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

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2022
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 001-33805

SCULPTOR CAPITAL MANAGEMENT, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**26-0354783**
(State of Incorporation)	**(I.R.S. Employer Identification Number)**

9 West 57th Street, New York, New York 10019
(Address of Principal Executive Offices)
Registrant's telephone number: (212) 790-0000

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

Title of each class	Trading symbols	Name of each exchange on which registered
Class A Shares	**SCU**	**New York Stock Exchange**

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

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

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

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2022 was approximately $202.0 million. As of February 27, 2023, there were 24,970,157 Class A Shares, 4,619,910 Restricted Class A Shares, and 33,504,902 Class B Shares outstanding.

Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement for the 2023 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K. The registrant's definitive proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

SCULPTOR CAPITAL MANAGEMENT, INC.

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Defined Terms

2007 Offerings	Refers collectively to our IPO and the concurrent private offering of approximately 3.81 million Class A Shares to DIC Sahir Limited, a wholly owned indirect subsidiary of Dubai Holdings LLC.
Accrued but unrecognized incentive income	Accrued but unrecognized incentive income ("ABURI") is the amount of incentive income accrued at the fund level on longer-term AUM that has not yet been recognized in our revenues. These amounts may ultimately not be recognized as revenue by us in the event of future losses in the respective funds.
active executive managing directors	Executive managing directors who remain active in our business.
Advisers Act	Investment Advisers Act of 1940, as amended.
Assets Under Management	Assets Under Management ("AUM") refers to the assets for which we provide investment management, advisory or certain other investment-related services. Specifically: a. AUM for our multi-strategy and opportunistic credit funds is generally based on the net asset value of those funds plus any unfunded commitments, if applicable. AUM is reduced for unfunded commitments that will be funded through transfers from other funds. b. AUM for Institutional Credit Strategies is generally based on the amount of equity outstanding for CLOs and CBOs (during the warehouse period) and the par value of the collateral assets and cash held (after the warehouse period). For aircraft securitization vehicles, AUM is based on the adjusted portfolio appraisal values for the aircraft collateral within the securitization. AUM is reduced for any investments in these CLOs and securitization vehicles held by our other funds. AUM also includes the net asset value of other investment vehicles within this strategy. c. AUM for our real estate funds is generally based on the amount of capital committed by our fund investors during the investment period and the amount of actual capital invested for periods following the investment period. AUM is reduced for unfunded commitments that will be funded through transfers from other funds. AUM for our new real estate investment vehicle is based on net asset value. d. AUM for our special purpose acquisition company ("SPAC") sponsored by us includes the proceeds raised in the initial public offering that are currently held in a trust for use in a business combination. AUM includes amounts that are not subject to management fees, incentive allocation or other amounts earned on AUM, including without limitation, investments by the Company, its executive managing directors, employees and certain other related parties. Our calculation of AUM may differ from the calculations of other asset managers, and as a result, may not be comparable to similar measures presented by other asset managers. Our calculations of AUM are not based on any definition set forth in the governing documents of the investment funds and are not calculated pursuant to any regulatory definitions.
Class A Shares	Our Class A Shares, representing Class A common stock of Sculptor Capital Management, Inc., which are publicly traded and listed on the NYSE.
Class B Shares	Class B Shares of Sculptor Capital Management, Inc., which are not publicly traded, are currently held solely by our executive managing directors and have no economic rights but entitle the holders thereof to one vote per share together with the holders of our Class A Shares.
CLOs	Collateralized loan obligations.
the Company, Sculptor Capital, the firm, we, us, our	Refers, unless the context requires otherwise, to the Registrant and its consolidated subsidiaries, including the Sculptor Operating Group.

