

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

**FORM 10-Q**

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

For the quarterly period ended March 31, 2016

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-33812

**MSCI INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State of Incorporation)

13-4038723  
(I.R.S. Employer  
Identification Number)

7 World Trade Center  
250 Greenwich Street, 49<sup>th</sup> Floor  
New York, New York  
(Address of Principal Executive Offices)

10007  
(Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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

As of April 22, 2016, there were 96,501,685 shares of the registrant's common stock, par value \$0.01, outstanding.

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MSCI INC.  
FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2016

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## AVAILABLE INFORMATION

MSCI Inc. files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). You may read and copy any document MSCI Inc. files with the SEC at the SEC’s public reference room at 100 F Street, NE, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for information on the public reference room. The SEC maintains a website that contains annual, quarterly and current reports, proxy and information statements and other information that issuers (including MSCI Inc.) file electronically with the SEC. MSCI Inc.’s electronic SEC filings are available to the public at the SEC’s website, [www.sec.gov](http://www.sec.gov).

MSCI Inc.’s website is [www.msci.com](http://www.msci.com). You can access MSCI Inc.’s Investor Relations homepage at <http://ir.msci.com>. MSCI Inc. makes available free of charge, on or through its Investor Relations homepage, its proxy statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. MSCI Inc. also makes available, through its Investor Relations homepage, via a link to the SEC’s website, statements of beneficial ownership of MSCI Inc.’s equity securities filed by its directors, officers, 5% or greater shareholders and others under Section 16 of the Exchange Act.

You can access information about MSCI Inc.’s corporate governance at <http://ir.msci.com/corporate-governance.cfm>, including copies of the following:

- Charters for MSCI Inc.’s Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee;
- Corporate Governance Policies;
- Procedures for Submission of Ethical Accounting Related Complaints; and
- Code of Ethics and Business Conduct.

MSCI Inc.’s Code of Ethics and Business Conduct applies to all directors, officers and employees, including its Chief Executive Officer (the “CEO”) and its Chief Financial Officer. MSCI Inc. will post any amendments to the Code of Ethics and Business Conduct and any waivers that are required to be disclosed by the rules of either the SEC or the New York Stock Exchange LLC on its website. You can request a copy of these documents, excluding exhibits, at no cost, by contacting Investor Relations, MSCI Inc., 7 World Trade Center, 250 Greenwich Street, 49th Floor, New York, NY 10007; (212) 804-1583. The information on MSCI Inc.’s website is not incorporated by reference into this report or any other report filed or furnished by us with the SEC.

## FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause MSCI Inc.’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond MSCI Inc.’s control and that could materially affect actual results, levels of activity, performance or achievements.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in MSCI Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and in quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished with the SEC. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what MSCI Inc. projected. Any forward-looking statement in this report reflects MSCI Inc.’s current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI Inc.’s operations, results of operations, growth strategy and liquidity. MSCI Inc. assumes no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law.

WEBSITE AND SOCIAL MEDIA DISCLOSURE

MSCI Inc. uses its website and corporate Twitter account (@MSCI\_Inc) as channels of distribution of company information. The information MSCI Inc. posts through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following MSCI Inc.'s press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about MSCI Inc. when you enroll your email address by visiting the "Email Alert Subscription" section of our Investor Relations homepage at <http://ir.msci.com/alerts.cfm?>. The contents of MSCI Inc.'s website and social media channels are not, however, incorporated by reference into this report or any other report filed or furnished by us with the SEC.

## PART I

## Item 1. Financial Statements

**MSCI INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(in thousands, except per share and share data)

	As of	
	March 31, 2016	December 31, 2015
	(unaudited)	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 445,014	\$ 777,706
Accounts receivable (net of allowances of \$1,247 and \$1,117 at March 31, 2016 and December 31, 2015, respectively)	260,168	208,239
Prepaid income taxes	27,648	46,115
Prepaid and other assets	30,981	31,211
<b>Total current assets</b>	<b>763,811</b>	<b>1,063,271</b>
Property, equipment and leasehold improvements (net of accumulated depreciation and amortization of \$118,753 and \$114,680 at March 31, 2016 and December 31, 2015, respectively)	96,007	98,926
Goodwill	1,564,186	1,565,621
Intangible assets (net of accumulated amortization of \$430,060 and \$418,512 at March 31, 2016 and December 31, 2015, respectively)	380,860	391,490
Non-current deferred tax assets	8,507	9,180
Other non-current assets	18,263	18,499
<b>Total assets</b>	<b>\$ 2,831,634</b>	<b>\$ 3,146,987</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,514	\$ 2,512
Accrued compensation and related benefits	45,198	116,619
Other accrued liabilities	61,886	61,433
Deferred revenue	359,870	317,552
<b>Total current liabilities</b>	<b>468,468</b>	<b>498,116</b>
Long-term debt	1,579,960	1,579,404
Deferred taxes	106,000	110,937
Other non-current liabilities	61,550	57,043
<b>Total liabilities</b>	<b>2,215,978</b>	<b>2,245,500</b>
<b>Commitments and Contingencies (see Note 6 and Note 7)</b>		
<b>Shareholders' equity:</b>		
Preferred stock (par value \$0.01; 100,000,000 shares authorized; no shares issued)	—	—
Common stock (par value \$0.01; 750,000,000 common shares authorized; 128,789,695 and 128,200,189 common shares issued and 96,535,358 and 101,013,148 common shares outstanding at March 31, 2016 and December 31, 2015, respectively)	1,288	1,282
Treasury shares, at cost (32,254,337 and 27,187,041 common shares held at March 31, 2016 and December 31, 2015, respectively)	(1,742,417)	(1,395,695)
Additional paid in capital	1,195,740	1,173,183
Retained earnings	1,196,783	1,158,462
Accumulated other comprehensive loss	(35,738)	(35,745)
<b>Total shareholders' equity</b>	<b>615,656</b>	<b>901,487</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,831,634</b>	<b>\$ 3,146,987</b>

See Notes to Unaudited Condensed Consolidated Financial Statements

**MSCI INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share data)

	Three Months Ended March 31,	
	2016	2015
	(unaudited)	
<b>Operating revenues</b>	\$ 278,828	\$ 262,769
<b>Operating expenses:</b>		
Cost of revenues	63,172	69,904
Selling and marketing	41,689	41,648
Research and development	18,928	23,189
General and administrative	21,890	20,377
Amortization of intangible assets	11,840	11,702
Depreciation and amortization of property, equipment and leasehold improvements	8,168	7,207
<b>Total operating expenses</b>	<b>165,687</b>	<b>174,027</b>
<b>Operating income</b>	<b>113,141</b>	<b>88,742</b>
Interest income	(621)	(204)
Interest expense	22,904	11,108
Other expense (income)	81	178
<b>Other expense (income), net</b>	<b>22,364</b>	<b>11,082</b>
<b>Income from continuing operations before provision for income taxes</b>	<b>90,777</b>	<b>77,660</b>
Provision for income taxes	30,410	28,036
<b>Income from continuing operations</b>	<b>60,367</b>	<b>49,624</b>
<b>Income (loss) from discontinued operations, net of income taxes</b>	<b>—</b>	<b>(5,797)</b>
<b>Net income</b>	<b>\$ 60,367</b>	<b>\$ 43,827</b>
<b>Earnings per basic common share:</b>		
Earnings per basic common share from continuing operations	\$ 0.61	\$ 0.44
Earnings per basic common share from discontinued operations	—	(0.05)
<b>Earnings per basic common share</b>	<b>\$ 0.61</b>	<b>\$ 0.39</b>
<b>Earnings per diluted common share:</b>		
Earnings per diluted common share from continuing operations	\$ 0.60	\$ 0.44
Earnings per diluted common share from discontinued operations	—	(0.05)
<b>Earnings per diluted common share</b>	<b>\$ 0.60</b>	<b>\$ 0.39</b>
<b>Weighted average shares outstanding used in computing earnings per share:</b>		
<b>Basic</b>	<b>99,425</b>	<b>112,520</b>
<b>Diluted</b>	<b>99,998</b>	<b>113,522</b>
<b>Dividend declared per common share</b>	<b>\$ 0.22</b>	<b>\$ 0.18</b>

See Notes to Unaudited Condensed Consolidated Financial Statements

**MSCI INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(in thousands)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(unaudited)</b>	
Net income	\$ 60,367	\$ 43,827
Other comprehensive (loss) income:		
Foreign currency translation adjustments	304	(6,590)
Income tax effect	(67)	(132)
Foreign currency translation adjustments, net	237	(6,722)
Pension and other post-retirement adjustments	(313)	174
Income tax effect	82	(51)
Pension and other post-retirement adjustments, net	(231)	123
Other comprehensive (loss) income, net of tax	6	(6,599)
Comprehensive income	\$ 60,373	\$ 37,228

See Notes to Unaudited Condensed Consolidated Financial Statements

**MSCI INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Three Months Ended	
	March 31,	
	2016	2015
	(unaudited)	
<b>Cash flows from operating activities</b>		
Net income	\$ 60,367	\$ 43,827
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets	11,840	11,702
Stock-based compensation expense	7,080	7,350
Depreciation and amortization of property, equipment and leasehold improvements	8,168	7,207
Amortization of debt origination fees	709	446
Deferred taxes	(3,769)	3,433
Excess tax benefits from share-based compensation	(3,857)	(2,990)
Other non-cash adjustments	359	3,700
Changes in assets and liabilities, net of assets acquired and liabilities assumed:		
Accounts receivable	(51,664)	(7,181)
Prepaid income taxes	22,246	15,533
Prepaid and other assets	270	(517)
Accounts payable	(1,006)	(1,681)
Accrued compensation and related benefits	(62,258)	(63,351)
Other accrued liabilities	(1,325)	11,331
Deferred revenue	42,039	34,717
Other	3,831	3,157
<b>Net cash provided by operating activities</b>	<b>33,030</b>	<b>66,683</b>
<b>Cash flows from investing activities</b>		
Capital expenditures	(3,135)	(4,934)
Capitalized software development costs	(2,325)	(1,386)
Acquisitions, net of cash acquired	(60)	—
<b>Net cash used in investing activities</b>	<b>(5,520)</b>	<b>(6,320)</b>
<b>Cash flows from financing activities</b>		
Repurchase of treasury shares	(346,715)	(10,352)
Proceeds from exercise of stock options	2,438	632
Excess tax benefits from stock-based compensation	3,857	2,990
Payment of dividends	(21,889)	(20,406)
<b>Net cash used in financing activities</b>	<b>(362,309)</b>	<b>(27,136)</b>
<b>Effect of exchange rate changes</b>	<b>2,107</b>	<b>(4,275)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(332,692)</b>	<b>28,952</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>777,706</b>	<b>508,799</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 445,014</b>	<b>\$ 537,751</b>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 23,451	\$ 161
Cash paid for income taxes	\$ 11,242	\$ 13,976
Supplemental disclosure of non-cash investing activities:		
Property, equipment and leasehold improvements in other accrued liabilities	\$ 5,077	\$ 12,970
Supplemental disclosure of non-cash financing activities:		
Cash dividends declared, but not yet paid	\$ 157	\$ 13

See Notes to Unaudited Condensed Consolidated Financial Statements



**MSCI INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**1. INTRODUCTION AND BASIS OF PRESENTATION**

MSCI Inc., together with its wholly-owned subsidiaries (the “Company” or “MSCI”), offers content, applications and services to support the needs of institutional investors throughout their investment processes. The Company’s flagship products are its global equity indexes, custom indexes, factor indexes and ESG indexes; its analytics products, including multi-factor models, pricing models, methodologies for performance attribution, models for statistical analysis, and tools for portfolio optimization, back testing and stress testing; its ESG research and ratings; and its real estate benchmarks, indexes, business intelligence and analytics.

Income (loss) from discontinued operations, net of income taxes in the Unaudited Condensed Consolidated Statement of Income for the three months ended March 31, 2015 represents the impact of an out-of-period income tax charge associated with tax obligations triggered upon the sale of Institutional Shareholder Services Inc. (“ISS”), which was completed on April 30, 2014.

**Basis of Presentation and Use of Estimates**

These unaudited condensed consolidated financial statements include the accounts of MSCI Inc. and its subsidiaries and include all adjustments of a normal, recurring nature necessary to present fairly the financial condition as of March 31, 2016 and December 31, 2015, the results of operations and comprehensive income for the three months ended March 31, 2016 and 2015 and cash flows for the three months ended March 31, 2016 and 2015. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in MSCI’s Annual Report on Form 10-K for the year ended December 31, 2015. The unaudited condensed consolidated financial statement information as of December 31, 2015 has been derived from the 2015 audited consolidated financial statements. The results of operations for interim periods are not necessarily indicative of results for the entire year.

The Company’s unaudited condensed 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 unaudited condensed 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 revenue, research and development and software capitalization, the allowance for doubtful accounts, impairment of long-lived assets, accrued compensation, income taxes and other matters that affect the unaudited condensed consolidated financial statements and related disclosures. The Company believes that estimates used in the preparation of these unaudited condensed consolidated financial statements are reasonable; however, actual results could differ materially from these estimates. Intercompany balances and transactions are eliminated in consolidation.

**Concentrations**

No single customer represented 10.0% or more of the Company’s consolidated operating revenues for the three months ended March 31, 2016, while BlackRock, Inc. accounted for 10.1% of the Company’s consolidated operating revenues for the three months ended March 31, 2015. For the three months ended March 31, 2016 and 2015, BlackRock, Inc. accounted for 17.0% and 19.2% of the Index segment operating revenues, respectively. No single customer represented 10.0% or more of revenues within the Analytics and All Other segments for the three months ended March 31, 2016 and 2015.

**2. RECENT ACCOUNTING STANDARDS UPDATES**

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, “*Revenue from Contracts with Customers (Topic 606)*,” or ASU 2014-09. The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying the new guidance, an entity will (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the contract’s performance obligations; and (5) recognize revenue when, or as, the entity satisfies a performance obligation. Companies have the option of using either a full retrospective or modified approach to adopt ASU 2014-09. In August 2015, the FASB issued Accounting Standards Update No. 2015-14, “*Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*,” or ASU 2015-14. The amendments in ASU 2015-14 defer the effective date of the new revenue standard by one year by changing the effective date to be for annual reporting periods, including interim periods within those periods, beginning after December 15, 2017 from December 15, 2016, with early adoption at the prior date permitted. The Company is continuing to evaluate the potential impact that the update will have on its condensed consolidated financial statements.

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In February 2016, the FASB issued Accounting Standards Update No. 2016-02, “Leases (Topic 842),” or ASU 2016-02. The FASB issued ASU 2016-02 in order to increase the transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. To meet that objective, the FASB amended the FASB Accounting Standards Codification and created Topic 842, Leases. ASU 2016-02 is effective for annual reporting periods, including interim periods within those periods, beginning after December 15, 2018, with early adoption permitted. ASU 2016-02 requires reporting organizations to take a modified retrospective transition approach (as opposed to a full retrospective transition approach). The Company is evaluating the potential impact that ASU 2016-02 will have on its condensed consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-08, “Revenue from Contracts with Customers (Topic 606): Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net),” or ASU 2016-08. ASU 2016-08 does not change the core principle of current accounting guidance related to principle versus agent considerations, but rather intended to add clarification to the implementation guidance. ASU 2016-08 affects the guidance in Accounting Standards Update No. 2014-09, “Revenue from Contracts with Customers (Topic 606),” which is not yet effective. The effective date and transition requirements for ASU 2016-08 are the same as the effective date and transition requirements of ASU 2014-09. The Company is evaluating the potential impact that the adoption of ASU 2016-08 will have on its condensed consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, “Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting,” or ASU 2016-09. The FASB issued ASU 2016-09 as part of its Simplification Initiative. The areas for simplification in ASU 2016-09 involve several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for annual reporting periods, including interim periods within those periods, beginning after December 15, 2017, with early adoption permitted. The Company is evaluating the potential impact that ASU 2016-09 will have on its condensed consolidated financial statements.

In April 2016, the FASB issued Accounting Standards Update No. 2016-10, “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing,” or ASU 2016-10. The amendments in ASU 2016-10 clarify both the process for identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas included in Topic 606, which is not yet effective. The effective date and transition requirements for ASU 2016-10 are the same as the effective date and transition requirements of ASU 2014-09, which is not yet effective. The Company is evaluating the potential impact that ASU 2016-10 will have on its condensed consolidated financial statements.

### 3. EARNINGS PER COMMON SHARE

Basic earnings per share (“EPS”) is computed by dividing income available to MSCI common shareholders by the weighted average number of common shares outstanding during the period. Common shares outstanding include common stock and vested restricted stock unit awards where recipients have satisfied either the explicit vesting terms or retirement-eligible requirements. Diluted EPS reflects the assumed conversion of all dilutive securities. There were no stock options or restricted stock units excluded from the calculation of diluted EPS for both the three months ended March 31, 2016 and 2015 because of their anti-dilutive effect.

The Company computes EPS using the two-class method and determines whether instruments granted in share-based payment transactions are participating securities. The following table presents the computation of basic and diluted EPS:

	Three Months Ended	
	March 31,	
	2016	2015
<b>(in thousands, except per share data)</b>		
Income from continuing operations, net of income taxes	\$ 60,367	\$ 49,624
Income (loss) from discontinued operations, net of income taxes	—	(5,797)
Net income	60,367	43,827
Less: Allocations of earnings to unvested restricted stock units <sup>(1)</sup>	—	(17)
Earnings available to MSCI common shareholders	\$ 60,367	\$ 43,810
Basic weighted average common shares outstanding	99,425	112,520

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Effect of dilutive securities:		
Stock options and restricted stock units	573	1,002
Diluted weighted average common shares outstanding	<u>99,998</u>	<u>113,522</u>
Earnings per basic common share from continuing operations	\$ 0.61	\$ 0.44
Earnings per basic common share from discontinued operations	—	(0.05)
<b>Earnings per basic common share</b>	<u>\$ 0.61</u>	<u>\$ 0.39</u>
Earnings per diluted common share from continuing operations	\$ 0.60	\$ 0.44
Earnings per diluted common share from discontinued operations	—	(0.05)
<b>Earnings per diluted common share</b>	<u>\$ 0.60</u>	<u>\$ 0.39</u>

- (1) Restricted stock units granted to employees prior to 2013 and restricted stock units granted to independent directors of the Company prior to April 30, 2015 had a right to participate in all of the earnings of the Company in the computation of basic EPS and, therefore, these restricted stock units were not included as incremental shares in the diluted EPS computation.

#### 4. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements at March 31, 2016 and December 31, 2015 consisted of the following:

Type	As of	
	March 31, 2016	December 31, 2015
	(in thousands)	
Computer & related equipment	\$ 149,716	\$ 143,499
Furniture & fixtures	10,304	9,870
Leasehold improvements	48,126	47,579
Work-in-process	<u>6,614</u>	<u>12,658</u>
Subtotal	214,760	213,606
Accumulated depreciation and amortization	<u>(118,753)</u>	<u>(114,680)</u>
Property, equipment and leasehold improvements, net	<u>\$ 96,007</u>	<u>\$ 98,926</u>

Depreciation and amortization expense of property, equipment and leasehold improvements was \$8.2 million and \$7.2 million for the three months ended March 31, 2016 and 2015, respectively.

#### 5. GOODWILL AND INTANGIBLE ASSETS

##### *Goodwill*

The following table presents goodwill by reportable segment:

(in thousands)	Index	Analytics	All Other	Total
Goodwill at December 31, 2015	\$ 1,210,366	\$ 302,551	\$ 52,704	\$ 1,565,621
Changes to goodwill <sup>(1)</sup>	—	60	—	60
Foreign exchange translation adjustment	<u>(923)</u>	<u>—</u>	<u>(572)</u>	<u>(1,495)</u>
Goodwill at March 31, 2016	<u>1,209,443</u>	<u>302,611</u>	<u>52,132</u>	<u>1,564,186</u>

- (1) Changes to goodwill reflect the final working capital adjustment payment made during the three months ended March 31, 2016 to complete the acquisition of Insignis, Inc.

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**Intangible Assets**

Amortization expense related to intangible assets for the three months ended March 31, 2016 and 2015 was \$11.8 million and \$11.7 million, respectively.

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

	As of	
	March 31, 2016	December 31, 2015
Gross intangible assets:	(in thousands)	
Customer relationships	\$ 361,746	\$ 361,746
Trademarks/trade names	223,382	223,382
Technology/software	202,203	199,889
Proprietary data	28,627	28,627
Covenant not to compete	1,225	1,225
Subtotal	817,183	814,869
Foreign exchange translation adjustment	(6,263)	(4,867)
Total gross intangible assets	<u>\$ 810,920</u>	<u>\$ 810,002</u>
Accumulated amortization:		
Customer relationships	\$ (149,386)	\$ (143,325)
Trademarks/trade names	(96,354)	(93,476)
Technology/software	(177,462)	(175,209)
Proprietary data	(7,193)	(6,698)
Covenant not to compete	(818)	(665)
Subtotal	(431,213)	(419,373)
Foreign exchange translation adjustment	1,153	861
Total accumulated amortization	<u>\$ (430,060)</u>	<u>\$ (418,512)</u>
Net intangible assets:		
Customer relationships	\$ 212,360	\$ 218,421
Trademarks/trade names	127,028	129,906
Technology/software	24,741	24,680
Proprietary data	21,434	21,929
Covenant not to compete	407	560
Subtotal	385,970	395,496
Foreign exchange translation adjustment	(5,110)	(4,006)
Total net intangible assets	<u>\$ 380,860</u>	<u>\$ 391,490</u>

The following table presents the estimated amortization expense for the remainder of 2016 and succeeding years:

<u>Years Ending December 31,</u>	<u>Amortization Expense</u> (in thousands)
Remainder 2016	\$ 36,107
2017	43,493
2018	40,269
2019	38,227
2020	36,422
Thereafter	186,342
Total	<u>\$ 380,860</u>

## 6. COMMITMENTS AND CONTINGENCIES

**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 effect on its business, operating results, financial condition or cash flows.

**Leases.** The Company leases facilities under non-cancelable operating lease agreements. 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 for the three months ended March 31, 2016 and 2015 was \$6.1 million and \$6.8 million, respectively.

**Long-term debt.** On November 20, 2014, the Company completed its first private offering of \$800.0 million aggregate principal amount of 5.25% senior unsecured notes due 2024 (the “2024 Senior Notes”) and also entered into a \$200.0 million senior unsecured revolving credit agreement (the “2014 Revolving Credit Agreement”) by and among the Company, as borrower, certain of its subsidiaries, as guarantors (the “subsidiary guarantors”), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. The Company used the net proceeds from the offering of the 2024 Senior Notes, together with cash on hand, to repay in full its then outstanding term loan indebtedness of \$794.8 million.

On August 13, 2015, the Company completed its second private offering of \$800.0 million aggregate principal amount of 5.75% senior unsecured notes due 2025 (the “2025 Senior Notes”). The \$789.5 million of net proceeds from the offering of the 2025 Senior Notes were allocated for general corporate purposes.

The 2024 Senior Notes are scheduled to mature and be paid in full on November 20, 2024. At any time prior to November 15, 2019, the Company may redeem all or part of the 2024 Senior Notes upon not less than 30 nor more than 60 days’ prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a make-whole premium as of the date of redemption, plus (iii) accrued and unpaid interest and additional interest, if any, thereon, to the date of redemption. In addition, the Company may redeem all or part of the 2024 Senior Notes, together with accrued and unpaid interest, on or after November 15, 2019, at redemption prices set forth in the indenture governing the 2024 Senior Notes. At any time prior to November 15, 2017, the Company may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2024 Senior Notes, including any permitted additional notes, at a redemption price equal to 105.25% of the principal amount.

The 2014 Revolving Credit Agreement has an initial term of five years that may be extended, at the Company’s request, for two additional one year terms.

The 2025 Senior Notes are scheduled to mature and be paid in full on August 15, 2025. At any time prior to August 15, 2020, the Company may redeem all or part of the 2025 Senior Notes upon not less than 30 nor more than 60 days’ prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a make-whole premium as of the date of redemption, plus (iii) accrued and unpaid interest and additional interest, if any, thereon, to the date of redemption. In addition, the Company may redeem all or part of the 2025 Senior Notes, together with accrued and unpaid interest, on or after August 15, 2020, at redemption prices set forth in the indenture governing the 2025 Senior Notes. At any time prior to August 15, 2018, the Company may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2025 Senior Notes, including any permitted additional notes, at a redemption price equal to 105.75% of the principal amount.

Interest payments attributable to the 2024 Senior Notes are due on May 15 and November 15 of each year. The first interest payment was made on May 15, 2015. Interest payments attributable to the 2025 Senior Notes are due on February 15 and August 15 of each year. The first interest payment was made on February 16, 2016.

Long-term debt at March 31, 2016 was \$1,580 million, net of \$20.0 million in deferred financing fees. Long-term debt at December 31, 2015 was \$1,579.4 million, net of \$20.6 million in deferred financing fees.

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In connection with the closing of the 2024 Senior Notes and 2025 Senior Notes offerings and entering into the 2014 Revolving Credit Agreement, the Company paid certain fees which, together with the existing fees related to prior credit facilities, are being amortized over the related lives. At March 31, 2016, \$22.2 million of the deferred financing fees remain unamortized, \$0.6 million of which are included in “Prepaid and other assets,” \$1.6 million of which are included in “Other non-current assets” and \$20.0 million of which are grouped and presented as part of “Long-term debt” on the Unaudited Condensed Consolidated Statement of Financial Condition.

The Company amortized \$0.7 million and \$0.4 million of deferred financing fees in interest expense during the three months ended March 31, 2016 and 2015, respectively.

At March 31, 2016 and December 31, 2015, the fair market value of the Company’s debt obligations was \$1,671.0 million and \$1,638.0 million, respectively. The fair market value is determined in accordance with accounting standards related to the determination of fair value and represents Level 2 valuations, which are based on one or more quoted prices in markets that are not considered to be active or for which all significant inputs are observable, either directly or indirectly. The Company utilizes the market approach and obtains security pricing from a vendor who uses broker quotes and third-party pricing services to determine fair values.

**Derivatives and Hedging Activities.** The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity and credit risk primarily by managing the amount, sources and duration of its debt funding and the use of derivative financial instruments.

Certain of the Company’s foreign operations expose the Company to fluctuations of foreign exchange rates. These fluctuations may impact the value of the Company’s cash receipts and payments in terms of the Company’s functional currency, the U.S. dollar. The Company enters into derivative financial instruments to protect the value or fix the amount of certain obligations in terms of its functional currency.

**Non-designated Hedges of Foreign Exchange Risk.** Derivatives not designated as hedges are not speculative and are used to manage the Company’s economic exposure to foreign exchange rate movements but do not meet the strict hedge accounting requirements. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings. As of March 31, 2016, the Company had outstanding foreign currency forwards with a notional amount of \$22.5 million that were not designated as hedges in qualifying hedging relationships.

The following table presents the fair values of the Company’s derivative instruments and the location in which they are presented on the Company’s Unaudited Condensed Consolidated Statements of Financial Condition:

(in thousands)	Unaudited Condensed Consolidated Statements of Financial Condition Location	As of	
		March 31, 2016	December 31, 2015
Non-designated hedging instruments:			
Asset derivatives:			
Foreign exchange contracts	Prepaid and other assets	\$ —	\$ 640
Liability derivatives:			
Foreign exchange contracts	Other accrued liabilities	\$ (138)	\$ (2)

The Company’s foreign exchange forward contracts represent Level 2 valuations, as they were valued using pricing models that took into account the contract terms as well as multiple observable inputs where applicable, such as prevailing spot rates and forward points.

The following table presents the effect of the Company’s financial derivatives and the location in which they are presented on the Company’s Unaudited Condensed Consolidated Statements of Financial Condition and Unaudited Condensed Consolidated Statements of Income:

(in thousands)	Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Gain or (Loss) Recognized in Income on Derivatives for the Three Months Ended March 31,	
			2016	2015
Foreign exchange contracts		Other expense (income)	\$ 214	\$ 1,412

## 7. SHAREHOLDERS' EQUITY

**Return of capital.** On February 4, 2014, the Board of Directors approved a stock repurchase program authorizing the purchase of up to \$300.0 million worth of shares of MSCI's common stock, which was increased to \$850.0 million on September 17, 2014 (the "2014 Repurchase Program"). On October 14, 2015, the Company exhausted the \$850.0 million share repurchase authorization under the 2014 Repurchase Program.

On October 28, 2015, the Board of Directors approved a new stock repurchase program authorizing the purchase of up to \$1.0 billion worth of shares of MSCI's common stock (the "2015 Repurchase Program"). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

On June 2, 2015, the Company began purchasing shares of its common stock on the open market in accordance with SEC Rule 10b5-1. Through December 31, 2015, the Company paid \$670.8 million to receive approximately 10.7 million shares pursuant to open market repurchases under the 2014 Repurchase Program and the 2015 Repurchase Program at an average purchase price of \$62.63 per share.

For the three months ended March 31, 2016, the Company paid \$333.3 million to receive approximately 4.9 million shares at an average purchase price of \$68.45 per share under the 2015 Repurchase Program.

Since 2012 and through March 31, 2016, approximately \$1.7 billion has been returned through share repurchases and payment of cash dividends.

The following table presents cash dividends declared, deferred and distributed per common share for the periods indicated:

(in thousands)	Dividends			
	Per Share	Declared	Distributed	Deferred
2016:				
Three months ended March 31,	\$ 0.22	\$ 22,046	\$ 21,889	\$ 157
2015:				
Three months ended March 31,	\$ 0.18	\$ 20,424	\$ 20,411	\$ 13

### Common Stock.

The following table presents activity related to shares of common stock issued and repurchased for the periods indicated:

	Common Stock Issued	Treasury Stock	Common Stock Outstanding
<b>Balance At December 31, 2015</b>	128,200,189	(27,187,041)	101,013,148
Dividend payable/paid	104	(104)	—
Common stock issued and exercise of stock options	589,402	—	589,402
Shares withheld for tax withholding and exercises	—	(197,769)	(197,769)
Shares repurchased under stock repurchase programs	—	(4,869,423)	(4,869,423)
<b>Balance At March 31, 2016</b>	<b>128,789,695</b>	<b>(32,254,337)</b>	<b>96,535,358</b>

## 8. INCOME TAXES

The Company's provision for income taxes was \$30.4 million and \$28.0 million for the three months ended March 31, 2016 and 2015, respectively. These amounts reflect effective tax rates of 33.5% and 36.1% for the three months ended March 31, 2016 and 2015, respectively. The reduction in the effective tax rate is primarily due to higher income generated in lower tax jurisdictions.

The Company is under examination by the IRS and other tax authorities in certain jurisdictions, including foreign jurisdictions, such as India, and states in which the Company has significant business operations, such as New York. The tax years currently under examination vary by jurisdiction but include years ranging from 2004 through 2015. As a result of having previously been a member of the Morgan Stanley consolidated group, the Company may have future settlements with Morgan Stanley related to the ultimate disposition of their New York State and New York City examination relating to the tax years 2007 and 2008 and their IRS examination relating to the tax years 2006 through 2008. The Company does not believe it has any material exposure to the New York State and New York City examinations. Additionally, the Company believes it has adequate reserves for any tax issues that may arise out of the IRS examination relating to the tax years 2006 through 2008 and therefore does not believe any related settlement with Morgan Stanley will have a material impact.

The Company regularly assesses the likelihood of additional assessments in each of the taxing jurisdictions in which it files income tax returns. The Company has established unrecognized tax benefits that the Company believes are adequate in relation to the potential for additional assessments. Once established, the Company adjusts unrecognized tax benefits only when more information is available or when an event occurs necessitating a change. As part of the Company's periodic review of unrecognized tax benefits and based on new information regarding the status of federal and state examinations, the Company's unrecognized tax benefits were remeasured. It is reasonably possible that significant changes in the balance of unrecognized tax benefits may occur within the next 12 months. At this time, however, it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax benefits and the impact on the effective tax rate over the next 12 months.

## 9. SEGMENT INFORMATION

ASC Subtopic 280-10, "*Segment Reporting*," 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 makers ("CODM") in deciding how to allocate resources and assess performance. MSCI's Chief Executive Officer and Chief Operating Officer, who together are considered to be its CODM, review financial information presented on an operating segment basis for purposes of making operating decisions and assessing financial performance.

The CODM measures and evaluates reportable segments based on segment operating revenues as well as Adjusted EBITDA and other measures. The Company excludes the following items from segment Adjusted EBITDA: income (loss) from discontinued operations, net of income taxes, provision for income taxes, other expense (income), net, depreciation and amortization of property, equipment and leasehold improvements, amortization of intangible assets and certain transactions or adjustments that the CODM does not primarily consider for the purposes of making decisions to allocate resources among segments or to assess segment performance. Although these amounts are excluded from segment Adjusted EBITDA, they are included in reported consolidated net income and are included in the reconciliation that follows.

The Company's computation of segment Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies because all companies do not calculate segment adjusted EBITDA in the same fashion.

Revenues and expenses directly associated with each segment are included in determining its operating results. Other expenses that are not directly attributable to a particular segment are allocated based upon various methodologies, including time estimates, headcount, sales targets, data center consumption and other relevant usage measures. Due to the integrated structure of our business, certain costs incurred by one segment may benefit other segments. A segment may use the content and data produced by another segment without incurring an arm's-length intersegment charge.

The CODM does not review any information regarding total assets on an operating segment basis. Operating segments do not record intersegment revenue, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for MSCI as a whole.

The Company has four operating segments: Index, Analytics, ESG and Real Estate.

The Index operating segment is a provider of investment decision support tools, including equity indexes and equity index benchmarks. The products are used in many areas of the investment process, including portfolio construction and rebalancing, asset allocation, performance benchmarking and attribution, regulatory and client reporting and index-linked investment product creation.



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The Analytics operating segment consists of products and services used for portfolio construction, risk management and reporting. The products enable institutional investors to monitor, analyze and report on the risk and return of investments across a variety of asset classes. They are based on proprietary, integrated fundamental multi-factor risk models, value-at-risk methodologies, performance attribution frameworks and asset valuation models. In addition, the Analytics segment includes products that help investors value, model and hedge physical assets and derivatives across a number of market segments, including energy and commodity assets.

The ESG operating segment offers products institutional investors use for assessing risks and opportunities arising from environmental, social and governance issues. ESG tools are used to evaluate both individual securities and investment portfolios.

The Real Estate operating segment is a provider of real estate performance analysis for funds, investors, managers, lenders and occupiers. It provides index products and offers services that include research, reporting and benchmarking.

The operating segments of ESG and Real Estate do not individually meet the segment reporting thresholds and have been combined and presented as part of the All Other segment for disclosure purposes.

