of the Company relating to compliance with any of the foregoing.

A **"Change in Control"** shall be deemed to have occurred if any of the following conditions shall have been satisfied:

(a) any one person or more than one person acting as a group (as determined under Section 409A), other than (A) any employee plan established by the Company or any of its Subsidiaries, (B) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person(s) any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the total voting power of the stock of the Company; *provided*, however, that the provisions of this subsection (a) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (c) below;

(b) a change in the composition of the Board such that, during any 12-month period, the individuals who, as of the beginning of such period, constitute the Board (the **"Existing Board"**) cease for any reason to constitute at least 50% of the Board; *provided, however*, that any Spin-off of the Company will not trigger a Change in Control pursuant to this subsection (b); *provided, further*, that any individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors immediately prior to the date of such appointment or election shall be considered as though such individual were a member of the Existing Board; *and provided, further, however*, that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 or Regulation 14A promulgated under the Exchange Act or successor statutes or rules containing analogous concepts) or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or "person" other than the Board, shall in any event be considered to be a member of the Existing Board;

(c) the consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) 50% or more of the total voting power of the Company stock (or if the Company is not the surviving entity of such merger or consolidation, 50% or more of the total voting power of the stock of such surviving entity or parent entity thereof); and *provided, further*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (as determined under Section 409A) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then outstanding shares of the Company common stock or the combined voting power of the Company's then outstanding voting securities shall not be considered a Change in Control; or

(d) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets in which any one person or more than one person acting as a group (as determined under Section 409A) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, (1) no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Company common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (2) no event or circumstances described in any of clauses (a) through (d) above shall constitute a

Change in Control unless such event or circumstances also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as defined in Section 409A and the regulations and guidance thereunder. In addition, no Change in Control shall be deemed to have occurred upon the acquisition of additional control of the Company by any one person or more than one person acting as a group that is considered to effectively control the Company.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

"Committee" means the Compensation Committee of the Board, any successor committee thereto or any other committee of the Board appointed by the Board with the powers of the Committee under the Plan, or any subcommittee appointed by such Committee.

"Company" means MSCI and all of its Subsidiaries.

"Date of the Award" means November [ ], 2007.

"Disability" means any condition that would qualify for a benefit under any group long-term disability plan maintained by the Company and applicable to you.

"EBITDA" means earnings before interest, taxes, depreciation and amortization of an entity as determined pursuant to such entity's financial statements and the footnotes thereto for the twelve month period immediately prior to the fiscal quarter ending most recently prior to the date of the Change in Control, calculated on a pro forma basis after giving effect to the Change in Control.

"Employed" and **"Employment"** refer to Employment with the Company and/or Related Employment.

"First Scheduled Vesting Date" means November [ ], 2009.[1]

"Good Reason" means:

(a) As determined by the Compensation Committee or any of its designees, a materially adverse alteration in the employee's position or in the nature or status of the employee's responsibilities from those in effect immediately prior to the Change in Control; or

[1] This date will be 2 years after the Date of the Award.

(b) the Company's requiring the employee's principal place of employment to be located more than 75 miles from the location where the employee is principally employed at the time of the Change in Control (except for required travel on the Company's business to an extent substantially consistent with the employee's business travel obligations in the ordinary course of business prior to the Change in Control).

"Governmental Employer" means a governmental department or agency, self-regulatory agency or other public service employer.

"Governmental Service Termination" means the termination of your Employment as a result of accepting employment at a Governmental Employer and you provide the Company with satisfactory evidence demonstrating that as a result of such new employment, the divestiture of your continued interest in MSCI equity awards or continued ownership in MSCI class A common stock is reasonably necessary to avoid the violation of U.S. federal, state or local or foreign ethics law or conflicts of interest law applicable to you at such Governmental Employer.

"Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance thereunder.

"Legal Requirement" means any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement.

"MSCI" means MSCI Inc., a Delaware corporation, which is registered to do business in New York as NY MSCI Inc.

"Performance Period" means the period from September 1, 2007 to August 31, 2008.

"Performance Target" means the Company having operating revenues of $258,640,000 or more during the Performance Period, which target in the event of any disposition of any business or businesses by MSCI, will be reduced by the amount of the operating revenues which were attributable to such business or businesses for the 12 month period ending immediately prior to such disposition multiplied by a fraction where the numerator is the number of months during the performance period for which such business or businesses is not owned by MSCI and the denominator is 12; *provided, however,* that in the event of any acquisition of any business or businesses by the Company, such revenue target will not be adjusted, but for purposes of determining whether the target has been satisfied, operating revenues associated with the acquired business or businesses shall not be taken into account.

"Plan" means the 2007 MSCI Equity Incentive Compensation Plan.

A **"Qualifying Termination"** means the termination of your Employment within 18 months following a Change in Control (a) if the Company terminates your Employment under circumstances not involving Cause or (b) you resign from Employment for Good Reason.

"Related Employment" means your employment with Morgan Stanley or any other employer other than the Company (such employer, herein referred to as a **"Related Employer"**), *provided* that such employment is recognized by the Company in its discretion as Related Employment; *and*, *provided further* that the Company may (I) determine at any time in its sole discretion that employment that was recognized by the Company as Related Employment no longer qualifies as Related Employment, and (2) condition the designation and benefits of Related Employment on such terms and conditions as the Company may determine in its sole discretion. The designation of employment as Related Employment does not give rise to an employment relationship between you and the Company, or otherwise modify your and the Company's respective rights and obligations. Notwithstanding the foregoing, so long as Morgan Stanley has any equity ownership in the Company, any employment with Morgan Stanley shall constitute Related Employment.

"Scheduled Vesting Date" means the First Scheduled Vesting Date, the Second Scheduled Vesting Date and the Third Scheduled Vesting Date as the context requires.

"Second Scheduled Vesting Date" means November [ ], 2010.[2]

"Separation from Service" means a separation from service with the Company for purposes of Section 409A determined using the default provisions set forth in Treasury Regulation §1.409A-l(h) or any successor regulation thereto. For purposes of this definition, MSCI's subsidiaries and affiliates include (and are limited to) any corporation that is in the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as MSCI and any trade or business that is under common control with MSCI (within the meaning of Section 414(c) of the Internal Revenue Code), determined in each case in accordance with the default provisions set forth in Treasury Regulation §1.409A-l(h)(3).