Consolidated Entities	Refers to funds, special purpose entities, investment vehicles and other similar structures for which the Company is required to consolidate in accordance with GAAP.
Distribution Holiday	The Sculptor Operating Partnerships initiated a distribution holiday (the "Distribution Holiday") on the Group A Units, Group E Units and Group P Units and on certain RSUs and RSAs that will terminate on the earlier of (x) 45 days after the last day of the first calendar quarter as of which the achievement of $600.0 million of Distribution Holiday Economic Income is realized and (y) April 1, 2026. Holders of Group A Units, Group E Units and Group P Units and certain RSUs and RSAs, do not receive distributions during the Distribution Holiday.
Distribution Holiday Economic Income	Distribution Holiday Economic Income is the cumulative amount of Economic Income earned since October 1, 2018, less any dividends paid to Class A Shareholders or on the now-retired Preferred Units. Distribution Holiday Economic Income is a non-GAAP measure that is defined in the agreements of limited partnership of the Sculptor Operating Partnerships and is being presented to provide an update on the progress made toward the $600.0 million target required to exit the Distribution Holiday.
Economic Income	Economic Income is a non-GAAP measure of pre-tax operating performance that excludes the following from our results on a GAAP basis: noncontrolling interests, redeemable noncontrolling interests, equity based compensation expense, net of cash settled RSUs, depreciation and amortization expenses, components of our other income (loss), non-cash interest expense accretion on debt, and amounts related to consolidated entities. In addition, expenses related to incentive income profit-sharing arrangements are generally recognized at the same time the related incentive income revenue is recognized. The fair value of RSUs that are settled in cash to employees or executive managing directors, where the number of RSUs to be settled in cash is not certain at the time of grant, is included as an expense at the time of settlement. Where the number of RSUs to be settled in cash is certain on the grant date, the expense is recognized during the performance period to which the award relates. Similarly, deferred cash compensation is expensed in full during the performance period to which the award relates for Economic Income, rather than over the service period for GAAP. Further, impairment of right-of-use lease assets is excluded from Economic Income at the time the impairment is recognized for GAAP and the impact is then amortized over the lease term for Economic Income. Additionally, rent expense is offset by subrental income as management evaluates rent expenses on a net basis.
Exchange Act	Securities Exchange Act of 1934, as amended.
executive managing directors	The current executive managing directors of the Company, and, except where the context requires otherwise, also includes certain executive managing directors who are no longer active in our business.
Fee Paying Assets Under Management	Fee Paying Assets Under Management ("FP AUM") refers to the AUM on which we earn management fees and/or incentive income.
funds	The multi-strategy funds, dedicated credit funds, including opportunistic credit funds and Institutional Credit Strategies products, real estate funds, and other alternative investment vehicles for which we provide asset management services, as well as the SPAC we sponsor.
GAAP	U.S. generally accepted accounting principles.
Group A Units	Refers collectively to one Class A operating group unit in each of the Sculptor Operating Partnerships. Group A Units are limited partner interests held by our executive managing directors.
Group A-1 Units	Refers collectively to one Class A-1 operating group unit in each of the Sculptor Operating Partnerships. Group A-1 Units are limited partner interests held by our executive managing directors.