The following table presents operating revenue by the reportable segment for the periods indicated:

	Three Months Ended March 31,	
	2016	2015
	(in thousands)	
<b>Operating revenues</b>		
Index	\$ 144,613	\$ 133,554
Analytics	110,263	106,845
All Other	23,952	22,370
<b>Total</b>	<b>\$ 278,828</b>	<b>\$ 262,769</b>

The following table presents segment profitability and a reconciliation to net income for the periods indicated:

	Three Months Ended March 31,	
	2016	2015
	(in thousands)	
Index Adjusted EBITDA	\$ 100,049	\$ 93,053
Analytics Adjusted EBITDA	30,360	14,080
All Other Adjusted EBITDA	2,740	518
<b>Total operating segment profitability</b>	<b>133,149</b>	<b>107,651</b>
Amortization of intangible assets	11,840	11,702
Depreciation and amortization of property, equipment and leasehold improvements	8,168	7,207
<b>Operating income</b>	<b>113,141</b>	<b>88,742</b>
Other expense (income), net	22,364	11,082
Provision for income taxes	30,410	28,036
<b>Income from continuing operations</b>	<b>60,367</b>	<b>49,624</b>
Income (loss) from discontinued operations, net of income taxes	—	(5,797)
<b>Net income</b>	<b>\$ 60,367</b>	<b>\$ 43,827</b>

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Revenue by geography is based on the shipping address of the ultimate customer utilizing the product. The following table presents revenue for the periods indicated by geographic area:

Revenues	Three Months Ended March 31,	
	2016	2015
	(in thousands)	
Americas:		
United States	\$ 137,645	\$ 125,616
Other	10,582	9,855
Total Americas	148,227	135,471
Europe, the Middle East and Africa (“EMEA”):		
United Kingdom	42,610	40,241
Other	53,439	54,929
Total EMEA	96,049	95,170
Asia & Australia:		
Japan	12,640	11,602
Other	21,912	20,526
Total Asia & Australia	34,552	32,128
Total	\$ 278,828	\$ 262,769

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

The following table presents long-lived assets on the dates indicated by geographic area:

Long-lived assets	As of	
	March 31, 2016	December 31, 2015
	(in thousands)	
Americas:		
United States	\$ 1,905,066	\$ 1,916,689
Other	2,171	2,279
Total Americas	1,907,237	1,918,968
EMEA:		
United Kingdom	106,851	110,261
Other	17,564	16,849
Total EMEA	124,415	127,110
Asia & Australia:		
Japan	540	570
Other	8,861	9,389
Total Asia & Australia	9,401	9,959
Total	\$ 2,041,053	\$ 2,056,037

## 10. SUBSEQUENT EVENTS

On April 27, 2016, the Board of Directors declared a cash dividend of \$0.22 per share for second quarter 2016. The second quarter 2016 dividend is payable on May 27, 2016 to shareholders of record as of the close of trading on May 13, 2016.

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of MSCI Inc.

We have reviewed the accompanying condensed consolidated statement of financial condition of MSCI Inc. and its subsidiaries as of March 31, 2016, and the related condensed consolidated statements of income and of comprehensive income for the three-month periods ended March 31, 2016 and March 31, 2015 and the condensed consolidated statements of cash flows for the three-month periods ended March 31, 2016 and March 31, 2015. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statement of financial condition as of December 31, 2015, and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows for the year then ended (not presented herein), and in our report dated February 26, 2016, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated statement of financial condition information as of December 31, 2015, is fairly stated in all material respects in relation to the consolidated statement of financial condition from which it has been derived.

/s/ PricewaterhouseCoopers LLP  
New York, New York  
April 29, 2016

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

*The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (the “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,” in our Form 10-K.*

*Except as the context otherwise indicates, the terms “MSCI,” the “Company,” “we,” “our” and “us” refer to MSCI Inc. together with its subsidiaries.*

### Overview

MSCI offers content, applications and services to support the needs of institutional investors throughout their investment processes. MSCI clients include asset owners, such as pension funds, endowments, foundations, central banks, family offices and insurance companies; asset management firms, such as mutual funds, hedge funds, providers of exchange-traded funds (“ETFs”); private wealth managers; and financial intermediaries, such as banks, broker-dealers, exchanges, custodians, trust companies and investment consultants.

Our products and services include indexes and analytical models; ratings and analysis that enable institutional investors to integrate environmental, social and governance (“ESG”) factors into their investment strategies; and analysis of real estate in both privately and publicly owned portfolios. Clients use our content and applications to help construct portfolios and allocate assets. Our analytical tools help them measure and manage risk across all major asset classes. MSCI products and services can also be customized to meet the specific needs of our clients. As of March 31, 2016, we had approximately 6,400 clients across 83 countries. To calculate the number of clients, we may count certain affiliates, user locations, or business units within a single organization as separate clients. If we aggregate all related clients under their respective parent entity, the number of clients would be approximately 3,850, as of March 31, 2016. We had offices in 35 cities in 22 countries to help serve our diverse client base, with 53.2% of our revenues coming from clients in the Americas, 34.4% in Europe, the Middle East and Africa (“EMEA”) and 12.4% in Asia and Australia.

Our principal business model is to license annual, recurring subscriptions to our products and services for use at specified locations, often by a given number of users or for a certain volume of services, for an annual fee paid up-front. Additionally, our recurring subscriptions include our managed services offering, whereby we oversee the production of risk and performance reports on behalf of our clients. Fees attributable to annual, recurring subscriptions are recorded as deferred revenues on our Unaudited Condensed Consolidated Statement of Financial Condition and are recognized on our Unaudited Condensed Consolidated Statement of Income as the service is rendered. Furthermore, a portion of our revenues comes from clients who use our indexes as the basis for index-linked investment products such as ETFs or as the basis for passively managed funds and separate accounts. These clients commonly pay us a license fee for the use of our intellectual property based on the investment product’s assets. We also generate revenues from certain exchanges that use our indexes as the basis for futures and options contracts and pay us a license fee for the use of our intellectual property based on their volume of trades. In addition, we generate revenues from subscription agreements for the receipt of periodic benchmark reports, digests and other publications, which are most often associated with our real estate products that are recognized upon delivery of such reports or data updates. We also receive revenues from one-time fees related to certain implementation services, historical or customized reports, advisory and consulting services and from certain products and services that are designed for one-time usage.

In evaluating our financial performance, we focus on revenue and profit growth, including GAAP and non-GAAP measures, for the Company as a whole and by operating segment. In addition, we focus on operating metrics, including Run Rate, subscription sales and Aggregate Retention Rate to manage the business. Our business is not highly capital intensive and, as such, we expect to continue to convert a high percentage of our profits into excess cash in the future. Our growth strategy includes: (a) expanding and deepening our relationships with investment institutions worldwide; (b) developing new and enhancing existing product offerings, including combining existing product features or data derived from our products to create new products; and (c) seeking to acquire products, technologies and companies that will enhance, complement or expand our client base and product offerings.

In the discussion that follows, we provide certain variances excluding the impact of foreign currency exchange rate fluctuations. Foreign currency exchange rate fluctuations reflect the difference between the current period results as reported compared to the current period results recalculated using the foreign currency exchange rates in effect for the comparable prior period.

**Factors Affecting the Comparability of Results**

*Share Repurchases*

On February 4, 2014, our Board of Directors approved a stock repurchase program authorizing the purchase of up to \$300.0 million worth of shares of our common stock, which was subsequently increased to \$850.0 million (the “2014 Repurchase Program”). On October 14, 2015, we exhausted the \$850.0 million share repurchase authorization under the 2014 Repurchase Program.

On October 28, 2015, our Board of Directors approved a new stock repurchase program authorizing the purchase of up to \$1.0 billion worth of shares of our common stock (the “2015 Repurchase Program”). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by our Board of Directors at any time without prior notice.

On September 18, 2014, as part of the 2014 Repurchase Program, we entered into an ASR agreement to initiate share repurchases aggregating \$300.0 million (the “September 2014 ASR Agreement”). As a result of the September 2014 ASR Agreement, we received approximately 4.5 million shares of our common stock on September 19, 2014 and approximately 1.2 million shares of our common stock on May 21, 2015 for a combined average price of \$52.79 per share.

On June 2, 2015, we began purchasing shares of our common stock in the open market in accordance with SEC Rule 10b5-1. Through December 31, 2015, we paid \$670.8 million to receive approximately 10.7 million shares of our common stock pursuant to open market repurchases under the 2014 Repurchase Program and the 2015 Repurchase Program.

For the three months ended March 31, 2016, we paid \$333.3 million to receive approximately 4.9 million shares as part of the 2015 Repurchase Program at an average purchase price of \$68.45 per share.

Since 2012 and through March 31, 2016, approximately \$1.7 billion has been returned through share repurchases and the payment of cash dividends.

The weighted average shares outstanding used in calculating our basic and diluted earnings per share decreased by 11.9% for the three months ended March 31, 2016, reflecting the impact of the share repurchase programs, partially offset by the impact of restricted stock units and stock options converting to shares.

*Senior Notes*

On August 13, 2015, we completed a private offering of \$800.0 million aggregate principal amount of 5.75% Senior Notes due 2025 (the “2025 Senior Notes”) and received \$789.5 million, net of \$10.5 million of debt issuance costs. As a result of this offering, our interest expense for the current period has increased, with the annual interest expense expected to be approximately \$91.5 million.

The discussion of our results of operations for the three months ended March 31, 2016 and 2015 are presented below. The results of operations for interim periods may not be indicative of future results.

**Results of Operations**

***Three Months Ended March 31, 2016 Compared to the Three Months Ended March 31, 2015***

The following table presents the results of operations for the periods indicated:

	<b>Three Months Ended</b>			
	<b>March 31,</b>			
	<b>2016</b>	<b>2015</b>	<b>Increase/(Decrease)</b>	
<b>(in thousands, except per share data)</b>				
Operating revenues	\$ 278,828	\$ 262,769	\$ 16,059	6.1%
Operating expenses:				
Cost of revenues	63,172	69,904	(6,732)	(9.6%)
Selling and marketing	41,689	41,648	41	0.1%
Research and development	18,928	23,189	(4,261)	(18.4%)
General and administrative	21,890	20,377	1,513	7.4%
Amortization of intangible assets	11,840	11,702	138	1.2%
Depreciation and amortization of property, equipment and leasehold improvements	8,168	7,207	961	13.3%
<b>Total operating expenses</b>	<b>165,687</b>	<b>174,027</b>	<b>(8,340)</b>	<b>(4.8%)</b>

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Operating income	113,141	88,742	24,399	27.5%
Other expense (income), net	22,364	11,082	11,282	101.8%
Income from continuing operations before provision for income taxes	90,777	77,660	13,117	16.9%
Provision for income taxes	30,410	28,036	2,374	8.5%
Income from continuing operations	60,367	49,624	10,743	21.6%
Income (loss) from discontinued operations, net of income taxes	—	(5,797)	5,797	(100.0%)
Net income	\$ 60,367	\$ 43,827	\$ 16,540	37.7%
Earnings per basic common share:				
From continuing operations	\$ 0.61	\$ 0.44	\$ 0.17	38.6%
From discontinued operations	—	(0.05)	0.05	(100.0%)
Earnings per basic common share	\$ 0.61	\$ 0.39	\$ 0.22	56.4%
Earnings per diluted common share:				
From continuing operations	\$ 0.60	\$ 0.44	\$ 0.16	36.4%
From discontinued operations	—	(0.05)	0.05	(100.0%)
Earnings per diluted common share	\$ 0.60	\$ 0.39	\$ 0.21	53.8%
Operating margin	40.6%	33.8%		

### Operating Revenues

Our revenues are grouped by the following types: recurring subscription, asset-based fees and non-recurring revenues. We also group revenues by major product or reportable segment as follows: Index, Analytics and All Other, which includes ESG and Real Estate products.

The following table presents operating revenues by type for the periods indicated:

	Three Months Ended March 31,			Increase/(Decrease)
	2016	2015		
	(in thousands)			
Recurring subscription	\$ 225,338	\$ 212,286	\$ 13,052	6.1%
Asset-based fees	48,699	45,880	2,819	6.1%
Non-recurring revenue	4,791	4,603	188	4.1%
Total operating revenues	\$ 278,828	\$ 262,769	\$ 16,059	6.1%

Total operating revenues grew 6.1% to \$278.8 million for the three months ended March 31, 2016 compared to \$262.8 million for the three months ended March 31, 2015.

Revenues from recurring subscription increased 6.1% to \$225.3 million for the three months ended March 31, 2016 compared to \$212.3 million for the three months ended March 31, 2015. Overall, year-over-year revenue growth was negatively impacted by several factors, including market volatility in the quarter, which reduced growth in average assets under management (“AUM”) linked to MSCI indexes, and the timing of revenue recognition on deals in Analytics, which drove Run Rate higher by 7.0% but did not yet have a significant impact on revenues.

Revenues from asset-based fees increased 6.1% to \$48.7 million for the three months ended March 31, 2016 compared to \$45.9 million for the three months ended March 31, 2015. The 6.1% increase in asset-based fees was primarily driven by higher revenues from non-ETF institutional passive funds, strong increases in futures and options contracts linked to MSCI indexes and a slight increase in revenue from ETFs linked to MSCI indexes. The 3.9% increase in average AUM in ETFs linked to MSCI indexes was mostly offset by lower average basis point fees, primarily due to changes in the product mix. Approximately two-thirds of the underlying securities included in the AUM of our index-linked investment products are denominated in currencies other than the U.S. dollar.

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The following table presents the value of AUM in ETFs linked to MSCI indexes and the sequential change of such assets as of the end of each of the periods indicated:

(in billions)	Period Ended(1)				
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016
AUM in ETFs linked to MSCI Indexes(2)	\$ 418.0	\$ 435.4	\$ 390.2	\$ 433.4	\$ 438.3
Sequential Change in Value					
Market Appreciation/(Depreciation)	\$ 13.0	\$ (6.9)	\$ (48.2)	\$ 14.5	\$ (1.7)
Cash Inflows	31.7	24.3	3.0	28.7	6.6
Total Change	\$ 44.7	\$ 17.4	\$ (45.2)	\$ 43.2	\$ 4.9

Source: Bloomberg and MSCI

(1) The historical values of the AUM in ETFs linked to our indexes as of the last day of the month and the monthly average balance can be found under the link "AUM in ETFs Linked to MSCI Indexes" on our Investor Relations homepage at <http://ir.msci.com>. This information is updated on or about the second U.S. business day of each month.

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

(2) The value of AUM in ETFs linked to MSCI Indexes is calculated by multiplying the ETF net asset value by the number of shares outstanding.

As of March 31, 2016, the value of AUM in ETFs linked to MSCI equity indexes was \$438.3 billion, up \$20.3 billion, or 4.9%, from \$418.0 billion as of March 31, 2015. Of the \$438.3 billion of AUM in ETFs linked to MSCI equity indexes as of March 31, 2016, 54.6% were linked to developed markets outside of the U.S., 21.5% were linked to U.S. market indexes, 19.2% were linked to emerging market indexes and 4.7% were linked to other global indexes.

The following table presents the average value of AUM in ETFs linked to MSCI indexes for the periods indicated:

(in billions)	Quarterly Average				
	2015				2016
	March	June	September	December	March
AUM in ETFs linked to MSCI Indexes	\$ 392.5	\$ 441.4	\$ 418.2	\$ 423.3	\$ 407.9

Source: Bloomberg and MSCI

Non-recurring revenues increased 4.1% to \$4.8 million for the three months ended March 31, 2016, compared to \$4.6 million for the three months ended March 31, 2015, primarily resulting from higher one-time sales of Analytics products and Real Estate products within our All Other segment, offset, in part, by lower one-time Index sales.

The following table presents operating revenues by reportable segment and revenue type for the periods indicated:

	Three Months Ended March 31,		Increase/(Decrease)	
	2016	2015		
	(in thousands)			
Operating revenues:				
Index				
Recurring subscription	\$ 93,645	\$ 85,060	\$ 8,585	10.1%
Asset-based fees	48,699	45,880	2,819	6.1%
Non-recurring	2,269	2,614	(345)	(13.2%)
Index total	144,613	133,554	11,059	8.3%
Analytics				
Recurring subscription	108,630	105,434	3,196	3.0%
Non-recurring	1,633	1,411	222	15.7%
Analytics total	110,263	106,845	3,418	3.2%

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All Other				
Recurring subscription	23,063	21,792	1,271	5.8%
Non-recurring	889	578	311	53.8%
All Other total	<u>23,952</u>	<u>22,370</u>	<u>1,582</u>	7.1%
Total operating revenues	<u>\$ 278,828</u>	<u>\$ 262,769</u>	<u>\$ 16,059</u>	6.1%

Refer to the section that follows titled, “Segment Results” for further discussion of segment revenues.

### **Operating Expenses**

We group our operating expenses into the following activity categories:

- Cost of revenues;
- Selling and marketing;
- Research and development (“R&D”);
- General and administrative (“G&A”);
- Amortization of intangible assets; and
- Depreciation and amortization of property, equipment and leasehold improvements.

Costs are assigned to these activity categories based on the nature of the expense or, when not directly attributable, an estimated allocation based on the type of effort involved.

The following table presents operating expenses by activity category for the periods indicated:

	Three Months Ended		Increase/(Decrease)	
	March 31,			
	2016	2015		
	(in thousands)			
Operating expenses:				
Cost of revenues	\$ 63,172	\$ 69,904	\$ (6,732)	(9.6%)
Selling and marketing	41,689	41,648	41	0.1%
Research and development	18,928	23,189	(4,261)	(18.4%)
General and administrative	21,890	20,377	1,513	7.4%
Amortization of intangible assets	11,840	11,702	138	1.2%
Depreciation and amortization of property, equipment and leasehold improvements	8,168	7,207	961	13.3%
Total operating expenses	<u>\$ 165,687</u>	<u>\$ 174,027</u>	<u>\$ (8,340)</u>	(4.8%)

Operating expenses decreased 4.8% to \$165.7 million for the three months ended March 31, 2016 compared to \$174.0 million for the three months ended March 31, 2015, reflecting strong overall expense management and the ongoing improvement of our Analytics segment. In addition, the three months ended March 31, 2015 was higher by \$3.4 million due to a non-cash charge recorded within R&D. Adjusting for the impact of foreign currency exchange rate fluctuations, operating expenses would have decreased 2.6% for the three months ended March 31, 2016 compared to the three months ended March 31, 2015.

### **Cost of Revenues**

Cost of revenues consists of costs related to the production and servicing of our products and services and primarily includes related information technology costs, including data center, platform and infrastructure costs; costs to acquire, produce and maintain market data information; costs of research to support, maintain and rebalance existing products; costs of product management teams;



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costs of client service and consultant teams to support customer needs; and other support costs directly attributable to the cost of revenues, including certain human resources, finance and legal costs. Cost of revenues decreased 9.6% to \$63.2 million for the three months ended March 31, 2016 compared to \$69.9 million for the three months ended March 31, 2015, primarily driven by strong expense management, particularly in our Analytics segment, as reflected by lower compensation and benefits costs associated with lower staffing levels and severance as well as a decrease primarily in non-compensation occupancy costs.

### ***Selling and Marketing***

Selling and marketing consists of costs associated with acquiring new clients or selling new products or product renewals to existing clients and primarily includes the costs of our sales force and marketing teams, as well as costs incurred in other groups associated with acquiring new business, including product management, research, technology and sales operations. Selling and marketing expenses were \$41.7 million and \$41.6 million for the three months ended March 31, 2016 and 2015, respectively.

### ***Research and Development***

R&D consists of the costs to develop new, or to enhance existing, products and the costs to develop new or improved technology and service platforms for the delivery of our products and services and primarily includes the costs of application development, research, product management, project management and the technology support associated with these efforts. R&D expenses decreased 18.4% to \$18.9 million for the three months ended March 31, 2016 compared to \$23.2 million for the three months ended March 31, 2015, primarily due to a non-cash charge of \$3.4 million related to the termination of a technology project in the Analytics segment recognized during the three months ended March 31, 2015. While R&D costs were down, we continue to invest in the key areas driving our growth strategy.

### ***General and Administrative***

G&A consists of costs primarily related to finance operations, human resources, the office of the CEO, legal, corporate technology, corporate development and certain other administrative costs that are not directly attributed, but are instead allocated, to a product or service. G&A expenses increased 7.4% to \$21.9 million for the three months ended March 31, 2016 compared to \$20.4 million for the three months ended March 31, 2015, primarily driven by higher compensation and benefits costs, mainly related to severance, and an increase in non-compensation costs, primarily related to recruiting and other expenses.

The following table presents operating expenses using compensation and non-compensation categories, rather than using activity categories, for the periods indicated:

	Three Months Ended March 31,		Increase/(Decrease)	
	2016	2015		
	(in thousands)			
Compensation and benefits	\$ 106,765	\$ 115,471	\$ (8,706)	(7.5%)
Non-compensation expenses	38,914	39,647	(733)	(1.8%)
Amortization of intangible assets	11,840	11,702	138	1.2%
Depreciation and amortization of property, equipment and leasehold improvements	8,168	7,207	961	13.3%
Total operating expenses	<u>\$ 165,687</u>	<u>\$ 174,027</u>	<u>\$ (8,340)</u>	<u>(4.8%)</u>

Compensation and benefits costs are our most significant expense and typically represent more than 60% of operating expenses or more than 70% of Adjusted EBITDA expenses. We had 2,746 and 2,889 employees as of March 31, 2016 and 2015, respectively. Continued growth of our emerging market centers around the world is an important factor in our ability to manage and control the growth of our compensation and benefit expenses. As of March 31, 2016, 53.5% of our employees were located in emerging market centers compared to 50.9% as of March 31, 2015.

Compensation and benefits expenses decreased 7.5% to \$106.8 million for the three months ended March 31, 2016 compared to \$115.5 million for the three months ended March 31, 2015, driven by a decrease in headcount across several areas, primarily in technology and client coverage, as well as a non-cash charge of \$2.9 million related to the termination of a technology project in the Analytics segment recognized during the three months ended March 31, 2015.

Non-compensation expenses decreased 1.8% to \$38.9 million for the three months ended March 31, 2016 compared to \$39.6 million for the three months ended March 31, 2015, primarily driven by a decrease in occupancy and information technology costs as well as a non-cash charge of \$0.5 million related to the termination of a technology project in the Analytics segment recognized during the three months ended March 31, 2015. The decrease in non-compensation expenses was partially offset by increases in costs primarily related to recruiting, market data and other expense items.

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### **Amortization of Intangible Assets**

Amortization of intangible assets expense increased 1.2% to \$11.8 million for the three months ended March 31, 2016 compared to \$11.7 million for the three months ended March 31, 2015.

### **Depreciation and Amortization of Property, Equipment and Leasehold Improvements**

Depreciation and amortization of property, equipment and leasehold improvements increased 13.3% to \$8.2 million for the three months ended March 31, 2016 compared to \$7.2 million for the three months ended March 31, 2015, primarily reflecting higher depreciation of investments made in our information technology infrastructure.

### **Other Expense (Income), Net**

Other expense (income), net increased 101.8% to \$22.4 million for the three months ended March 31, 2016 compared to \$11.1 million for the three months ended March 31, 2015, primarily driven by \$11.8 million of higher interest expense resulting from the increased level of indebtedness.

### **Income Taxes**

The provision for income tax expense increased 8.5% to \$30.4 million for the three months ended March 31, 2016 compared to \$28.0 million for the three months ended March 31, 2015. These amounts reflect effective tax rates of 33.5% and 36.1% for the three months ended March 31, 2016 and 2015, respectively. The decrease in the effective tax rate was primarily driven by efforts to better align our tax profile with our global operating footprint.

### **Income (Loss) from Discontinued Operations, Net of Income Taxes**

Loss from discontinued operations, net of income taxes, for the three months ended March 31, 2015 reflects the impact of a \$5.8 million out-of-period income tax charge associated with tax obligations triggered upon the sale of Institutional Shareholder Services Inc., which was completed on April 30, 2014.

### **Adjusted EBITDA**

“Adjusted EBITDA,” a measure used by management to assess operating performance, is defined as net income before income (loss) from discontinued operations, net of income taxes, plus provision for income taxes, other expense (income), net, depreciation and amortization of property, equipment and leasehold improvements, amortization of intangible assets and, at times, certain other transactions or adjustments.

“Adjusted EBITDA expenses,” another measure used by management to assess operating performance, is defined as operating expenses less depreciation and amortization of property, equipment and leasehold improvements and amortization of intangible assets.

The Company believes Adjusted EBITDA and Adjusted EBITDA expenses are important measures because they highlight operating trends from continuing operations while excluding costs that are more fixed or are one-time, unusual or non-recurring in nature. All companies do not calculate adjusted EBITDA and adjusted EBITDA expenses in the same way. These measures can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. Accordingly, the Company’s computation of the Adjusted EBITDA and Adjusted EBITDA expenses measures may not be comparable to similarly titled measures computed by other companies.

The following table presents the calculation of Adjusted EBITDA for the periods indicated:

	Three Months Ended		Increase/(Decrease)	
	March 31,			
	2016	2015		
	(in thousands)			
Operating revenues	\$ 278,828	\$ 262,769	\$ 16,059	6.1%
Adjusted EBITDA expenses	145,679	155,118	(9,439)	(6.1%)
Adjusted EBITDA	<u>\$ 133,149</u>	<u>\$ 107,651</u>	<u>\$ 25,498</u>	<u>23.7%</u>
Adjusted EBITDA margin %	47.8%	41.0%		
Operating margin %	40.6%	33.8%		

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Adjusted EBITDA increased 23.7% to \$133.1 million for the three months ended March 31, 2016 compared to \$107.7 million for the three months ended March 31, 2015. Adjusted EBITDA margin increased to 47.8% for the three months ended March 31, 2016 compared to 41.0% for the three months ended March 31, 2015. The improvement in margin reflects solid growth in operating revenues, primarily attributable to growth in Index recurring subscription revenues, combined with lower Adjusted EBITDA expenses, reflecting strong expense management.

### *Reconciliation of Adjusted EBITDA to Net Income and Adjusted EBITDA Expenses to Operating Expenses*

The following table presents the reconciliation of Adjusted EBITDA to net income for the periods indicated:

	Three Months Ended March 31,	
	2016	2015
	(in thousands)	
Index Adjusted EBITDA	\$ 100,049	\$ 93,053
Analytics Adjusted EBITDA	30,360	14,080
All Other Adjusted EBITDA	2,740	518
<b>Consolidated Adjusted EBITDA</b>	<b>133,149</b>	<b>107,651</b>
Amortization of intangible assets	11,840	11,702
Depreciation and amortization of property, equipment and leasehold improvements	8,168	7,207
<b>Operating income</b>	<b>113,141</b>	<b>88,742</b>
Other expense (income), net	22,364	11,082
Provision for income taxes	30,410	28,036
Income from continuing operations	60,367	49,624
Income (loss) from discontinued operations, net of income taxes	—	(5,797)
<b>Net income</b>	<b>\$ 60,367</b>	<b>\$ 43,827</b>

The following table presents the reconciliation of Adjusted EBITDA expenses to operating expenses for the periods indicated:

	Three Months Ended March 31,	
	2016	2015
	(in thousands)	
Index Adjusted EBITDA expenses	\$ 44,564	\$ 40,501
Analytics Adjusted EBITDA expenses	79,903	92,765
All Other Adjusted EBITDA expenses	21,212	21,852
<b>Consolidated Adjusted EBITDA expenses</b>	<b>145,679</b>	<b>155,118</b>
Amortization of intangible assets	11,840	11,702
Depreciation and amortization of property, equipment and leasehold improvements	8,168	7,207
<b>Total operating expenses</b>	<b>\$ 165,687</b>	<b>\$ 174,027</b>

The discussion of our segment results for the three months ended March 31, 2016 and 2015 is presented below.

[Table of Contents](#)**Segment Results****Index Segment**

The following table presents the results for the Index segment for the periods indicated:

	<b>Three Months Ended March 31,</b>		<b>Increase/(Decrease)</b>	
	<b>2016</b>	<b>2015</b>		
	<b>(in thousands)</b>			
Operating revenues:				
Recurring subscription	\$ 93,645	\$ 85,060	\$ 8,585	10.1%
Asset-based fees	48,699	45,880	2,819	6.1%
Non-recurring	2,269	2,614	(345)	(13.2%)
Operating revenues total	<u>144,613</u>	<u>133,554</u>	<u>11,059</u>	<u>8.3%</u>
Adjusted EBITDA expenses	<u>44,564</u>	<u>40,501</u>	<u>4,063</u>	<u>10.0%</u>
Adjusted EBITDA	<u>\$ 100,049</u>	<u>\$ 93,053</u>	<u>\$ 6,996</u>	<u>7.5%</u>
Adjusted EBITDA margin %	69.2%	69.7%		

Revenues related to Index products increased 8.3% to \$144.6 million for the three months ended March 31, 2016 compared to \$133.6 million for the three months ended March 31, 2015.

Recurring subscription revenues were up 10.1% to \$93.6 million for the three months ended March 31, 2016 compared to \$85.1 million for the three months ended March 31, 2015. The increase was primarily driven by growth in benchmark and data products, including strong growth in revenue from Developed Market and Emerging Market small cap modules and custom, factor, thematic and ESG-based products.

Revenues from asset-based fees increased 6.1% to \$48.7 million for the three months ended March 31, 2016 compared to \$45.9 million for the three months ended March 31, 2015. The increase was primarily driven by higher revenues from non-ETF institutional passive funds, strong increases in futures and options contracts linked to MSCI indexes and a slight increase in revenue from ETFs linked to MSCI indexes.

Index segment Adjusted EBITDA expenses increased 10.0% to \$44.6 million for the three months ended March 31, 2016 compared to \$40.5 million for the three months ended March 31, 2015, primarily reflecting higher compensation and benefits costs mainly within the selling and marketing, R&D and G&A areas. Adjusting for the impact of foreign currency exchange rate fluctuations, Adjusted EBITDA expenses would have increased 13.1% for the three months ended March 31, 2016 compared to the three months ended March 31, 2015.

**Analytics Segment**

The following table presents the results for the Analytics segment for the periods indicated:

	<b>Three Months Ended March 31,</b>		<b>Increase/(Decrease)</b>	
	<b>2016</b>	<b>2015</b>		
	<b>(in thousands)</b>			
Operating revenues:				
Recurring subscription	\$ 108,630	\$ 105,434	\$ 3,196	3.0%
Non-recurring	1,633	1,411	222	15.7%
Operating revenues total	<u>110,263</u>	<u>106,845</u>	<u>3,418</u>	<u>3.2%</u>
Adjusted EBITDA expenses	<u>79,903</u>	<u>92,765</u>	<u>(12,862)</u>	<u>(13.9%)</u>
Adjusted EBITDA	<u>\$ 30,360</u>	<u>\$ 14,080</u>	<u>\$ 16,280</u>	<u>115.6%</u>
Adjusted EBITDA margin %	27.5%	13.2%		

Our Analytics segment revenues increased 3.2% to \$110.3 million for the three months ended March 31, 2016 compared to \$106.8 million for the three months ended March 31, 2015, primarily driven by higher recurring subscription revenues from our RiskManager, equity models, WealthBench and InvestorForce products, partially offset by lower recurring subscription revenues from our BarraOne products.

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Analytics segment Adjusted EBITDA expenses decreased 13.9% to \$79.9 million for the three months ended March 31, 2016 compared to \$92.8 million for the three months ended March 31, 2015, primarily driven by lower compensation and benefits costs, reflecting lower staffing levels, a non-cash charge of \$3.4 million related to the termination of a technology project recognized during the three months ended March 31, 2015, as well as lower non-compensation costs. Adjusting for the impact of foreign currency exchange rate fluctuations, Adjusted EBITDA expenses would have decreased 12.1% for the three months ended March 31, 2016 compared to the three months ended March 31, 2015.

### **All Other Segment**

The following table presents the results for the All Other segment for the periods indicated:

	Three Months Ended March 31,		Increase/(Decrease)	
	2016	2015		
	(in thousands)			
Operating revenues:				
Recurring subscription	\$ 23,063	\$ 21,792	\$ 1,271	5.8%
Non-recurring	889	578	311	53.8%
Operating revenues total	23,952	22,370	1,582	7.1%
Adjusted EBITDA expenses	21,212	21,852	(640)	(2.9%)
Adjusted EBITDA	\$ 2,740	\$ 518	\$ 2,222	n/m
Adjusted EBITDA margin %	11.4%	2.3%		

n/m: not meaningful.

All Other segment revenues increased 7.1% to \$24.0 million for the three months ended March 31, 2016 compared to \$22.4 million for the three months ended March 31, 2015, primarily driven by higher recurring subscription revenues from ESG products, which grew 20.5%, partially offset by lower recurring subscription revenues from Real Estate products, which declined 4.1%. Adjusting for the impact of foreign currency exchange rate fluctuations, Real Estate products would have increased 0.9% and the All Other segment would have increased 9.0% for the three months ended March 31, 2016 compared to the three months ended March 31, 2015.

All Other segment Adjusted EBITDA expenses decreased 2.9% to \$21.2 million for the three months ended March 31, 2016 compared to \$21.9 million for the three months ended March 31, 2015, primarily driven by lower compensation and benefits costs attributable to Real Estate operations. Adjusting for the impact of foreign currency exchange rate fluctuations, Adjusted EBITDA expenses would have increased 0.6% for the three months ended March 31, 2016 compared to the three months ended March 31, 2015.

### **Run Rate**

At the end of any period, we generally have subscription and investment product license agreements in place for a large portion of total revenues for the following 12 months. We measure the fees related to these agreements and refer to this as "Run Rate." The Run Rate at a particular point in time primarily represents the forward-looking revenues for the next 12 months from then-current subscriptions and investment product licenses we provide to our clients under renewable contracts or agreements assuming all contracts or agreements that come up for renewal are renewed and assuming then-current currency exchange rates. For any license where fees are linked to an investment product's assets or trading volume, the Run Rate calculation reflects, for ETFs, the market value on the last trading day of the period, for futures and options, the most recent quarterly volumes and for non-ETF funds, the most recent client reported assets under such license or subscription. 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 during the period and determined that such notice evidences the client's final decision to terminate or not renew the applicable subscription or agreement, even though such notice is not effective until a later date.

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Because the Run Rate represents potential future revenues, 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:

- fluctuations in revenues associated with new subscriptions and non-recurring sales;
- modifications, cancellations and non-renewals of existing agreements, subject to specified notice requirements;
- fluctuations in asset-based fees, which may result from changes in certain investment products' total expense ratios, market movements, including foreign currency exchange rates, or from investment inflows into and outflows from investment products linked to our indexes;
- fluctuations in fees based on trading volumes of futures and options contracts linked to our indexes;
- fluctuations in the number of hedge funds for which we provide investment information and risk analysis to hedge fund investors;
- price changes;
- revenue recognition differences under U.S. GAAP, including those related to the timing of implementation and report deliveries for certain of our products and services;
- fluctuations in foreign exchange rates; and
- the impact of acquisitions and dispositions.

The following table presents the Run Rates as of the dates indicated and the growth percentages over the periods indicated:

	As of			Year-Over-Year Comparison	Sequential Comparison
	March 31, 2016	March 31, 2015	December 31, 2015		
	(in thousands)				
Index:					
Recurring subscription	\$ 378,622	\$ 344,452	\$ 368,855	9.9%	2.6%
Asset-based fees	199,330	190,581	201,047	4.6%	(0.9%)
Index total	<u>577,952</u>	<u>535,033</u>	<u>569,902</u>	8.0%	1.4%
Analytics	<u>447,024</u>	<u>417,648</u>	<u>436,671</u>	7.0%	2.4%
All Other	<u>86,990</u>	<u>78,129</u>	<u>82,677</u>	11.3%	5.2%
Total Run Rate	<u>\$ 1,111,966</u>	<u>\$ 1,030,810</u>	<u>\$ 1,089,250</u>	7.9%	2.1%
Recurring subscription total	\$ 912,636	\$ 840,229	\$ 888,203	8.6%	2.8%
Asset-based fees total	199,330	190,581	201,047	4.6%	(0.9%)
Total Run Rate	<u>\$ 1,111,966</u>	<u>\$ 1,030,810</u>	<u>\$ 1,089,250</u>	7.9%	2.1%

Total Run Rate grew 7.9% to \$1,112.0 million at March 31, 2016 compared to \$1,030.8 million at March 31, 2015. Recurring subscription Run Rate grew 8.6% to \$912.6 million at March 31, 2016 compared to \$840.2 million at March 31, 2015.

Run Rate from asset-based fees increased 4.6% to \$199.3 million at March 31, 2016 from \$190.6 million at March 31, 2015, primarily driven by higher non-ETF passive funds and futures and options contracts, all linked to MSCI indexes. As of March 31, 2016, the value of AUM in ETFs linked to MSCI indexes was \$438.3 billion, up \$20.3 billion, or 4.9%, from \$418.0 billion as of March 31, 2015. The increase of \$20.3 billion consisted of net inflows of \$62.6 billion, partially offset by market depreciation of \$42.3 billion.

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Index recurring subscription Run Rate grew 9.9% to \$378.6 million at March 31, 2016 compared to \$344.5 million at March 31, 2015 on growth in benchmark and data products.