[2] This date will be 3 years after the Date of the Award.

"Spin-off" means a tax-free distribution of the shares of MSCI common stock held by Morgan Stanley to its shareholders (including a distribution in exchange for Morgan Stanley shares or securities) or another similar transaction intended to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code or any corresponding provision of any successor statute.

"Subsidiary" means (i) a corporation or other entity with respect to which MSCI, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's board of directors or analogous governing body, or (ii) any other corporation or other entity in which MSCI, directly or indirectly, has an equity or similar interest and which the Committee designates as a Subsidiary for purposes of the Plan.

"Third Scheduled Vesting Date" means November [ ], 2011.[3]

"Total Debt" means all indebtedness for borrowed money, guarantees thereof, or other contingent obligations in respect of debt, including without limitation any convertible debt securities, of an entity as set forth on such entity's financial statements and the footnotes thereto as of the fiscal quarter ending most recently prior to the date of the Change in Control, calculated on a pro forma basis after giving effect to the Change in Control.

"Total Leverage Ratio" means the ratio of (x) Total Debt to (y) EBITDA.

[3] This date will be 4 years after the Date of the Award.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Certificate as of the Date of the Award.

MSCI

[ ]

[ ]

APPENDIX A

Designation of Beneficiary(ies) Under

MSCI 2007 Equity Incentive Compensation Plan

This Designation of Beneficiary shall remain in effect with respect to all awards issued to me under any MSCI equity compensation plan, including any awards that may be issued to me after the date hereof, unless and until I modify or revoke it by submitting a later dated beneficiary designation. This Designation of Beneficiary supersedes all my prior beneficiary designations with respect to all my equity awards.

I hereby designate the following beneficiary(ies) to receive any survivor benefits with respect to all my equity awards:

Beneficiary(ies) Name(s)	Relationship	Percentage
(1)		
(2)		
(3)		
(4)		

Address(es) of Beneficiary(ies):

(1)

(2)

(3)

(4)

Contingent Beneficiary

Please also indicate any contingent beneficiary and to which beneficiary above such interest relates.

Beneficiary(ies) Name(s)	Relationship	Nature of Contingency

Address(es) of Contingent Beneficiary(ies):

Name: (please print) Date:

Signature

Please sign and return this form to MSCI’s Human Resources Department.

MSCI

EQUITY INCENTIVE COMPENSATION PLAN

2007 FOUNDERS GRANT AWARD CERTIFICATE

FOR STOCK OPTIONS

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MSCI 2007 FOUNDERS GRANT AWARD CERTIFICATE

FOR STOCK OPTIONS

MSCI has awarded you stock options as an incentive for you to continue to remain in Employment and provide services to the Company, from the Date of the Award through the Scheduled Vesting Dates, as provided in this Award Certificate. This Award Certificate sets forth the general terms and conditions of your 2007 Founders Grant stock option award.

The number of stock options in your award has been communicated to you separately in a term sheet delivered to you. If you are employed outside the United States, you will also receive an "International Supplement" that contains supplemental terms and conditions for your 2007 Founders Grant stock option award. This Award Certificate should be read in conjunction with the International Supplement, if applicable, in order for you to understand the terms and conditions of your stock option award.

Your stock option award is made pursuant to the Plan. References to "stock options" in this Award Certificate mean only those stock options included in your 2007 Founders Grant stock option award, and the terms and conditions herein apply only to such award. If you receive any other award under the Plan or another equity compensation plan, it will be governed by the terms and conditions of the applicable award documentation, which may be different from those herein.

The purpose of the Founders Grant stock option award is, among other things, to align your interests with the interests of the Company and to reward you for your continued Employment and service to the Company in the future. In view of these purposes, you will earn each portion of your 2007 Founders Grant stock option award only if you remain in continuous Employment through the applicable Scheduled Vesting Date.

Section 409A of the Internal Revenue Code imposes rules relating to the taxation of deferred compensation, including your 2007 Founders Grant stock option award. The Company reserves the right to modify the terms of your 2007 Founders Grant stock option award, including, without limitation, the payment provisions applicable to your stock options, to the extent necessary or advisable to comply with Section 409A of the Internal Revenue Code.

Capitalized terms used in this Award Certificate that are not defined in the text have the meanings set forth in Section 23 below. Capitalized terms used in this Award Certificate that are not defined in the text or in Section 23 below have the meanings set forth in the MSCI Equity Incentive Compensation Plan (the **"Plan"**).

Section 1. *Stock Options Generally.*

Each of your stock options gives you the right to purchase one share of MSCI class A common stock at the purchase price set forth in the term sheet.

Section 2. *Vesting Schedule; Failure to Comply with Restrictive Covenants.*

(a) *Vesting Schedule.* Your stock options will vest according to the following schedule: (i) 50% of your stock options will vest on the First Scheduled Vesting Date, (ii) 25% of your stock options will vest on the Second Scheduled Vesting Date and (iii) the remaining 25% of your stock options will vest on the Third Scheduled Vesting Date. Your stock options will become exercisable upon vesting. Any fractional stock options resulting from the application of the vesting schedule will be aggregated and will vest on the First Scheduled Vesting Date. Except as otherwise provided in this Award Certificate, each portion of your stock options will vest only if you continue to serve the Company by remaining in continuous Employment through the applicable Scheduled Vesting Date. The special vesting terms set forth in Sections 5, 6, 7 and 8 of this Award Certificate apply (i) if your Employment terminates by reason of your death or Disability, (ii) if the Company terminates your Employment in an involuntary termination under the circumstances described in Section 6, (iii) if your Employment terminates in a Governmental Service Termination or (iv) if a Change in Control occurs and your Employment terminates in a Qualifying Termination. Vested stock options are subject to any transfer restrictions and cancellation and tax withholding provisions set forth in this Award Certificate.