Group B Units	Refers collectively to one Class B operating group unit in each of the Sculptor Operating Partnerships. Group B Units are limited partner interests held by Sculptor Corp.
Group E Units	Refers collectively to one Class E operating group unit in each of the Sculptor Operating Partnerships. Group E Units are limited partner interests held by our executive managing directors.
Group P Units	Refers collectively to one Group P operating group unit in each of the Sculptor Operating Partnerships. Group P Units are limited partner interests held by our executive managing directors.
Institutional Credit Strategies	Our asset management platform that invests in performing credits, including leveraged loans, high-yield bonds, private credit/bespoke financing and investment grade credit via CLOs, aircraft securitization vehicles, collateralized bond obligations, the structured alternative investment solution, and other customized solutions.
IPO	Our initial public offering of 3.6 million Class A Shares that occurred in November 2007.
Longer-term AUM	AUM from investors that are subject to initial commitment periods of three years or longer. Investors with longer-term AUM may have less than three years remaining in their commitment period. This excludes AUM that had initial commitment periods of three years or longer and subsequently moved to shorter commitment periods at the end of their initial commitment period.
NYSE	New York Stock Exchange.
Partner Equity Units	Refers collectively to the Group A Units, Group E Units and Group P Units.
Preferred Units	One Class A cumulative preferred unit in each of the Sculptor Operating Partnerships collectively represented one "Preferred Unit." Certain of our executive managing directors collectively owned 100% of the Preferred Units. We redeemed in full the Preferred Units in the fourth quarter of 2020, and as of December 31, 2020, 2021 and 2022 there were no Preferred Units outstanding.
PSUs	Class A performance-based RSUs.
Recapitalization	Refers to the recapitalization of our business that occurred in February 2019. As part of the Recapitalization, a portion of the interests held by our former executive management were reallocated to existing members of senior management. In addition, we restructured the previously outstanding senior debt and Preferred Units.
Registrant	Sculptor Capital Management, Inc., a Delaware corporation.
RSAs	Restricted Class A Shares.
RSUs	Class A restricted share units.
Sculptor Corp	Sculptor Capital Holding Corporation, a Delaware corporation.
Sculptor Operating Group	Refers collectively to the Sculptor Operating Partnerships and their consolidated subsidiaries.
Sculptor Operating Group Units	Refers collectively to Sculptor Operating Group A, B, E, and P Units.
Sculptor Operating Partnerships	Refers collectively to Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP.

SEC	U.S. Securities and Exchange Commission.
Securities Act	Securities Act of 1933, as amended.
SPAC	Refers to special purpose acquisition company.
Special Investments	Investments that we, as investment manager, believe lack a readily ascertainable market value, are illiquid or should be held until the resolution of a special event or circumstance.

Available Information

We file annual, quarterly and current reports, proxy statements and other information required by the Exchange Act with the SEC. We make available free of charge on our website (*www.sculptor.com*) our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and any amendments to those filings as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. We also use our website to distribute company information, including Assets Under Management by investment strategy, and such information may be deemed material. Accordingly, investors should monitor our website, in addition to our press releases, SEC filings and public conference calls and webcasts. The contents of our website are not, however, a part of this report.

Also posted on our website in the "Shareholder Services—Corporate Governance" section are charters for our Audit Committee; Compensation Committee; Nominating, Corporate Governance and Conflicts Committee and Corporate Responsibility and Compliance Committee, as well as our Corporate Governance Guidelines and Code of Business Conduct and Ethics governing our directors, officers and employees. Information on, or accessible through, our website is not a part of, and is not incorporated into, this report or any other SEC filing. Copies of our SEC filings or corporate governance materials are available without charge upon written request to Sculptor Capital Management, Inc., 9 West 57th Street, New York, New York 10019, Attention: Office of the Secretary. Any materials we file with the SEC are also publicly available through the SEC's website (*www.sec.gov*).

No statements herein, available on our website or in any of the materials we file with the SEC constitute, or should be viewed as constituting, an offer of any fund.

Forward-Looking Statements

Some of the statements under "Item 1. Business," "Item 1A. Risk Factors," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," which we refer to as "MD&A," "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" and elsewhere in this annual report may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that reflect our current views with respect to, among other things, future events, our operations and our financial performance. We generally identify forward-looking statements by terminology such as "outlook," "believe," "expect," "potential," "continue," "may," "will," "should," "could," "seek," "approximately," "predict," "intend," "plan," "estimate," "anticipate," "opportunity," "comfortable," "assume," "remain," "maintain," "sustain," "achieve," "see," "think," "position" or the negative version of those words or other comparable words.

Any forward-looking statements contained herein are based upon historical information and on our current plans, estimates and expectations. The inclusion of this or other forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved.