Run Rate from Analytics products increased 7.0% to \$447.0 million at March 31, 2016 compared to \$417.6 million at March 31, 2015, primarily driven by growth in RiskManager, equity models and InvestorForce products. Adjusting for the impact of foreign currency exchange rate fluctuations, Run Rate for Analytics would have increased 6.2% at March 31, 2016 compared to March 31, 2015.

Run Rate from All Other products increased 11.3% to \$87.0 million at March 31, 2016 compared to \$78.1 million at March 31, 2015. The increase was driven by a \$7.6 million, or 21.6%, increase in ESG Run Rate and a \$1.3 million, or 2.9%, increase in Real Estate Run Rate. Adjusting for the impact of foreign currency exchange rate fluctuations, at March 31, 2016 Real Estate Run Rate would have increased 3.0% and All Other Run Rate would have increased 11.0% compared to March 31, 2015.

### Subscription Sales

The following table presents our recurring subscription sales, cancellations and non-recurring sales by reportable segment for the periods indicated:

	Three Months Ended			Year-Over-Year Comparison	Sequential Comparison
	March 31, 2016	March 31, 2015	December 31, 2015		
	(in thousands)				
<b>New recurring subscription sales</b>					
Index	\$ 13,162	\$ 11,550	\$ 13,702	14.0%	(3.9%)
Analytics	12,358	13,510	16,481	(8.5%)	(25.0%)
All Other	5,256	4,465	4,206	17.7%	25.0%
<b>New recurring subscription sales total</b>	<b>30,776</b>	<b>29,525</b>	<b>34,389</b>	<b>4.2%</b>	<b>(10.5%)</b>
<b>Subscription cancellations</b>					
Index	(3,410)	(2,384)	(6,147)	43.0%	(44.5%)
Analytics	(5,911)	(7,424)	(10,593)	(20.4%)	(44.2%)
All Other	(1,616)	(1,842)	(3,183)	(12.3%)	(49.2%)
<b>Subscription cancellations total</b>	<b>(10,937)</b>	<b>(11,650)</b>	<b>(19,923)</b>	<b>(6.1%)</b>	<b>(45.1%)</b>
<b>Net new recurring subscription sales</b>					
Index	9,752	9,166	7,555	6.4%	29.1%
Analytics	6,447	6,086	5,888	5.9%	9.5%
All Other	3,640	2,623	1,023	38.8%	255.8%
<b>Net new recurring subscription sales total</b>	<b>19,839</b>	<b>17,875</b>	<b>14,466</b>	<b>11.0%</b>	<b>37.1%</b>
<b>Non-recurring</b>					
Index	3,542	2,329	2,779	52.1%	27.5%
Analytics	1,856	1,176	2,490	57.8%	(25.5%)
All Other	1,202	910	1,592	32.1%	(24.5%)
<b>Non-recurring sales total</b>	<b>6,600</b>	<b>4,415</b>	<b>6,861</b>	<b>49.5%</b>	<b>(3.8%)</b>
<b>Total Index</b>	<b>\$ 13,294</b>	<b>\$ 11,495</b>	<b>\$ 10,334</b>	<b>15.7%</b>	<b>28.6%</b>
<b>Total Analytics</b>	<b>8,303</b>	<b>7,262</b>	<b>8,378</b>	<b>14.3%</b>	<b>(0.9%)</b>
<b>Total All Other</b>	<b>4,842</b>	<b>3,533</b>	<b>2,615</b>	<b>37.1%</b>	<b>85.2%</b>
<b>Total net sales</b>	<b>\$ 26,439</b>	<b>\$ 22,290</b>	<b>\$ 21,327</b>	<b>18.6%</b>	<b>24.0%</b>

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### **Aggregate Retention Rate**

The following table presents our Aggregate Retention Rate by reportable segment for the periods indicated:

	Three Months Ended March 31,	
	2016	2015
Index	96.3 %	97.2 %
Analytics	94.6 %	92.9 %
All Other	92.2 %	90.7 %
Total	95.1 %	94.4 %

The Aggregate Retention Rate for a period is calculated by annualizing the cancellations for which we have received a notice of termination or we believe there is an intention to not renew during the period and we believe that such notice or intention evidences the client's final decision to terminate or not renew the applicable agreement, even though such notice is not effective until a later date. This annualized cancellation figure is then divided by the subscription Run Rate at the beginning of the year to calculate a cancellation rate. This cancellation rate is then subtracted from 100% to derive the annualized Aggregate Retention Rate for the period. The Aggregate 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.

In our businesses, the Aggregate Retention Rate is generally higher during the first three fiscal quarters and lower in the fourth fiscal quarter.

### **Critical Accounting Policies and Estimates**

We describe our significant accounting policies in Note 1, "Introduction and Basis of Presentation," of the Notes to Consolidated Financial Statements included in our Form 10-K and also in Note 2, "Recent Accounting Standards Updates," in the Notes to Unaudited Condensed Consolidated Financial Statements included herein. There have been no significant changes in our accounting policies or critical accounting estimates since the end of the fiscal year ended December 31, 2015.

### **Liquidity and Capital Resources**

We require capital to fund ongoing operations, internal growth initiatives and acquisitions. Our primary sources of liquidity are cash flows generated from our operations, existing cash and cash equivalents and credit capacity under our existing credit facilities. In addition, we believe we have access to additional funding in the public and private markets. We intend to use these sources of liquidity to, among other things, service our existing and future debt obligations and fund our working capital requirements, capital expenditures, investments, acquisitions, dividend payments and repurchases of our common stock. 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.

#### *Senior Notes and Credit Agreement*

We have issued an aggregate of \$1.6 billion in senior unsecured notes in two discrete private offerings of \$800.0 million each. On November 20, 2014, we completed our first private offering of \$800.0 million aggregate principal amount of 5.25% senior unsecured notes due 2024 (the "2024 Senior Notes") and also entered into a \$200.0 million senior unsecured revolving credit agreement (the "2014 Revolving Credit Agreement") by and among the Company, as borrower, certain of MSCI's subsidiaries, as guarantors, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. We used the net proceeds from the offering of the 2024 Senior Notes, together with cash on hand, to repay in full our outstanding term loan indebtedness of \$794.8 million.

On August 13, 2015, we completed the 2025 Senior Notes offering of \$800.0 million aggregate principal amount of 5.75% senior unsecured notes due 2025 (together with the 2024 Senior Notes, the "Senior Notes"). The net proceeds from the offering of the 2025 Senior Notes were allocated for general corporate purposes.

The 2024 Senior Notes are scheduled to mature and be paid in full on November 20, 2024. At any time prior to November 15, 2019, we may redeem all or part of the 2024 Senior Notes upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a make-whole premium as of the date of redemption, plus (iii) accrued and unpaid interest and additional interest, if any, thereon, to the date of redemption. In addition, we may redeem all or part of the 2024 Senior Notes, together with accrued and unpaid interest, on or after November 15, 2019, at redemption prices set forth in the indenture governing our 2024 Senior Notes. At any time prior to November 15, 2017, we may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2024 Senior Notes, including any permitted additional notes, at a redemption price equal to 105.25% of the principal amount.



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The 2014 Revolving Credit Agreement replaced the prior senior secured revolving credit facility. The 2014 Revolving Credit Agreement has an initial term of five years that may be extended twice, at our request, in each case by one additional year.

The 2025 Senior Notes are scheduled to mature and be paid in full on August 15, 2025. At any time prior to August 15, 2020, we may redeem all or part of the 2025 Senior Notes upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a make-whole premium as of the date of redemption, plus (iii) accrued and unpaid interest and additional interest, if any, thereon, to the date of redemption. In addition, we may redeem all or part of the 2025 Senior Notes, together with accrued and unpaid interest, on or after August 15, 2020, at redemption prices set forth in the indenture governing our 2025 Senior Notes. At any time prior to August 15, 2018, we may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2025 Senior Notes, including any permitted additional notes, at a redemption price equal to 105.75% of the principal amount.

Interest payments attributable to the 2024 Senior Notes are due on May 15 and November 15 of each year. The first interest payment was made on May 15, 2015. Interest payments attributable to the 2025 Senior Notes are due on February 15 and August 15 of each year. The first interest payment was made on February 16, 2016. We paid \$23.3 million of interest attributable to the 2025 Senior Notes during the three months ended March 31, 2016.

The Senior Notes and the 2014 Revolving Credit Agreement are fully and unconditionally, and jointly and severally, guaranteed by our direct or indirect wholly-owned domestic subsidiaries that account for more than 5% of our and our subsidiaries' consolidated assets, other than certain excluded subsidiaries (the "subsidiary guarantors"). Amounts due under the 2014 Revolving Credit Agreement are our and the subsidiary guarantors' senior unsecured obligations and rank equally with the Senior Notes and any of our other unsecured, unsubordinated debt, senior to any of our subordinated debt and effectively subordinated to our secured debt to the extent of the assets securing such debt.

The Indentures governing our Senior Notes (the "Indentures") among us, each of the subsidiary guarantors, and Wells Fargo Bank, National Association, as trustee, contain covenants that limit our and certain of our subsidiaries' ability to, among other things, incur liens, enter into sale/leaseback transactions and consolidate, merge or sell all or substantially all of our assets. In addition, the Indentures restrict our non-guarantor subsidiaries' ability to create, assume, incur or guarantee additional indebtedness without such non-guarantor subsidiaries guaranteeing the Senior Notes on a *pari passu* basis.

The 2014 Revolving Credit Agreement contains affirmative and restrictive covenants that, among other things, limit our ability and the ability of our existing or future subsidiaries to:

- incur liens and further negative pledges;
- incur additional indebtedness or prepay, redeem or repurchase indebtedness;
- make loans or hold investments;
- merge, dissolve, liquidate, consolidate with or into another person;
- enter into acquisition transactions;
- enter into sale/leaseback transactions;
- issue disqualified capital stock;
- sell, transfer or dispose of assets;
- pay dividends or make other distributions in respect of our capital stock or engage in stock repurchases, redemptions and other restricted payments;
- create new subsidiaries;
- permit certain restrictions affecting our subsidiaries;
- change the nature of our business, accounting policies or fiscal periods;
- enter into any transactions with affiliates other than on an arm's-length basis; and
- amend our organizational documents or amend, modify or change the terms of certain agreements relating to our indebtedness.

The 2014 Revolving Credit Agreement and the Indentures also contain customary events of default, including those relating to non-payment, breach of representations, warranties or covenants, cross-default and cross-acceleration, bankruptcy and insolvency events, invalidity or impairment of loan documentation or collateral, change of control and customary ERISA defaults. None of the restrictions above are expected to impact our ability to effectively operate the business.

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The 2014 Revolving Credit Agreement also requires us and our subsidiaries to achieve financial and operating results sufficient to maintain compliance with the following financial ratios on a consolidated basis through the termination of the 2014 Revolving Credit Agreement: (1) the maximum Consolidated Leverage Ratio (as defined in the 2014 Revolving Credit Agreement) measured quarterly on a rolling four-quarter basis shall not exceed 3.75:1.00 and (2) the minimum Consolidated Interest Coverage Ratio (as defined in the 2014 Revolving Credit Agreement) measured quarterly on a rolling four-quarter basis shall be at least 4.00:1.00. As of March 31, 2016, our Consolidated Leverage Ratio was 2.97:1.00 and our Consolidated Interest Coverage Ratio was 7.50:1.00.

Our non-guarantor subsidiaries of the Senior Notes consist of: (i) domestic subsidiaries of the Company that account for 5% or less of consolidated assets of the Company and its subsidiaries and (ii) any foreign or domestic subsidiary of the Company that is deemed to be a controlled foreign corporation within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended. Our non-guarantor subsidiaries accounted for approximately \$200.4 million, or 18.4%, of our total revenue for the trailing twelve months ended March 31, 2016, approximately \$89.9 million, or 21.0%, of our consolidated operating income for the trailing twelve months ended March 31, 2016, and approximately \$406.1 million, or 14.3%, of our consolidated total assets (excluding intercompany assets) and \$133.2 million, or 6.0%, of our consolidated total liabilities, in each case as of March 31, 2016.

### *Share Repurchases*

For the three months ended March 31, 2016, the Company paid \$333.3 million to receive approximately 4.9 million shares at an average purchase price of \$68.45 per share under the 2015 Repurchase Program.

### *Cash Dividend*

On April 27, 2016, the Board of Directors declared a cash dividend of \$0.22 per share for second quarter 2016. The second quarter 2016 dividend is payable on May 27, 2016 to shareholders of record as of the close of trading on May 13, 2016.

## **Cash Flows**

	As of	
	March 31, 2016	December 31, 2015
	(in thousands)	
Cash and cash equivalents	\$ 445,014	\$ 777,706

Cash and cash equivalents were \$445.0 million and \$777.7 million as of March 31, 2016 and December 31, 2015, respectively. As of March 31, 2016 and December 31, 2015, \$126.4 million and \$128.1 million, respectively, of the cash and cash equivalents were held by foreign subsidiaries, which could be subject to U.S. federal income taxation on repatriation to the U.S. and some of which could be subject to local country taxes if repatriated to the United States. In addition, repatriation of some foreign cash is further restricted by local laws.

We believe that domestic cash flows from operations, together with existing cash and cash equivalents and funds available under our existing credit facility and our ability to access the debt and capital markets for additional funds, will continue to be sufficient to fund our domestic operating activities and cash commitments for investing and financing activities, such as material capital expenditures and share repurchases, for at least the next 12 months and for the foreseeable future thereafter. In addition, we expect foreign cash flows from operations, together with existing cash and cash equivalents will continue to be sufficient to fund our foreign operating activities and cash commitments for investing activities, such as material capital expenditures, for at least the next 12 months and for the foreseeable future thereafter.

### *Cash Provided by (Used In) Operating, Investing and Financing Activities*

	Three Months Ended March 31,	
	2016	2015
	(in thousands)	
Cash provided by operating activities	\$ 33,030	\$ 66,683
Cash used in investing activities	(5,520)	(6,320)
Cash used in financing activities	(362,309)	(27,136)
Effect of exchange rates on cash and cash equivalents	2,107	(4,275)
Net (decrease) increase in cash and cash equivalents	\$ (332,692)	\$ 28,952

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### *Cash Flows From Operating Activities*

Cash flows from operating activities consist of net income adjusted for certain non-cash items and changes in assets and liabilities. Cash provided by operating activities was \$33.0 million and \$66.7 million for the three months ended March 31, 2016 and 2015, respectively. The year-over-year decrease was primarily driven by the impact of the timing of cash collections and higher interest payments.

Our primary uses of cash from operating activities are for the payment of cash compensation expenses, office rent, technology costs, market data costs, interest expenses and income taxes. The payment of cash for compensation and benefits is historically at its highest level in the first quarter when we pay discretionary employee compensation related to the previous fiscal year.

### *Cash Flows From Investing Activities*

Cash used in investing activities was \$5.5 million and \$6.3 million for the three months ended March 31, 2016 and 2015, respectively. The year-over-year decrease in cash used in investing activities primarily reflects a decrease in capital expenditures.

### *Cash Flows From Financing Activities*

Cash used in financing activities was \$362.3 million and \$27.1 million for the three months ended March 31, 2016 and 2015, respectively. The year-over-year increase was substantially driven by higher share repurchases.

## **Off-Balance Sheet Arrangements**

We do 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.

## **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

### *Foreign Currency Risk*

We are subject to foreign currency exchange fluctuation risk. Exchange rate movements can impact the U.S. dollar reported value of our revenues, expenses, assets and liabilities denominated in non-U.S. dollar currencies or where the currency of such items is different than the functional currency of the entity where these items were recorded.

For all operations outside the U.S. where the Company has designated the local non-U.S. dollar currency as the functional currency, revenue and expenses are translated using average monthly exchange rates and assets and liabilities are translated into U.S. dollars using month-end exchange rates. For these operations, currency translation adjustments arising from a change in the rate of exchange between the functional currency and the U.S. dollar are accumulated in a separate component of shareholders' equity. In addition, transaction gains and losses arising from a change in exchange rates for transactions denominated in a currency other than the functional currency of the entity are reflected in non-operating "Other expense (income), net" in our Unaudited Condensed Consolidated Statement of Income.

We generally invoice our clients in U.S. dollars; however, we invoice a portion of our clients in Euros, British pounds sterling, Japanese yen and a limited number of other non-U.S. dollar currencies. For the three months ended March 31, 2016 and 2015, 17.9% and 18.7%, respectively, of our revenues are subject to foreign currency exchange rate risk and primarily includes clients billed in foreign currency as well as U.S. dollar exposures on non-U.S. dollar foreign operating entities. Of the 17.9% of non-U.S. dollar exposure for the three months ended March 31, 2016, 35.7% was in British pounds sterling, 33.5% was in Euros and 22.7% was in Japanese yen. Of the 18.7% of non-U.S. dollar exposure for the three months ended March 31, 2015, 35.8% was in Euros, 34.7% was in British pounds sterling and 20.5% was in Japanese yen.

Revenues from index-linked investment products represented 17.5% of operating revenues for each of the three months ended March 31, 2016 and 2015. While a substantial portion of our fees for index-linked investment products are invoiced in U.S. dollars, the fees are based on the investment product's assets, of which approximately two-thirds 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.

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We are exposed to additional foreign currency risk in certain of our operating costs. Approximately 39.8% and 40.9% of our operating expenses, including operating expense attributable to income (loss) from discontinued operations, net of income taxes, for the three months ended March 31, 2016 and 2015, respectively, were denominated in foreign currencies, the significant majority of which were denominated in British pounds sterling, Indian rupees, Swiss francs, Hungarian forints, Euros, Hong Kong dollars, Mexican pesos and Chinese yuan. Expenses incurred in foreign currency may increase as we expand our business outside the U.S.

We have certain monetary assets and liabilities denominated in currencies other than local functional amounts and when these balances were remeasured into their local functional currency, either a gain or a loss resulted from the change of the value of the functional currency as compared to the originating currencies. We manage foreign currency exchange rate risk, in part, through the use of derivative financial instruments comprised principally of forward contracts on foreign currency which are not designated as hedging instruments for accounting purposes. The objective of the derivative instruments is to minimize the income statement impact associated with amounts denominated in certain foreign currencies. We recognized total foreign currency exchange losses of \$0.1 million and \$1.6 million for the three months ended March 31, 2016 and 2015, respectively. These amounts were recorded in “Other expense (income), net” in our Unaudited Condensed Consolidated Statements of Income.

### **Item 4. Controls and Procedures**

Our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls and procedures, as defined in Rule 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”), as of March 31, 2016, 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 Exchange Act is recorded, processed, summarized and reported within the time 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 under the Exchange Act 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. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **OTHER FINANCIAL INFORMATION**

The interim financial information included in this Quarterly Report on Form 10-Q for the three month periods ended March 31, 2016 and 2015 has not been audited by PricewaterhouseCoopers LLP (“PwC”). In reviewing such information, PwC has applied limited procedures in accordance with professional standards for reviews of interim financial information. Readers should restrict reliance on PwC’s reports on such information accordingly. PwC is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for its reports on interim financial information, because such reports do not constitute “reports” or “parts” of registration statements prepared or certified by PwC within the meaning of Sections 7 and 11 of the Securities Act of 1933

## **PART II**

### **Item 1. Legal Proceedings**

Various lawsuits, claims and proceedings have been or may be instituted or asserted against the Company in the ordinary course of business. While the amounts claimed could be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that exist. Therefore, it is possible that MSCI’s business, operating results, financial condition or cash flows in a particular period could be materially affected by certain contingencies. However, based on facts currently available, management believes that the disposition of matters that are currently pending or asserted will not, individually or in the aggregate, have a material effect on MSCI’s business, operating results, financial condition or cash flows.

### **Item 1A. Risk Factors**

There have been no material changes since December 31, 2015 to the significant risk factors and uncertainties known to the Company that, if they were to materialize or occur, would individually or in the aggregate, have a material effect on MSCI’s business, operating results, financial condition or cash flows.

For a discussion of the risk factors affecting the Company, see “Risk Factors” in Part I, Item 1A of our Form 10-K.

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

There have been no unregistered sales of equity securities.

The table below presents information with respect to purchases made by or on behalf of the Company of its common shares during the three months ended March 31, 2016.

#### **Issuer Purchases of Equity Securities**

<b>Period</b>	<b>Total Number of Shares Purchased<sup>(1)</sup></b>	<b>Average Price Paid Per Share</b>	<b>Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs</b>	<b>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs<sup>(2)</sup></b>
Month #1 (January 1, 2016-January 31, 2016)	1,127,423	\$ 68.12	1,085,438	\$805,497,000
Month #2 (February 1, 2016-February 29, 2016)	1,895,954	\$ 66.76	1,744,567	\$689,014,000
Month #3 (March 1, 2016-March 31, 2016)	2,043,815	\$ 70.13	2,039,418	\$546,004,000
Total	<u>5,067,192</u>	\$ 68.42	<u>4,869,423</u>	\$546,004,000

(1) Includes (i) shares withheld to satisfy tax withholding obligations on behalf of employees that occur upon vesting and delivery of outstanding shares underlying restricted stock units; (ii) shares withheld to satisfy tax withholding obligations and exercise price on behalf of employees that occur upon exercise and delivery of outstanding shares underlying stock options; and (iii) shares held in treasury under the MSCI Inc. Director Deferral Plan. The value of the shares withheld were determined using the fair market value of the Company's common stock on the date of withholding, using a valuation methodology established by the Company. The amount also includes shares repurchased under the 2015 Repurchase Program.

(2) See Note 7, "Shareholders' Equity" of the Notes to the Unaudited Condensed Consolidated Financial Statements included herein for further information regarding our stock repurchase programs.

### **Item 3. Defaults Upon Senior Securities**

None.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

None.

### **Item 6. Exhibits**

An exhibit index has been filed as part of this report on page EX-1.

**SIGNATURES**

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

Dated: April 29, 2016

MSCI INC.  
(Registrant)

By: /s/ Robert Qutub  
Robert Qutub  
Chief Financial Officer,  
Principal Financial Officer

**EXHIBIT INDEX****MSCI INC.****QUARTER ENDED MARCH 31, 2016**

<u>Exhibit Number</u>	<u>Description</u>
3.1	Third Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Form 10-Q (File No. 001-33812), filed with the SEC on May 4, 2012 and incorporated by reference herein)
3.2	Amended and Restated By-laws (filed as Exhibit 3.2 to the Company's Form 10-Q (File No. 001-33812), filed with the SEC on May 4, 2012 and incorporated by reference herein)
†	10.1 MSCI Inc. 2016 Omnibus Incentive Plan (filed as Exhibit 99.1 to the Company's Registration Statement on Form S-8 (Registration No. 333-210987), filed with the SEC on April 28, 2016 and incorporated by reference herein)
†	10.2 MSCI Inc. 2016 Non-Employee Directors Compensation Plan (filed as Exhibit 99.2 to the Company's Registration Statement on Form S-8 (Registration No. 333-210987), filed with the SEC on April 28, 2016 and incorporated by reference herein)
*†	10.3 Form of Award Agreement for Restricted Stock Units for Directors under the MSCI Inc. 2016 Non-Employee Directors Compensation Plan
*†	10.4 Form of Annual Performance Award Agreement for Performance Stock Units for Managing Directors under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan (this exhibit supersedes and replaces Exhibit 10.100 to the Company's Annual Report on Form 10-K (File No. 001-33812) filed with the SEC on February 26, 2016)
*†	10.5 Form of Award Agreement for Restricted Stock Units for Managing Directors under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan (this exhibit supersedes and replaces Exhibit 10.101 to the Company's Annual Report on Form 10-K (File No. 001-33812) filed with the SEC on February 26, 2016)
*†	10.6 Form of 2016 Multi-Year Performance Award Agreement for Performance Stock Units for the Executive Committee under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan (this exhibit supersedes and replaces Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-33812) filed with the SEC on February 12, 2016)
*†	10.7 Form of 2016 Multi-Year Performance Award Agreement for Performance Stock Units for the Executive Committee under the MSCI Inc. 2016 Omnibus Incentive Plan (this exhibit supersedes and replaces Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-33812) filed with the SEC on February 12, 2016)
*†	10.8 Non-Employee Director Stock Ownership Guidelines
*†	10.9 MSCI Inc. Director Deferral Plan, as amended
*	10.10 Letter Agreement to Cooperation Agreement, dated as of March 10, 2016, by and among MSCI Inc., Value Act Capital Management, L.P. and D. Robert Hale.
†	10.11 Transition and Release Agreement, dated as of February 10, 2016, by and between MSCI Inc. and Robert Qutub (filed as Exhibit 10.123 to the Company's Annual Report on Form 10-K (File No. 001-33812), filed with the SEC on February 26, 2016 and incorporated by reference herein)
†	10.12 Offer Letter, effective as of March 15, 2016, by and between MSCI Inc. and Kathleen A. Winters (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-33812), filed with the SEC on April 27, 2016 and incorporated by reference herein)
*†	10.13 Offer Letter, effective as of October 15, 2014, by and between MSCI Inc. and Laurent Seyer
*†	10.14 Offer Letter, effective as of May 15, 2011, by and between MSCI Inc. and Peter Zangari
11	Statement Re: Computation of Earnings Per Common Share (The calculation of per share earnings is in Part I, Item 1, Note 3 to the Condensed Consolidated Financial Statements (Earnings Per Common Share) and is omitted in accordance with Section (b)(11) of Item 601 of Regulation S-K)
*	15.1 Letter of awareness from PricewaterhouseCoopers LLP, dated April 29, 2016, concerning unaudited interim financial information

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*	31.1	Rule 13a-14(a) Certification of the Chief Executive Officer
*	31.2	Rule 13a-14(a) Certification of the Chief Financial Officer
**	32.1	Section 1350 Certification of the Chief Executive Officer and the Chief Financial Officer
*	101.INS	XBRL Instance Document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*		Filed herewith.
**		Furnished herewith.
†		Indicates a management compensation plan, contract or arrangement.



**FORM OF AWARD AGREEMENT  
FOR RESTRICTED STOCK UNITS  
FOR DIRECTORS**

**UNDER THE MSCI INC. 2016 NON-EMPLOYEE DIRECTORS COMPENSATION PLAN**

MSCI Inc. (“**MSCI**,” together with its subsidiaries, the “**Company**”) hereby grants to you Restricted Stock Units (“**RSUs**”) as described below. The awards are being granted under the MSCI Inc. 2016 Non-Employee Directors Compensation Plan (as may be amended from time to time, the “**Plan**”).

**Participant:** [NAME]

**Number of RSUs Granted:** [#] RSUs

**Grant Date:** [Date] (the “**Grant Date**”)

**Vesting Schedule:** [•]

Provided you continue to provide services to the Company through the Vesting Date, the RSUs will vest and convert as provided above and as further described in Exhibit A attached hereto. Your RSUs may be subject to forfeiture if you terminate service with the Company before the Vesting Date, as set forth in the Plan and this Restricted Stock Unit Award Agreement (including Exhibit A and Exhibit B attached hereto, this “**Award Agreement**”).

You agree that this Award Agreement is granted under the Plan and governed by the terms and conditions of the Plan and Exhibit A and Exhibit B attached hereto. You will be able to access a prospectus and tax supplement that contains important information about this award via the MSCI website or your brokerage account. Unless defined in this Award Agreement, capitalized terms shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Agreement as of the Grant Date.

MSCI INC.

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Name:  
Title:

**TERMS AND CONDITIONS  
OF THE RESTRICTED STOCK UNIT AWARD AGREEMENT**

Section 1. RSUs Generally. MSCI has awarded you RSUs as an incentive for you to continue to provide services as a director of MSCI and to, among other things, align your interests with those of the Company and to reward you for your continued service as a director of MSCI in the future. As such, you will earn your RSU award only if you remain in continuous service as a director of MSCI through the Vesting Date, or as otherwise set forth below. Each RSU corresponds to one share of MSCI common stock, par value \$0.01 per share (each, a “**Share**”). Each RSU constitutes a contingent and unsecured promise by MSCI to deliver one Share on the conversion date for such RSU. As the holder of RSUs, you have only the rights of a general unsecured creditor of MSCI. To the extent that you are subject to taxation in the United States, Section 409A of the Code imposes rules relating to the taxation of deferred compensation, including your RSU award. The Company reserves the right to modify the terms of your RSU award, including, without limitation, the payment provisions applicable to your RSUs, to the extent necessary or advisable to comply with Section 409A of the Code.

Section 2. Vesting Schedule and Conversion.

(a) *Vesting Schedule.* Your RSUs will vest on the Vesting Date; *provided* that, subject to Section 4 and Section 5, you continue to provide future services to the Company by remaining in continuous service as a director of MSCI through the Vesting Date.

(b) *Conversion.*

(i) Except as otherwise provided in this Award Agreement or pursuant to any election form submitted in connection with the MSCI Inc. Independent Directors Deferral Plan (as amended), each of your vested RSUs will convert to one Share within 30 days following the Vesting Date.

(ii) Shares to which you are entitled to receive upon conversion of RSUs under any provision of this Award Agreement shall not be subject to any transfer restrictions, other than those that may arise under securities laws or the Company’s policies.

Section 3. Dividend Equivalent Payments. Until your RSUs convert to Shares, if and when MSCI pays a dividend on Shares, you will be entitled to a dividend equivalent payment in the same amount as the dividend you would have received if you held Shares for your vested and unvested RSUs immediately prior to the record date. No dividend equivalents will be paid to you with respect to any canceled or forfeited RSUs. MSCI will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof, unless otherwise provided in Exhibit B. MSCI will pay the dividend equivalent when it pays the corresponding dividend on its common stock.

The gross amount of any dividend equivalents paid to you with respect to RSUs that do not vest and convert to Shares shall be subject to potential recoupment or payback (such recoupment or payback of dividend equivalents, the “**Clawback**”) following the cancellation or forfeiture of the underlying RSUs. You consent to the Company’s implementation and enforcement of the Clawback and expressly agree that MSCI may take such actions as are necessary to effectuate the Clawback consistent with applicable law. If, within a reasonable period, you do not tender repayment of the dividend equivalents in response to demand for repayment, MSCI may seek a court order against you or take any other actions as are necessary to effectuate the Clawback.

Section 4. Termination of Service. Upon termination of service as a director of MSCI prior to the Vesting Date, pursuant to this Section 4, the following special vesting and payment terms will apply to your RSUs:

(a) *Termination of Service Due to Death or Disability*. If your service as a director of MSCI terminates due to death or Disability, your unvested RSUs will immediately vest and convert into Shares on the date your service as a director of MSCI terminates or within 30 days thereafter. Such Shares will be delivered to the beneficiary(ies) you have designated pursuant to Section 7 or the legal representative of your estate, as applicable.

(b) *Termination of Service and Cancellation of Awards*. Unless otherwise determined by the Board, your unvested RSUs will be canceled and forfeited in full if your service as a director of MSCI terminates prior to the Vesting Date for any reason other than as set forth in Section 4 and Section 5 of this Award Agreement.

Section 5. Change in Control. In the event of a Change in Control, all of your RSUs will immediately vest and convert into Shares effective on the date of such Change in Control.

Section 6. Nontransferability. You may not sell, pledge, hypothecate, assign or otherwise transfer your RSUs, other than as provided in Section 7 (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 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 RSUs 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 7. Designation of a Beneficiary. You may make a written designation of a beneficiary or beneficiaries to receive all or part of the Shares to be paid under this Award Agreement in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix A with your personal tax or estate planning representative. 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(ies) to receive Shares under this Award Agreement, 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 8. Ownership and Possession.

(a) *Prior to Conversion.* Prior to conversion of your RSUs, you will not have any rights as a stockholder in the Shares corresponding to your RSUs. However, you will receive dividend equivalent payments, as set forth in Section 3 of this Award Agreement.

(b) *Following Conversion.* Following conversion of your RSUs, you will be the beneficial owner of the 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 9. Securities Law Compliance Matters. MSCI may, if it determines it is appropriate, affix any legend to the stock certificates representing Shares issued upon conversion of your RSUs 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 10. Compliance with Laws and Regulations. Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your RSUs (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, associations or other institutions with which MSCI 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 11. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

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 be obtained under, applicable local law.

Section 13. Award Modification and Section 409A.

(a) *Award Modification.* MSCI reserves the right to modify or amend unilaterally the terms and conditions of your RSUs, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. MSCI may not modify your RSUs in a manner that would materially impair your rights in your RSUs without

your consent; *provided, however*, that MSCI may, without your consent, amend or modify your RSUs in any manner that MSCI considers necessary or advisable to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. MSCI will notify you of any amendment of your RSUs that affects your rights. Any amendment or waiver of a provision of this Award Agreement (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 Chief Human Resources Officer, 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.

(b) *Section 409A*. You understand and agree that all payments made pursuant to this Award Agreement are intended to be exempt and/or comply with Section 409A, and shall be interpreted on a basis consistent with such intent. Notwithstanding the other provisions of this Award Agreement, to the extent necessary to comply with Section 409A, if MSCI considers you to be one of its “specified employees” and you are a U.S. taxpayer, in each case, at the time of your “separation from service” (as such terms are defined in the Code) from the Company, no conversion specified hereunder shall occur prior to your death or the expiration of the six-month period measured from the date of your separation from service from the Company (such period, the “**Delay Period**”). Any conversion of RSUs into Shares that would have occurred during the Delay Period but for the fact that you are deemed to be a specified employee shall be satisfied either by (i) conversion of such RSUs into Shares on the first business day following the Delay Period or (ii) a cash payment on the first business day following the Delay Period equal to the value of such RSUs on the scheduled conversion date (based on the value of the Shares on such date) plus accrued interest as determined by MSCI.

Section 14. Severability. In the event MSCI determines that any provision of this Award Agreement 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 Agreement will be construed and enforced as if the provision had not been included in this Award Agreement as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 15. Successors. This Award Agreement 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 Agreement or the Plan.

Section 16. Venue. For purposes of litigating any dispute that arises under this grant or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

Section 17. Rule of Construction for Timing of Conversion. With respect to each provision of this Award Agreement that provides for your RSUs to convert to Shares on the 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 the Vesting Date or such other specified event or date occurs, or if later, by March 15th of the year following such specified event or date.

Section 18. Non-U.S. Directors. The following provisions will apply to you if you are providing services as a director of MSCI and reside outside of the United States. For the avoidance of doubt, if you reside in the United States and subsequently relocate to another country after the Grant Date, or if you reside in another country and subsequently relocate to the United States after the Grant Date, the following provisions may apply to you to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for tax, legal or administrative reasons.

(a) *Tax and Other Withholding Obligations.*

You acknowledge that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items or liabilities, howsoever arising in any jurisdictions, related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”) is and remains your responsibility and may exceed the amount actually withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Pursuant to rules and procedures that MSCI establishes, Tax-Related Items arising upon any relevant taxable or tax withholding event (as applicable) of your RSUs may be satisfied, in the Board’s sole discretion, by having MSCI withhold Shares, or by having MSCI withhold cash or amounts from your director fees or other compensation if MSCI provides for a cash withholding option, in each case in an amount sufficient to satisfy the Tax-Related Items withholding obligations. Shares withheld will be valued using the fair market value of the Shares on the date your RSUs convert, 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. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

In the event that withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the RSUs, you authorize and direct MSCI and any brokerage firm determined acceptable to MSCI to sell on your behalf a whole number of Shares from those Shares issued to you as MSCI determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the stock equivalent.