Section 3. *Expiration Date.*

Your stock options will expire on the Expiration Date, assuming your Employment continues until that date. If your Employment terminates before the Expiration Date, any of your stock options that were vested at the time of the termination of your Employment will expire on the earlier of (i) 90 days following your termination and (ii) the Expiration Date. Special exercisability periods and cancellation provisions apply if your Employment terminates under certain circumstances. See Sections 5, 6, 7, 8 and 9 below for details.

Section 4. *Exercise.*

When you exercise your stock options, you may pay the exercise price in the following ways: (a) in cash; (b) in shares of MSCI class A common stock; or (c) in a combination of cash and shares. Any shares that you tender to pay the exercise price will be valued at their fair market value on the exercise date, using a valuation methodology established by MSCI. MSCI may also allow you to make a “cashless” exercise of stock options (in which the payment of the exercise price is funded by a sale of shares by a broker) or to exercise your stock options through a net-share settlement.

MSCI may implement policies and procedures regarding the availability of any of the foregoing exercise methods or to facilitate cashless exercises. Your exercise and payment must conform to the policies and procedures that MSCI implements from time to time.

Your stock options are considered to be exercised in the order in which they vested.

Section 5. *Death and Disability.*

The following special vesting and exercisability terms apply to your stock options:

(a) *Termination of Employment due to Death.* If your Employment terminates due to your death, all of your unvested stock options will vest on the date your Employment terminates. Your stock options will remain exercisable until the Expiration Date and your beneficiary or the legal representative of your estate, as applicable, may exercise such stock options during this period.

(b) *Death after Termination of Employment.* If you die after the termination of your Employment, the beneficiary you have designated pursuant to Section 13 or the legal representative of your estate, as applicable, may exercise any vested stock options that you held at the time of your death to the extent and for the period that you would have been permitted to exercise your stock options at the time of your death.

(c) *Termination of Employment due to Disability.* If your Employment terminates due to Disability, all of your unvested stock options will vest on the date your Employment terminates and remain exercisable until the Expiration Date.

Section 6. *Involuntary Termination by the Company.*

If the Company terminates your employment under circumstances not involving Cause, your unvested stock options will vest on the date your employment with the Company terminates; provided that you sign an agreement and release satisfactory to the Company. Your stock options will remain exercisable until the later of (i) 90 days after the Third Scheduled Vesting Date and (ii) 90 days after the date your Employment with the Company terminates, but in no event after the Expiration Date.

Section 7. *Governmental Service Termination.*

If your Employment terminates in a Governmental Service Termination, then all of your unvested stock options will vest on the date of your Governmental Service Termination and will remain exercisable until the earlier of (i) 90 days following your termination and (ii) the Expiration Date.

Section 8. *Change in Control and Qualifying Termination.*

In the event of a Change in Control and the termination of your employment due to a Qualifying Termination, all stock options shall automatically vest and will remain exercisable until the Expiration Date.

Section 9. *Termination of Employment and Cancellation of Awards.*

(a) *Cancellation of Unvested Awards.* Your unvested stock options will be canceled and forfeited in full if your Employment terminates for any reason other than under the circumstances set forth in this Award Certificate for death, Disability, Governmental Service Termination, an involuntary termination by the Company described in Section 6 or a Qualifying Termination following a Change in Control.

(b) *General Treatment of Vested Awards.* Except as otherwise provided in this Award Certificate, you may continue to exercise any stock options that were vested at the time of the termination of your Employment for 90 days following the termination of your Employment (but not later than the Expiration Date).

Section 10. *Tax and Other Withholding Obligations.*

Pursuant to rules and procedures that MSCI establishes (including those in Section 11), you may elect to satisfy the tax or other withholding obligations arising upon exercise of your stock options by having MSCI withhold shares of MSCI class A common stock or by tendering shares of MSCI class A common stock, in each case in an amount sufficient to satisfy the tax or other withholding obligations. Shares withheld or tendered will be valued using the fair market value of MSCI class A common stock on the later of (i) the date your stock options are exercised or (ii) the date the shares of MSCI class A common stock are delivered, using a valuation methodology established by MSCI.

In order to comply with applicable accounting standards or the Company's policies in effect from time to time, MSCI may limit the amount of shares that you may have withheld or that you may tender.

Section 11. *Satisfaction of Obligations.*

Notwithstanding any other provision of this Award Certificate, MSCI may, in its sole discretion, take various actions affecting your stock options in order to collect amounts sufficient to satisfy any obligation that you owe to the Company and any tax or other withholding obligations. These actions include the following:

(a) In connection with the exercise of your stock options, MSCI may withhold a number of shares sufficient to satisfy any obligation that you owe to the Company and any tax or other withholding obligations. The Company shall

determine the number of shares to be withheld by dividing the dollar value of your obligation to the Company and any tax or other withholding obligations by the fair market value of MSCI class A common stock on the date of exercise, or, if later, on the date the shares of MSCI class A common stock are delivered.

(b) MSCI may, at any time, cancel any of your unexercised stock options in a quantity sufficient to satisfy any obligation that you owe to the Company and any tax or other withholding obligations. Any canceled stock options will be considered to have a value equal to the difference between the fair market value of the underlying shares of MSCI class A common stock, determined on the date of cancellation, and the exercise price. Such amount, less any applicable withholding taxes, will be credited against your obligation.

MSCI's determination of the amount that you owe the Company shall be conclusive. The fair market value of MSCI class A common stock for purposes of the foregoing provisions shall be determined using a valuation methodology established by MSCI.

Section 12. *Nontransferability.*

You may not sell, pledge, hypothecate, assign or otherwise transfer your stock options, other than as provided in Section 13 (which allows you to designate a beneficiary or beneficiaries in the event of your death) or by will or the laws of descent and distribution or as otherwise provided for by the Committee. This prohibition includes any assignment or other transfer that purports to occur by operation of law or otherwise. During your lifetime, stock options may be exercised only by you.

Your personal representatives, heirs, legatees, beneficiaries, successors and assigns, and those of MSCI, shall all be bound by, and shall benefit from, the terms and conditions of your award.