We caution that forward-looking statements are subject to numerous assumptions, estimates, risks and uncertainties, including but not limited to the following: global economic, business, market and geopolitical conditions, poor investment performance of, or lack of capital flows into, the funds we manage; our investors' right to redeem their investments from our funds on a regular basis; the highly variable nature of our revenues, results of operations and cash flows; difficult market conditions that could adversely affect our funds; counterparty default risks; the United Kingdom's withdrawal from the European Union; the outcome of third-party litigation involving us; the consequences of the Foreign Corrupt Practices Act settlements with the SEC and the U.S. Department of Justice (the "DOJ") and any claims or negative publicity arising therefrom or from matters involving our founding CEO; conditions impacting the alternative asset management industry; our ability to retain existing investor capital; our ability to successfully compete for fund investors, assets, professional talent and investment opportunities; our ability to retain our executive managing directors, managing directors and other investment professionals; our successful formulation and execution of our business and growth strategies; our ability to appropriately manage conflicts of interest and tax and other regulatory factors relevant to our business; United States ("U.S.") and foreign regulatory developments relating to, among other things, financial institutions and markets, government oversight, fiscal and tax policy; and assumptions relating to our operations, investment performance, financial results, financial condition, business prospects, growth strategy and liquidity.

If one or more of these or other risks or uncertainties materialize, or if our assumptions or estimates prove to be incorrect, our actual results may vary materially from those indicated in these statements. These factors are not and should not be construed as exhaustive and should be read in conjunction with the other cautionary statements and risks that are included in our filings with the SEC, including but not limited to those described in Item 1A. Risk Factors.

There may be additional risks, uncertainties and factors that we do not currently view as material or that are not known. The forward-looking statements contained in this report are made only as of the date of this report. We do not undertake to update any forward-looking statement because of new information, future developments or otherwise.

Risk Factors Summary

The following is a summary of the risks and uncertainties that could adversely affect our business and financial condition and should be read in conjunction with the complete discussion of risk factors set forth in "Item 1A. Risk Factors."

Risks Related to Our Business

- Difficult global market, economic or geopolitical conditions may materially adversely affect our business and cause significant volatility in equity and debt prices, interest rates, exchange rates, commodity prices and credit spreads.
- Fiscal challenges facing the U.S. government could negatively impact financial markets which, in turn, could have an adverse effect on our financial position or results of operations.
- We may be adversely affected by the effects of inflation.
- Poor investment performance of, or lack of capital flows into, the funds we manage could have a materially adverse impact on our revenues.
- Investors in our funds have the right to redeem their investments in our funds on a regular basis and have in the past and could in the future redeem a significant amount of Assets Under Management during any given quarterly period.
- Our business may be materially adversely impacted by the highly variable nature of our revenues, results of operations and cash flows.
- Competitive pressures in the asset management business could materially adversely affect our business.
- Damage to our reputation could harm our business.
- The founder and former Chief Executive Officer of Och-Ziff has taken certain actions that have had an adverse impact on our business.
- The uncertainty surrounding the ongoing COVID-19 pandemic, including the length and severity of its impact on global economic activity could adversely affect our business.
- The United Kingdom's withdrawal from the European Union could adversely affect our business.
- Our indebtedness may restrict our current and future operations.
- The replacement of LIBOR with an alternative reference rate, may adversely affect our collateralized loan obligation transactions.
- Our business and financial condition may be materially adversely impacted by the loss of any of our key executive managing directors, particularly certain members of our Partner Management Committee.
- Our ability to retain and attract executive managing directors, managing directors and other investment professionals is critical to the success and growth of our business.
- We have experienced and may again experience periods of rapid growth and significant declines in Assets Under Management, which place significant demands on our legal, compliance, accounting, risk management, administrative and operational resources.
- We are highly dependent on information systems and other technology, including those used or maintained by third parties with which we do business. Any failure or breach in any such systems or infrastructure (including from a cyberattack) could materially impair our business, financial condition or results of operations.
- Private litigation could result in significant legal and other liabilities and reputational harm.
- Extensive regulation of our business affects our activities and creates the potential for significant liabilities and penalties.
- The FCPA settlements could have a material adverse effect on our ability to raise capital for our funds.
- Increased regulatory focus in the U.S. could result in additional burdens on our business.
- Risk retention regulations could adversely affect our business.
- A downturn in the global credit markets could adversely affect our CLO investments.
- Increasing ESG-related requirements and expectations could adversely affect our business.
- Regulatory changes in jurisdictions outside the U.S. could adversely affect our business.
- National policies in jurisdictions outside the United States could negatively impact our business.
- Third-party investors in our funds could exercise their right to remove us as investment manager or general partner of our funds.
- Our failure to deal appropriately with conflicts of interest could damage our reputation.
- Misconduct by our executive managing directors, employees or agents could harm us by impairing our ability to attract and retain investors and subjecting us to significant legal liability, regulatory scrutiny and reputational harm.
- We may enter into new businesses, make future strategic investments or acquisitions or enter into joint ventures, each of which may result in additional risks and uncertainties in our business.