Finally, you agree to pay to the Company, including through withholding from any director fees or other compensation paid to you by MSCI, any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. MSCI may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

(b) *Nature of Grant.* In accepting the RSUs, you acknowledge, understand and agree that:

(i) the Plan is established voluntarily by MSCI, it is discretionary in nature and it may be modified, amended, suspended or terminated by MSCI at any time, to the extent permitted by the Plan;

(ii) this RSU award is not a director, employment and/or service agreement, and nothing in this Award Agreement or your participation in the Plan shall create a right to continued service as a director of MSCI or interfere with the ability of MSCI to terminate your service relationship (if any);

(iii) this award, and all other awards of RSUs and other equity-based awards, are exceptional, discretionary, voluntary and occasional. This award does not confer on you any contractual or other right or entitlement to receive another award of RSUs, any other equity-based award or benefits in lieu of RSUs at any time in the future or in respect of any future period;

(iv) MSCI has made this award to you in its sole discretion. All decisions with respect to future RSU or other grants, if any, will be at the sole discretion of MSCI;

(v) you are voluntarily participating in the Plan;

(vi) the grant of RSUs and the Shares subject to the RSUs are not intended to replace any pension rights, director fees or other compensation;

(vii) this award does not confer on you any right or entitlement to receive director fees or other compensation in any specific amount;

(viii) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(ix) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of your service as a director of MSCI; and

(x) the Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the U.S. Dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

**(c) Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other RSU grant materials by and among, as applicable, MSCI and any subsidiary of MSCI for the exclusive purpose of implementing, administering and managing your participation in the Plan.**

**You understand that the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in MSCI, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.**

**You understand that Data will be transferred to E\*Trade Financial Corporate Services, Inc., or such other stock plan service provider as may be selected by MSCI in the future, which is assisting MSCI with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the U.S. or elsewhere, and that the recipients’ country of operation (e.g., the U.S.) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local Human Resources representative. You authorize MSCI, E\*Trade Financial Corporate Services, Inc., and any other possible recipients which may assist MSCI (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand if you reside outside the U.S., you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in**



*writing your local Human Resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing your consent is that MSCI would not be able to grant you RSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.*

(d) *Language.* If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(e) *Electronic Delivery and Acceptance.* MSCI may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by MSCI or a third party designated by MSCI.

(f) *Exhibit B.* Notwithstanding any provisions in this Award Agreement, the RSUs shall be subject to any special terms and conditions set forth in Exhibit B to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in Exhibit B, the special terms and conditions for such country will apply to you, to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit B constitutes part of this Award Agreement.

(g) *Insider Trading Restrictions/Market Abuse Laws.* You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that you are responsible for ensuring compliance with any applicable restrictions and you should consult your personal legal advisor on this matter.

Section 19. Defined Terms. For purposes of this Award Agreement, the following terms shall have the meanings set forth below:

“**Disability**” means “permanent and total disability” (as defined in Section 22(e) of the Code).

“**Section 409A**” means Section 409A of the Code.

**Designation of Beneficiary(ies) Under****MSCI 2016 Non-Employee Directors Compensation Plan**

This Designation of Beneficiary(ies) 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(ies) 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)			

Address(es) of Beneficiary(ies):

(1)  
(2)

Contingent Beneficiary(ies)

Please also indicate any contingent beneficiary(ies) and to which beneficiary(ies) above such interest relates.

	Beneficiary(ies) Name(s)	Relationship	Nature of Contingency
(1)			
(2)			

Address(es) of Contingent Beneficiary(ies):

(1)  
(2)

Name: (please print)

Date:

Signature

Please complete and file this form with your personal tax or estate planning representative.

Appendix A-1

[COUNTRY-SPECIFIC TERMS AND CONDITIONS]

**FORM OF ANNUAL PERFORMANCE AWARD AGREEMENT  
FOR PERFORMANCE STOCK UNITS  
FOR MANAGING DIRECTORS  
UNDER THE MSC INC. 2007 AMENDED AND RESTATED EQUITY INCENTIVE  
COMPENSATION PLAN**

MSCI Inc. (“**MSCI**,” and together with its Subsidiaries, the “**Company**”) hereby grants to you Performance Stock Units (“**PSUs**”) as described below. The awards are being granted under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan (as may be amended from time to time, the “**Plan**”).

**Participant:** [Name]

**Number of PSUs Granted:** [#] PSUs (the “**Target PSUs**”)

**Grant Date:** [Date] (the “**Grant Date**”)

**Vesting Schedule:** [•]

**Performance Period:** [•]

Your PSUs may be subject to forfeiture or recoupment if you terminate employment with the Company, fail to affirmatively accept the terms of this Award Agreement, including the Restrictive Covenants set forth in Exhibit B, by on or about [•] or do not comply with the notice requirements, as set forth in the Plan and this Performance Stock Unit Award Agreement (including Exhibit A, Exhibit B and Exhibit C attached hereto, this “**Award Agreement**”). [As of the Grant Date, you are Full Career Retirement eligible (as defined in Exhibit A attached hereto), subject to the terms of this Award Agreement.]

You agree that this Award Agreement is granted under the Plan and governed by the terms and conditions of the Plan and Exhibit A, Exhibit B and Exhibit C attached hereto. PSUs granted to you pursuant to this Award Agreement and any shares issued in settlement or satisfaction thereof may be subject to the MSCI Inc. Clawback Policy, as may be in effect from time to time, if on or after the Grant Date you are or become an executive officer of MSCI Inc. You will be able to access a prospectus and tax supplement that contains important information about this award via the MSCI website or your brokerage account. Unless defined in this Award Agreement, capitalized terms shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Agreement as of the Grant Date.

**MSCI Inc.**

\_\_\_\_\_  
Name:  
Title:

**TERMS AND CONDITIONS  
OF THE PERFORMANCE AWARD AGREEMENT**

Section 1. PSUs Generally. MSCI has awarded you PSUs as an incentive for you to continue to provide services to the Company and to align your interests with those of the Company. As such, you will earn your Adjusted PSUs (as defined below) only if you remain in continuous employment with the Company through the Vesting Date, or as otherwise set forth below. Each PSU corresponds to one share of MSCI common stock, par value \$0.01 per share (each, a “Share”). Each PSU constitutes a contingent and unsecured promise by MSCI to deliver one Share on the conversion date for such PSU.

Section 2. Performance Adjustment, Vesting and Conversion Schedule and HSR Act.

(a) *Performance Adjustment*. The number of Target PSUs awarded under this Award Agreement shall be adjusted, within a range of [•]% to [•]% of the number of Target PSUs, after the end of the Performance Period based on the achievement of the [•] and, if applicable, [•] performance metrics (collectively, the “Performance Metrics”) set forth in Appendix 1 hereto. Following the end of the Initial Performance Period and, if applicable, the Extended Performance Period, management of MSCI shall provide its calculation of the Performance Metrics to the Committee. The Committee will review the extent of the achievement of the Performance Metrics and shall certify in writing such achievement.

The number of PSUs that will be converted into Shares pursuant to Section 2(b), Section 4 or Section 5 (the “Adjusted PSUs”) will be determined based on the following formula on a date no later than [•] (such date, the “Adjustment Date”):

$$\text{Target PSUs} \quad \times \quad \begin{array}{c} \text{Adjustment} \\ \text{Percentage (as} \\ \text{defined in} \\ \text{Appendix 1)} \end{array} \quad = \quad \begin{array}{c} \text{Number of} \\ \text{Adjusted PSUs} \end{array}$$

(b) *Vesting and Conversion*. The Target PSUs will vest (as to service) [•] (the “Vesting Date”), subject to adjustment in accordance with Section 2(a); *provided that*, subject to Section 4 and Section 5, you continue to be employed by the Company on the Vesting Date; *provided, further*, that you have complied with all applicable provisions of the HSR Act. Vested Adjusted PSUs shall convert into Shares no earlier than [•], and no later than the Adjustment Date.

(c) *HSR Act*. If Adjusted PSUs would have converted pursuant to this Section 2, Section 4 or Section 5(b), but did not convert solely because you were not in compliance with all applicable provisions of the HSR Act, subject to Section 409A, the conversion date for such Adjusted PSUs shall occur on the first date following the date on which you have complied with all applicable provisions of the HSR Act.

Section 3. Dividend Equivalent Payments. Until your PSUs convert to Shares, if MSCI pays a dividend on Shares, you will be credited with a dividend equivalent payment in the same amount as the dividend you would have received if you held Shares for your vested and unvested PSUs immediately prior to the record date (taking into account any adjustments pursuant to Section 2(a) and adjustments provided under the Plan). Assuming you hold PSUs on the record date, MSCI will credit the dividend equivalent payments when it pays the corresponding dividend on its Shares. Your dividend equivalents will vest and be paid at the same time as, and subject to the same vesting and cancellation provisions set forth in this Award Agreement with respect to, your PSUs (*provided* that, subject to Section 21, the dividend equivalents may be paid following the scheduled conversion date on the next regularly scheduled payroll date). No dividend equivalents will be paid to you with respect to any canceled or forfeited PSUs. MSCI will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof, unless otherwise provided in Exhibit C.

Section 4. Termination of Employment. Upon termination of employment with the Company prior to the Vesting Date pursuant to this Section 4, the following special vesting and payment terms will apply to your unvested PSUs:

(a) *Termination of Employment Due to Death or Disability*. If your employment with the Company terminates due to death or Disability, in each case, prior to the Vesting Date, your Adjusted PSUs will vest and convert into Shares on the Adjustment Date (even though you are not employed by the Company on the Vesting Date). Upon a termination of employment due to death, the Adjusted PSUs shall be delivered in accordance with Section 10.

(b) *Involuntary Termination of Employment by the Company Prior to Full Career Retirement Eligibility*. In the event of an involuntary termination of your employment by the Company without Cause prior to the Vesting Date, your Adjusted PSUs will vest and convert into Shares on the Adjustment Date (even though you are not employed by the Company on the Vesting Date); *provided* that such vesting and conversion is subject to your execution and non-revocation of an agreement and release of claims satisfactory to the Company within 60 days following termination of your employment.

(c) *Full Career Retirement*. If your employment with the Company terminates due to Full Career Retirement (i) prior to or on the Vesting Date, your Adjusted PSUs will convert into Shares on the Adjustment Date; *provided*, that, if on the Adjustment Date you are subject to a non-compete restriction (other than those set forth in Exhibit B to this Award Agreement) which has not yet expired, your PSUs will convert into Shares at any time, in the discretion of the Committee, during the period (x) commencing on the Adjustment Date and (y) ending on [•] or (ii) after the Vesting Date, but prior to the Adjustment Date, your Adjusted PSUs will convert into Shares on [•].

(d) *Governmental Service Termination*. If your employment with the Company terminates prior to the Adjustment Date in a Governmental Service Termination, to the extent permitted under Section 409A, your PSUs will be adjusted

(within a range of [•]% to [•]%) based on the expected (or actual, as the case may be if such termination occurs after the expiration of the Performance Period) achievement of the Performance Metrics for the Performance Period, which will be determined by extrapolating from the Performance Metrics that have been achieved as of the end of the most recent completed fiscal quarter prior to the date your employment with the Company terminates, and such Adjusted PSUs will vest and convert into Shares within 60 days following the date of such termination. If your employment with the Company terminates after the Adjustment Date in a Governmental Service Termination under circumstances not involving a Cancellation Event, your Adjusted PSUs will convert into Shares within 60 days following the date of such termination.

(e) *Other Resignations from Employment.* All other resignations from employment must comply with the Notice Requirements.

(i) If you resign from your employment with the Company under circumstances which are not in accordance with the provisions above in this Section 4, you will forfeit any PSUs that have not vested as of your last day of employment with the Company; and

(ii) If, prior to the Vesting Date, you give MSCI notice of your intention to resign from your employment with the Company as of a date following the Vesting Date, your PSUs will vest and settle in accordance with Section 2; *provided, however*, that if you do not subsequently comply with the Notice Requirements, the Committee may, in its discretion, require that the gross cash value of the PSUs delivered to you in accordance with this Section 4(e)(ii) be subject to recoupment or payback.

For the avoidance of doubt, (A) revocation of a notice of intention to resign may, in the Company's sole discretion or if required to comply with Section 409A, be deemed to be noncompliant with the Notice Requirements and, in connection with such revocation, your PSUs may be forfeited and (B) if, after you have given notice of your intention to resign or retire, as applicable, from your employment with the Company, the Company involuntarily terminates your employment without Cause prior to the expiration of your notice period, your outstanding PSUs will be treated in accordance with Sections 4(b) or 4(c), as applicable.

Notwithstanding anything to the contrary contained herein, the Adjusted PSUs shall only vest pursuant to this Section 4 provided that you have complied with all applicable provisions of the HSR Act.

#### Section 5. Change in Control.

(a) *General.* In the event of a Change in Control, the Committee, in its sole discretion, may provide for (i) the continuation or assumption of your outstanding PSUs under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent, in which case your PSUs will continue to be subject to the terms of this Award Agreement, or (ii) the lapse of restrictions relating to and the settlement of

your outstanding PSUs immediately prior to such Change in Control in the event a buyer will not continue or assume the PSUs; *provided, however*, in each case, the Performance Metric targets relating to any outstanding Target PSUs (that are not Adjusted PSUs) will be deemed to have been achieved at [•]. Following a Change in Control in which your outstanding PSUs are continued or assumed pursuant to clause (i) above, such PSUs may be settled in cash, stock or a combination thereof.

(b) *Qualifying Termination.* In the event of a Qualifying Termination (as defined below), your PSUs will vest and convert into Shares within 60 days following such Qualifying Termination. If such 60-day period begins in one taxable year and ends in a subsequent taxable year, such vesting and conversion shall occur in the second taxable year. “**Qualifying Termination**” means a termination of employment by the Company without Cause or by you for Good Reason (which shall be deemed an involuntary termination of employment by the Company without Cause), in each case within 24 months following the effective date of the Change in Control in which the PSUs are continued or assumed. Notwithstanding anything to the contrary contained herein, the PSUs shall only vest pursuant to this Section 5(b) provided that you have complied with all applicable provisions of the HSR Act.

Section 6. Restrictive Covenants. In consideration of the grant of PSUs under this Award Agreement, and in consideration for all other awards granted by the Company to you under the Plan, you agree to be bound by, and to comply with, the restrictive covenants set forth in Exhibit B to this Award Agreement (collectively, the “**Restrictive Covenants**”). In the event you violate any of the Restrictive Covenants (a) prior to or on the Adjustment Date, you will forfeit the PSUs (whether or not they are Adjusted PSUs) outstanding as of the date of such violation or (b) after the Adjustment Date, but prior to or on the expiry date of the Restrictive Covenants (as set forth in Exhibit B to this Award Agreement), you will promptly deliver to the Company all Shares acquired upon conversion of the Adjusted PSUs (or, to the extent you no longer hold such Shares, you will pay to the Company an amount on a gross basis equal to the Fair Market Value of any such Shares on the date the Shares were delivered to you). You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that you have not violated any of the Restrictive Covenants.

Section 7. Cancellation of Awards. Notwithstanding any other terms of this Award Agreement, your PSUs will be canceled prior to conversion in the event of any Cancellation Event. You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that no Cancellation Event has occurred. If you fail to submit a timely certification or evidence, MSCI will cancel your award. Except as explicitly provided in Section 4 or Section 5(b), upon a termination of your employment by you or by the Company for any reason, any of your PSUs that have not vested pursuant to Section 2 as of the date of your termination of employment with the Company will be canceled and forfeited in full as of such date.



Section 8. Tax and Other Withholding Obligations. Pursuant to rules and procedures that MSCI establishes (including those set forth in Section 16(a) of the Plan), tax or other withholding obligations arising upon vesting and conversion (as applicable) of your PSUs may be satisfied, in MSCI's sole discretion, by having MSCI withhold Shares, tendering Shares or by having MSCI withhold cash if MSCI provides for a cash withholding option, 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 the Shares on the date your PSUs convert. 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. You acknowledge that, if you are subject to Tax-Related Items (as defined below) in more than one jurisdiction, the Company (including any former employer) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Section 9. Nontransferability. You may not sell, pledge, hypothecate, assign or otherwise transfer your PSUs, other than as provided in Section 10 or by will or the laws of descent and distribution or otherwise as provided for by the Committee.

Section 10. Designation of a Beneficiary. If you reside in the United States, you may make a written designation of a beneficiary or beneficiaries to receive all or part of the Shares to be paid under this Award Agreement in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix 2 with your personal tax or estate planning representative. 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(ies) 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 11. Ownership and Possession. Except as set forth herein, you will not have any rights as a stockholder in the Shares corresponding to your PSUs prior to conversion of your PSUs.

Section 12. Securities Law Compliance Matters. MSCI may, if it determines it is appropriate, affix any legend to the stock certificates representing Shares issued upon conversion of your PSUs 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 13. Compliance with Laws and Regulations. Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your PSUs (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, associations or other institutions with

which MSCI 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 14. No Entitlements.

(a) *No Right to Continued Employment.* This PSU award is not an employment agreement, and nothing in this Award Agreement or the Plan shall alter your status as an “at-will” employee of the Company.

(b) *No Right to Future Awards.* This award, and all other awards of PSUs and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of PSUs or any other equity-based award at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of PSUs hereunder, for which you have no current entitlement.

(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. 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 15. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Section 16. 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 to be obtained under, applicable local law.

Section 17. Award Modification and Section 409A.

(a) *Modification.* MSCI reserves the right to modify or amend unilaterally the terms and conditions of your PSUs, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. MSCI may not modify your PSUs in a manner that would materially impair your rights in your PSUs without your consent; *provided, however,* that MSCI may, without your consent, amend or modify your PSUs in any manner that MSCI considers necessary or advisable to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or to ensure that your PSUs are not subject to tax prior to payment. MSCI will notify you of any amendment of your PSUs that affects your rights. Any amendment or waiver of a provision of this Award Agreement (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 Chief Human Resources

Officer, 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.

(b) *Section 409A.*

(i) You understand and agree that all payments made pursuant to this Award Agreement are intended to be exempt and/or comply with Section 409A, and shall be interpreted on a basis consistent with such intent. For the avoidance of doubt, the Company makes no representations that the payments provided under this Award Agreement comply with Section 409A, and in no event will the Company be liable for any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

(ii) Notwithstanding the other provisions of this Award Agreement, to the extent necessary to comply with Section 409A, no conversion specified hereunder shall occur unless permissible under Section 409A. If MSCI considers you to be one of its “specified employees” and you are a U.S. taxpayer, in each case, at the time of your “separation from service” (as such terms are defined in the Code) from the Company, no conversion specified hereunder shall occur prior to the expiration of the six-month period measured from the date of your separation from service from the Company (such period, the “**Specified Employee Period**”). Any conversion of Adjusted PSUs into Shares that would have occurred during the Specified Employee Period but for the fact that you are deemed to be a specified employee shall be satisfied either by (A) conversion of such Adjusted PSUs into Shares on the first business day following the Specified Employee Period or (B) a cash payment on the first business day following the Specified Employee Period equal to the value of such Adjusted PSUs on the scheduled conversion date (based on the value of the Shares on such date) plus accrued interest as determined by MSCI; *provided*, that to the extent this Section 17(b)(ii) is applicable, in the event that after the date of your separation from service from the Company you (X) die or (Y) accept employment at a Governmental Employer and provide MSCI 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 of the Shares is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer, any conversion or payment delayed pursuant to this Section 17(b)(ii) shall occur or be made immediately. For the avoidance of doubt, any determination as to form of payment provided in this Section 17(b)(ii) will be in the sole discretion of MSCI.

(iii) For purposes of any provision of this Award Agreement providing for the payment of any amounts of nonqualified deferred compensation upon or following a termination of employment from the Company, references to your “termination of employment” (and corollary terms) shall be construed to refer to your “separation from service” from the Company.

(iv) MSCI reserves the right to modify the terms of this Award Agreement, including, without limitation, the payment provisions applicable to your PSUs, to the extent necessary or advisable to comply with Section 409A and reserves the right to make any changes to your PSU award so that it does not become subject to Section 409A or become subject to a Specified Employee Period.

Section 18. Severability. In the event MSCI determines that any provision of this Award Agreement 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 Agreement will be construed and enforced as if the provision had not been included in this Award Agreement as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 19. Successors. This Award Agreement 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 Agreement or the Plan.

Section 20. Governing Law; Venue. This Award Agreement and the related legal relations between you and the Company 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. For purposes of litigating any dispute that arises under this grant or the Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

Section 21. Rule of Construction for Timing of Conversion. With respect to each provision of this Award Agreement that provides for your PSUs to convert to Shares, or your dividend equivalents to be paid, on a specified event or date, such conversion or payment 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 conversion or 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 the applicable vesting date or such other specified event or date occurs, or if later, by March 15th of the year following such specified event or date.

Section 22. Non-U.S. Participants. The following provisions will apply to you if you reside or work outside of the United States. For the avoidance of doubt, if you reside or work in the United States and subsequently relocate to another country after the Grant Date, or if you reside in another country and subsequently relocate to the United States after the Grant Date, the following provisions may apply to you to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for tax, legal or administrative reasons.

(a) *Termination of Employment.* Unless otherwise provided in Section 4 or Section 5(b), your employment relationship will be considered terminated as of the date you are no longer actively providing services to the Company (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and such date will not be extended by any notice period (*i.e.*, your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any).

(b) *Tax and Other Withholding Obligations.* You acknowledge that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”) is and remains your responsibility and may exceed the amount actually withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

In the event that withholding in and/or tendering Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the PSUs, you authorize and direct MSCI and any brokerage firm determined acceptable to MSCI to sell on your behalf a whole number of Shares from those Shares issued to you as MSCI determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the stock equivalent.

Finally, you agree to pay to the Company, including through withholding from your wages or other cash compensation paid to you by MSCI and/or your employer, any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. MSCI may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

(c) *Nature of Grant.* In accepting the PSUs, you acknowledge, understand and agree that:

(i) the Plan is established voluntarily by MSCI, it is discretionary in nature and it may be modified, amended, suspended or terminated by MSCI at any time, to the extent permitted by the Plan;

(ii) this PSU award is not an employment or service agreement, and nothing in this Award Agreement or your participation in the Plan shall create a right to continued employment with the Company or interfere with the ability of the Company to terminate your employment or service relationship (if any);

(iii) this award, and all other awards of PSUs and other equity-based awards, are exceptional, discretionary, voluntary and occasional. This award does not confer on you any contractual or other right or entitlement to receive another award of PSUs, any other equity-based award or benefits in lieu of PSUs at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of PSUs hereunder, for which you have no current entitlement;

(iv) MSCI has made this award to you in its sole discretion. All decisions with respect to future PSU or other grants, if any, will be at the sole discretion of MSCI;

(v) you are voluntarily participating in the Plan;

(vi) the grant of PSUs and the Shares subject to the PSUs are not intended to replace any pension rights or compensation;

(vii) this award does not confer on you any right or entitlement to receive compensation in any specific amount. In addition, the PSUs and the Shares subject to the PSUs, and the income and value of the same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments, and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, or any Subsidiary;

(viii) unless otherwise agreed with MSCI, the PSUs and the Shares subject to the PSUs, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of a Subsidiary;

(ix) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of your employment relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and

(xi) you acknowledge and agree that the Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the U.S. Dollar that may affect the value of the PSU or of any amounts due to you pursuant to the settlement of the PSU or the subsequent sale of any Shares acquired upon settlement.

**(d) Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other PSU grant materials by and among, as applicable, MSCI and any Subsidiary for the exclusive purpose of implementing, administering and managing your participation in the Plan.**

**You understand that the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in MSCI, details of all PSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.**

**You understand that Data will be transferred to E\*Trade Financial Corporate Services, Inc., or such other stock plan service provider as may be selected by MSCI in the future, which is assisting MSCI with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country of operation (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local Human Resources representative. You authorize MSCI, E\*Trade Financial Corporate Services, Inc., and any other possible recipients which may assist MSCI (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case**

*without cost, by contacting in writing your local Human Resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing your consent is that MSCI would not be able to grant you PSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.*

(e) *Language.* If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(f) *Electronic Delivery and Acceptance.* MSCI may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by MSCI or a third party designated by MSCI.

(g) *Exhibit C.* Notwithstanding any provisions in this Award Agreement, the PSUs shall be subject to any special terms and conditions set forth in Exhibit C to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in Exhibit C, the special terms and conditions for such country will apply to you, to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit C constitutes part of this Award Agreement.

(h) *Insider Trading Restrictions/Market Abuse Laws.* You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., PSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that you are responsible for ensuring compliance with any applicable restrictions, and you should consult your personal legal advisor on this matter.

Section 23. Defined Terms. For purposes of this Award Agreement, the following terms shall have the meanings set forth below:

A “**Cancellation Event**” will be deemed to have occurred under any one of the following circumstances:

(a) misuse of Confidential Information (as defined in Exhibit B to this Award Agreement) or the failure to comply with your obligations under MSCI’s Code of Conduct or otherwise with respect to Confidential Information;



(b) termination from the Company for Cause (or a later determination that you could have been terminated for Cause; *provided* that such determination is made within six months of termination);

(c) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company's financial statements; or

(d) failure to affirmatively accept the terms of this Award Agreement, including, but not limited to, the Restrictive Covenants set forth in Section 6 and Exhibit B; *provided* that the Committee may determine, in its sole discretion and no later than [•], whether failure to accept the award by on or about [•] constitutes a Cancellation Event.

“Cause” means:

(a) any act or omission which constitutes a material willful breach of your obligations to the Company or your continued and willful refusal to substantially perform satisfactorily any duties reasonably required of you, which results in material injury to the interest or business reputation of the Company and 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 30 days after written notification thereof to you by the Company; *provided* that no act or failure to act on your part shall be deemed willful unless done or omitted to be done by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company;

(b) your commission of any dishonest or fraudulent act, or any other act or omission with respect to the Company, which has caused or may reasonably be expected to cause a material injury to the interest or business reputation of the Company and which act or omission is not successfully refuted by you within 30 days after written notification thereof to you by the Company;

(c) your plea of guilty or *nolo contendere* to or conviction of a felony under the laws of the United States or any state thereof or any other plea or confession of a similar crime in a jurisdiction in which the Company conducts business; or

(d) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company's financial statements.

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 (i) any employee plan established by the Company, (ii) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering

of such securities, or (iv) a corporation owned, directly or indirectly, by stockholders of MSCI in substantially the same proportions as their ownership of MSCI, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of MSCI (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 30% or more of the total voting power of the stock of MSCI; *provided* 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 individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by MSCI’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 pursuant to applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of MSCI 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 MSCI’s 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 MSCI (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 or the combined voting power of MSCI’s then-outstanding voting securities shall not be considered a Change in Control; or

(d) 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 MSCI 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. 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. In no event will a Change in Control be deemed to have occurred if you are part of a "group" within the meaning of Section 13(d)(3) of the Exchange Act that effects a Change in Control.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**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; *provided, however*, that, for purposes of administering Section 4 with respect to awards granted to participants who are not officers or directors of the Company subject to Section 16(a) of the Exchange Act, the Committee may delegate its authority to the Company's Chief Executive Officer, Chief Human Resources Officer or Head of Compensation and Benefits.

"**Disability**" means (a) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) you, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, are receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

[“**Full Career Retirement**” means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to your death or Disability).]

[“**Full Career Retirement**” means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to your death or Disability) on or after the date that you attain the age of 55 and ten years of service with the Company (giving effect to credit for prior service with MSCI’s Subsidiaries and affiliates, as applicable). For the avoidance of doubt, you will only receive credit for employment with entities which are MSCI’s Subsidiaries and affiliates to the extent that you were an employee of such entity on the closing date of the applicable corporate transaction pursuant to which such entity became a Subsidiary or affiliate of MSCI and, in each case, you became an employee of MSCI (or one of its Subsidiaries) as of the closing date of such transaction.]

“**Good Reason**” means:

(a) any material diminution in your title, status, position, the scope of your assigned duties, responsibilities or authority, including the assignment to you of any duties, responsibilities or authority inconsistent with the duties, responsibilities and authority assigned to you prior to a Change in Control (including any such diminution resulting from a transaction in which the Company is no longer a public company);

(b) any reduction in your total compensation that was in existence prior to a Change in Control (for purposes of this clause (b), total compensation is comprised of your (i) current annual base salary, (ii) your current target annual cash bonus and (iii) the grant date fair value of your most recent annual equity-based incentive compensation awards. Notwithstanding the foregoing, for purposes of (iii), if any of your equity-based incentive compensation awards are “front-loaded” awards intended to cover multiple years of awards, the Committee may, in its reasonable discretion, adjust in connection with the grant of such award the Equity Value for purposes of this definition to take into account what the grant date fair value for an equity-based incentive compensation award would be if the award represented only a single-year award. Additionally, if in any year, no equity-based incentive compensation awards were granted to you or an equity-based incentive compensation award was granted to you, in each case, taking into account the front-loaded award in a prior year, the Committee shall allocate a portion of such front-loaded award to the Equity Value for the relevant year. Finally, the Committee shall have the authority, in its reasonable discretion to exclude any extraordinary and nonrecurring equity-based incentive compensation awards or arrangements from the calculation of “Equity Value” for purposes hereunder;

(c) a relocation of more than 25 miles from the location of your principal job location or office prior to a Change in Control; or

(d) any other action or inaction that constitutes a material breach by the Company of any agreement pursuant to which you provide services to the Company;

*provided*, that you provide the Company with written notice of your intent to terminate your employment for Good Reason within 90 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide the Company with at least 30 days following receipt of such notice to remedy such circumstances.

**“Governmental Employer”** means a federal governmental or executive branch department or agency.

**“Governmental Service Termination”** means the termination of your employment with the Company as a result of your accepting employment at a Governmental Employer and you provide MSCI 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 common stock is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer.

**“HSR Act”** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

**“Notice Requirements”** means prior written notice to MSCI of at least:

(a) 180 days if you are a member of the MSCI Executive Committee (or a successor or equivalent committee) at the time of notice of resignation; or

(b) 90 days if you are a Managing Director of the Company (or equivalent title) at the time of notice of resignation.

For the avoidance of doubt, employees working or residing outside of the United States may be subject to notice periods mandated under local labor or regulatory requirements which may differ from the Notice Requirements set forth above.

**“Section 409A”** means Section 409A of the Code.

**PERFORMANCE METRICS**

APPENDIX 1-1

**Designation of Beneficiary(ies) Under  
MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan**

This Designation of Beneficiary(ies) 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(ies) 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)		

Address(es) of Beneficiary(ies):

(1)  
(2)

Contingent Beneficiary(ies)

Please also indicate any contingent beneficiary(ies) and to which beneficiary(ies) above such interest relates.

Beneficiary(ies) Name(s)	Relationship	Nature of Contingency
(1)		
(2)		

Address(es) of Contingent Beneficiary(ies):

(1)  
(2)

Name: (please print)

Date:

Signature

Please complete and file this form with your personal tax or estate planning representative.

**RESTRICTIVE COVENANTS**

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Award Agreement.

Section 1. Confidential Information; Assignment of Inventions. (a) During your employment or service with the Company and at all times thereafter, you agree to keep secret and retain in strictest confidence and trust for the sole benefit of the Company, and shall not disclose, directly or indirectly, or use for your benefit or the benefit of others, without the prior written consent of the Company, any Confidential Information. For purposes of this Exhibit B and the Award Agreement, “**Confidential Information**” shall mean all proprietary or confidential matters or trade secrets of, and confidential and competitively valuable information concerning, the Company (whether or not such information is in written form). Without limiting the generality of the foregoing, Confidential Information shall include: information concerning organization and operations, business and affairs; formulae, processes, technical data; “know-how”; flow charts; computer programs and computer software; access codes or other systems of information; algorithms; technology and business processes; business, product or marketing plans or strategies; sales and other forecasts; financial information or financing/financial projections; lists of clients or customers or potential clients or customers; details of client or consultant contracts; supplier or vendor lists or arrangements; business acquisition or disposition plans; employee information, new personnel acquisition plans and information relating to compensation and benefits; budget information and procedures; research products; research and development; all data, concepts, ideas, findings, discoveries, developments, programs, designs, inventions, improvements, methods, practices and techniques, whether or not patentable, relating to present or planned future activities or products or services; and public information that becomes proprietary as a result of the Company’s compilation of that information for use in its business; *provided, however*, that the Confidential Information shall in no event include (x) any Confidential Information which was generally available to the public at the time of disclosure by you or (y) any Confidential Information which becomes publicly available other than as a consequence of the breach by you of your confidentiality obligations hereunder or under any other confidentiality agreement you have entered into with the Company, if any. In the event of a termination of your employment or service with the Company for any reason, you shall deliver to MSCI all documents and data pertaining to the Confidential Information and shall not take with you any documents or data of any kind or any reproductions (in whole or in part) or extracts of any items relating to the Confidential Information. Nothing contained in this Section 1 of this Exhibit B shall prohibit you from disclosing Confidential Information if such disclosure is required by law, governmental process or valid legal process. Unless you are reporting a possible violation of law to a governmental entity or law enforcement, making a disclosure that is protected under the whistleblower protections of applicable law and/or participating in a governmental investigation, in the event that you are legally compelled to disclose any of the Confidential Information, you shall provide MSCI with prompt written notice so that MSCI, at its sole cost and expense, may seek a protective order or other appropriate remedy or waive compliance with the provisions of this



Section 1 of this Exhibit B. If such protective order or other remedy is not obtained, or if the Company waives compliance with the provisions of this Section 1, you shall furnish only that portion of the Confidential Information that you in good faith believe is legally required to be disclosed. In addition to the foregoing, and subject to the second preceding sentence, you hereby agree to comply with the requirements of any and all agreements that you have entered into, or may in the future enter into, with the Company with respect to the use or disclosure of confidential or proprietary information of the Company.

(b) All rights to discoveries, inventions, improvements and innovations, copyright and copyrightable materials (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark or reduced to writing, that you may discover, invent or originate during your employment or service with the Company or any predecessor entity, either alone or with others and whether or not during working hours or by the use of the facilities of the Company (collectively, “**Inventions**”), shall be the exclusive property of the Company, and you hereby irrevocably assign all right, title and interest in and to all Inventions to the Company. You shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents that the Company may deem necessary to protect or perfect the rights of the Company therein, and shall assist the Company, at the Company’s expense, in obtaining, defending and enforcing the Company’s rights therein. You hereby appoint the Company as your attorney-in-fact to execute on your behalf any assignments or other documents deemed necessary by the Company to protect or perfect its rights to any Inventions.

Section 2. Non-Compete. During your employment or service with the Company and for a period of one year following the termination of your employment or service with the Company for any reason (the “**Non-Compete Restricted Period**”), you shall not, without the consent of the Company, directly or indirectly, provide services to, accept employment with, be a consultant or advisor to, form, lend financial support to, own any interest in (other than shares of a publicly traded company that represent less than 1% of the outstanding shares) or otherwise enter into any arrangement with, or engage in any activity for or on behalf of, any person, entity or business in competition with the MSCI Business (the “**Competing Business**”); *provided, however*, that the foregoing will not prohibit you from accepting or beginning employment with any company that, as part of its overall business model, engages in one or more of the Competing Businesses, *provided* that you (x) do not directly provide assistance to any of the Competing Businesses in the form of day-to-day responsibility for any aspect of the operation, supervision, compliance or regulation of any of the Competing Businesses or (y) provide only administrative, non-operational assistance to any such Competing Business and it is an immaterial part of such company’s overall business. For purposes of this Exhibit B and the Award Agreement, “**MSCI Business**” means any business engaged in, contemplated or actively planned by the Company as of the date of your termination of employment that you were actively providing services to such line of business during your employment with MSCI.

Section 3. Non-Solicit and No-Hire. During your employment or service with the Company and for a period of two years following the termination of your

employment or service with the Company for any reason (the “**Non-Solicit Restricted Period**”), you shall not, directly or indirectly, (a) solicit or encourage any employee of the Company to terminate his or her employment with the Company, (b) hire any employee of the Company prior to the date on which such person has not been employed by the Company or any of its Subsidiaries for a period of at least one year or (c) induce or attempt to induce any customer, client, supplier, vendor, licensee or other business relationship of the Company to cease doing or reduce their business with the Company, or in any way interfere with the relationship between the Company and any customer, client, supplier, licensee or other business relationship of the Company.