Section 13. *Designation of a Beneficiary.*

You may make a written designation of beneficiary or beneficiaries to receive all or part of the shares to be paid under this Award Certificate in the event of your death or, following your death, to exercise any stock options that have become exercisable and have not expired or been canceled. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix A with the Company's Human Resources Department.

Any shares that become payable upon your death, and as to which a designation of beneficiary is not in effect, will be distributed to your estate. Any stock options that remain exercisable following your death, and as to which a designation of a beneficiary is not in effect, will be exercisable by the legal representative of your estate.

You may replace or revoke your beneficiary designation at any time. If there is any question as to the legal right of any beneficiary to receive shares or exercise stock options under this award, MSCI may determine in its sole discretion to deliver the shares in question to your estate or to allow the representative of your estate to exercise the stock options in question. MSCI's determination shall be binding and conclusive on all persons and it will have no further liability to anyone with respect to such stock options.

Section 14. *Ownership and Possession.*

(a) *Generally.* You will not have any rights as a stockholder in the shares of MSCI class A common stock subject to your stock options until such shares are delivered to you following the exercise of your stock options. Delivery of shares to you will be effected by entry of your name in the share register of MSCI or by such other procedure as may be authorized by MSCI.

(b) *Following Exercise.* Subject to Section 9, following exercise of your stock options you will be the beneficial owner of the Option Shares delivered to you and, upon such delivery, you will be entitled to all rights of ownership, including voting rights and the right to receive cash or stock dividends or other distributions paid on the shares.

Section 15. *Securities Law Compliance Matters.*

The Administrator may, if it determines it is appropriate, affix any legend to the stock certificates representing shares of MSCI class A common stock issued upon exercise of your stock options (and any stock certificates that may subsequently be issued in substitution for the original certificates). MSCI may advise the transfer agent to place a stop order against such shares if it determines that such an order is necessary or advisable.

Section 16. *Compliance with Laws and Regulation.*

Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of shares issued upon exercise of your stock options (whether directly or indirectly, whether or not for value, and whether or not voluntary) must be made in compliance with any applicable constitution, rule, regulation, or policy of any of the exchanges or associations or other institutions with which the Company has membership or other privileges, and any applicable law, or applicable rule or regulation of any governmental agency, self-regulatory organization or state or federal regulatory body.

Section 17. *No Entitlements.*

(a) *No Right to Continued Employment.* This stock option award is not an Employment agreement, and nothing in this Award Certificate, the International Supplement, if applicable, or the Plan shall alter your status as an

"at-will" employee of the Company or your employment status with a Related Employer. None of this Award Certificate, the International Supplement, if applicable, or the Plan shall be construed as guaranteeing your Employment or as giving you any right to continue in the employ of the Company or a Related Employer during any period (including without limitation the period between the Date of the Award and any of the First Scheduled Vesting Date, the Second Scheduled Vesting Date, the Third Scheduled Vesting Date or the Expiration Date or any portion of any of these periods), nor shall they be construed as giving you any right to be reemployed by the Company following any termination of Employment.

(b) *No Right to Future Awards.* This award, and all other awards of stock options and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of stock options or any other equity-based award at any time in the future or in respect of any future period.

(c) *No Effect on Future Employment Compensation.* MSCI has made this award to you in its sole discretion. This award does not confer on you any right or entitlement to receive compensation in any specific amount for any future fiscal year, and does not diminish in any way the Company's discretion to determine the amount, if any, of your compensation. In addition, this award is not part of your base salary or wages and will not be taken into account in determining any other employment-related rights you may have, such as rights to pension or severance pay.

Section 18. *Consents under Local Law.*

Your award is conditioned upon the making of all filings and the receipt of all consents or authorizations required to comply with, or required to be obtained under, applicable local law.

Section 19. *Award Modification.*

MSCI reserves the right to modify or amend unilaterally the terms and conditions of your stock options, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. These amendments may include (but are not limited to) changes that MSCI considers necessary or advisable as a result of changes in any, or the adoption of any new, Legal Requirement. MSCI may not modify your stock options in a manner that would materially impair your rights in your stock options without your consent; provided, however, that MSCI may, without your consent, amend or modify your stock options in any manner that MSCI considers necessary or advisable to comply with any Legal Requirement or to ensure that your stock options are not subject to United States federal, state or local income tax or any equivalent taxes in territories outside the United States prior to exercise. MSCI will notify you of any amendment of your stock options that affects your rights. Any amendment or

waiver of a provision of this Award Certificate (other than any amendment or waiver applicable to all recipients generally), which amendment or waiver operates in your favor or confers a benefit on you, must be in writing and signed by the Global Head of Human Resources, the Chief Administrative Officer, the Chief Financial Officer or the General Counsel (or if such positions no longer exist, by the holders of equivalent positions) to be effective.

Section 20. *Severability.*

In the event MSCI determines that any provision of this Award Certificate would cause you to be in constructive receipt for United States federal or state income tax purposes of any portion of your award, then such provision will be considered null and void and this Award Certificate will be construed and enforced as if the provision had not been included in this Award Certificate as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 21. *Successors.*

This Award Certificate shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon your death, acquire any rights hereunder in accordance with this Award Certificate or the Plan.

Section 22. *Governing Law.*

This Award Certificate and the related legal relations between you and MSCI will be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the award to the substantive law of another jurisdiction.

Section 23. *Defined Terms.*

For purposes of this Award Certificate, the following terms shall have the meanings set forth below:

"Board" means the Board of Directors of MSCI.

"Cause" means:

(a) any act or omission which constitutes a breach of your obligations to the Company or your failure or refusal to perform satisfactorily any duties reasonably required of you, which breach, failure or refusal (if susceptible to cure) is not corrected (other than failure to correct by reason of your incapacity due to physical or mental illness) within ten (10) business days after written notification thereof to you by the Company;

(b) your commission of any dishonest or fraudulent act, or any other act or omission, which has caused or may reasonably be expected to cause injury to the interest or business reputation of the Company; or

(c) your violation of any securities, commodities or banking laws, any rules or regulations issued pursuant to such laws, or rules or regulations of any securities or commodities exchange or association of which the Company is a member or of any policy of the Company relating to compliance with any of the foregoing.