Section 4. Non-Disparagement. At all times during your employment or service with the Company and after termination of your employment or service with the Company for any reason, you will not knowingly make any statement, written or oral, that would disparage the business or reputation of the Company or its officers, managers, directors or employees. It will not be a violation of this Section 4 for you to make truthful statements, under oath, as required by law, to a governmental entity or law enforcement agency or as part of a litigation or administrative agency proceeding.

Section 5. Certain Remedies. You acknowledges that the terms of this Exhibit B are reasonable and necessary in light of your unique position, responsibility and knowledge of the operations of the Company and the unfair advantage that your knowledge and expertise concerning the business of the Company would afford a competitor of the Company and are not more restrictive than necessary to protect the legitimate interests of the Company. If the final judgment of a court of competent jurisdiction, or any final non-appealable decision of an arbitrator in connection with a mandatory arbitration, declares that any term or provision of this Exhibit B or the Award Agreement is invalid or unenforceable, the parties agree that the court or arbitrator making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Exhibit B and the Award Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed. You acknowledge that the Company and its shareholders would be irreparably harmed by any breach of this Exhibit B and that there would be no adequate remedy at law or in damages to compensate the Company and its shareholders for any such breach. You agree that MSCI shall be entitled to injunctive relief, without having to post bond or other security, requiring specific performance by you of your obligations in this Exhibit B in addition to any other remedy to which the Company is entitled at law or in equity, and you consent to the entry thereof. You agree that the Non-Compete Restricted Period and the Non-Solicit Restricted Period, as applicable, shall be extended by any and all periods during which you are in breach of this Exhibit B.

[COUNTRY-SPECIFIC TERMS AND CONDITIONS]

**FORM OF AWARD AGREEMENT  
FOR RESTRICTED STOCK UNITS  
FOR MANAGING DIRECTORS  
UNDER THE MSC INC. 2007 AMENDED AND RESTATED EQUITY INCENTIVE  
COMPENSATION PLAN**

MSCI Inc. (“**MSCI**,” together with its Subsidiaries, the “**Company**”) hereby grants to you Restricted Stock Units (“**RSUs**”) as described below. The awards are being granted under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan (as may be amended from time to time, the “**Plan**”).

**Participant:** [Name]

**Number of RSUs Granted:** [#] RSUs

**Grant Date:** [•] (the “**Grant Date**”)

**Vesting Schedule:** [•]

Your RSUs may be subject to forfeiture or recoupment if you terminate employment with the Company[, fail to affirmatively accept the terms of this Award Agreement, including the Restrictive Covenants set forth in Exhibit B, by on or about to [•] or do not comply with the notice requirements, as set forth in the Plan and this Restricted Stock Unit Award Agreement (including Exhibit A, Exhibit B and Exhibit C attached hereto, this “**Award Agreement**”). [As of the Grant Date, you are Full Career Retirement eligible (as defined in Exhibit A attached hereto), subject to the terms of this Award Agreement.]

You agree that this Award Agreement is granted under the Plan and governed by the terms and conditions of the Plan and Exhibit A, Exhibit B and Exhibit C attached hereto. RSUs granted to you pursuant to this Award Agreement and any shares issued in settlement or satisfaction thereof may be subject to the MSCI Inc. Clawback Policy, as may be in effect from time to time, if on or after the Grant Date you are or become an executive officer of MSCI Inc. You will be able to access a prospectus and tax supplement that contains important information about this award via the MSCI website or your brokerage account. Unless defined in this Award Agreement, capitalized terms shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Agreement as of the Grant Date.

**MSCI Inc.**

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Name:  
Title:

**TERMS AND CONDITIONS**  
**OF THE 2016 RESTRICTED STOCK UNIT AWARD AGREEMENT**

Section 1. RSUs Generally. MSCI has awarded you RSUs as an incentive for you to continue to provide services to the Company and to align your interests with those of the Company. As such, you will earn your RSUs for 2016 only if you remain in continuous employment with the Company through the applicable Vesting Dates, or as otherwise set forth below. Each RSU corresponds to one share of MSCI common stock, par value \$0.01 per share (each, a “**Share**”). Each RSU constitutes a contingent and unsecured promise by MSCI to deliver one Share on the conversion date for such RSU.

Section 2. Vesting, Conversion and HSR Act.

(a) *Vesting*. Your RSUs shall vest [•] (each, a “**Vesting Date**”); *provided* that, subject to Section 4 and Section 5, you continue to be employed by the Company on each such Vesting Date; *provided, further*, that you have complied with all applicable provisions of the HSR Act.

(b) *Conversion*. Vested RSUs shall convert into Shares on the Vesting Date or as soon as reasonably practicable, but in no event later than 30 days thereafter.

(c) *HSR Act*. If unvested RSUs would have vested pursuant to this Section 2, Section 4 or Section 5(b), but did not vest solely because you were not in compliance with all applicable provisions of the HSR Act, subject to Section 409A, the vesting date for such RSUs shall occur on the first date following the date on which you have complied with all applicable provisions of the HSR Act.

Section 3. Dividend Equivalent Payments. Until your RSUs convert to Shares, if MSCI pays a dividend on Shares, you will be entitled to a dividend equivalent payment in the same amount as the dividend you would have received if you held Shares for your vested and unvested RSUs immediately prior to the record date. No dividend equivalents will be paid to you with respect to any canceled or forfeited RSUs. MSCI will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof, unless otherwise provided in Exhibit C. MSCI will pay the dividend equivalent when it pays the corresponding dividend on its common stock or on the next regularly scheduled payroll date. The gross amount of any dividend equivalents paid to you with respect to RSUs that do not vest and convert to Shares shall be subject to potential recoupment or payback (such recoupment or payback of dividend equivalents, the “**Clawback**”) following the cancellation or forfeiture of the underlying RSUs. You consent to the Company’s implementation and enforcement of the Clawback and expressly agree that MSCI may take such actions as are necessary to effectuate the Clawback consistent with applicable law. If, within a reasonable period, you do not tender repayment of the dividend equivalents in response to demand for repayment, MSCI may seek a court order against you or take any other actions as are necessary to effectuate the Clawback.

Section 4. Termination of Employment. Upon termination of employment with the Company prior to a Vesting Date pursuant to this Section 4, the following special vesting and payment terms will apply to your unvested RSUs:

(a) *Termination of Employment Due to Death or Disability*. If your employment with the Company terminates due to death or Disability, your RSUs will immediately vest and convert into Shares on the date of termination of your employment or within 30 days thereafter. Such Shares shall be delivered to the beneficiary(ies) you have designated pursuant to Section 10 or the legal representative of your estate, as applicable.

(b) *Involuntary Termination of Employment by the Company Prior to Full Career Retirement Eligibility*. In the event of an involuntary termination of your employment by the Company without Cause prior to Full Career Retirement eligibility, provided that you execute and do not revoke an agreement and release of claims satisfactory to the Company within 60 days following termination of your employment, your RSUs will vest and convert into Shares within 60 days following such termination. If such 60-day period begins in one taxable year and ends in a subsequent taxable year, such vesting and conversion shall occur in the second taxable year.

(c) *Involuntary Termination of Employment by the Company Following Full Career Retirement Eligibility*. In the event of an involuntary termination of your employment by the Company without Cause following Full Career Retirement eligibility, provided that you execute and do not revoke an agreement and release of claims satisfactory to the Company within 60 days following termination of your employment, your RSUs will vest and convert into Shares at any time, in the discretion of the Committee, during the period commencing on (i) January 1 of the year following the year of termination and (ii) ending on the one-year anniversary of your termination of employment (or, if earlier, 15 days following the expiration of the Delay Period) (such period, the “**Settlement Period**”); *provided, however*, that in no event will your RSUs vest and convert into Shares at any time before January 1 of the year following the year of termination.

(d) *Full Career Retirement*. If your employment with the Company terminates due to Full Career Retirement, your RSUs will vest and convert into Shares at any time, in the discretion of the Committee, during the Settlement Period; *provided, however*, that in no event will your RSUs vest and convert into Shares at any time before January 1 of the year following the year of termination.

(e) *Governmental Service Termination*. If your employment with the Company terminates in a Governmental Service Termination, to the extent permitted under Section 409A, your RSUs will vest and convert into Shares on the date of such termination or within 60 days thereafter.

(f) *Other Resignations from Employment*. All other resignations from employment must comply with the Notice Requirements.

(i) If you resign from your employment with the Company under circumstances which are not in accordance with the provisions above in this Section 4, you will forfeit any RSUs that have not vested as of your last day of employment with the Company; and

(ii) If, prior to a Vesting Date, you give MSCI notice of your intention to resign from your employment with the Company as of a date following such Vesting Date, your RSUs will vest and settle in accordance with Section 2; *provided, however*, that if you do not subsequently comply with the Notice Requirements, the Committee may, in its discretion, require that the gross cash value of the RSUs delivered to you in accordance with this Section 4(f)(ii) be subject to recoupment or payback.

For the avoidance of doubt, (A) revocation of a notice of intention to resign may, in the Company's sole discretion or if required to comply with Section 409A, be deemed to be noncompliant with the Notice Requirements and, in connection with such revocation, your RSUs may be forfeited and (B) if, after you have given notice of your intention to resign or retire, as applicable, from your employment with the Company, the Company involuntarily terminates your employment without Cause prior to the expiration of your notice period, your outstanding RSUs will be treated in accordance with Sections 4(b) or 4(c), as applicable.

Notwithstanding anything to the contrary contained herein, the unvested RSUs shall only vest pursuant to this Section 4 provided that you have complied with all applicable provisions of the HSR Act.

#### Section 5. Change in Control.

(a) *General.* In the event of a Change in Control, the Committee, in its sole discretion, may provide for (i) the continuation or assumption of your outstanding RSUs under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent, in which case your RSUs will continue to be subject to the terms of this Award Agreement, or (ii) the lapse of restrictions relating to and the settlement of your outstanding RSUs immediately prior to such Change in Control in the event a buyer will not continue or assume the RSUs. Following a Change in Control in which your outstanding RSUs are continued or assumed pursuant to clause (i) above, such RSUs may be settled in cash, stock or a combination thereof.

(b) *Qualifying Termination.* In the event of a Qualifying Termination (as defined below), your RSUs will vest and convert into Shares within 60 days following such Qualifying Termination. If such 60-day period begins in one taxable year and ends in a subsequent taxable year, such vesting and conversion shall occur in the second taxable year. "**Qualifying Termination**" means a termination of employment by the Company without Cause or by you for Good Reason (which shall be deemed an involuntary termination of employment by the Company without Cause), in each case within 24 months following the effective date of the Change in Control in which the RSUs are continued or assumed. Notwithstanding anything to the contrary contained herein, the unvested RSUs shall only vest pursuant to this Section 5(b) provided that you have complied with all applicable provisions of the HSR Act.

Section 6. Restrictive Covenants. In consideration of the grant of RSUs under this Award Agreement, and in consideration for all other awards granted by the Company to you under the Plan, you agree to be bound by, and to comply with, the restrictive covenants set forth in Exhibit B to this Award Agreement (collectively, the “**Restrictive Covenants**”). In the event you violate any of the Restrictive Covenants (a) prior to or on any applicable Vesting Date, you will forfeit the RSUs outstanding as of the date of such violation or (b) after the final Vesting Date, but prior to or on the expiry date of the Restrictive Covenants (as set forth in Exhibit B to this Award Agreement), you will promptly deliver to the Company all Shares acquired upon conversion of the RSUs (or, to the extent you no longer hold such Shares, you will pay to the Company an amount on a gross basis equal to the Fair Market Value of any such Shares on the date the Shares were delivered to you). You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that you have not violated any of the Restrictive Covenants.

Section 7. Cancellation of Awards. Notwithstanding any other terms of this Award Agreement, your RSUs will be canceled prior to conversion in the event of any Cancellation Event. You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that no Cancellation Event has occurred. If you fail to submit a timely certification or evidence, MSCI will cancel your award. Except as explicitly provided in Section 4, upon a termination of your employment by you or by the Company for any reason, any of your RSUs that have not vested pursuant to Section 2 as of the date of your termination of employment with the Company will be canceled and forfeited in full as of such date.

Section 8. Tax and Other Withholding Obligations. Pursuant to rules and procedures that MSCI establishes (including those set forth in Section 16(a) of the Plan), tax or other withholding obligations arising upon vesting and conversion (as applicable) of your RSUs may be satisfied, in MSCI’s sole discretion, by having MSCI withhold Shares, tendering Shares or by having MSCI withhold cash if MSCI provides for a cash withholding option, 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 the Shares on the date your RSUs convert. 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. You acknowledge that, if you are subject to Tax-Related Items (as defined below) in more than one jurisdiction, the Company (including any former employer) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Section 9. Nontransferability. You may not sell, pledge, hypothecate, assign or otherwise transfer your RSUs, other than as provided in Section 10 or by will or the laws of descent and distribution or otherwise as provided for by the Committee.



Section 10. Designation of a Beneficiary. If you reside in the United States, you may make a written designation of a beneficiary or beneficiaries to receive all or part of the Shares to be paid under this Award Agreement in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix 1 with your personal tax or estate planning representative. 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(ies) 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 11. Ownership and Possession. Except as set forth herein, you will not have any rights as a stockholder in the Shares corresponding to your RSUs prior to conversion of your RSUs.

Section 12. Securities Law Compliance Matters. MSCI may, if it determines it is appropriate, affix any legend to the stock certificates representing Shares issued upon conversion of your RSUs 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 13. Compliance with Laws and Regulations. Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your RSUs (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, associations or other institutions with which MSCI 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 14. No Entitlements.

(a) *No Right to Continued Employment.* This RSU award is not an employment agreement, and nothing in this Award Agreement or the Plan shall alter your status as an "at-will" employee of the Company.

(b) *No Right to Future Awards.* This award, and all other awards of RSUs and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of RSUs or any other equity-based award at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of RSUs hereunder, for which you have no current entitlement.

(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. 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 15. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Section 16. 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 to be obtained under, applicable local law.

Section 17. Award Modification and Section 409A.

(a) *Modification.* MSCI reserves the right to modify or amend unilaterally the terms and conditions of your RSUs, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. MSCI may not modify your RSUs in a manner that would materially impair your rights in your RSUs without your consent; *provided, however,* that MSCI may, without your consent, amend or modify your RSUs in any manner that MSCI considers necessary or advisable to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or to ensure that your RSUs are not subject to tax prior to payment. MSCI will notify you of any amendment of your RSUs that affects your rights. Any amendment or waiver of a provision of this Award Agreement (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 Chief Human Resources Officer, 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.

(b) *Section 409A.*

(i) You understand and agree that all payments made pursuant to this Award Agreement are intended to be exempt and/or comply with Section 409A, and shall be interpreted on a basis consistent with such intent. For the avoidance of doubt, the Company makes no representations that the payments provided under this Award Agreement comply with Section 409A, and in no event will the Company be liable for any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

(ii) Notwithstanding the other provisions of this Award Agreement, to the extent necessary to comply with Section 409A, no conversion specified

hereunder shall occur unless permissible under Section 409A. If MSCI considers you to be one of its “specified employees” and you are a U.S. taxpayer, in each case, at the time of your “separation from service” (as such terms are defined in the Code) from the Company, no conversion specified hereunder shall occur prior to the expiration of the six-month period measured from the date of your separation from service from the Company (such period, the “**Specified Employee Period**”). Any conversion of RSUs into Shares that would have occurred during the Specified Employee Period but for the fact that you are deemed to be a specified employee shall be satisfied either by (A) conversion of such RSUs into Shares on the first business day following the Specified Employee Period or (B) a cash payment on the first business day following the Specified Employee Period equal to the value of such RSUs on the scheduled conversion date (based on the value of the Shares on such date) plus accrued interest as determined by MSCI; *provided*, that to the extent this Section 17(b)(ii) is applicable, in the event that after the date of your separation from service from the Company you (X) die or (Y) accept employment at a Governmental Employer and provide MSCI 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 of the Shares is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer, any conversion or payment delayed pursuant to this Section 17(b)(ii) shall occur or be made immediately. For the avoidance of doubt, any determination as to form of payment provided in this Section 17(b)(ii) will be in the sole discretion of MSCI.

(iii) For purposes of any provision of this Award Agreement providing for the payment of any amounts of nonqualified deferred compensation upon or following a termination of employment from the Company, references to your “termination of employment” (and corollary terms) shall be construed to refer to your “separation from service” from the Company.

(iv) MSCI reserves the right to modify the terms of this Award Agreement, including, without limitation, the payment provisions applicable to your RSUs, to the extent necessary or advisable to comply with Section 409A and reserves the right to make any changes to your RSU award so that it does not become subject to Section 409A or become subject to a Specified Employee Period.

Section 18. Severability. In the event MSCI determines that any provision of this Award Agreement 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 Agreement will be construed and enforced as if the provision had not been included in this Award Agreement as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 19. Successors. This Award Agreement 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 Agreement or the Plan.

Section 20. Governing Law; Venue. This Award Agreement and the related legal relations between you and the Company 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. For purposes of litigating any dispute that arises under this grant or the Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

Section 21. Rule of Construction for Timing of Conversion. With respect to each provision of this Award Agreement that provides for your RSUs to convert to Shares on a 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 the applicable vesting date or such other specified event or date occurs, or if later, by March 15th of the year following such specified event or date.

Section 22. Non-U.S. Participants. The following provisions will apply to you if you reside or work outside of the United States. For the avoidance of doubt, if you reside or work in the United States and subsequently relocate to another country after the Grant Date, or if you reside in another country and subsequently relocate to the United States after the Grant Date, the following provisions may apply to you to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for tax, legal or administrative reasons.

(a) *Termination of Employment*. Unless otherwise provided in Section 4 or Section 5(b), your employment relationship will be considered terminated as of the date you are no longer actively providing services to the Company (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and such date will not be extended by any notice period (*i.e.*, your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any).

(b) *Tax and Other Withholding Obligations*. You acknowledge that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related**

**Items**”) is and remains your responsibility and may exceed the amount actually withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

In the event that withholding in and/or tendering Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the RSUs, you authorize and direct MSCI and any brokerage firm determined acceptable to MSCI to sell on your behalf a whole number of Shares from those Shares issued to you as MSCI determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the stock equivalent.

Finally, you agree to pay to the Company, including through withholding from your wages or other cash compensation paid to you by MSCI and/or your employer, any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. MSCI may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

(c) *Nature of Grant.* In accepting the RSUs, you acknowledge, understand and agree that:

(i) the Plan is established voluntarily by MSCI, it is discretionary in nature and it may be modified, amended, suspended or terminated by MSCI at any time, to the extent permitted by the Plan;

(ii) this RSU award is not an employment or service agreement, and nothing in this Award Agreement or your participation in the Plan shall create a right to continued employment with the Company or interfere with the ability of the Company to terminate your employment or service relationship (if any);

(iii) this award, and all other awards of RSUs and other equity-based awards, are exceptional, discretionary, voluntary and occasional. This award does

not confer on you any contractual or other right or entitlement to receive another award of RSUs, any other equity-based award or benefits in lieu of RSUs at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of RSUs hereunder, for which you have no current entitlement;

(iv) MSCI has made this award to you in its sole discretion. All decisions with respect to future RSU or other grants, if any, will be at the sole discretion of MSCI;

(v) you are voluntarily participating in the Plan;

(vi) the grant of RSUs and the Shares subject to the RSUs are not intended to replace any pension rights or compensation;

(vii) this award does not confer on you any right or entitlement to receive compensation in any specific amount. In addition, the RSUs and the Shares subject to the RSUs, and the income and value of the same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, or any Subsidiary;

(viii) unless otherwise agreed with MSCI, the RSUs and the Shares subject to the RSUs, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of a Subsidiary;

(ix) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of your employment relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and

(xi) you acknowledge and agree that the Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the U.S. Dollar that may affect the value of the RSU or of any amounts due to you pursuant to the settlement of the RSU or the subsequent sale of any Shares acquired upon settlement.

(d) ***Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other RSU grant materials by and among, as applicable, MSCI and any Subsidiary for the exclusive purpose of implementing, administering and managing your participation in the Plan.***

**You understand that the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in MSCI, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.**

**You understand that Data will be transferred to E\*Trade Financial Corporate Services, Inc., or such other stock plan service provider as may be selected by MSCI in the future, which is assisting MSCI with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country of operation (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local Human Resources representative. You authorize MSCI, E\*Trade Financial Corporate Services, Inc., and any other possible recipients which may assist MSCI (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local Human Resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing your consent is that MSCI would not be able to grant you RSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.**

(e) *Language.* If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(f) *Electronic Delivery and Acceptance.* MSCI may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by

electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by MSCI or a third party designated by MSCI.

(g) *Exhibit C*. Notwithstanding any provisions in this Award Agreement, the RSUs shall be subject to any special terms and conditions set forth in Exhibit C to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in Exhibit C, the special terms and conditions for such country will apply to you, to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit C constitutes part of this Award Agreement.

(h) *Insider Trading Restrictions/Market Abuse Laws*. You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that you are responsible for ensuring compliance with any applicable restrictions, and you should consult your personal legal advisor on this matter.

Section 23. Defined Terms. For purposes of this Award Agreement, the following terms shall have the meanings set forth below:

A “**Cancellation Event**” will be deemed to have occurred under any one of the following circumstances:

- (a) misuse of Confidential Information (as defined in Exhibit B to this Award Agreement) or failure to comply with your obligations under MSCI’s Code of Conduct or otherwise with respect to Confidential Information;
- (b) termination from the Company for Cause (or a later determination that you could have been terminated for Cause; *provided* that such determination is made within six months of termination);
- (c) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company’s financial statements; or
- (d) failure to affirmatively accept the terms of this Award Agreement, including, but not limited to, the Restrictive Covenants set forth in Section 6 and Exhibit B; *provided* that the Committee may determine, in its sole discretion and no later than [•], whether failure to accept the award by on or about [•] constitutes a Cancellation Event.

“**Cause**” means:

- (a) any act or omission which constitutes a material willful breach of your obligations to the Company or your continued and willful refusal to substantially perform



satisfactorily any duties reasonably required of you, which results in material injury to the interest or business reputation of the Company and 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 30 days after written notification thereof to you by the Company; *provided* that no act or failure to act on your part shall be deemed willful unless done or omitted to be done by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company;

(b) your commission of any dishonest or fraudulent act, or any other act or omission with respect to the Company, which has caused or may reasonably be expected to cause a material injury to the interest or business reputation of the Company and which act or omission is not successfully refuted by you within 30 days after written notification thereof to you by the Company;

(c) your plea of guilty or *nolo contendere* to or conviction of a felony under the laws of the United States or any state thereof or any other plea or confession of a similar crime in a jurisdiction in which the Company conducts business; or

(d) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company's financial statements.

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 (i) any employee plan established by the Company, (ii) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by stockholders of MSCI in substantially the same proportions as their ownership of MSCI, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of MSCI (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 30% or more of the total voting power of the stock of MSCI; *provided* 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 individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by MSCI'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 pursuant to applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of MSCI 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 MSCI’s 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 MSCI (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 or the combined voting power of MSCI’s then-outstanding voting securities shall not be considered a Change in Control; or

(d) 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 MSCI 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. 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. In no event will a Change in Control be deemed to have occurred if you are part of a “group” within the meaning of Section 13(d)(3) of the Exchange Act that effects a Change in Control.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**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; *provided, however*, that, for purposes of administering Section 4 with respect to awards granted to participants who are not officers or directors of the Company subject to Section 16(a) of the Exchange Act, the Committee may delegate its authority to the Company’s Chief Executive Officer, Chief Human Resources Officer or Head of Compensation and Benefits.

“**Delay Period**” means the period beginning on the date of any non-compete restriction to which you are subject (including any such restriction under this Award Agreement) and ending on the expiration date of such non-compete restriction, as reduced by the length of any voluntary notice period that you give to the Company and serve. For the avoidance of doubt, nothing contained in this Award Agreement reduces, or intends to reduce, the length of any non-compete restriction to which you are subject following termination of your employment.

“**Disability**” means (a) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) you, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, are receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

[“**Full Career Retirement**” means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to your death or Disability).]

[“**Full Career Retirement**” means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to your death or Disability) on or after the date that you attain the age of 55 and ten years of service with the Company (giving effect to credit for prior service with MSCI’s Subsidiaries and affiliates, as applicable). For the avoidance of doubt, you will only receive credit for employment with entities which are MSCI’s Subsidiaries and affiliates to the extent that you were an employee of

such entity on the closing date of the applicable corporate transaction pursuant to which such entity became a Subsidiary or affiliate of MSCI and, in each case, you became an employee of MSCI (or one of its Subsidiaries) as of the closing date of such transaction.]

**“Good Reason”** means:

(a) any material diminution in your title, status, position, the scope of your assigned duties, responsibilities or authority, including the assignment to you of any duties, responsibilities or authority inconsistent with the duties, responsibilities and authority assigned to you prior to a Change in Control (including any such diminution resulting from a transaction in which the Company is no longer a public company);

(b) any reduction in your total compensation that was in existence prior to a Change in Control (for purposes of this clause (b), total compensation is comprised of your (i) current annual base salary, (ii) your current target annual cash bonus and (iii) the grant date fair value of your most recent annual equity-based incentive compensation awards. Notwithstanding the foregoing, for purposes of (iii), if any of your equity-based incentive compensation awards are “front-loaded” awards intended to cover multiple years of awards, the Committee may, in its reasonable discretion, adjust in connection with the grant of such award the Equity Value for purposes of this definition to take into account what the grant date fair value for an equity-based incentive compensation award would be if the award represented only a single-year award. Additionally, if in any year, no equity-based incentive compensation awards were granted to you or an equity-based incentive compensation award was granted to you, in each case, taking into account the front-loaded award in a prior year, the Committee shall allocate a portion of such front-loaded award to the Equity Value for the relevant year. Finally, the Committee shall have the authority, in its reasonable discretion, to exclude any extraordinary and nonrecurring equity-based incentive compensation awards or arrangements from the calculation of “Equity Value” for purposes hereunder;

(c) a relocation of more than 25 miles from the location of your principal job location or office prior to a Change in Control; or

(d) any other action or inaction that constitutes a material breach by the Company of any agreement pursuant to which you provide services to the Company;

*provided*, that you provide the Company with written notice of your intent to terminate your employment for Good Reason within 90 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide the Company with at least 30 days following receipt of such notice to remedy such circumstances.

**“Governmental Employer”** means a federal governmental or executive branch department or agency.

**“Governmental Service Termination”** means the termination of your employment with the Company as a result of your accepting employment at a Governmental Employer and you provide MSCI 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 common stock is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer.

**“HSR Act”** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

**“Notice Requirements”** means prior written notice to MSCI of at least:

- (a) 180 days if you are a member of the MSCI Executive Committee (or a successor or equivalent committee) at the time of notice of resignation;
- (b) 90 days if you are a Managing Director of the Company (or equivalent title) at the time of notice of resignation;
- (c) 60 days if you are an Executive Director of the Company (or equivalent title) at the time of notice of resignation;
- (d) 30 days if you are a Vice President of the Company (or equivalent title) at the time of notice of resignation; or
- (e) 14 days for all other employees of the Company.

For the avoidance of doubt, employees working or residing outside of the United States may be subject to notice periods mandated under local labor or regulatory requirements which may differ from the Notice Requirements set forth above.

**“Section 409A”** means Section 409A of the Code.

**Designation of Beneficiary(ies) Under  
MSCI Inc. 2007 Amended and Restated  
Equity Incentive Compensation Plan**

This Designation of Beneficiary(ies) 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(ies) 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)			

Address(es) of Beneficiary(ies):

- (1)
- (2)

Contingent Beneficiary(ies)

Please also indicate any contingent beneficiary(ies) and to which beneficiary(ies) above such interest relates.

	Beneficiary(ies) Name(s)	Relationship	Nature of Contingency
(1)			
(2)			

Address(es) of Contingent Beneficiary(ies):

- (1)
- (2)

Name: (please print)

Date:

Signature

Please complete and file this form with your personal tax or estate planning representative.

## RESTRICTIVE COVENANTS

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Award Agreement.

Section 1. Confidential Information; Assignment of Inventions. (a) During your employment or service with the Company and at all times thereafter, you agree to keep secret and retain in strictest confidence and trust for the sole benefit of the Company, and shall not disclose, directly or indirectly, or use for your benefit or the benefit of others, without the prior written consent of the Company, any Confidential Information. For purposes of this Exhibit B and the Award Agreement, “**Confidential Information**” shall mean all proprietary or confidential matters or trade secrets of, and confidential and competitively valuable information concerning, the Company (whether or not such information is in written form). Without limiting the generality of the foregoing, Confidential Information shall include: information concerning organization and operations, business and affairs; formulae, processes, technical data; “know-how”; flow charts; computer programs and computer software; access codes or other systems of information; algorithms; technology and business processes; business, product or marketing plans or strategies; sales and other forecasts; financial information or financing/financial projections; lists of clients or customers or potential clients or customers; details of client or consultant contracts; supplier or vendor lists or arrangements; business acquisition or disposition plans; employee information, new personnel acquisition plans and information relating to compensation and benefits; budget information and procedures; research products; research and development; all data, concepts, ideas, findings, discoveries, developments, programs, designs, inventions, improvements, methods, practices and techniques, whether or not patentable, relating to present or planned future activities or products or services; and public information that becomes proprietary as a result of the Company’s compilation of that information for use in its business; *provided, however*, that the Confidential Information shall in no event include (x) any Confidential Information which was generally available to the public at the time of disclosure by you or (y) any Confidential Information which becomes publicly available other than as a consequence of the breach by you of your confidentiality obligations hereunder or under any other confidentiality agreement you have entered into with the Company, if any. In the event of a termination of your employment or service with the Company for any reason, you shall deliver to MSCI all documents and data pertaining to the Confidential Information and shall not take with you any documents or data of any kind or any reproductions (in whole or in part) or extracts of any items relating to the Confidential Information. Nothing contained in this Section 1 of this Exhibit B shall prohibit you from disclosing Confidential Information if such disclosure is required by law, governmental process or valid legal process. Unless you are reporting a possible violation of law to a governmental entity or law enforcement, making a disclosure that is protected under the whistleblower protections of applicable law and/or participating in a governmental investigation, in the event that you are legally compelled to disclose any of the Confidential Information, you shall provide MSCI with prompt written notice so that MSCI, at its sole cost and expense, may seek a protective order or other appropriate remedy or waive compliance with the provisions of this

Section 1 of this Exhibit B. If such protective order or other remedy is not obtained, or if the Company waives compliance with the provisions of this Section 1, you shall furnish only that portion of the Confidential Information that you in good faith believe is legally required to be disclosed. In addition to the foregoing, and subject to the second preceding sentence, you hereby agree to comply with the requirements of any and all agreements that you have entered into, or may in the future enter into, with the Company with respect to the use or disclosure of confidential or proprietary information of the Company.

(b) All rights to discoveries, inventions, improvements and innovations, copyright and copyrightable materials (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark or reduced to writing, that you may discover, invent or originate during your employment or service with the Company or any predecessor entity, either alone or with others and whether or not during working hours or by the use of the facilities of the Company (collectively, “**Inventions**”), shall be the exclusive property of the Company, and you hereby irrevocably assign all right, title and interest in and to all Inventions to the Company. You shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents that the Company may deem necessary to protect or perfect the rights of the Company therein, and shall assist the Company, at the Company’s expense, in obtaining, defending and enforcing the Company’s rights therein. You hereby appoint the Company as your attorney-in-fact to execute on your behalf any assignments or other documents deemed necessary by the Company to protect or perfect its rights to any Inventions.

Section 2. Non-Compete. During your employment or service with the Company and for a period of one year following the termination of your employment or service with the Company for any reason (the “**Non-Compete Restricted Period**”), you shall not, without the consent of the Company, directly or indirectly, provide services to, accept employment with, be a consultant or advisor to, form, lend financial support to, own any interest in (other than shares of a publicly traded company that represent less than 1% of the outstanding shares) or otherwise enter into any arrangement with, or engage in any activity for or on behalf of, any person, entity or business in competition with the MSCI Business (the “**Competing Business**”); *provided, however*, that the foregoing will not prohibit you from accepting or beginning employment with any company that, as part of its overall business model, engages in one or more of the Competing Businesses, *provided* that you (x) do not directly provide assistance to any of the Competing Businesses in the form of day-to-day responsibility for any aspect of the operation, supervision, compliance or regulation of any of the Competing Businesses or (y) provide only administrative, non-operational assistance to any such Competing Business and it is an immaterial part of such company’s overall business. For purposes of this Exhibit B and the Award Agreement, “**MSCI Business**” means any business engaged in, contemplated or actively planned by the Company as of the date of your termination of employment that you were actively providing services to such line of business during your employment with MSCI.

Section 3. Non-Solicit and No-Hire. During your employment or service with the Company and for a period of two years following the termination of your



employment or service with the Company for any reason (the “**Non-Solicit Restricted Period**”), you shall not, directly or indirectly, (a) solicit or encourage any employee of the Company to terminate his or her employment with the Company, (b) hire any employee of the Company prior to the date on which such person has not been employed by the Company or any of its Subsidiaries for a period of at least one year or (c) induce or attempt to induce any customer, client, supplier, vendor, licensee or other business relationship of the Company to cease doing or reduce their business with the Company, or in any way interfere with the relationship between the Company and any customer, client, supplier, licensee or other business relationship of the Company.

Section 4. Non-Disparagement. At all times during your employment or service with the Company and after termination of your employment or service with the Company for any reason, you will not knowingly make any statement, written or oral, that would disparage the business or reputation of the Company or its officers, managers, directors or employees. It will not be a violation of this Section 4 for you to make truthful statements, under oath, as required by law, to a governmental entity or law enforcement agency or as part of a litigation or administrative agency proceeding.

Section 5. Certain Remedies. You acknowledges that the terms of this Exhibit B are reasonable and necessary in light of your unique position, responsibility and knowledge of the operations of the Company and the unfair advantage that your knowledge and expertise concerning the business of the Company would afford a competitor of the Company and are not more restrictive than necessary to protect the legitimate interests of the Company. If the final judgment of a court of competent jurisdiction, or any final non-appealable decision of an arbitrator in connection with a mandatory arbitration, declares that any term or provision of this Exhibit B or the Award Agreement is invalid or unenforceable, the parties agree that the court or arbitrator making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Exhibit B and the Award Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed. You acknowledge that the Company and its shareholders would be irreparably harmed by any breach of this Exhibit B and that there would be no adequate remedy at law or in damages to compensate the Company and its shareholders for any such breach. You agree that MSCI shall be entitled to injunctive relief, without having to post bond or other security, requiring specific performance by you of your obligations in this Exhibit B in addition to any other remedy to which the Company is entitled at law or in equity, and you consent to the entry thereof. You agree that the Non-Compete Restricted Period and the Non-Solicit Restricted Period, as applicable, shall be extended by any and all periods during which you are in breach of this Exhibit B.

**[COUNTRY-SPECIFIC TERMS AND CONDITIONS]**

**FORM OF MULTI-YEAR PERFORMANCE AWARD AGREEMENT  
FOR PERFORMANCE STOCK UNITS  
FOR THE EXECUTIVE COMMITTEE  
UNDER THE MSC INC. 2007 AMENDED AND RESTATED EQUITY INCENTIVE  
COMPENSATION PLAN**

MSCI Inc. (“**MSCI**,” and together with its Subsidiaries, the “**Company**”) hereby grants to you Performance Stock Units (“**PSUs**”) as described below. The awards are being granted under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan (as may be amended from time to time, the “**Plan**”).

**Participant:** [Name]

**Number of PSUs Granted:** [#] PSUs (the “**Target PSUs**”)

**Grant Date:** [•] (the “**Grant Date**”)

**Vesting Schedule:** [•]

**Performance Period:** [•]

Your PSUs may be subject to forfeiture or recoupment if you terminate employment with the Company, fail to affirmatively accept the terms of this Award Agreement, including the Restrictive Covenants set forth in Exhibit B, by on or about [•] or do not comply with the notice requirements, as set forth in the Plan and this Performance Stock Unit Award Agreement (including Exhibit A, Exhibit B and Exhibit C attached hereto, this “**Award Agreement**”). [As of the Grant Date, you are Full Career Retirement eligible (as defined in Exhibit A attached hereto), subject to the terms of this Award Agreement.]

You agree that this Award Agreement is granted under the Plan and governed by the terms and conditions of the Plan and Exhibit A, Exhibit B and Exhibit C attached hereto. PSUs granted to you pursuant to this Award Agreement and any shares issued in settlement or satisfaction thereof may be subject to the MSCI Inc. Clawback Policy, as may be in effect from time to time, if on or after the Grant Date you are or become an executive officer of MSCI Inc. You will be able to access a prospectus and tax supplement that contains important information about this award via the MSCI website or your brokerage account. Unless defined in this Award Agreement, capitalized terms shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Agreement as of the Grant Date.

**MSCI Inc.**

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Name:  
Title:

## TERMS AND CONDITIONS

### OF THE PERFORMANCE AWARD AGREEMENT

Section 1. PSUs Generally. MSCI has awarded you PSUs as an incentive for you to continue to provide services to the Company and to align your interests with those of the Company. As such, you will earn your Adjusted PSUs (as defined below) only if you remain in continuous employment with the Company through the Vesting Date, or as otherwise set forth below. Each PSU corresponds to one share of MSCI common stock, par value \$0.01 per share (each, a “Share”). Each PSU constitutes a contingent and unsecured promise by MSCI to deliver one Share on the conversion date for such PSU.

Section 2. Performance Adjustment, Vesting and Conversion Schedule and HSR Act.

(a) *Performance Adjustment*. The number of Target PSUs awarded under this Award Agreement shall be adjusted, within a range of [•]% to [•]% of the number of Target PSUs, after the end of the Performance Period based on the achievement of the [•] and, if applicable, [•] performance metrics (collectively, the “Performance Metrics”) set forth in Appendix 1 hereto. Following the end of the Initial Performance Period and, if applicable, the Extended Performance Period, management of MSCI shall provide its calculation of the Performance Metrics to the Committee. The Committee will review the extent of the achievement of the Performance Metrics and shall certify in writing such achievement.

The number of PSUs that will be converted into Shares pursuant to Section 2(b), Section 4 or Section 5 (the “Adjusted PSUs”) will be determined based on the following formula on a date no later than [•] (such date, the “Adjustment Date”):

$$\text{Target PSUs} \quad \times \quad \text{Adjustment Percentage} \quad = \quad \text{Number of} \\ \text{(as defined in Appendix 1)} \quad \text{Adjusted PSUs}$$

(b) *Vesting and Conversion*. The Target PSUs will vest (as to service) [•] (the “Vesting Date”), subject to adjustment in accordance with Section 2(a); *provided that*, subject to Section 4 and Section 5, you continue to be employed by the Company on the Vesting Date; *provided, further*, that you have complied with all applicable provisions of the HSR Act. Vested Adjusted PSUs shall convert into Shares no earlier than [•], and no later than the Adjustment Date.

(c) *HSR Act*. If Adjusted PSUs would have vested pursuant to this Section 2, Section 4 or Section 5(b), but did not vest solely because you were not in compliance with all applicable provisions of the HSR Act, subject to Section 409A, the vesting date for such Adjusted PSUs shall occur on the first date following the date on which you have complied with all applicable provisions of the HSR Act.

Section 3. Dividend Equivalent Payments. Until your PSUs convert to Shares, if MSCI pays a dividend on Shares, you will be credited with a dividend equivalent payment in the same amount as the dividend you would have received if you held Shares

for your vested and unvested PSUs immediately prior to the record date (taking into account any adjustments pursuant to Section 2(a) and adjustments provided under the Plan). Assuming you hold PSUs on the record date, MSCI will credit the dividend equivalent payments when it pays the corresponding dividend on its Shares. Your dividend equivalents will vest and be paid at the same time as, and subject to the same vesting and cancellation provisions set forth in this Award Agreement with respect to, your PSUs (*provided* that, subject to Section 21, the dividend equivalents may be paid following the scheduled conversion date on the next regularly scheduled payroll date). No dividend equivalents will be paid to you with respect to any canceled or forfeited PSUs. MSCI will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof, unless otherwise provided in Exhibit C.

Section 4. Termination of Employment. Upon termination of employment with the Company prior to the Vesting Date pursuant to this Section 4, the following special vesting and payment terms will apply to your unvested PSUs:

(a) *Termination of Employment Due to Death or Disability*. If your employment with the Company terminates due to death or Disability, in each case, prior to the Vesting Date, the Target PSUs will be pro-rated by multiplying (i) the number of Target PSUs by (ii) a fraction, (A) the numerator of which is the sum of (x) the number of months elapsed from the Grant Date until the date of such termination (rounded up to the next whole month) *plus* (y) 12 months (*provided*, that in no event shall the numerator exceed 36 months), and (B) the denominator of which is 36 months. The pro-rated Target PSUs will then be converted into Adjusted PSUs pursuant to Section 2(a), which Adjusted PSUs will vest and convert into Shares on the Adjustment Date (even though you are not employed by the Company on the Vesting Date). Upon a termination of employment due to death, the Adjusted PSUs shall be delivered in accordance with Section 10.

(b) *Involuntary Termination of Employment by the Company*. In the event of an involuntary termination of your employment by the Company without Cause: (i) on or prior to [•], one-third of your Target PSUs will vest and will convert into Shares on the Adjustment Date; (ii) after [•] but on or prior to [•], two-thirds of your Target PSUs will vest and will convert into Shares on the Adjustment Date; or (iii) after [•], all of your Target PSUs will vest and will convert into Shares on the Adjustment Date, in each case, subject to adjustment in accordance with Section 2(a) (even though you are not employed by the Company on the Vesting Date); *provided* that such vesting and conversion is subject to your execution and non-revocation of an agreement and release of claims satisfactory to the Company within 60 days following termination of your employment.

(c) *Full Career Retirement*. If your employment with the Company terminates due to Full Career Retirement: (i) prior to or on the Vesting Date your Adjusted PSUs will convert into Shares on the Adjustment Date; *provided*, that, if on the Adjustment Date you are subject to a non-compete restriction (other than those set forth in Exhibit B to this Award Agreement) which has not yet expired, your PSUs will convert into Shares at any time, in the discretion of the Committee, during the period (x) commencing on the Adjustment Date and (y) ending on [•], or (ii) after the Vesting Date, but prior to the Adjustment Date, your Adjusted PSUs will convert into Shares on [•].

(d) *Governmental Service Termination.* If your employment with the Company terminates prior to the Adjustment Date in a Governmental Service Termination, to the extent permitted under Section 409A, your PSUs will be adjusted (within a range of [•]% to [•]%) based on the expected (or actual, as the case may be if such termination occurs after the expiration of the Performance Period) achievement of the Performance Metrics for the Performance Period, which will be determined by extrapolating from the Performance Metrics that have been achieved as of the end of the most recent completed fiscal quarter prior to the date your employment with the Company terminates, and such Adjusted PSUs will vest and convert into Shares within 60 days following the date of such termination. If your employment with the Company terminates after the Adjustment Date in a Governmental Service Termination under circumstances not involving a Cancellation Event, your Adjusted PSUs will vest and convert into Shares within 60 days following the date of such termination.

(e) *Other Resignations from Employment.* All other resignations from employment must comply with the Notice Requirements.

(i) If you resign from your employment with the Company under circumstances which are not in accordance with the provisions above in this Section 4, you will forfeit any PSUs that have not vested as of your last day of employment with the Company; and

(ii) If, prior to the Vesting Date, you give MSCI notice of your intention to resign from your employment with the Company as of a date following the Vesting Date, your PSUs will vest and settle in accordance with Section 2; *provided, however*, that if you do not subsequently comply with the Notice Requirements, the Committee may, in its discretion, require that the gross cash value of the PSUs delivered to you in accordance with this Section 4(e)(ii) be subject to recoupment or payback.

For the avoidance of doubt, (A) revocation of a notice of intention to resign may, in the Company's sole discretion or if required to comply with Section 409A, be deemed to be noncompliant with the Notice Requirements and, in connection with such revocation, your PSUs may be forfeited and (B) if, after you have given notice of your intention to resign or retire, as applicable, from your employment with the Company, the Company involuntarily terminates your employment without Cause prior to the expiration of your notice period, your outstanding PSUs will be treated in accordance with Sections 4(b) or 4(c), as applicable.

Notwithstanding anything to the contrary contained herein, the Adjusted PSUs shall only vest pursuant to this Section 4 provided that you have complied with all applicable provisions of the HSR Act.

Section 5. Change in Control.

(a) *General.* In the event of a Change in Control, the Committee, in its sole discretion, may provide for (i) the continuation or assumption of your outstanding PSUs under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent, in which case your PSUs will continue to be subject to the terms of this Award Agreement, or (ii) the lapse of restrictions relating to and the settlement of your outstanding PSUs immediately prior to such Change in Control in the event a buyer will not continue or assume the PSUs; *provided, however*, in each case, the Performance Metric targets relating to any outstanding Target PSUs (that are not Adjusted PSUs) will be deemed to have been achieved at [•]. Following a Change in Control in which your outstanding PSUs are continued or assumed pursuant to clause (i) above, such PSUs may be settled in cash, stock or a combination thereof.

(b) *Qualifying Termination.* In the event of a Qualifying Termination (as defined below), a number of your PSUs will vest and convert into Shares within 60 days following such Qualifying Termination, determined by multiplying your PSUs by a fraction, (i) the numerator of which is the sum of (A) the number of months elapsed from the Grant Date until the date of such Qualifying Termination (rounded up to the next whole month) *plus* (B) 12 months (*provided*, that in no event shall the numerator exceed 36 months), and (ii) the denominator of which is 36 months. If such 60-day period begins in one taxable year and ends in a subsequent taxable year, such vesting and conversion shall occur in the second taxable year. “**Qualifying Termination**” means a termination of employment by the Company without Cause or by you for Good Reason (which shall be deemed an involuntary termination of employment by the Company without Cause), in each case within 24 months following the effective date of the Change in Control in which the PSUs are continued or assumed. Notwithstanding anything to the contrary contained herein, the PSUs shall only vest pursuant to this Section 5(b) provided that you have complied with all applicable provisions of the HSR Act.

Section 6. Restrictive Covenants. In consideration of the grant of PSUs under this Award Agreement, and in consideration for all other awards granted by the Company to you under the Plan, you agree to be bound by, and to comply with, the restrictive covenants set forth in Exhibit B to this Award Agreement (collectively, the “**Restrictive Covenants**”). In the event you violate any of the Restrictive Covenants (a) prior to or on the Adjustment Date, you will forfeit the PSUs (whether or not they are Adjusted PSUs) outstanding as of the date of such violation or (b) after the Adjustment Date, but prior to or on the expiry date of the Restrictive Covenants (as set forth in Exhibit B to this Award Agreement), you will promptly deliver to the Company all Shares acquired upon conversion of the Adjusted PSUs (or, to the extent you no longer hold such Shares, you will pay to the Company an amount on a gross basis equal to the Fair Market Value of any such Shares on the date the Shares were delivered to you). You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that you have not violated any of the Restrictive Covenants.

Section 7. Cancellation of Awards. Notwithstanding any other terms of this Award Agreement, your PSUs will be canceled prior to conversion in the event of any Cancellation Event. You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that no Cancellation Event has occurred. If you fail to submit a timely certification or evidence, MSCI will cancel your award. Except as explicitly provided in Section 4 or Section 5(b), upon a termination of your employment by you or by the Company for any reason, any of your PSUs that have not vested pursuant to Section 2 as of the date of your termination of employment with the Company will be canceled and forfeited in full as of such date.

Section 8. Tax and Other Withholding Obligations. Pursuant to rules and procedures that MSCI establishes (including those set forth in Section 16(a) of the Plan), tax or other withholding obligations arising upon vesting and conversion (as applicable) of your PSUs may be satisfied, in MSCI's sole discretion, by having MSCI withhold Shares, tendering Shares or by having MSCI withhold cash if MSCI provides for a cash withholding option, 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 the Shares on the date your PSUs convert. 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. You acknowledge that, if you are subject to Tax-Related Items (as defined below) in more than one jurisdiction, the Company (including any former employer) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Section 9. Nontransferability. You may not sell, pledge, hypothecate, assign or otherwise transfer your PSUs, other than as provided in Section 10 or by will or the laws of descent and distribution or otherwise as provided for by the Committee.

Section 10. Designation of a Beneficiary. If you reside in the United States, you may make a written designation of a beneficiary or beneficiaries to receive all or part of the Shares to be paid under this Award Agreement in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix 2 with your personal tax or estate planning representative. 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(ies) 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 11. Ownership and Possession. Except as set forth herein, you will not have any rights as a stockholder in the Shares corresponding to your PSUs prior to conversion of your PSUs.

Section 12. Securities Law Compliance Matters. MSCI may, if it determines it is appropriate, affix any legend to the stock certificates representing Shares issued upon



conversion of your PSUs 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 13. Compliance with Laws and Regulations. Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your PSUs (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, associations or other institutions with which MSCI 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 14. No Entitlements.

(a) *No Right to Continued Employment*. This PSU award is not an employment agreement, and nothing in this Award Agreement or the Plan shall alter your status as an “at-will” employee of the Company.

(b) *No Right to Future Awards*. This award, and all other awards of PSUs and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of PSUs or any other equity-based award at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of PSUs hereunder, for which you have no current entitlement.

(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. 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 15. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Section 16. 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 to be obtained under, applicable local law.

Section 17. Award Modification and Section 409A.

(a) *Modification*. MSCI reserves the right to modify or amend unilaterally the terms and conditions of your PSUs, without first asking your consent, or to waive any

terms and conditions that operate in favor of MSCI. MSCI may not modify your PSUs in a manner that would materially impair your rights in your PSUs without your consent; *provided, however*, that MSCI may, without your consent, amend or modify your PSUs in any manner that MSCI considers necessary or advisable to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or to ensure that your PSUs are not subject to tax prior to payment. MSCI will notify you of any amendment of your PSUs that affects your rights. Any amendment or waiver of a provision of this Award Agreement (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 Chief Human Resources Officer, 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.

(b) *Section 409A.*

(i) You understand and agree that all payments made pursuant to this Award Agreement are intended to be exempt and/or comply with Section 409A, and shall be interpreted on a basis consistent with such intent. For the avoidance of doubt, the Company makes no representations that the payments provided under this Award Agreement comply with Section 409A, and in no event will the Company be liable for any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

(ii) Notwithstanding the other provisions of this Award Agreement, to the extent necessary to comply with Section 409A, no conversion specified hereunder shall occur unless permissible under Section 409A. If MSCI considers you to be one of its “specified employees” and you are a U.S. taxpayer, in each case, at the time of your “separation from service” (as such terms are defined in the Code) from the Company, no conversion specified hereunder shall occur prior to the expiration of the six-month period measured from the date of your separation from service from the Company (such period, the “**Specified Employee Period**”). Any conversion of Adjusted PSUs into Shares that would have occurred during the Specified Employee Period but for the fact that you are deemed to be a specified employee shall be satisfied either by (A) conversion of such Adjusted PSUs into Shares on the first business day following the Specified Employee Period or (B) a cash payment on the first business day following the Specified Employee Period equal to the value of such Adjusted PSUs on the scheduled conversion date (based on the value of the Shares on such date) plus accrued interest as determined by MSCI; *provided*, that to the extent this Section 17(b)(ii) is applicable, in the event that after the date of your separation from service from the Company you (X) die or (Y) accept employment at a Governmental Employer and provide MSCI 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 of the Shares is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental

Employer, any conversion or payment delayed pursuant to this Section 17(b)(ii) shall occur or be made immediately. For the avoidance of doubt, any determination as to form of payment provided in this Section 17(b)(ii) will be in the sole discretion of MSCI.

(iii) For purposes of any provision of this Award Agreement providing for the payment of any amounts of nonqualified deferred compensation upon or following a termination of employment from the Company, references to your “termination of employment” (and corollary terms) shall be construed to refer to your “separation from service” from the Company.

(iv) MSCI reserves the right to modify the terms of this Award Agreement, including, without limitation, the payment provisions applicable to your PSUs, to the extent necessary or advisable to comply with Section 409A and reserves the right to make any changes to your PSU award so that it does not become subject to Section 409A or become subject to a Specified Employee Period.

Section 18. Severability. In the event MSCI determines that any provision of this Award Agreement 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 Agreement will be construed and enforced as if the provision had not been included in this Award Agreement as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 19. Successors. This Award Agreement 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 Agreement or the Plan.

Section 20. Governing Law; Venue. This Award Agreement and the related legal relations between you and the Company 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. For purposes of litigating any dispute that arises under this grant or the Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

Section 21. Rule of Construction for Timing of Conversion. With respect to each provision of this Award Agreement that provides for your PSUs to convert to Shares, or your dividend equivalents to be paid, on a specified event or date, such conversion or payment 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 conversion or 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 the applicable vesting date or such other specified event or date occurs, or if later, by March 15th of the year following such specified event or date.

Section 22. Non-U.S. Participants. The following provisions will apply to you if you reside or work outside of the United States. For the avoidance of doubt, if you reside or work in the United States and subsequently relocate to another country after the Grant Date, or if you reside in another country and subsequently relocate to the United States after the Grant Date, the following provisions may apply to you to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for tax, legal or administrative reasons.

(a) *Termination of Employment*. Unless otherwise provided in Section 4 or Section 5(b), your employment relationship will be considered terminated as of the date you are no longer actively providing services to the Company (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and such date will not be extended by any notice period (*i.e.*, your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any).

(b) *Tax and Other Withholding Obligations*. You acknowledge that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”) is and remains your responsibility and may exceed the amount actually withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

In the event that withholding in and/or tendering Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the PSUs, you authorize and direct MSCI and any brokerage firm determined acceptable to MSCI to sell on your behalf a whole number of Shares from those Shares issued to you as MSCI determines to be appropriate to generate cash

proceeds sufficient to satisfy the obligation for Tax-Related Items. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the stock equivalent.

Finally, you agree to pay to the Company, including through withholding from your wages or other cash compensation paid to you by MSCI and/or your employer, any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. MSCI may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

(c) *Nature of Grant.* In accepting the PSUs, you acknowledge, understand and agree that:

(i) the Plan is established voluntarily by MSCI, it is discretionary in nature and it may be modified, amended, suspended or terminated by MSCI at any time, to the extent permitted by the Plan;

(ii) this PSU award is not an employment or service agreement, and nothing in this Award Agreement or your participation in the Plan shall create a right to continued employment with the Company or interfere with the ability of the Company to terminate your employment or service relationship (if any);

(iii) this award, and all other awards of PSUs and other equity-based awards, are exceptional, discretionary, voluntary and occasional. This award does not confer on you any contractual or other right or entitlement to receive another award of PSUs, any other equity-based award or benefits in lieu of PSUs at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of PSUs hereunder, for which you have no current entitlement;

(iv) MSCI has made this award to you in its sole discretion. All decisions with respect to future PSU or other grants, if any, will be at the sole discretion of MSCI;

(v) you are voluntarily participating in the Plan;

(vi) the grant of PSUs and the Shares subject to the PSUs are not intended to replace any pension rights or compensation;

(vii) this award does not confer on you any right or entitlement to receive compensation in any specific amount. In addition, the PSUs and the Shares subject to the PSUs, and the income and value of the same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare

benefits or similar payments, and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, or any Subsidiary;

(viii) unless otherwise agreed with MSCI, the PSUs and the Shares subject to the PSUs, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of a Subsidiary;

(ix) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of your employment relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and

(xi) you acknowledge and agree that the Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the U.S. Dollar that may affect the value of the PSU or of any amounts due to you pursuant to the settlement of the PSU or the subsequent sale of any Shares acquired upon settlement.

(d) ***Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other PSU grant materials by and among, as applicable, MSCI and any Subsidiary for the exclusive purpose of implementing, administering and managing your participation in the Plan.***

***You understand that the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in MSCI, details of all PSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.***

***You understand that Data will be transferred to E\*Trade Financial Corporate Services, Inc., or such other stock plan service provider as may be selected by MSCI in the future, which is assisting MSCI with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country of operation (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local Human Resources representative. You authorize MSCI,***

***E\*Trade Financial Corporate Services, Inc., and any other possible recipients which may assist MSCI (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local Human Resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing your consent is that MSCI would not be able to grant you PSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.***

(e) *Language.* If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(f) *Electronic Delivery and Acceptance.* MSCI may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by MSCI or a third party designated by MSCI.

(g) *Exhibit C.* Notwithstanding any provisions in this Award Agreement, the PSUs shall be subject to any special terms and conditions set forth in Exhibit C to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in Exhibit C, the special terms and conditions for such country will apply to you, to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit C constitutes part of this Award Agreement.

(h) *Insider Trading Restrictions/Market Abuse Laws.* You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., PSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that you are responsible for ensuring compliance with any applicable restrictions, and you should consult your personal legal advisor on this matter.

Section 23. Defined Terms. For purposes of this Award Agreement, the following terms shall have the meanings set forth below:

A “**Cancellation Event**” will be deemed to have occurred under any one of the following circumstances:

- (a) misuse of Confidential Information (as defined in Exhibit B to this Award Agreement) or the failure to comply with your obligations under MSCI’s Code of Conduct or otherwise with respect to Confidential Information;
- (b) termination from the Company for Cause (or a later determination that you could have been terminated for Cause; *provided* that such determination is made within six months of termination);
- (c) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company’s financial statements; or
- (d) failure to affirmatively accept the terms of this Award Agreement, including, but not limited to, the Restrictive Covenants set forth in Section 6 and Exhibit B; *provided* that the Committee may determine, in its sole discretion and no later than [•], whether failure to accept the award by on or about [•] constitutes a Cancellation Event.

“**Cause**” means:

- (a) any act or omission which constitutes a material willful breach of your obligations to the Company or your continued and willful refusal to substantially perform satisfactorily any duties reasonably required of you, which results in material injury to the interest or business reputation of the Company and 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 30 days after written notification thereof to you by the Company; *provided* that no act or failure to act on your part shall be deemed willful unless done or omitted to be done by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company;
- (b) your commission of any dishonest or fraudulent act, or any other act or omission with respect to the Company, which has caused or may reasonably be expected to cause a material injury to the interest or business reputation of the Company and which act or omission is not successfully refuted by you within 30 days after written notification thereof to you by the Company;
- (c) your plea of guilty or *nolo contendere* to or conviction of a felony under the laws of the United States or any state thereof or any other plea or confession of a similar crime in a jurisdiction in which the Company conducts business; or
- (d) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company’s financial statements.



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 (i) any employee plan established by the Company, (ii) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by stockholders of MSCI in substantially the same proportions as their ownership of MSCI, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of MSCI (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 30% or more of the total voting power of the stock of MSCI; *provided* 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 individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by MSCI’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 pursuant to applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of MSCI 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 MSCI’s 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 MSCI (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 or the combined voting power of MSCI's then-outstanding voting securities shall not be considered a Change in Control; or

(d) 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 MSCI 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. 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. In no event will a Change in Control be deemed to have occurred if you are part of a "group" within the meaning of Section 13(d)(3) of the Exchange Act that effects a Change in Control.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

**"Code"** means the United States Internal Revenue Code of 1986, as amended.

**"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; *provided, however*, that, for purposes of administering Section 4 with respect to awards granted to participants who are not officers or directors of the Company subject to Section 17(b) of the Exchange Act, the Committee may delegate its authority to the Company's Chief Executive Officer, Chief Human Resources Officer or Head of Compensation and Benefits.

**“Disability”** means (a) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) you, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, are receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

[**“Full Career Retirement”** means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to (A) your death or Disability or (B) an involuntary termination of your employment by the Company without Cause)].

[**“Full Career Retirement”** means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to (A) your death or Disability or (B) an involuntary termination of your employment by the Company without Cause) on or after the date that you attain the age of 55 and ten years of service with the Company (giving effect to credit for prior service with MSCI’s Subsidiaries and affiliates, as applicable). For the avoidance of doubt, you will only receive credit for employment with entities which are MSCI’s Subsidiaries and affiliates to the extent that you were an employee of such entity on the closing date of the applicable corporate transaction pursuant to which such entity became a Subsidiary or affiliate of MSCI and, in each case, you became an employee of MSCI (or one of its Subsidiaries) as of the closing date of such transaction.]

**“Good Reason”** means:

(a) any material diminution in your title, status, position, the scope of your assigned duties, responsibilities or authority, including the assignment to you of any duties, responsibilities or authority inconsistent with the duties, responsibilities and authority assigned to you prior to a Change in Control (including any such diminution resulting from a transaction in which the Company is no longer a public company);

(b) any reduction in your total compensation that was in existence prior to a Change in Control (for purposes of this clause (b), total compensation is comprised of your (i) current annual base salary, (ii) your current target annual cash bonus and (iii) the grant date fair value of your most recent annual equity-based incentive compensation awards. Notwithstanding the foregoing, for purposes of (iii), if any of your equity-based incentive compensation awards are “front-loaded” awards intended to cover multiple years of awards, the Committee may, in its reasonable discretion, adjust in connection with the grant of such award the Equity Value for purposes of this definition to take into account what the grant date fair value for an equity-based incentive compensation award would be if the award represented only a single-year award. Additionally, if in any year, no equity-based incentive compensation awards were granted to you or an equity-based

incentive compensation award was granted to you, in each case, taking into account the front-loaded award in a prior year, the Committee shall allocate a portion of such front-loaded award to the Equity Value for the relevant year. Finally, the Committee shall have the authority, in its reasonable discretion, to exclude any extraordinary and nonrecurring equity-based incentive compensation awards or arrangements from the calculation of “Equity Value” for purposes hereunder;

(c) a relocation of more than 25 miles from the location of your principal job location or office prior to a Change in Control; or

(d) any other action or inaction that constitutes a material breach by the Company of any agreement pursuant to which you provide services to the Company;

*provided*, that you provide the Company with written notice of your intent to terminate your employment for Good Reason within 90 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide the Company with at least 30 days following receipt of such notice to remedy such circumstances.

“**Governmental Employer**” means a federal governmental or executive branch department or agency.

“**Governmental Service Termination**” means the termination of your employment with the Company as a result of your accepting employment at a Governmental Employer and you provide MSCI 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 common stock is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer.

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“**Notice Requirements**” means prior written notice to MSCI of at least:

(a) 180 days if you are a member of the MSCI Executive Committee (or a successor or equivalent committee) at the time of notice of resignation; or

(b) 90 days if you are a Managing Director of the Company (or equivalent title) at the time of notice of resignation.

For the avoidance of doubt, employees working or residing outside of the United States may be subject to notice periods mandated under local labor or regulatory requirements which may differ from the Notice Requirements set forth above.

“**Section 409A**” means Section 409A of the Code.

**[PERFORMANCE METRICS]**

**Designation of Beneficiary(ies) Under  
MSCI Inc. 2007 Amended and Restated  
Equity Incentive Compensation Plan**

This Designation of Beneficiary(ies) 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(ies) 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)			

Address(es) of Beneficiary(ies):

(1)  
(2)

Contingent Beneficiary(ies)

Please also indicate any contingent beneficiary(ies) and to which beneficiary(ies) above such interest relates.

	Beneficiary(ies) Name(s)	Relationship	Nature of Contingency
(1)			
(2)			

Address(es) of Contingent Beneficiary(ies):

(1)  
(2)

Name: (please print)

Date:

Signature

Please complete and file this form with your personal tax or estate planning representative.

APPENDIX 2-1

## RESTRICTIVE COVENANTS

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Award Agreement.

Section 1. Confidential Information; Assignment of Inventions. (a) During your employment or service with the Company and at all times thereafter, you agree to keep secret and retain in strictest confidence and trust for the sole benefit of the Company, and shall not disclose, directly or indirectly, or use for your benefit or the benefit of others, without the prior written consent of the Company, any Confidential Information. For purposes of this Exhibit B and the Award Agreement, “**Confidential Information**” shall mean all proprietary or confidential matters or trade secrets of, and confidential and competitively valuable information concerning, the Company (whether or not such information is in written form). Without limiting the generality of the foregoing, Confidential Information shall include: information concerning organization and operations, business and affairs; formulae, processes, technical data; “know-how”; flow charts; computer programs and computer software; access codes or other systems of information; algorithms; technology and business processes; business, product or marketing plans or strategies; sales and other forecasts; financial information or financing/financial projections; lists of clients or customers or potential clients or customers; details of client or consultant contracts; supplier or vendor lists or arrangements; business acquisition or disposition plans; employee information, new personnel acquisition plans and information relating to compensation and benefits; budget information and procedures; research products; research and development; all data, concepts, ideas, findings, discoveries, developments, programs, designs, inventions, improvements, methods, practices and techniques, whether or not patentable, relating to present or planned future activities or products or services; and public information that becomes proprietary as a result of the Company’s compilation of that information for use in its business; *provided, however*, that the Confidential Information shall in no event include (x) any Confidential Information which was generally available to the public at the time of disclosure by you or (y) any Confidential Information which becomes publicly available other than as a consequence of the breach by you of your confidentiality obligations hereunder or under any other confidentiality agreement you have entered into with the Company, if any. In the event of a termination of your employment or service with the Company for any reason, you shall deliver to MSCI all documents and data pertaining to the Confidential Information and shall not take with you any documents or data of any kind or any reproductions (in whole or in part) or extracts of any items relating to the Confidential Information. Nothing contained in this Section 1 of this Exhibit B shall prohibit you from disclosing Confidential Information if such disclosure is required by law, governmental process or valid legal process. Unless you are reporting a possible violation of law to a governmental entity or law enforcement, making a disclosure that is protected under the whistleblower protections of applicable law and/or participating in a governmental investigation, in the event that you are legally compelled to disclose any of the Confidential Information, you shall provide MSCI with prompt written notice so that MSCI, at its sole cost and expense, may seek a protective order or other appropriate remedy or waive compliance with the provisions of this

Section 1 of this Exhibit B. If such protective order or other remedy is not obtained, or if the Company waives compliance with the provisions of this Section 1, you shall furnish only that portion of the Confidential Information that you in good faith believe is legally required to be disclosed. In addition to the foregoing, and subject to the second preceding sentence, you hereby agree to comply with the requirements of any and all agreements that you have entered into, or may in the future enter into, with the Company with respect to the use or disclosure of confidential or proprietary information of the Company.

(b) All rights to discoveries, inventions, improvements and innovations, copyright and copyrightable materials (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark or reduced to writing, that you may discover, invent or originate during your employment or service with the Company or any predecessor entity, either alone or with others and whether or not during working hours or by the use of the facilities of the Company (collectively, "**Inventions**"), shall be the exclusive property of the Company, and you hereby irrevocably assign all right, title and interest in and to all Inventions to the Company. You shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents that the Company may deem necessary to protect or perfect the rights of the Company therein, and shall assist the Company, at the Company's expense, in obtaining, defending and enforcing the Company's rights therein. You hereby appoint the Company as your attorney-in-fact to execute on your behalf any assignments or other documents deemed necessary by the Company to protect or perfect its rights to any Inventions.

Section 2. Non-Compete. During your employment or service with the Company and for a period of one year following the termination of your employment or service with the Company for any reason (the "**Non-Compete Restricted Period**"), you shall not, without the consent of the Company, directly or indirectly, provide services to, accept employment with, be a consultant or advisor to, form, lend financial support to, own any interest in (other than shares of a publicly traded company that represent less than 1% of the outstanding shares) or otherwise enter into any arrangement with, or engage in any activity for or on behalf of, any person, entity or business in competition with the MSCI Business (the "**Competing Business**"); *provided, however*, that the foregoing will not prohibit you from accepting or beginning employment with any company that, as part of its overall business model, engages in one or more of the Competing Businesses, *provided* that you (x) do not directly provide assistance to any of the Competing Businesses in the form of day-to-day responsibility for any aspect of the operation, supervision, compliance or regulation of any of the Competing Businesses or (y) provide only administrative, non-operational assistance to any such Competing Business and it is an immaterial part of such company's overall business. For purposes of this Exhibit B and the Award Agreement, "**MSCI Business**" means any business engaged in, contemplated or actively planned by the Company as of the date of your termination of employment that you were actively providing services to such line of business during your employment with MSCI.

Section 3. Non-Solicit and No-Hire. During your employment or service with the Company and for a period of two years following the termination of your



employment or service with the Company for any reason (the “**Non-Solicit Restricted Period**”), you shall not, directly or indirectly, (a) solicit or encourage any employee of the Company to terminate his or her employment with the Company, (b) hire any employee of the Company prior to the date on which such person has not been employed by the Company or any of its Subsidiaries for a period of at least one year or (c) induce or attempt to induce any customer, client, supplier, vendor, licensee or other business relationship of the Company to cease doing or reduce their business with the Company, or in any way interfere with the relationship between the Company and any customer, client, supplier, licensee or other business relationship of the Company.

Section 4. Non-Disparagement. At all times during your employment or service with the Company and after termination of your employment or service with the Company for any reason, you will not knowingly make any statement, written or oral, that would disparage the business or reputation of the Company or its officers, managers, directors or employees. It will not be a violation of this Section 4 for you to make truthful statements, under oath, as required by law, to a governmental entity or law enforcement agency or as part of a litigation or administrative agency proceeding.

Section 5. Certain Remedies. You acknowledges that the terms of this Exhibit B are reasonable and necessary in light of your unique position, responsibility and knowledge of the operations of the Company and the unfair advantage that your knowledge and expertise concerning the business of the Company would afford a competitor of the Company and are not more restrictive than necessary to protect the legitimate interests of the Company. If the final judgment of a court of competent jurisdiction, or any final non-appealable decision of an arbitrator in connection with a mandatory arbitration, declares that any term or provision of this Exhibit B or the Award Agreement is invalid or unenforceable, the parties agree that the court or arbitrator making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Exhibit B and the Award Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed. You acknowledge that the Company and its shareholders would be irreparably harmed by any breach of this Exhibit B and that there would be no adequate remedy at law or in damages to compensate the Company and its shareholders for any such breach. You agree that MSCI shall be entitled to injunctive relief, without having to post bond or other security, requiring specific performance by you of your obligations in this Exhibit B in addition to any other remedy to which the Company is entitled at law or in equity, and you consent to the entry thereof. You agree that the Non-Compete Restricted Period and the Non-Solicit Restricted Period, as applicable, shall be extended by any and all periods during which you are in breach of this Exhibit B.

[COUNTRY-SPECIFIC TERMS AND CONDITIONS]

**FORM OF MULTI-YEAR PERFORMANCE AWARD AGREEMENT  
FOR PERFORMANCE STOCK UNITS  
FOR THE EXECUTIVE COMMITTEE  
UNDER THE MSCI INC. 2016 OMNIBUS INCENTIVE PLAN**

MSCI Inc. (“**MSCI**,” and together with its Subsidiaries, the “**Company**”) hereby grants to you Performance Stock Units (“**PSUs**”) as described below. The awards are being granted under the MSCI Inc. 2016 Omnibus Incentive Plan (as may be amended from time to time, the “**Plan**”).

**Participant:** [Name]

**Number of PSUs Granted:** [#] PSUs (the “**Target PSUs**”)

**Grant Date:** [Date] (the “**Grant Date**”)

**Vesting Schedule:** [•]

**Performance Period:** [•]

[This Award of PSUs is contingent on the Company’s shareholders approving the Plan at the Company’s 2016 annual general meeting of shareholders (the “**2016 AGM**”). In the event the Company’s shareholders do not approve the Plan at the 2016 AGM, then this Award of PSUs shall be void *ab initio*, and you shall cease to have any rights or obligations with respect to the PSUs granted hereunder.]

Your PSUs may be subject to forfeiture or recoupment if you terminate employment with the Company, fail to affirmatively accept the terms of this Award, including the Restrictive Covenants set forth in Exhibit B, by on or about [•] or do not comply with the notice requirements, as set forth in the Plan and this Performance Stock Unit Award Agreement (including Exhibit A, Exhibit B and Exhibit C attached hereto, this “**Award Agreement**”). [As of the Grant Date, you are Full Career Retirement eligible (as defined in Exhibit A attached hereto), subject to the terms of this Award Agreement.]