A **"Change in Control"** shall be deemed to have occurred if any of the following conditions shall have been satisfied:

(a) any one person or more than one person acting as a group (as determined under Section 409A), other than (A) any employee plan established by the Company or any of its Subsidiaries, (B) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person(s) any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the total voting power of the stock of the Company; *provided, however*, that the provisions of this subsection (a) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (c) below;

(b) a change in the composition of the Board such that, during any 12-month period, the individuals who, as of the beginning of such period, constitute the Board (the **"Existing Board"**) cease for any reason to constitute at least 50% of the Board; *provided, however*, that any Spin-off of the Company will not trigger a Change in Control pursuant to this subsection (b); *provided, further*, that any individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors immediately prior to the date of such appointment or election shall be considered as though such individual were a member of the Existing Board; and *provided, further, however*, that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-ll or Regulation 14A promulgated under the Exchange Act or successor statutes

or rules containing analogous concepts) or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or "person" other than the Board, shall in any event be considered to be a member of the Existing Board;

(c) the consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) 50% or more of the total voting power of the Company stock (or if the Company is not the surviving entity of such merger or consolidation, 50% or more of the total voting power of the stock of such surviving entity or parent entity thereof); and *provided, further,* that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (as determined under Section 409A) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then outstanding shares of the Company common stock or the combined voting power of the Company's then outstanding voting securities shall not be considered a Change in Control; or

(d) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets in which any one person or more than one person acting as a group (as determined under Section 409A) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, (1) no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Company common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of the Company immediately

prior to such transaction or series of transactions and (2) no event or circumstances described in any of clauses (a) through (d) above shall constitute a Change in Control unless such event or circumstances also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as defined in Section 409A and the regulations and guidance thereunder. In addition, no Change in Control shall be deemed to have occurred upon the acquisition of additional control of the Company by any one person or more than one person acting as a group that is considered to effectively control the Company.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

"Committee" means the Compensation Committee of the Board, any successor committee thereto or any other committee of the Board appointed by the Board with the powers of the Committee under the Plan, or any subcommittee appointed by such Committee.

"Company" means MSCI and all of its Subsidiaries.

"Date of the Award" means November [ ], 2007.

"Disability" means any condition that would qualify for a benefit under any group long-term disability plan maintained by the Company and applicable to you.

"Employed" and **"Employment"** refer to Employment with the Company and/or Related Employment.

"Exercise Price" means [ ][1] per share.

"Expiration Date" means November [ ], 2017.[2]

"First Scheduled Vesting Date" means November [ ], 2009. [3]

"Good Reason" means:

(a) As determined by the Compensation Committee or any of its designees, a materially adverse alteration in the employee's position or in the nature or status of the employee's responsibilities from those in effect immediately prior to the Change in Control; or

1 The IPO offering price.
2 This date will be 10 years after the Date of the Award.
3 This date will be 2 years after the Date of the Award.

(b) the Company's requiring the employee's principal place of employment to be located more than 75 miles from the location where the employee is principally employed at the time of the Change in Control (except for required travel on the Company's business to an extent substantially consistent with the employee's business travel obligations in the ordinary course of business prior to the Change in Control).

"Governmental Employer" means a governmental department or agency, self-regulatory agency or other public service employer.

"Governmental Service Termination" means the termination of your Employment as a result of accepting employment at a Governmental Employer and you provide the Company with satisfactory evidence demonstrating that as a result of such new employment, the divestiture of your continued interest in MSCI equity awards or continued ownership in MSCI class A common stock is reasonably necessary to avoid the violation of U.S. federal, state or local or foreign ethics law or conflicts of interest law applicable to you at such Governmental Employer.

"Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance thereunder.

"Legal Requirement" means any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement.

"MSCI" means MSCI Inc., a Delaware corporation, which is registered to do business in New York as NY MSCI Inc.

"Option Shares" means the number of shares of MSCI class A common stock underlying the portion of your stock options being exercised less the aggregate number of shares of common stock, if any, tendered, withheld or disposed of (including any shares disposed of in a cashless or net-share settlement exercise) to pay the exercise price and tax or other withholding obligation arising upon such exercise.

"Plan" means the 2007 MSCI Equity Incentive Compensation Plan.

A **"Qualifying Termination"** means the termination of your Employment within 18 months following a Change in Control (a) if the Company terminates your Employment under circumstances not involving Cause or (b) you resign from Employment for Good Reason.

"Related Employment" means your employment with Morgan Stanley or any other employer other than the Company (such employer, herein referred to as a **"Related Employer"),** *provided* that such employment is recognized by the Company in its discretion as Related Employment; and, *provided further* that the Company may (1) determine at any time in its sole discretion that employment

that was recognized by the Company as Related Employment no longer qualifies as Related Employment, and (2) condition the designation and benefits of Related Employment on such terms and conditions as the Company may determine in its sole discretion. The designation of employment as Related Employment does not give rise to an employment relationship between you and the Company, or otherwise modify your and the Company's respective rights and obligations. Notwithstanding the foregoing, so long as Morgan Stanley has any equity ownership in the Company, any employment with Morgan Stanley shall constitute Related Employment.

"Scheduled Vesting Date" means the First Scheduled Vesting Date, the Second Scheduled Vesting Date and the Third Scheduled Vesting Date as the context requires.

"Second Scheduled Vesting Date" means November [ ], 2010.[4]

"Spin-off" means a tax-free distribution of the shares of MSCI common stock held by Morgan Stanley to its shareholders (including a distribution in exchange for Morgan Stanley shares or securities) or another similar transaction intended to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code or any corresponding provision of any successor statute.

"Subsidiary" means (i) a corporation or other entity with respect to which MSCI, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's board of directors or analogous governing body, or (ii) any other corporation or other entity in which MSCI, directly or indirectly, has an equity or similar interest and which the Committee designates as a Subsidiary for purposes of the Plan.

"Third Scheduled Vesting Date" means November [ ], 2011. [5]

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4 This date will be 3 years after the Date of the Award.
5 This date will be 4 years after the Date of the Award.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Certificate as of the Date of the Award.

MSCI

[ ]
[ ]

APPENDIX A

Designation of Beneficiary(ies) Under

MSCI 2007 Equity Incentive Compensation Plan

This Designation of Beneficiary shall remain in effect with respect to all awards issued to me under any MSCI equity compensation plan, including any awards that may be issued to me after the date hereof, unless and until I modify or revoke it by submitting a later dated beneficiary designation. This Designation of Beneficiary supersedes all my prior beneficiary designations with respect to all my equity awards.

I hereby designate the following beneficiary(ies) to receive any survivor benefits with respect to all my equity awards:

Beneficiary(ies) Name(s)	Relationship	Percentage
(1)		
(2)		
(3)		
(4)		

Address(es) of Beneficiary(ies):

(1)

(2)

(3)

(4)

Contingent Beneficiary

Please also indicate any contingent beneficiary and to which beneficiary above such interest relates.

Beneficiary(ies) Name(s)	Relationship	Nature of Contingency

Address(es) of Contingent Beneficiary(ies):

Name: (please print) Date:

Signature

Please sign and return this form to MSCI’s Human Resources Department.

MSCI

INDEPENDENT DIRECTORS'

EQUITY COMPENSATION PLAN

2007 AWARD CERTIFICATE FOR

STOCK UNITS

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MSCI 2007 AWARD CERTIFICATE

FOR STOCK UNITS

MSCI has awarded you stock units as an incentive for you to continue provide services as a Director of the Company from the Date of the Award through the Scheduled Vesting Date, as provided in this Award Certificate. This Award Certificate sets forth the general terms and conditions of your 2007 stock unit award.

The number of stock units in your award has been communicated to you separately in a term sheet or other writing delivered to you.

Your stock unit award is made pursuant to the Plan. References to "stock units" in this Award Certificate mean only those stock units included in your 2007 stock unit award, and the terms and conditions herein apply only to such award. If you receive any other award under the Plan or another equity compensation plan, it will be governed by the terms and conditions of the applicable award documentation, which may be different from those herein.

The purpose of the stock unit award is, among other things, to align your interests with the interests of the Company and to reward you for your continued service as a Director of the Company in the future. In view of these purposes, you will earn your 2007 stock unit award only if you remain in continuous service as a Director of the Company through the Scheduled Vesting Date.

Section 409A of the Internal Revenue Code imposes rules relating to the taxation of deferred compensation, including your 2007 stock unit award. The Company reserves the right to modify the terms of your 2007 stock unit award, including, without limitation, the payment provisions applicable to your stock units, to the extent necessary or advisable to comply with Section 409A of the Internal Revenue Code.

Capitalized terms used in this Award Certificate that are not defined in the text have the meanings set forth in Section 17 below. Capitalized terms used in this Award Certificate that are not defined in the text or in Section 17 below have the meanings set forth in the MSCI Independent Directors' Equity Compensation Plan (the **"Plan"**).

SECTION 1. *Stock Units Generally.*

Each of your stock units corresponds to one share of MSCI class A common stock. A stock unit constitutes an unsecured promise by MSCI to pay you one share of MSCI class A common stock on the conversion date for the

stock unit. As the holder of stock units, you have only the rights of a general unsecured creditor of MSCI. You will not be a stockholder with respect to the shares of MSCI class A common stock underlying your stock units unless and until your stock units convert to shares.

SECTION 2. *Vesting Schedule and Conversion.*

(a) *Vesting Schedule.* Your stock units will vest according to the following schedule: 100% of your stock units will vest on the Scheduled Vesting Date. Except as otherwise provided in this Award Certificate, each portion of your stock units will vest only if you continue to provide future services to the Company by remaining in continuous service as a Director of the Company through the Scheduled Vesting Date. The special vesting terms set forth in Sections 4 and 5 of this Award Certificate apply (i) if your service as a Director of the Company terminates by reason of your death or Disability or (ii) upon a Change in Control.

(b) *Conversion.*

(i) Except as otherwise provided in this Award Certificate, each of your vested stock units will convert to one share of MSCI class A common stock on the Scheduled Vesting Date.

(ii) Shares to which you are entitled upon conversion of stock units under any provision of this Award Certificate shall not be subject to any transfer restrictions, other than those that may arise under the securities laws or the Company's policies.

SECTION 3. *Dividend Equivalent Payments.*

Until your stock units convert to shares, if MSCI pays a regular or ordinary cash dividend on its class A common stock, you will be paid a dividend equivalent in the same amount as the dividend you would have received if you held shares for your stock units. No dividend equivalents will be paid to you with respect to any canceled stock units.

MSCI will decide on the form of payment and may pay dividend equivalents in shares of MSCI class A common stock, in cash or in a combination thereof. MSCI will pay the dividend equivalent when it pays the corresponding dividend on its class A common stock.

SECTION 4. *Death and Disability.*

The following special vesting and payment terms apply to your stock units:

(a) *Death.* If your service as a Director of the Company terminates due to death, all of your unvested stock units will immediately vest. Your stock units will convert to shares of MSCI class A common stock upon your death; *provided* that MSCI has knowledge of your death within 75 days. Such shares will be delivered to the beneficiary you have designated pursuant to Section 8 or the legal representative of your estate, as applicable.

(b) *Disability.* If your service as a Director of the Company terminates due to Disability, all of your unvested stock units will immediately vest. All of your stock units will convert to shares of MSCI class A common stock on the date your service as a Director of the Company terminates.

SECTION 5. *Change in Control.*

If there is a Change in Control, all of your stock units will immediately vest. Your stock units will convert to shares of MSCI class A common stock on the day they vest.

SECTION 6. *Termination of Service and Cancellation of Awards.*

(a) *Cancellation of Unvested Awards.* Your unvested stock units will be canceled and forfeited in full if your service as a Director of the Company terminates for any reason other than under the circumstances set forth in this Award Certificate for death or Disability.