You agree that this Award Agreement is granted under the Plan and governed by the terms and conditions of the Plan and Exhibit A, Exhibit B and Exhibit C attached hereto. PSUs granted to you pursuant to this Award Agreement and any Shares issued in settlement or satisfaction thereof may be subject to the MSCI Clawback Policy, as may be in effect from time to time, if on or after the Grant Date you are or become an executive officer of MSCI Inc. You will be able to access a prospectus and tax supplement that contains important information about this award via the MSCI website or your brokerage account. Unless defined in this Award Agreement, capitalized terms shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Agreement as of the Grant Date.

**MSCI Inc.**

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Name:  
Title:

**TERMS AND CONDITIONS**  
**OF THE PERFORMANCE AWARD AGREEMENT**

Section 1. PSUs Generally. MSCI has awarded you PSUs as an incentive for you to continue to provide services to the Company and to align your interests with those of the Company. As such, you will earn your Adjusted PSUs (as defined below) only if you remain in continuous employment with the Company through the Vesting Date, or as otherwise set forth below. Each PSU corresponds to one share of MSCI common stock, par value \$0.01 per share (each, a “Share”). Each PSU constitutes a contingent and unsecured promise by MSCI to deliver one Share on the conversion date for such PSU.

Section 2. Performance Adjustment, Vesting and Conversion Schedule and HSR Act.

(a) *Performance Adjustment*. The number of Target PSUs awarded under this Award Agreement shall be adjusted, within a range of [•]% to [•]% of the number of Target PSUs, after the end of the Performance Period based on the achievement of the [•] and, if applicable, [•] performance metrics (collectively, the “Performance Metrics”) set forth in Appendix 1 hereto. Following the end of the Initial Performance Period and, if applicable, the Extended Performance Period, management of MSCI shall provide its calculation of the Performance Metrics to the Committee. The Committee will review the extent of the achievement of the Performance Metrics and shall certify in writing such achievement.

Subject to Section 8, the number of PSUs that will be converted into Shares pursuant to Section 2(b), Section 4 or Section 5 (the “Adjusted PSUs”) will be determined based on the following formula on a date no later than [•] (such date, the “Adjustment Date”):

$$\text{Target PSUs} \quad \times \quad \text{Adjustment Percentage} \quad = \quad \text{Number of} \\ \text{(as defined in Appendix 1)} \quad \text{Adjusted PSUs}$$

(b) *Vesting and Conversion*. The Target PSUs will vest (as to service) [•] (the “Vesting Date”), subject to adjustment in accordance with Section 2(a); *provided that*, subject to Section 4 and Section 5, you continue to be employed by the Company on the Vesting Date; *provided, further*, that you have complied with all applicable provisions of the HSR Act. Vested Adjusted PSUs shall convert into Shares no earlier than [•], and no later than the Adjustment Date.

(c) *HSR Act*. If Adjusted PSUs would have vested pursuant to this Section 2, Section 4 or Section 5(b), but did not vest solely because you were not in compliance with all applicable provisions of the HSR Act, subject to Section 409A, the vesting date for such Adjusted PSUs shall occur on the first date following the date on which you have complied with all applicable provisions of the HSR Act.

Section 3. Dividend Equivalent Payments. Until your PSUs convert to Shares, if MSCI pays a dividend on Shares, you will be credited with a dividend equivalent payment in the same amount as the dividend you would have received if you held Shares for your vested and unvested PSUs immediately prior to the record date (taking into account any adjustments pursuant to Section 2(a) and adjustments provided under the Plan). Assuming you hold PSUs on the record date, MSCI will credit the dividend equivalent payments when it pays the corresponding dividend on its Shares. Your dividend equivalents will vest and be paid at the same time as, and subject to the same vesting and cancellation provisions set forth in this Award Agreement with respect to, your PSUs (*provided* that, subject to Section 21, the dividend equivalents may be paid following the scheduled conversion date on the next regularly scheduled payroll date). No dividend equivalents will be paid to you with respect to any canceled or forfeited PSUs. MSCI will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof, unless otherwise provided in Exhibit C.

Section 4. Termination of Employment. Upon termination of employment with the Company prior to the Vesting Date pursuant to this Section 4, the following special vesting and payment terms will apply to your unvested PSUs:

(a) *Termination of Employment Due to Death or Disability*. If your employment with the Company terminates due to death or Disability, in each case, prior to the Vesting Date, the Target PSUs will be pro-rated by multiplying (i) the number of Target PSUs by (ii) a fraction, (A) the numerator of which is the sum of (x) the number of months elapsed from the Grant Date until the date of such termination (rounded up to the next whole month) *plus* (y) 12 months (*provided*, that in no event shall the numerator exceed 36 months), and (B) the denominator of which is 36 months. The pro-rated Target PSUs will then be converted into Adjusted PSUs pursuant to Section 2(a), which Adjusted PSUs will vest and convert into Shares on the Adjustment Date (even though you are not employed by the Company on the Vesting Date). Upon a termination of employment due to death, the Adjusted PSUs shall be delivered in accordance with Section 11.

(b) *Involuntary Termination of Employment by the Company*. In the event of an involuntary termination of your employment by the Company without Cause: (i) on or prior to [•], one-third of your Target PSUs will vest and will convert into Shares on the Adjustment Date; (ii) after [•] but on or prior to [•], two-thirds of your Target PSUs will vest and will convert into Shares on the Adjustment Date; or (iii) after [•], all of your Target PSUs will vest and will convert into Shares on the Adjustment Date, in each case, subject to adjustment in accordance with Section 2(a) (even though you are not employed by the Company on the Vesting Date); *provided* that such vesting and conversion is subject to your execution and non-revocation of an agreement and release of claims satisfactory to the Company within 60 days following termination of your employment.

(c) *Full Career Retirement*. If your employment with the Company terminates due to Full Career Retirement: (i) prior to or on the Vesting Date, your Adjusted PSUs will convert into Shares on the Adjustment Date; *provided*, that, if on the Adjustment Date you are subject to a non-compete restriction (other than those set forth in Exhibit B to this Award Agreement) which has not yet expired, your PSUs will convert into Shares at any time, in the discretion of the Committee, during the period (x) commencing on the Adjustment Date and (y) ending on [•], or (ii) after the Vesting Date, but prior to the Adjustment Date, your Adjusted PSUs will convert into Shares on [•].

(d) *Governmental Service Termination.* If your employment with the Company terminates prior to the Adjustment Date in a Governmental Service Termination, to the extent permitted under Section 409A, your PSUs will be adjusted (within a range of [•]% to [•]%) based on the expected (or actual, as the case may be if such termination occurs after the expiration of the Performance Period) achievement of the Performance Metrics for the Performance Period, which will be determined by extrapolating from the Performance Metrics that have been achieved as of the end of the most recent completed fiscal quarter prior to the date your employment with the Company terminates, and such Adjusted PSUs will vest and convert into Shares within 60 days following the date of such termination. If your employment with the Company terminates after the Adjustment Date in a Governmental Service Termination under circumstances not involving a Cancellation Event, your Adjusted PSUs will vest and convert into Shares within 60 days following the date of such termination.

(e) *Other Resignations from Employment.* All other resignations from employment must comply with the Notice Requirements.

(i) If you resign from your employment with the Company under circumstances which are not in accordance with the provisions above in this Section 4, you will forfeit any PSUs that have not vested as of your last day of employment with the Company; and

(ii) If, prior to the Vesting Date, you give MSCI notice of your intention to resign from your employment with the Company as of a date following the Vesting Date, your PSUs will vest and settle in accordance with Section 2; *provided, however*, that if you do not subsequently comply with the Notice Requirements, the Committee may, in its discretion, require that the gross cash value of the PSUs delivered to you in accordance with this Section 4(e)(ii) be subject to recoupment or payback.

For the avoidance of doubt, (A) revocation of a notice of intention to resign may, in the Company's sole discretion or if required to comply with Section 409A, be deemed to be noncompliant with the Notice Requirements and, in connection with such revocation, your PSUs may be forfeited and (B) if, after you have given notice of your intention to resign or retire, as applicable, from your employment with the Company, the Company involuntarily terminates your employment without Cause prior to the expiration of your notice period, your outstanding PSUs will be treated in accordance with Sections 4(b) or 4(c), as applicable.

Notwithstanding anything to the contrary contained herein, the Adjusted PSUs shall only vest pursuant to this Section 4 provided that you have complied with all applicable provisions of the HSR Act.

Section 5. Change in Control.

(a) *General.* In the event of a Change in Control, the Committee, in its sole discretion, may provide for (i) the continuation or assumption of your outstanding PSUs under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent, in which case your PSUs will continue to be subject to the terms of this Award Agreement, or (ii) the lapse of restrictions relating to and the settlement of your outstanding PSUs immediately prior to such Change in Control in the event a buyer will not continue or assume the PSUs; *provided, however*, in each case, the Performance Metric targets relating to any outstanding Target PSUs (that are not Adjusted PSUs) will be deemed to have been achieved at [•]. Following a Change in Control in which your outstanding PSUs are continued or assumed pursuant to clause (i) above, such PSUs may be settled in cash, stock or a combination thereof.

(b) *Qualifying Termination.* In the event of a Qualifying Termination (as defined below), a number of your PSUs will vest and convert into Shares within 60 days following such Qualifying Termination, determined by multiplying your PSUs by a fraction, (i) the numerator of which is the sum of (A) the number of months elapsed from the Grant Date until the date of such Qualifying Termination (rounded up to the next whole month) *plus* (B) 12 months (*provided*, that in no event shall the numerator exceed 36 months), and (ii) the denominator of which is 36 months. If such 60-day period begins in one taxable year and ends in a subsequent taxable year, such vesting and conversion shall occur in the second taxable year. “**Qualifying Termination**” means a termination of employment by the Company without Cause or by you for Good Reason (which shall be deemed an involuntary termination of employment by the Company without Cause), in each case within 24 months following the effective date of the Change in Control in which the PSUs are continued or assumed. Notwithstanding anything to the contrary contained herein, the PSUs shall only vest pursuant to this Section 4Section 5(b) provided that you have complied with all applicable provisions of the HSR Act.

Section 6. Restrictive Covenants. In consideration of the grant of PSUs under this Award Agreement, and in consideration for all other awards granted by the Company to you under the Plan, you agree to be bound by, and to comply with, the restrictive covenants set forth in Exhibit B to this Award Agreement (collectively, the “**Restrictive Covenants**”). In the event you violate any of the Restrictive Covenants (a) prior to or on the Adjustment Date, you will forfeit the PSUs (whether or not they are Adjusted PSUs) outstanding as of the date of such violation or (b) after the Adjustment Date, but prior to or on the expiry date of the Restrictive Covenants (as set forth in Exhibit B to this Award Agreement), you will promptly deliver to the Company all Shares acquired upon conversion of the Adjusted PSUs (or, to the extent you no longer hold such Shares, you will pay to the Company an amount on a gross basis equal to the Fair Market Value of any such Shares on the date the Shares were delivered to you). You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that you have not violated any of the Restrictive Covenants.

Section 7. Cancellation of Awards. Notwithstanding any other terms of this Award Agreement, your PSUs will be canceled prior to conversion in the event of any Cancellation Event. You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that no Cancellation Event has occurred. If you fail to submit a timely certification or evidence, MSCI will cancel your award. Except as explicitly provided in Section 4 or Section 5(b), upon a termination of your employment by you or by the Company for any reason, any of your PSUs that have not vested pursuant to Section 2 as of the date of your termination of employment with the Company will be canceled and forfeited in full as of such date.

Section 8. [Award Contingent on Shareholder Approval. Your Award of PSUs under this Award Agreement is expressly contingent on the shareholders of the Company approving the Plan at the 2016 AGM, and no payment shall be made hereunder unless and until the Company's shareholders approve the Plan. Notwithstanding any other terms of this Award Agreement, if the shareholders of the Company do not approve the Plan at the 2016 AGM, then this Award Agreement and all of your PSUs granted hereunder shall be void *ab initio*, and you shall cease to have any rights or obligations with respect to this Award Agreement and the PSUs granted hereunder (including the right to any payments or benefits hereunder). The Company will submit to its shareholders at the 2016 AGM a proposal to approve the Plan; *provided, however*, that the Company makes no representations regarding whether such approval will be obtained.]

Section 9. Tax and Other Withholding Obligations. Pursuant to Section 15(d) of the Plan and the rules and procedures that the Committee may establish from time to time, tax or other withholding obligations arising upon vesting and conversion (as applicable) of your PSUs may be satisfied, in the Committee's sole discretion, by having MSCI withhold Shares, tendering Shares or by having MSCI withhold cash if MSCI provides for a cash withholding option, in each case in an amount necessary to satisfy the tax or other withholding obligations. Shares withheld or tendered will be valued using the Fair Market Value of the Shares on the date your PSUs convert. In order to comply with applicable accounting standards or the Company's policies in effect from time to time, the Committee may limit the amount of Shares that you may have withheld or that you may tender. You acknowledge that, if you are subject to Tax-Related Items (as defined below) in more than one jurisdiction, the Company (including any former employer) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Section 10. Nontransferability. You may not sell, pledge, hypothecate, assign or otherwise transfer your PSUs, other than as provided in Section 11 or by will or the laws of descent and distribution or otherwise as provided for by the Committee.



Section 11. Designation of a Beneficiary. If you reside in the United States, you may make a written designation of a beneficiary or beneficiaries to receive all or part of the Shares to be paid under this Award Agreement in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix 2 with your personal tax or estate planning representative. 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(ies) 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 12. Ownership and Possession. Except as set forth herein, you will not have any rights as a stockholder in the Shares corresponding to your PSUs prior to conversion of your PSUs.

Section 13. Securities Law Compliance Matters. MSCI may, if it determines it is appropriate, affix any legend to the stock certificates representing Shares issued upon conversion of your PSUs 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 14. Compliance with Laws and Regulations. Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your PSUs (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, associations or other institutions with which MSCI 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 15. No Entitlements.

(a) *No Right to Continued Employment.* This PSU award is not an employment agreement, and nothing in this Award Agreement or the Plan shall alter your status as an "at-will" employee of the Company.

(b) *No Right to Future Awards.* This award, and all other awards of PSUs and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of PSUs or any other equity-based award at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of PSUs hereunder, for which you have no current entitlement.

(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. 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 16. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Section 17. 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 to be obtained under, applicable local law.

Section 18. Award Modification and Section 409A.

(a) *Modification*. MSCI reserves the right to modify or amend unilaterally the terms and conditions of your PSUs, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. MSCI may not modify your PSUs in a manner that would materially impair your rights in your PSUs without your consent; *provided, however*, that MSCI may, without your consent, amend or modify your PSUs in any manner that MSCI considers necessary or advisable to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or to ensure that your PSUs are not subject to tax prior to payment. MSCI will notify you of any amendment of your PSUs that affects your rights. Any amendment or waiver of a provision of this Award Agreement (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 Chief Human Resources Officer, 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.

(b) *Section 409A*.

(i) You understand and agree that all payments made pursuant to this Award Agreement are intended to be exempt and/or comply with Section 409A, and shall be interpreted on a basis consistent with such intent. For the avoidance of doubt, the Company makes no representations that the payments provided under this Award Agreement comply with Section 409A, and in no event will the Company be liable for any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

(ii) Notwithstanding the other provisions of this Award Agreement, to the extent necessary to comply with Section 409A, no conversion specified hereunder shall occur unless permissible under Section 409A. If MSCI considers you to be one of its “specified employees” and you are a U.S. taxpayer, in each case, at the time of your “separation from service” (as such terms are defined in the Code) from the Company, no conversion specified hereunder shall occur prior to the expiration of the six-month period measured from the date of your separation from service from the Company (such period, the “**Specified Employee Period**”). Any conversion of Adjusted PSUs into Shares that would

have occurred during the Specified Employee Period but for the fact that you are deemed to be a specified employee shall be satisfied either by (A) conversion of such Adjusted PSUs into Shares on the first business day following the Specified Employee Period or (B) a cash payment on the first business day following the Specified Employee Period equal to the value of such Adjusted PSUs on the scheduled conversion date (based on the value of the Shares on such date) plus accrued interest as determined by MSCI; *provided*, that to the extent this Section 18(b)(ii) is applicable, in the event that after the date of your separation from service from the Company you (X) die or (Y) accept employment at a Governmental Employer and provide MSCI 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 of the Shares is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer, any conversion or payment delayed pursuant to this Section 18(b)(ii) shall occur or be made immediately. For the avoidance of doubt, any determination as to form of payment provided in this Section 18(b)(ii) will be in the sole discretion of MSCI.

(iii) For purposes of any provision of this Award Agreement providing for the payment of any amounts of nonqualified deferred compensation upon or following a termination of employment from the Company, references to your “termination of employment” (and corollary terms) shall be construed to refer to your “separation from service” from the Company.

(iv) MSCI reserves the right to modify the terms of this Award Agreement, including, without limitation, the payment provisions applicable to your PSUs, to the extent necessary or advisable to comply with Section 409A and reserves the right to make any changes to your PSU award so that it does not become subject to Section 409A or become subject to a Specified Employee Period.

Section 19. Severability. In the event MSCI determines that any provision of this Award Agreement 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 Agreement will be construed and enforced as if the provision had not been included in this Award Agreement as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 20. Successors. This Award Agreement 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 Agreement or the Plan.

Section 21. Rule of Construction for Timing of Conversion. With respect to each provision of this Award Agreement that provides for your PSUs to convert to Shares, or your dividend equivalents to be paid, on a specified event or date, such conversion or payment 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 conversion or 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 the applicable vesting date or such other specified event or date occurs, or if later, by March 15th of the year following such specified event or date.

Section 22. Non-U.S. Participants. The following provisions will apply to you if you reside or work outside of the United States. For the avoidance of doubt, if you reside or work in the United States and subsequently relocate to another country after the Grant Date, or if you reside in another country and subsequently relocate to the United States after the Grant Date, the following provisions may apply to you to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for tax, legal or administrative reasons.

(a) *Termination of Employment.* Unless otherwise provided in Section 4 or Section 5(b), your employment relationship will be considered terminated as of the date you are no longer actively providing services to the Company (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and such date will not be extended by any notice period (*i.e.*, your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any).

(b) *Tax and Other Withholding Obligations.* You acknowledge that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”) is and remains your responsibility and may exceed the amount actually withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

In the event that withholding in and/or tendering Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the PSUs, you authorize and direct MSCI and any brokerage firm determined acceptable to MSCI to sell on your behalf a whole number of Shares from those Shares issued to you as MSCI determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the stock equivalent.

Finally, you agree to pay to the Company, including through withholding from your wages or other cash compensation paid to you by MSCI and/or your employer, any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. MSCI may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

(c) *Nature of Grant.* In accepting the PSUs, you acknowledge, understand and agree that:

(i) the Plan is established voluntarily by MSCI, it is discretionary in nature and it may be modified, amended, suspended or terminated by MSCI at any time, to the extent permitted by the Plan;

(ii) this PSU award is not an employment or service agreement, and nothing in this Award Agreement or your participation in the Plan shall create a right to continued employment with the Company or interfere with the ability of the Company to terminate your employment or service relationship (if any);

(iii) this award, and all other awards of PSUs and other equity-based awards, are exceptional, discretionary, voluntary and occasional. This award does not confer on you any contractual or other right or entitlement to receive another award of PSUs, any other equity-based award or benefits in lieu of PSUs at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of PSUs hereunder, for which you have no current entitlement;

(iv) MSCI has made this award to you in its sole discretion. All decisions with respect to future PSU or other grants, if any, will be at the sole discretion of MSCI;

(v) you are voluntarily participating in the Plan;

(vi) the grant of PSUs and the Shares subject to the PSUs are not intended to replace any pension rights or compensation;

(vii) this award does not confer on you any right or entitlement to receive compensation in any specific amount. In addition, the PSUs and the Shares subject to the PSUs, and the income and value of the same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments, and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, or any Subsidiary;

(viii) unless otherwise agreed with MSCI, the PSUs and the Shares subject to the PSUs, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of a Subsidiary;

(ix) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of your employment relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and

(xi) you acknowledge and agree that the Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the U.S. Dollar that may affect the value of the PSU or of any amounts due to you pursuant to the settlement of the PSU or the subsequent sale of any Shares acquired upon settlement.

(d) ***Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other PSU grant materials by and among, as applicable, MSCI and any Subsidiary for the exclusive purpose of implementing, administering and managing your participation in the Plan.***

***You understand that the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in MSCI, details of all PSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.***

**You understand that Data will be transferred to E\*Trade Financial Corporate Services, Inc., or such other stock plan service provider as may be selected by MSCI in the future, which is assisting MSCI with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local Human Resources representative. You authorize MSCI, E\*Trade Financial Corporate Services, Inc., and any other possible recipients which may assist MSCI (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local Human Resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing your consent is that MSCI would not be able to grant you PSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.**

(e) *Language.* If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(f) *Electronic Delivery and Acceptance.* MSCI may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by MSCI or a third party designated by MSCI.

(g) *Exhibit C.* Notwithstanding any provisions in this Award Agreement, the PSUs shall be subject to any special terms and conditions set forth in Exhibit C to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in Exhibit C, the special terms and conditions for such country will apply to you, to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit C constitutes part of this Award Agreement.

(h) *Insider Trading Restrictions/Market Abuse Laws.* You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., PSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that you are responsible for ensuring compliance with any applicable restrictions, and you should consult your personal legal advisor on this matter.

Section 23. Venue. For purposes of litigating any dispute that arises under this grant or the Award, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

Section 24. Defined Terms. For purposes of this Award Agreement, the following terms shall have the meanings set forth below:

A “**Cancellation Event**” will be deemed to have occurred under any one of the following circumstances:

- (a) misuse of Confidential Information (as defined in Exhibit B to this Award Agreement) or the failure to comply with your obligations under MSCI’s Code of Conduct or otherwise with respect to Confidential Information;
- (b) termination from the Company for Cause (or a later determination that you could have been terminated for Cause; *provided* that such determination is made within six months of termination);
- (c) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company’s financial statements; or
- (d) failure to affirmatively accept the terms of this Award Agreement, including, but not limited to, the Restrictive Covenants set forth in Section 6 and Exhibit B; *provided* that the Committee may determine, in its sole discretion and no later than [•], whether failure to accept the award by on or about [•] constitutes a Cancellation Event.

“**Cause**” means:

- (a) any act or omission which constitutes a material willful breach of your obligations to the Company or your continued and willful refusal to substantially perform satisfactorily any duties reasonably required of you, which results in material injury to the interest or business reputation of the Company and 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 30 days after written notification thereof to you by the Company; *provided* that no act or failure to act on your part shall be deemed willful unless done or omitted to be done by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company;



(b) your commission of any dishonest or fraudulent act, or any other act or omission with respect to the Company, which has caused or may reasonably be expected to cause a material injury to the interest or business reputation of the Company and which act or omission is not successfully refuted by you within 30 days after written notification thereof to you by the Company;

(c) your plea of guilty or *nolo contendere* to or conviction of a felony under the laws of the United States or any state thereof or any other plea or confession of a similar crime in a jurisdiction in which the Company conducts business; or

(d) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company's financial statements.

“**Committee**” has the meaning ascribed to such term in the Plan; *provided, however*, that, for purposes of administering Section 4 with respect to awards granted to participants who are not officers or directors of the Company subject to Section 16(a)Section 409A. of the Exchange Act, the Committee may delegate its authority to the Company's Chief Executive Officer, Chief Human Resources Officer or Head of Compensation and Benefits.

“**Disability**” means (a) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) you, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, are receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

[“**Full Career Retirement**” means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to (A) your death or Disability or (B) an involuntary termination of your employment by the Company without Cause).]

[“**Full Career Retirement**” means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to (A) your death or Disability or (B) an involuntary termination of your employment by the Company without Cause) on or after the date that you attain the age of 55 and ten years of service with the Company (giving effect to credit for prior service with MSCI's Subsidiaries and affiliates, as applicable). For the avoidance of doubt, you will only receive credit for employment with entities which are MSCI's Subsidiaries and affiliates to the extent that you were an employee of such entity on the closing date of the applicable corporate transaction pursuant to which such entity became a Subsidiary or affiliate of MSCI and, in each case, you became an employee of MSCI (or one of its Subsidiaries) as of the closing date of such transaction.]

**“Good Reason”** means:

(a) any material diminution in your title, status, position, the scope of your assigned duties, responsibilities or authority, including the assignment to you of any duties, responsibilities or authority inconsistent with the duties, responsibilities and authority assigned to you prior to a Change in Control (including any such diminution resulting from a transaction in which the Company is no longer a public company);

(b) any reduction in your total compensation that was in existence prior to a Change in Control (for purposes of this clause (b), total compensation is comprised of your (i) current annual base salary, (ii) your current target annual cash bonus and (iii) the grant date fair value of your most recent annual equity-based incentive compensation awards. Notwithstanding the foregoing, for purposes of (iii), if any of your equity-based incentive compensation awards are “front-loaded” awards intended to cover multiple years of awards, the Committee may, in its reasonable discretion, adjust in connection with the grant of such award the Equity Value for purposes of this definition to take into account what the grant date fair value for an equity-based incentive compensation award would be if the award represented only a single-year award. Additionally, if in any year, no equity-based incentive compensation awards were granted to you or an equity-based incentive compensation award was granted to you, in each case, taking into account the front-loaded award in a prior year, the Committee shall allocate a portion of such front-loaded award to the Equity Value for the relevant year. Finally, the Committee shall have the authority, in its reasonable discretion, to exclude any extraordinary and nonrecurring equity-based incentive compensation awards or arrangements from the calculation of “Equity Value” for purposes hereunder;

(c) a relocation of more than 25 miles from the location of your principal job location or office prior to a Change in Control; or

(d) any other action or inaction that constitutes a material breach by the Company of any agreement pursuant to which you provide services to the Company;

*provided*, that you provide the Company with written notice of your intent to terminate your employment for Good Reason within 90 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide the Company with at least 30 days following receipt of such notice to remedy such circumstances.

**“Governmental Employer”** means a federal governmental or executive branch department or agency.

**“Governmental Service Termination”** means the termination of your employment with the Company as a result of your accepting employment at a Governmental Employer and you provide MSCI 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 common stock is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer.

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“**Notice Requirements**” means prior written notice to MSCI of at least:

(a) 180 days if you are a member of the MSCI Executive Committee (or a successor or equivalent committee) at the time of notice of resignation; or

(b) 90 days if you are a Managing Director of the Company (or equivalent title) at the time of notice of resignation.

For the avoidance of doubt, employees working or residing outside of the United States may be subject to notice periods mandated under local labor or regulatory requirements which may differ from the Notice Requirements set forth above.

“**Section 409A**” means Section 409A of the Code.

**PERFORMANCE METRICS**

APPENDIX 1-1

**Designation of Beneficiary(ies) Under  
MSCI Inc. 2016 Omnibus Incentive Plan**

This Designation of Beneficiary(ies) 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(ies) 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)		

Address(es) of Beneficiary(ies):

(1)  
(2)

Contingent Beneficiary(ies)

Please also indicate any contingent beneficiary(ies) and to which beneficiary(ies) above such interest relates.

Beneficiary(ies) Name(s)	Relationship	Nature of Contingency
(1)		
(2)		

Address(es) of Contingent Beneficiary(ies):

(1)  
(2)

Name: (please print)

Date:

Signature

Please complete and file this form with your personal tax or estate planning representative.

APPENDIX 2-1

**RESTRICTIVE COVENANTS**

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Award Agreement.

Section 1. Confidential Information; Assignment of Inventions. (a) During your employment or service with the Company and at all times thereafter, you agree to keep secret and retain in strictest confidence and trust for the sole benefit of the Company, and shall not disclose, directly or indirectly, or use for your benefit or the benefit of others, without the prior written consent of the Company, any Confidential Information. For purposes of this Exhibit B and the Award Agreement, “**Confidential Information**” shall mean all proprietary or confidential matters or trade secrets of, and confidential and competitively valuable information concerning, the Company (whether or not such information is in written form). Without limiting the generality of the foregoing, Confidential Information shall include: information concerning organization and operations, business and affairs; formulae, processes, technical data; “know-how”; flow charts; computer programs and computer software; access codes or other systems of information; algorithms; technology and business processes; business, product or marketing plans or strategies; sales and other forecasts; financial information or financing/financial projections; lists of clients or customers or potential clients or customers; details of client or consultant contracts; supplier or vendor lists or arrangements; business acquisition or disposition plans; employee information, new personnel acquisition plans and information relating to compensation and benefits; budget information and procedures; research products; research and development; all data, concepts, ideas, findings, discoveries, developments, programs, designs, inventions, improvements, methods, practices and techniques, whether or not patentable, relating to present or planned future activities or products or services; and public information that becomes proprietary as a result of the Company’s compilation of that information for use in its business; *provided, however*, that the Confidential Information shall in no event include (x) any Confidential Information which was generally available to the public at the time of disclosure by you or (y) any Confidential Information which becomes publicly available other than as a consequence of the breach by you of your confidentiality obligations hereunder or under any other confidentiality agreement you have entered into with the Company, if any. In the event of a termination of your employment or service with the Company for any reason, you shall deliver to MSCI all documents and data pertaining to the Confidential Information and shall not take with you any documents or data of any kind or any reproductions (in whole or in part) or extracts of any items relating to the Confidential Information. Nothing contained in this Section 1 of this Exhibit B shall prohibit you from disclosing Confidential Information if such disclosure is required by law, governmental process or valid legal process. Unless you are reporting a possible violation of law to a governmental entity or law enforcement, making a disclosure that is protected under the whistleblower protections of applicable law and/or participating in a governmental investigation, in the event that you are legally compelled to disclose any of the Confidential Information, you shall provide MSCI with prompt written notice so that MSCI, at its sole cost and expense, may seek a protective order or other appropriate remedy or waive compliance with the provisions of this

Section 1 of this Exhibit B. If such protective order or other remedy is not obtained, or if the Company waives compliance with the provisions of this Section 1, you shall furnish only that portion of the Confidential Information that you in good faith believe is legally required to be disclosed. In addition to the foregoing, and subject to the second preceding sentence, you hereby agree to comply with the requirements of any and all agreements that you have entered into, or may in the future enter into, with the Company with respect to the use or disclosure of confidential or proprietary information of the Company.

(b) All rights to discoveries, inventions, improvements and innovations, copyright and copyrightable materials (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark or reduced to writing, that you may discover, invent or originate during your employment or service with the Company or any predecessor entity, either alone or with others and whether or not during working hours or by the use of the facilities of the Company (collectively, "**Inventions**"), shall be the exclusive property of the Company, and you hereby irrevocably assign all right, title and interest in and to all Inventions to the Company. You shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents that the Company may deem necessary to protect or perfect the rights of the Company therein, and shall assist the Company, at the Company's expense, in obtaining, defending and enforcing the Company's rights therein. You hereby appoint the Company as your attorney-in-fact to execute on your behalf any assignments or other documents deemed necessary by the Company to protect or perfect its rights to any Inventions.

Section 2. Non-Compete. During your employment or service with the Company and for a period of one year following the termination of your employment or service with the Company for any reason (the "**Non-Compete Restricted Period**"), you shall not, without the consent of the Company, directly or indirectly, provide services to, accept employment with, be a consultant or advisor to, form, lend financial support to, own any interest in (other than shares of a publicly traded company that represent less than 1% of the outstanding shares) or otherwise enter into any arrangement with, or engage in any activity for or on behalf of, any person, entity or business in competition with the MSCI Business (the "**Competing Business**"); *provided, however*, that the foregoing will not prohibit you from accepting or beginning employment with any company that, as part of its overall business model, engages in one or more of the Competing Businesses, *provided* that you (x) do not directly provide assistance to any of the Competing Businesses in the form of day-to-day responsibility for any aspect of the operation, supervision, compliance or regulation of any of the Competing Businesses or (y) provide only administrative, non-operational assistance to any such Competing Business and it is an immaterial part of such company's overall business. For purposes of this Exhibit B and the Award Agreement, "**MSCI Business**" means any business engaged in, contemplated or actively planned by the Company as of the date of your termination of employment that you were actively providing services to such line of business during your employment with MSCI.

Section 3. Non-Solicit and No-Hire. During your employment or service with the Company and for a period of two years following the termination of your

employment or service with the Company for any reason (the “**Non-Solicit Restricted Period**”), you shall not, directly or indirectly, (a) solicit or encourage any employee of the Company to terminate his or her employment with the Company, (b) hire any employee of the Company prior to the date on which such person has not been employed by the Company or any of its Subsidiaries for a period of at least one year or (c) induce or attempt to induce any customer, client, supplier, vendor, licensee or other business relationship of the Company to cease doing or reduce their business with the Company, or in any way interfere with the relationship between the Company and any customer, client, supplier, licensee or other business relationship of the Company.

Section 4. Non-Disparagement. At all times during your employment or service with the Company and after termination of your employment or service with the Company for any reason, you will not knowingly make any statement, written or oral, that would disparage the business or reputation of the Company or its officers, managers, directors or employees. It will not be a violation of this Section 4 for you to make truthful statements, under oath, as required by law, to a governmental entity or law enforcement agency or as part of a litigation or administrative agency proceeding.

Section 5. Certain Remedies. You acknowledges that the terms of this Exhibit B are reasonable and necessary in light of your unique position, responsibility and knowledge of the operations of the Company and the unfair advantage that your knowledge and expertise concerning the business of the Company would afford a competitor of the Company and are not more restrictive than necessary to protect the legitimate interests of the Company. If the final judgment of a court of competent jurisdiction, or any final non-appealable decision of an arbitrator in connection with a mandatory arbitration, declares that any term or provision of this Exhibit B or the Award Agreement is invalid or unenforceable, the parties agree that the court or arbitrator making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Exhibit B and the Award Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed. You acknowledge that the Company and its shareholders would be irreparably harmed by any breach of this Exhibit B and that there would be no adequate remedy at law or in damages to compensate the Company and its shareholders for any such breach. You agree that MSCI shall be entitled to injunctive relief, without having to post bond or other security, requiring specific performance by you of your obligations in this Exhibit B in addition to any other remedy to which the Company is entitled at law or in equity, and you consent to the entry thereof. You agree that the Non-Compete Restricted Period and the Non-Solicit Restricted Period, as applicable, shall be extended by any and all periods during which you are in breach of this Exhibit B.



**[COUNTRY-SPECIFIC TERMS AND CONDITIONS]**

## MSCI INC.

**Non-Employee Director Stock Ownership Guidelines**

The Board of Directors (“**Board**”) of MSCI Inc. (the “**Company**”) has adopted these Non-Employee Director Stock Ownership Guidelines (“**Ownership Guidelines**”) to further align the interests of the Company’s non-employee directors of the Board with those of the Company’s stockholders and thereby help to promote sound corporate governance.

Commencing on the date of the 2016 Annual Shareholders Meeting, each non-employee director of the Board (each, a “**Director**”) is required, within five years following his or her first election or appointment to the Board, to own a target number of shares of the Company’s common stock, par value \$0.01 (“**Shares**”), equal to the sum of the “**Net Shares**” (as defined below) underlying the restricted stock units (“**RSUs**”) granted to such Director under either the MSCI Inc. Independent Directors’ Equity Compensation Plan (as amended, the “**IDECP**”) or the MSCI Inc. 2016 Non-Employee Directors Compensation Plan (the “**Directors Plan**”, and together with the IDECP, the “**Plans**”) for each of the last five years. Each Director is subject to these Ownership Guidelines for as long as he or she continues to serve on the Board.

For purposes of these Ownership Guidelines, “**Net Shares**” means the number of Shares that would remain if the Shares underlying the RSUs are sold to satisfy any tax obligations (assuming a tax rate of 40%) upon either (i) the conversion of such RSUs into Shares or (ii) the cessation of any tax deferral period with respect to such RSUs. Prior to entering into any transaction to dispose of Shares, each Director shall certify in writing to the Company that he or she is in compliance with these Ownership Guidelines.