(b) *General Treatment of Vested Awards.* Except as otherwise provided in this Award Certificate, your vested stock units will convert to shares of MSCI class A common stock on the Scheduled Vesting Date.

SECTION 7. *Nontransferability.*

You may not sell, pledge, hypothecate, assign or otherwise transfer your stock units, other than as provided in Section 9 (which allows you to designate a beneficiary or beneficiaries in the event of your death) or by will or the laws of descent and distribution or otherwise as provided for by the Board. This prohibition includes any assignment or other transfer that purports to occur by operation of law or otherwise. During your lifetime, payments relating to the stock units will be made only to you.

Your personal representatives, heirs, legatees, beneficiaries, successors and assigns, and those of MSCI, shall all be bound by, and shall benefit from, the terms and conditions of your award.

SECTION 8. *Designation of a Beneficiary.*

You may make a written designation of beneficiary or beneficiaries to receive all or part of the shares to be paid under this Award Certificate in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix A with the Company's Human Resources Department. Any shares that become payable upon your death, and as to which a designation of beneficiary is not in effect, will be distributed to your estate.

You may replace or revoke your beneficiary designation at any time. If there is any question as to the legal right of any beneficiary to receive shares under this award, MSCI may determine in its sole discretion to deliver the shares in question to your estate. MSCI's determination shall be binding and conclusive on all persons and it will have no further liability to anyone with respect to such shares.

SECTION 9. *Ownership and Possession.*

(a) *Generally.* Generally, you will not have any rights as a stockholder in the shares of MSCI class A common stock corresponding to your stock units prior to conversion of your stock units.

Prior to conversion of your stock units, however, you will receive dividend equivalent payments, as set forth in Section 3 of this Award Certificate.

(b) *Following Conversion.* Following conversion of your stock units you will be the beneficial owner of the net shares issued to you, and you will be entitled to all rights of ownership, including voting rights and the right to receive cash or stock dividends or other distributions paid on the shares.

SECTION 10. *Securities Law Compliance Matters.*

The Administrator may, if it determines it is appropriate, affix any legend to the stock certificates representing shares of MSCI class A common stock issued upon conversion of your stock units (and any stock certificates that may subsequently be issued in substitution for the original certificates). MSCI may advise the transfer agent to place a stop order against such shares if it determines that such an order is necessary or advisable.

SECTION 11. *Compliance with Laws and Regulation.*

Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of shares issued upon conversion of your stock units (whether directly or indirectly, whether or not for value, and whether or not voluntary) must be made in compliance with any applicable constitution, rule, regulation, or policy of any of the exchanges or associations or other institutions with which the Company

has membership or other privileges, and any applicable law, or applicable rule or regulation of any governmental agency, self-regulatory organization or state or federal regulatory body.

SECTION 12. *Consents under Local Law.*

Your award is conditioned upon the making of all filings and the receipt of all consents or authorizations required to comply with, or required to be obtained under, applicable local law.

SECTION 13. *Award Modification.*

MSCI reserves the right to modify or amend unilaterally the terms and conditions of your stock units, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. These amendments may include (but are not limited to) changes that MSCI considers necessary or advisable as a result of changes in any, or the adoption of any new, Legal Requirement. MSCI may not modify your stock units in a manner that would materially impair your rights in your stock units without your consent; provided. however, that MSCI may, without your consent, amend or modify your stock units in any manner that MSCI considers necessary or advisable to comply with any Legal Requirement or to ensure that your stock units are not subject to United States federal, state or local income tax or any equivalent taxes in territories outside the United States prior to payment. MSCI will notify you of any amendment of your stock units that affects your rights. Any amendment or waiver of a provision of this Award Certificate (other than any amendment or waiver applicable to all recipients generally), which amendment or waiver operates in your favor or confers a benefit on you, must be in writing and signed by the Global Head of Human Resources, the Chief Administrative Officer, the Chief Financial Officer or the General Counsel (or if such positions no longer exist, by the holders of equivalent positions) to be effective.

SECTION 14. *Severability.*

In the event MSCI determines that any provision of this Award Certificate would cause you to be in constructive receipt for United States federal or state income tax purposes of any portion of your award, then such provision will be considered null and void and this Award Certificate will be construed and enforced as if the provision had not been included in this Award Certificate as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

SECTION 15. *Governing Law.*

This Award Certificate and the related legal relations between you and MSCI will be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the award to the substantive law of another jurisdiction.

SECTION 16. *Rule of Construction for Timing of Conversion.*

With respect to each provision of this Award Certificate that provides for your stock units to convert to shares on the Scheduled Vesting Date or upon a different specified event or date, such conversion will be considered to have been timely made, and neither you nor any of your beneficiaries or your estate shall have any claim against the Company for damages based on a delay in payment, and the Company shall have no liability to you (or to any of your beneficiaries or your estate) in respect of any such delay, as long as payment is made by December 31 of the year in which occurs the Scheduled Vesting Date or such other specified event or date or if, later, by the 15th day of the third calendar month following such specified event or date.

SECTION 17. *Defined Terms.*

For purposes of this Award Certificate, the following terms shall have the meanings set forth below:

(a) **"Board"** means the Board of Directors of MSCI.