Shares that count towards satisfaction of the target level of Share ownership under these Ownership Guidelines consist of the following:

1. Shares beneficially owned individually, either directly or indirectly (including any Shares beneficially owned as a result of an election to receive a retainer (or any portion thereof) in Shares);
2. Shares beneficially owned jointly with, or separately, by immediate family members residing in the same household, either directly or indirectly;
3. Shares underlying vested and unvested RSUs granted under the Plans; and
4. Shares for which receipt has been deferred (including any Shares held through the MSCI Inc. Independent Directors Deferral Plan or any other deferred compensation plan maintained by the Company).

It is intended that these Ownership Guidelines be flexible. As such, the Nominating and Corporate Governance Committee of the Board may, in its discretion, modify or waive these Ownership Guidelines, or develop an alternative stock ownership plan, in each case, taking into account individual, Company and market circumstances, as appropriate.

Directors are subject to applicable federal and state laws and Company policy restricting trading on material non-public or “inside” information. These laws and rules may also limit the ability of a Director to buy or sell Shares from time to time. Affiliates of the Company may also be subject to reporting obligations and potential matching liability under Section 16 of the Securities Exchange Act of 1934, as amended. Any resales of Shares by an affiliate must typically be made in accordance with the volume, manner of sale, notice and other requirements of Rule 144 of the Securities Act of 1933, as amended. Compliance with these Ownership Guidelines is in addition to, not in lieu of, compliance with any other applicable laws or Company policies.

Adopted by the Board of Directors on April 27, 2016

**MSCI INC.**  
**NON-EMPLOYEE DIRECTORS DEFERRAL PLAN**

Section 1. *Purpose.* The purpose of the MSCI Inc. Non-Employee Directors Deferral Plan (as may be amended from time to time, the “**Plan**”) is to attract and retain the services of experienced non-employee directors for MSCI Inc. (the “**Company**”) by providing them with opportunities to defer income taxes on their compensation and to encourage them to acquire additional shares of the Company’s common stock. This Plan is established in connection with the MSCI Inc. 2016 Non-Employee Directors Compensation Plan (as may be amended from time to time, the “**Directors Plan**”).

Section 2. *Definitions.* Unless otherwise defined in the Plan, capitalized terms used in the Plan shall have the meanings assigned to them in the Directors Plan.

Section 3. *Eligibility.* Each Non-Employee Director shall be entitled to participate in the Plan. Each such Non-Employee Director who makes a deferral under the Plan is referred to herein as a “**Participant**”.

Section 4. *Administration.* The Plan shall be administered by the Board. Subject to the terms of the Plan and applicable law, the Board shall have full power and authority to: (i) designate Non-Employee Directors for participation; (ii) determine the terms and conditions of any deferral made under the Plan; (iii) interpret and administer the Plan and any instrument or agreement relating to, or deferral made under, the Plan; (iv) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan and (v) make any other determination and take any other action that the Board deems necessary or desirable for the administration of the Plan. To the extent legally permitted, the Board may, in its discretion, delegate to the Chief Administrative Officer, the Chief Legal Officer, the Secretary of the Company, the Head of Human Resources 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. The determination of the Board on all matters within its authority relating to the Plan shall be final, conclusive and binding upon all parties, including the Company, its shareholders and the Participants.

Section 5. *Deferrals.*

(a) *Deferral Elections.* Each Participant may elect to defer receipt of all or any portion of any (i) Shares issuable upon conversion of any RSU granted to such Participant under the Directors Plan (a “**Deferred Stock Unit**”) or (ii) Retainer (which may be paid in cash or Shares) granted to such Participant under the Directors Plan (a “**Deferred Retainer**”). The date on which any such Shares were scheduled to be issued to such Participant, and/or the date on which any such Retainer was scheduled to be paid to such Participant, in each case had such Participant not deferred receipt of such Shares and/or Retainer, is referred to herein as the “**Scheduled Payment Date**”.

(b) *Election Forms.* A Participant's deferral election shall be made in the form of a document (an "**Election Form**") established for such purpose by the Board that is executed by such Participant and filed with the Company. The Election Form will require such Participant to specify:

- (i) the portion of any Shares issuable upon conversion of any RSU and/or the portion of the Retainer that will be deferred;
- (ii) in the case of a Deferred Retainer, whether distribution will be made to such Participant in cash or Shares; and
- (iii) the time at which the deferred cash or Shares will be distributed to such Participant, which time may be (x) a specified date, (y) termination of such Participant's service from the Board or (z) a specified date following such termination.

Each Election Form will remain in effect until superseded or revoked pursuant to this Section 5.

(c) *Timing of Elections.*

(i) Subject to Section 5(c)(ii), an Election Form executed by a Participant shall apply to any RSU or Retainer that is granted to such Participant at any time following the end of the calendar year in which such Election Form is executed.

(ii) An Election Form filed by a Participant within 30 days after such Participant becomes eligible to participate in the Plan shall apply to any RSU or Retainer that is granted to such Participant or relates to services performed following the date on which such Participant executes such Election Form.

(d) *Subsequent Election Forms.* A Participant who has an Election Form on file with the Company may execute and file with the Company a subsequent Election Form at any time. Such subsequent Election Form shall apply to any RSU or Retainer that is granted to such Participant following the end of the year in which such subsequent Election Form is executed.

(e) *Revoking Election Forms.* A Participant may revoke an Election Form at any time by providing written notice to the Secretary of the Company. Such revocation shall apply to any RSU or Retainer that is granted to such Participant following the year in which such notice is provided.

(f) *Redeferrals.* Not later than 12 months prior to the date on which a Deferred Stock Unit or Deferred Retainer is scheduled to be distributed to a Participant, such Participant may elect to redefer such Deferred Stock Unit or Deferred Retainer to a date that is not less than five years after the scheduled distribution date. Such redeferral election shall be made in the form of a document established for such purpose by the Board that is executed by such Participant and filed with the Secretary of the Company.

(g) *Vesting.* Each Deferred Stock Unit and each Deferred Retainer shall be fully vested and non-forfeitable at all times from the applicable Scheduled Payment Date.

Section 6. *Timing and Form of Distribution.*

(a) Subject to this Section 6, distribution with respect to a Participant's Deferred Stock Unit or Deferred Retainer shall be made to such Participant in a single lump sum at the time specified on the applicable Election Form.

(b) The Board, in its sole discretion, may accelerate the distribution of a Participant's Deferred Stock Unit or Deferred Retainer if such Participant experiences an unforeseeable emergency or hardship, provided that such distribution complies with Section 409A of the Code.

(c) All of a Participant's Deferred Stock Units and Deferred Retainers shall be distributed to such Participant upon a Change in Control or such Participant's death or "permanent and total disability" (as defined in Section 22(e)(3) of the Code).

(d) If the Board considers a Participant to be one of the Company's "specified employees" under Section 409A of the Code at the time of such Participant's termination of service from the Board, any distribution that otherwise would be made to such Participant as a result of such termination from service shall not be made until the date that is six months after such termination of service, except to the extent that earlier distribution would not result in such Participant's incurring interest or additional tax under Section 409A of the Code.

(e) Each Deferred Stock Unit shall be distributed in Shares. Each Deferred Retainer shall be distributed in cash or Shares, as specified on the applicable Election Form. Notwithstanding the foregoing, cash shall be distributed in lieu of any fractional Shares that otherwise would have been distributed.

Section 7. *Amount of Distribution.*

(a) *Distribution in Shares.*

(i) Each Deferred Stock Unit and each Deferred Retainer that is scheduled to be distributed in Shares shall be allocated to a separate bookkeeping account (a "**Share Account**") established and maintained by the Company to record the number of Shares to which such Deferred Stock Unit or Deferred Retainer relates. In the case of a Deferred Stock Unit, the Share Account shall reflect the number of Shares deferred. In the case of a Deferred Retainer, the Share Account shall reflect a number of Shares determined by dividing the applicable amount of the Retainer by the Fair Market Value of a Share on the Scheduled Payment Date, with the value of any fractional Shares paid to the Participant in cash on the Scheduled Payment Date.

(ii) Until the distribution date applicable to a Participant's Deferred Stock Unit or Deferred Retainer that is scheduled to be distributed in Shares, if

the Company pays a regular or ordinary cash dividend on its Shares, the Share Account shall be credited with a number of Shares determined by dividing the amount of the cash dividend by the Fair Market Value of a Share on the dividend payment date, with the value of any fractional shares paid to the Participant in cash on the dividend payment date.

(iii) In the event of any dividend or other distribution (other than an ordinary dividend or distribution) (whether in the form of cash, Shares or other securities), sale or other distribution of substantially all of the assets of the Company, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, separation, rights offering, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, issuance of Shares pursuant to the anti-dilution provisions of securities of the Company, or other similar corporate transaction, change in the Company's corporate structure or event affecting the Shares, or of changes in applicable laws, regulations or accounting principles any merger, reorganization, recapitalization, consolidation, any stock dividend, split, spin-off, split-up, split-off, distribution of cash, securities or other property by the Company, each Share Account shall be automatically adjusted to prevent dilution or enlargement of the benefits or potential benefits intended to be awarded under the Directors Plan.

(iv) On the distribution date applicable to a Participant's Deferred Stock Unit or Deferred Retainer that is scheduled to be distributed in Shares, such Participant shall receive that number of Shares equal to the number of Shares credited to the applicable Share Account as of such distribution date.

(b) *Distribution in Cash.*

(i) A Deferred Retainer that is scheduled to be distributed to a Participant in cash shall be allocated to a separate bookkeeping account (a "**Cash Account**") established and maintained by the Company to record the value of such Deferred Retainer. Such Cash Account shall be deemed to have realized applicable investment earnings or losses based on the performance of the investment reference or references selected by such Participant from among the investment references made available under the Plan by the Company from time to time. Such deemed investment earnings or losses shall be credited or debited to such Cash Account as of the end of each calendar quarter.

(ii) On the distribution date applicable to a Participant's Deferred Retainer, such Participant shall receive an amount in cash equal to the value of such Participant's Cash Account as of the end of the calendar quarter immediately preceding or ending on such distribution date.

Section 8. *General Provisions Applicable to Deferrals.*

(a) Except as may be permitted by the Board, (i) no deferral and no right under such deferral shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or pursuant to Section 8(b) and (ii) during a Participant's lifetime, each deferral, and each right under such deferral, shall be exercisable only by such Participant or, if permissible under applicable law, by such Participant's guardian or legal representative. The provisions of this Section 8(a) shall not apply to any deferral that has been distributed to a Participant.

(b) A Participant may make a written designation of beneficiary or beneficiaries to receive all or part of the distributions under this Plan in the event of death at such times prescribed by the Board by using forms and following procedures approved or accepted by the Board for that purpose. Any Shares or cash amounts that become payable upon a Participant's death, and as to which a designation of beneficiary is not in effect, will be distributed to such Participant's estate.

(c) Following distribution of Shares, a Participant will be the beneficial owner of the net Shares issued to such Participant, and 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. The Company may, if it determines it is appropriate, affix any legend to the stock certificates representing Shares issued in accordance with the Plan (and any stock certificates that may subsequently be issued in substitution for the original certificates). The Company 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 9. *Amendments and Termination.*

(a) The Board, in its sole discretion, may amend, suspend or discontinue the Plan or any deferral at any time; *provided* that no such amendment, suspension or discontinuance shall reduce the accrued benefit of any Participant except to the extent necessary to comply with applicable law. The Board further has the right, without a Participant's consent, to amend or modify the terms of the Plan and such Participant's deferral to the extent that the Board deems it necessary to avoid adverse or unintended tax consequences to such Participant under federal, state or local income tax laws or regulations.

(b) The Board, in its sole discretion, may terminate the Plan at any time, as long as such termination complies with then applicable tax and other requirements.

(c) Such other changes to deferrals shall be permitted and honored under the Plan to the extent authorized by the Board and consistent with Section 409A of the Code.

Section 10. *Miscellaneous.*

(a) No Non-Employee Director or other person shall have any claim to be entitled to make a deferral under the Plan, and there is no obligation for uniformity of treatment of Participants or beneficiaries under the Plan. The terms and conditions of deferrals under the Plan need not be the same with respect to each Participant.

(b) The opportunity to make a deferral under the Plan shall not be construed as giving a Participant the right to be retained in the service of the Board or the Company. A Participant's deferral under the Plan is not intended to confer any rights on such Participant except as set forth in the Plan and the applicable Election Form.

(c) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) To the extent applicable, the Company shall be authorized to withhold from any distribution under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other property, net settlement, or any combination thereof) of applicable withholding taxes due in respect of such distribution and to take such other action (including providing for elective payment of such amounts in cash or Shares by such Participant) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(e) If any provision of the Plan or any Election Form is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or deferral, or would disqualify the Plan or any deferral under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of the Plan or such Election Form, such provision shall be stricken as to such jurisdiction, person or deferral, and the remainder of the Plan and such Election Form shall remain in full force and effect.

Section 11. *Effective Date of the Plan.* The Plan shall be effective as of the date on which the Plan is adopted by the Board.

Section 12. *Unfunded Status of the Plan.* The Plan is unfunded. The Plan, together with the applicable Election Form, shall represent at all times an unfunded and unsecured contractual obligation of the Company. Each Participant and beneficiary will be an unsecured creditor of the Company with respect to all obligations owed to them under the Plan. Amounts payable under the Plan will be satisfied solely out of the general assets of the Company subject to the claims of its creditors. No Participant or beneficiary will have any interest in any fund or in any specific asset of the Company of any kind, nor shall such Participant or beneficiary or any other person have any right to receive any payment or distribution under the Plan except as, and to the extent, expressly provided in the Plan and the applicable Election Form. Any reserve or other asset that the Company may establish or acquire to assure itself of the funds to provide payments required under the Plan shall not serve in any way as security to any Participant or beneficiary for the Company's performance under the Plan.



Section 13. *Section 409A of the Code.* With respect to deferrals that are subject to Section 409A of the Code, the Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of the Plan and any Election Form shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Election Form would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict.

Section 14. *Governing Law.* The Plan and the Election Forms shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof.

March 10, 2016

Value Act Capital Management, L.P.  
One Letterman Drive, Building D  
4th Floor  
San Francisco, CA 94129  
Attention: General Counsel

Mr. D. Robert Hale

Ladies and Gentlemen:

We refer to the Cooperation Agreement dated January 29, 2015 among members of the Value Act Group named therein, MSCI Inc., and D. Robert Hale, in his individual capacity and as a member of the Value Act Group. Terms defined in the Cooperation Agreement are used herein as therein defined.

You have informed us that the Value Act Group has reduced its ownership interest in the Company to less than 6% of the outstanding shares of common stock of the Company. As you know, under Section 1 of the Cooperation Agreement, in this event, Mr. Hale is required to promptly offer to resign as Director, with it being in the Board's sole discretion whether to accept or reject such resignation. In accordance with the Cooperation Agreement, Mr. Hale has offered to resign from the Board.

After due consideration and in light of Mr. Hale's valuable contributions to the Board, the Board has requested that Mr. Hale continue as a member of the Board and agree to be re-nominated for election as Director at the 2016 Annual Meeting. We understand that Mr. Hale has graciously agreed to continue to serve as a Director of the Board and to be re-nominated as Director. Accordingly, the Board has determined not to accept Mr. Hale's offer to resign from the Board, and intends to re-nominate Mr. Hale for election as a Director at the 2016 Annual Meeting.

The Board intends to commence a search to find a replacement Director for Mr. Hale on the Board. While any selection of a replacement Director shall be in the Board's sole discretion, the Board intends to consult with and seek the input of Mr. Hale and the Value Act Group as it conducts this important search. At the time the Board elects a new Director to replace Mr. Hale, Mr. Hale will promptly offer to resign from the Board (and, if requested by the Company, promptly deliver his written resignation to the Board (which shall provide for his immediate resignation), it being understood that it shall be in the Board's sole discretion whether to accept or reject his resignation.

This letter agreement shall be governed by the laws of the State of Delaware and may be executed in two or more counterparts either manually or by electronic or digital signature (including by facsimile or electronic mail transmission).

If the foregoing is acceptable to you, please countersign this letter agreement to be effective as of the date first above written.

Very truly yours,

MSCI Inc.

By:       /s/ Henry A. Fernandez        
Name: Henry A. Fernandez  
Title: Chairman, Chief Executive Officer and President

Accepted and Agreed as of the date first above written:

VALUEACT CAPITAL MANAGEMENT, L.P.

By:       /s/ Charles C. Siu        
Name: Charles C. Siu  
Title: Chief Financial Officer

      /s/ D. Robert Hale        
Name: D. Robert Hale



October 13, 2014

Laurent Seyer  
[Address]

Dear Laurent,

I am pleased to extend to you a formal offer of employment with MSCI Limited. Those of us who had the opportunity to meet with you look forward to you joining the MSCI team. Your position will be that of Managing Director, Global Head of Client Coverage of MSCI Inc. ("MSCI" or the "Firm). In this position, you will work in the London office, be an Executive Officer and member of the Firm's Executive Committee and report directly to Henry A. Fernandez, Chairman and Chief Executive Officer. Your anticipated start date is December 1, 2014.

### **Total Reward**

You will receive an annualized base salary of £355,348 pro-rated from your start date and paid in monthly installments on or about the 26<sup>th</sup> day of each month directly into your bank account, net of any tax and national insurance as appropriate, under the PAYE system.

For MSCI's fiscal year 2015, your target Total Reward will be \$2,500,000<sup>1</sup>. Your 2015 target Total Reward will consist of a year-end Above Base Compensation (ABC) of \$1,975,000. The ABC amount will be awarded in a split between cash and long-term incentive compensation in a manner consistent with that of other Executive Officers (excluding the CEO). Any long-term incentive compensation award will be split between MSCI Restricted Stock Units (RSUs), Performance Stock Units (PSUs) and/or other long-term incentive awards in a manner consistent with that of other Executive Officers (excl. CEO). Currently, Executive Officers receive an equity award equal to 45% of their Total Reward.

This ABC amount will be paid to you unless you voluntarily resign from the Firm or are terminated by the Firm for cause prior to the date of payment of the cash portion and the date of award of any long-term equity-based incentives. Any long-term equity-based incentive award is further contingent upon your remaining employed through the vesting dates of the long-term equity-based incentive award and your compliance with the restrictions, cancellation provisions and other provisions of the long-term equity-based incentive award. All payments are subject to applicable withholdings and deductions.

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<sup>1</sup> Your Total Reward is determined in US dollars. As a new hire employee, you may elect to receive the net cash component of your Above Base Compensation in US dollars or to have it converted at the Average Exchange Rate for the year or the Spot Exchange Rate set on or about December 31. Within the first few weeks of the calendar year, you will be contacted with additional information and to make your election.



All components of your 2015 Total Reward are contingent upon satisfactory performance and conduct. Future Total Reward and year-end bonuses will be payable within the sole discretion of the Firm and will continue to be payable, at the discretion of the Firm, partially in cash and partially in the form of long-term incentive compensation, which may consist of an equity-based award under one of the Firm's compensation plans.

### **Sign-on Awards**

You will receive a one-time cash payment of £156,300 (the "Sign-on Bonus") less applicable withholdings and deductions. This Sign-on Bonus will be payable in your January 2015 paycheck and is contingent upon your commencing employment with the Firm. If you voluntarily resign or are terminated for cause (including, without limitation, unsatisfactory performance) within twelve (12) months of your start date, you agree to repay the Sign-on Bonus within thirty (30) days of providing such notice of resignation or receiving such notice of termination. You agree that in this event, the entire amount may be deducted from any payments due to be paid to you by MSCI Limited. If these payments amount to less than the total sign-on payment you agree to repay MSCI Limited the outstanding balance. The Sign-on Bonus will not constitute part of your Total Reward.

You will also receive a one-time equity-based award of MSCI restricted stock units ("RSUs") and performance stock units ("PSUs") valued at \$500,000 to align your interests to those of our shareholders and other Executive Officers. The number of RSUs and PSUs you receive will be determined by dividing the award value by the closing price of MSCI common stock on date of grant. The split between RSUs and PSUs and the vesting of your award will be consistent with the timing of the awards for other Executive Officers (excluding the CEO) of the Firm. This equity-based award is subject to your continued employment with MSCI through the respective vesting dates of the awards and to your compliance with the restrictions and provisions of the awards. All payments are subject to applicable withholdings and deductions.

### **Additional Information**

This letter should be read in conjunction with the enclosed Employee Handbook Parts One and Two and the MSCI Code of Conduct, which together with this letter form the terms and conditions of your employment.

Notwithstanding the fact that you are employed by MSCI Limited your employment may be seconded to whatever company in the MSCI Limited group of companies within the UK as MSCI Limited may from time to time determine.

### **Hours of work**

MSCI's normal office hours are 9 a.m. to 5.30 p.m. Mondays to Fridays with an hour for lunch. However, you shall be required to work such additional hours as may be necessary for the proper performance of your duties and your salary is deemed to include payment for such additional hours.

MSCI Limited Ninth Floor Ten Bishops Square London E1 6EG United Kingdom T: +44.20.7618.2000 F: +44.20.7618.2233  
Registered in England and Wales, No. 03981254.



## **Place of work**

Subject to the terms set out at section 2 of Part 1 of the Employee Handbook, your principal place of work will be MSCI Limited's premises in London.

## **Benefits**

You will be enrolled automatically in the MSCI Group Personal Pension Plan from the date you commence employment unless you confirm to us that you do not wish to do so. If you have any questions, please contact your local HR representative, **Karen Parsons**.

Members who receive Above Base Compensation may, at the discretion of MSCI, waive part, or all, of the cash component of this into the MSCI Group Personal Pension Plan up to the level of the HMRC allowances. You will receive further information on this as part of MSCI's year-end bonus waiver process.

Subject to the rules of the relevant scheme and if and to the extent that cover is available on normal terms, you will be covered by MSCI's Life Assurance, Personal Accident and Disability benefits and will be eligible to become a member of MSCI's Medical and Dental Plans effective from your start date.

All benefits are detailed more fully in the enclosed Benefits Brochure. The above benefit plans are at the discretion of MSCI, and the right is reserved to review, withdraw and amend these plans, at any given time.

## **Holiday Entitlement**

You are entitled to 30 days annual leave (plus public holidays) during each calendar year. This will be pro-rated in your first year of service. Further details about holiday entitlement and holiday pay are set out in section 13 of Part 1 of the Employee Handbook.

## **Compliance**

You will be provided with, and required to sign, the MSCI Code of Conduct and Employee Trading Policy, which sets out your obligations concerning compliance in further detail. This offer is contingent on you agreeing to the MSCI Code of Conduct and Employee Trading Policy.

You understand and agree that as a condition of employment, unless you are granted a waiver in writing by the Legal and Compliance Department you may be required, upon the commencement of employment, to transfer any brokerage/securities accounts that you may influence or control to a designated institution for surveillance and review by the MSCI Legal and Compliance Department.

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## **Pre-employment Obligations**

This offer is contingent upon the following:

Satisfactory completion of our pre-employment screening process, which includes, but is not limited to: our obtaining references which are satisfactory to us from your previous employer(s); academic qualification checking; professional membership checking; your producing the necessary documentation confirming your right to live and work in the UK in accordance with the Immigration, Asylum and Nationality Act 2006 as amended and credit referencing. Please see enclosed Pre-employment Screening Checklist and accompanying forms. Our pre-employment screeners, which are currently HireRight, may contact you for more information if necessary.

Pre-employment screening process must be completed to the satisfaction of MSCI before you commence employment. Screening will take a minimum of three weeks. MSCI reserves the right to withdraw this offer of employment if the pre-employment process is not completed to its satisfaction.

In the event that you commence employment with MSCI Limited before the satisfactory completion of the pre-employment screening process your employment will remain subject to the satisfactory completion of that process. If the pre-employment screening process is not completed to our satisfaction, your employment shall terminate with immediate effect and without any obligation on MSCI to give you notice or make you a payment in lieu of notice (notwithstanding the notice provisions contained in the Employee Handbook) or to make you any other payment of any kind.

It is not our intention that you should breach any contractual obligations to any third party. By accepting this offer you warrant that you will not commit any such breach by accepting this offer or performing your obligations for MSCI. You are expected to familiarise yourself with any ongoing obligations that you may owe to your current or former employer.

## **General**

You acknowledge that in the course of your employment with the Firm, you are not permitted to make any unauthorized use of documents or other information that are the confidential, trade secret or proprietary information of another individual or company ("Confidential Information"). Likewise, you may not bring onto Firm premises any Confidential Information, whether documents or other tangible forms, relating to your prior employers' businesses.

Nothing in this letter should be construed as a guarantee of any particular level of benefits, of your participation in any benefit plan, or of continued employment for any period of time. You should understand that your employment will be "at will," which means that the Firm may terminate your employment for any reason, with or without cause, at any time.

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This offer letter constitutes the entire understanding and contains a complete statement of all agreements between you and MSCI and supersedes all prior or contemporaneous verbal or written agreements, understandings or communications (including, without limitation, any term sheet or other summary writing relating to your employment). You acknowledge that you have not relied on any assurance or representation not expressly stated in this offer letter. If there is any conflict with the benefit information included in this letter or any verbal representation and the Plan documents or insurance contracts, the Plan documents or insurance documents control.

Where there is any conflict between the terms of this offer letter and the Employee Handbook, the terms of this offer letter shall take precedence.

Please confirm your acceptance of this offer by signing below and completing the enclosed Employee Information Form. We ask that you return a signed copy of this letter, the Employee Information Form and other documents as detailed on the enclosed checklist to **Karen Parsons in** Human Resources, MSCI Limited, Ninth Floor, Ten Bishops Square, London E1 6EG or via email: #####.#####@####.com.

Please contact **Ed Redling on** ###-###-####, #####.#####@####.com should you have any questions and to confirm a convenient start date.

We are looking forward to your joining MSCI.

Very truly yours,

/s/ Scott A. Crum

Scott A. Crum  
Chief Human Resources Officer

Offer Accepted and Agreed To:

Signed: /s/ Laurent Seyer

\_\_\_\_\_  
Laurent Seyer

Date: October 15, 2014

MSCI Limited Ninth Floor Ten Bishops Square London E1 6EG United Kingdom T: +44.20.7618.2000 F: +44.20.7618.2233  
Registered in England and Wales, No. 03981254.



May 13, 2011

Mr. Peter J. Zangari  
[Address]

Dear Peter:

I am pleased to extend to you a formal offer of employment at MSCI Inc. ("MSCI" or the "Firm"). Those of us who had the opportunity to meet with you look forward to your joining us. Your position will be that of Managing Director, Global Head of the Equity Portfolio Analytics Business Management Unit. You will also be a member of the Firm's Executive Committee.

For MSCI's fiscal year 2011, your annualized Total Reward will be \$1,200,000. Your annualized Total Reward will consist of an annual base salary of \$400,000 pro-rated from the date you commence employment and paid in semi-monthly installments. You will be awarded a 2011 year-end bonus of \$800,000 that may be paid partially in cash and partially in a long-term equity-based incentive award (including, without limitation, restricted stock units, options, or performance units). The form and timing of your year-end bonus award, including the split between any cash and any long-term equity-based incentive award portions, will be consistent with the form and timing of the year-end bonus for other United States-based non-executive officer Managing Directors at similar compensation levels, as long as the percentage awarded in long-term equity-based incentive compensation does not exceed 40% of your 2011 year-end bonus.

Historically, year-end bonus awards have been made after the end of the fiscal year to which they relate. All components of your 2011 Total Reward are contingent upon satisfactory performance and conduct and that you remain employed through, and not give notice of termination of your employment prior to, the date of payment of any cash portion of the year-end bonus and the date of award of any long-term equity-based incentive portion of your year-end bonus, respectively. Future Total Reward and year-end bonuses will be payable within the sole discretion of the Firm and will continue to be payable, at the discretion of the Firm, partially in cash and partially in the form of long-term incentive compensation, which may consist of an equity-based award under one of the Firm's equity-based compensation plans.

Within 30 days of your hire date, you will be awarded a special cash bonus of \$100,000. By accepting this offer of employment, you agree that in the event you voluntarily resign from MSCI or are terminated for cause by MSCI before the one year anniversary of your hire date you will repay this special cash bonus amount to MSCI.

You will receive a one-time equity-based award of MSCI restricted stock units valued at \$655,000 to compensate you for equity awards you will be forfeiting at your current employer as a result of your

resignation. The number of restricted stock units you will receive will be determined by dividing the award value by the closing price of MSCI common stock on the day prior to your hire date. To align this award with the vesting schedule of the equity awards you will be forfeiting, the vesting schedule for this award will be as follows: 71% will vest on December 15, 2011, 22% will vest on December 15, 2012 and 7% will vest on December 15, 2013. This equity-based award is subject to verification of your forfeited awards from your current employer and to satisfactory and continued employment with MSCI through the respective vesting dates of the award.

It is our understanding that you currently hold equity awards in your current employer's stock that are vested but restricted. These awards are currently valued at \$225,000. If as a direct result of your resignation and/or your acceptance of this employment offer you forfeit all or a portion of these awards, MSCI will award you restricted stock units of an equivalent value subject to restrictions similar to those of your forfeited awards. This MSCI equity-based award would be subject to verification of your forfeited awards from your current employer and to satisfactory and continued employment with MSCI through the respective restriction lapse dates. The delivery schedule for this award would be based on the restriction lapse dates of the awards forfeited. MSCI will not make this award if your awards are forfeited at your current employer for any reason other than your voluntary resignation or your acceptance of employment with MSCI.

For planning purposes, the Total Reward reference point to be used in determining your 2012 Total Reward will be \$1,300,000 based on your 2011 annualized Total Reward rate of \$1,200,000 plus the \$100,000 special cash bonus you will receive. This reference point will be used solely for planning purposes and may differ from the actual 2012 Total Reward you will receive. The determination of your final 2012 Total Reward will remain within the sole discretion of MSCI.

All personal compensation information is strictly confidential and is not to be divulged to any of your colleagues at MSCI or its subsidiaries. The Firm's Code of Conduct prohibits the disclosure of any confidential information and the strictest measures including disciplinary action may be taken in the event of violation of this Code of Conduct.

In addition, if any provision of this offer letter fails to comply with Section 409A of the Internal Revenue Code or any regulations or Treasury guidance promulgated thereunder, or would result in your recognizing income for United States federal income tax purposes with respect to any amount payable pursuant to this offer letter before the date of payment, or in your incurring interest or additional tax pursuant to Section 409A, the Firm reserves the right to reform such provision; provided that the Firm shall maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A.

Each calendar year you work for MSCI, you will be eligible for 6 weeks of vacation, pro-rated this year from your date of hire.

For detailed benefits information, review the enclosed enrollment materials. Health and welfare benefits (medical, dental, vision, life, accident and disability insurance) are generally available retroactive to the date you commence employment provided benefits are elected within the 31-day enrollment period.

You may enroll in coverage on the Benefit Center website approximately seven days following your hire date.

Upon your date of hire, you will be automatically enrolled in the MSCI 401(k) Retirement Savings Plan offered to eligible employees and be eligible to receive a Company Match. To opt out of the Plan prior to your start date, complete the enclosed Opt Out Form and return it with your offer letter.

We remind you that this offer is contingent upon a number of additional steps in the employment process including, but not limited to, background and reference checking. You are also required to show appropriate proof of authorization to commence work in the United States. We ask that you complete Part 1 of the Form I-9, on or before your first day of work (see, in the attached packet, a list of the type of documentation we will need). This is a requirement of the Immigration Reform and Control Act of 1986. If you are not legally able to work for the Firm in the United States in the position offered you, or if any part of the screening process proves unsatisfactory to the Firm or you are unable to complete Part 1 of the Form I-9, the Firm reserves the right to rescind any outstanding offer of employment or terminate your employment without notice or severance benefits and rescind any stock unit or stock option awards described herein. Further, this offer is contingent on your having all licenses and registrations as MSCI shall determine necessary for your position. You must also bring with you a government-issued photo identification, in a form acceptable to MSCI (such as a valid passport or a driver's license). Also in the enclosed packet, please find personnel forms that need to be completed and brought with you on your first day of work.

You acknowledge that in the course of your employment with the Firm, you are not permitted to make any unauthorized use of documents or other information that are the confidential, trade secret or proprietary information of another individual or company ("Confidential Information"). Likewise, you may not bring onto Firm premises any Confidential Information, whether documents or other tangible forms, relating to your prior employers' businesses.

You understand and agree that as a condition of employment, unless you are granted a waiver in writing by the Legal and Compliance Department you may be required, upon the commencement of employment, to transfer any brokerage/securities accounts that you may influence or control to a designated institution for surveillance and review by the MSCI Legal and Compliance Department.

Nothing in this letter should be construed as a guarantee of any particular level of benefits, of your participation in any benefit plan, or of continued employment for any period of time. You should understand that your employment will be "at will," which means that the Firm may terminate your employment for any reason, with or without cause, at any time. During your employment, subject to applicable law and in accordance with MSCI's Drug, Alcohol and Controlled Substance Usage Policy, you may be subject to drug testing, including for reasonable suspicion of use of controlled substances. MSCI reserves the right to amend, modify or terminate, in its sole discretion, all benefit and compensation plans in effect from time to time.

This offer letter constitutes the entire understanding and contains a complete statement of all agreements between you and MSCI and supersedes all prior or contemporaneous verbal or written agreements, understandings or communications (including, without limitation, any term sheet or other summary writing relating to your employment). You acknowledge that you have not relied on any assurance or representation not expressly stated in this offer letter. If there is any conflict with the benefit information included in this letter or any verbal representation and the Plan documents or insurance contracts, the Plan documents or insurance documents control.

We are looking forward to your joining MSCI. Please report to New Hire Orientation with Kristin Markowski on your start date. At that time you will have your benefits explained in more detail. If you have questions regarding the above, please feel free to call Kristin at (###) ###-####.

We ask that you confirm your acceptance by signing and dating this offer letter in the area designated below and returning this letter to Kristin Markowski at MSCI Inc., Human Resources, 88 Pine Street, New York, NY 10005. Your signature below confirms that you are subject to no contractual or other restriction or obligation that is inconsistent with your accepting this offer of employment and performing your duties.

Please retain the additional copy of this offer letter for your reference.

Very truly yours,

/s/ Richard Powell

Richard Powell  
Managing Director  
Human Resources

Offer Accepted and Agreed To:

Signed: /s/ Peter J. Zangari

Date: 5-15-11

April 29, 2016

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We are aware that our report dated April 29, 2016 on our review of interim financial information of MSCI Inc. for the three-month periods ended March 31, 2016 and March 31, 2015 and included in the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2016 is incorporated by reference in its Registration Statements on Form S-8 No. 333-147540, No. 333-165888, No. 333-167624 and No. 333-210987, dated November 20, 2007, June 3, 2010, June 18, 2010 and April 28, 2016, respectively, and on Form S-3 No. 333-206232 dated August 7, 2015.

Very truly yours,

/s/ PricewaterhouseCoopers LLP  
New York, New York

## SECTION 302 CERTIFICATION

I, Henry A. Fernandez, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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 officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2016

/s/ Henry A. Fernandez

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Henry A. Fernandez  
Chairman, Chief Executive Officer and President  
(Principal Executive Officer)

## SECTION 302 CERTIFICATION

I, Robert Qutub, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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 officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2016

/s/ Robert Qutub

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Robert Qutub  
Chief Financial Officer  
(Principal Financial Officer)

**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 Robert Qutub, the Chief Financial Officer of the Registrant, each hereby certifies that, to the best of his knowledge:

1. The Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2016, 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: April 29, 2016

/s/ Henry A. Fernandez

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Henry A. Fernandez  
Chairman, Chief Executive Officer and President  
(Principal Executive Officer)

/s/ Robert Qutub

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Robert Qutub  
Chief Financial Officer  
(Principal Financial Officer)