(b) A **"Change in Control"** shall be deemed to have occurred if any of the following conditions shall have been satisfied:

(a) any one person or more than one person acting as a group (as determined under Section 409A), other than (A) any employee plan established by the Company or any of its Subsidiaries, (B) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person(s) any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the total voting power of the stock of the Company; *provided*, however, that the provisions of this subsection (a) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (c) below;

(b) a change in the composition of the Board such that, during any 12-month period, the individuals who, as of the beginning of such period, constitute the Board (the **"Existing Board"**) cease for any reason to constitute at least 50% of the Board; *provided. however*, that any Spin-off of the Company will not trigger a Change in Control pursuant to this subsection (b); *provided, further*, that any individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors immediately prior to the date of such appointment or election shall be considered as though such individual were a member of the Existing Board; and *provided, further, however*, that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-ll or Regulation 14A promulgated under the Exchange Act or successor statutes or rules containing analogous concepts) or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or "person" other than the Board, shall in any event be considered to be a member of the Existing Board;

(c) the consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) 50% or more of the total voting power of the Company stock (or if the Company is not the surviving entity of such merger or consolidation, 50% or more of the total voting power of the stock of such surviving entity or parent entity thereof); and *provided, further,* that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (as determined under Section 409A) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then outstanding

shares of the Company common stock or the combined voting power of the Company's then outstanding voting securities shall not be considered a Change in Control; or

(d) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets in which any one person or more than one person acting as a group (as determined under Section 409A) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, (1) no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Company common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (2) no event or circumstances described in any of clauses (a) through (d) above shall constitute a Change in Control unless such event or circumstances also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as defined in Section 409A and the regulations and guidance thereunder. In addition, no Change in Control shall be deemed to have occurred upon the acquisition of additional control of the Company by any one person or more than one person acting as a group that is considered to effectively control the Company.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

(c) The **"Company"** means MSCI Inc., a Delaware corporation.

(d) **"Date of the Award"** means [ ].

(e) **"Disability"** means a "permanent and total disability," as defined in Section 22(e)(3) of the Internal Revenue Code.

(f) **"Internal Revenue Code"** means the United States Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance thereunder.

(g) **"Legal Requirement"** means any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement.

(h) **"MSCI"** means MSCI Inc., a Delaware corporation, which is registered to do business in New York as NY MSCI Inc.

(i) **"Plan"** means the MSCI Independent Directors' Equity Compensation Plan.

(j) **"Scheduled Vesting Date"** means [ ].[1]

(k) **"Spin-off"** means a tax-free distribution of the shares of MSCI common stock held by Morgan Stanley to its shareholders (including a distribution in exchange for Morgan Stanley shares or securities) or another similar transaction intended to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code or any corresponding provision of any successor statute.

[1] For all awards granted to eligible directors who are elected or appointed on or prior to the effective date of the IPO, this date will be May 1, 2008. For all other awards, this date will be 1 year after the Date of the Award.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Certificate as of the Date of the Award.

MSCI

[ ]

[ ]

APPENDIX A

Designation of Beneficiary(ies) Under

MSCI Independent Directors' Equity Compensation Plan

This Designation of Beneficiary shall remain in effect with respect to all awards issued to me under any MSCI equity compensation plan, including any awards that may be issued to me after the date hereof, unless and until I modify or revoke it by submitting a later dated beneficiary designation. This Designation of Beneficiary supersedes all my prior beneficiary designations with respect to all my equity awards.

I hereby designate the following beneficiary(ies) to receive any survivor benefits with respect to all my equity awards:

Beneficiary(ies) Name(s)	Relationship	Percentage
(1)		
(2)		
(3)		
(4)		

Address(es) of Beneficiary(ies):

(1)

(2)

(3)

(4)

Contingent Beneficiary

Please also indicate any contingent beneficiary and to which beneficiary above such interest relates.

Beneficiary(ies) Name(s)	Relationship	Nature of Contingency

Address(es) of Contingent Beneficiary(ies):

Name: (please print) Date:

Signature

Please sign and return this form to MSCI’s Human Resources Department.

EXHIBIT 21.1

Subsidiaries of MSCI Inc.

NAME	Jurisdiction of Incorporation/Organization
Barra, Inc.	Delaware
MSCI Limited	United Kingdom
MSCI Australia Pty Limited	Australia
Morgan Stanley Capital International Singapore Pte. Ltd.	Singapore
MSCI Barra Financial Information Consultancy (Shanghai) Limited	Shanghai
MSCI Barra SA	Switzerland
MSCI Services Private Limited	India
MSCI KFT	Hungary

Subsidiaries of Barra, Inc.

NAME	Jurisdiction of Incorporation/Organization
Barra International, Ltd.	Delaware
Barra Japan Co., Ltd.	Japan
Financial Engineering Associates, Inc.	California

Subsidiaries of Barra International, Ltd.

NAME	Jurisdiction of Incorporation/Organization
Investment Performance Objects Pty Limited	Australia
Barra International, (Australia) Pty Limited	Australia
BarraConsult, Ltda.	Brazil

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (No. 333-147540) on Form S-8 of our report dated February 27, 2008, relating to the consolidated financial statements of MSCI Inc. (which report on the consolidated financial statements expresses an unqualified opinion and includes an explanatory paragraph, in fiscal 2007, concerning the adoption of Statement of Financial Accounting Standards, No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)," appearing in this Annual Report on Form 10-K of MSCI Inc. for the fiscal year ended November 30, 2007.

New York, New York
February 27, 2008

EXHIBIT 31.1

SECTION 302 CERTIFICATION

I, Henry A. Fernandez, certify that:

1. I have reviewed this Annual Report on Form 10-K of MSCI 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 officers 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)) 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) 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

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter 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 officers 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 (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: February 28, 2008

/s/ Henry A. Fernandez
Henry A. Fernandez
Chairman, CEO and President
(Principal Executive Officer)

EXHIBIT 31.2

SECTION 302 CERTIFICATION

I, Michael K. Neborak, certify that:

1. I have reviewed this Annual Report on Form 10-K of MSCI 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 officers 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)) 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) 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

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter 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 officers 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 (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: February 28, 2008

/s/ Michael K. Neborak
Michael K. Neborak
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Henry A. Fernandez, Chairman, CEO and President of MSCI Inc. (the "Registrant") and Michael K. Neborak, the Chief Financial Officer of the Registrant, each hereby certifies that, to the best of his knowledge:

1. The Registrant's Annual Report on Form 10-K for the period ended November 30, 2007, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition of the Registrant at the end of the period covered by the Periodic Report and results of operations of the Registrant for the periods covered by the Periodic Report.

Date: February 28, 2008

/s/ Henry A. Fernandez
Henry A. Fernandez
Chairman, CEO and President
(Principal Executive Officer)

/s/ Michael K. Neborak
Michael K. Neborak
Chief Financial Officer
(Principal Financial Officer)