Risks Related to Our Funds

- Difficult market conditions can adversely affect our funds.
- The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or any future funds we may raise.
- We are subject to counterparty default risks.
- Poor performance of our funds would cause a decline in our revenues, results of operations and cash flows and could materially adversely affect our ability to retain capital or attract additional capital.
- Our funds may determine to use leverage in investments, which could materially adversely affect our ability to achieve positive rates of return on those investments.
- The due diligence process that we undertake in connection with investments by our funds may not reveal all facts that may be relevant in connection with making an investment.
- Our funds may invest in relatively high-risk, illiquid assets, including structured products, and may fail to realize any profits from these activities for a considerable period of time or lose some or all of the principal investments.
- Valuation methodologies for certain assets in our funds are subject to significant subjectivity and the values established pursuant to such methodologies may never be realized, which could result in significant losses for our funds.
- Our funds make investments in companies that we do not control, exposing us to the risk of decisions made by others with whom we may not agree.
- Our funds make investments in companies that are based outside of the U.S.
- Tariffs, sanctions and other restrictions imposed by the U.S. government, and potential for further regulatory reform, may create regulatory uncertainty and adversely affect our investment strategies and the profitability of our funds.
- Risk management activities may materially adversely affect the return on our funds' investments.
- If our risk management processes and systems are ineffective, we may be exposed to material unanticipated losses.
- Our and our funds' investments in special purpose acquisition companies, or SPACs, may expose us and our funds to increased risks and liabilities.

Risks Related to Our Organization and Structure

- Our current and former executive managing directors' total combined voting power could influence major corporate decisions that could conflict with the interests of our Class A Shareholders.
- Our Certificate of Incorporation and By-Laws contain provisions limiting the liability of our officers and directors to us.
- Because our executive managing directors hold their economic interest in our business directly in the Sculptor Operating Group, conflicts of interest may arise between them and holders of our Class A Shares.
- Our ability to pay regular quarterly distributions to Class A Shareholders may be limited by our structure.

- The declaration and payment of any future distributions will be at the sole discretion of our Board of Directors.
- We will be required to pay amounts under the tax receivable agreement.
- Our board of directors has publicly disclosed that it has formed a special committee to explore potential interest from third parties in a transaction that maximizes value for shareholders, and if we are unable to consummate a transaction at the conclusion of that process, there could be an adverse effect on our business, financial condition and results of operations.
- If we are deemed an investment company under the 1940 Act it would have a material adverse impact on our business.

Risks Related to Our Shares

- The market price and trading volume of our Class A Shares have been and may continue to be highly volatile.
- The price of our Class A Shares may decline due to the large number of shares eligible for future sale and for exchange into Class A Shares.
- Our current and former executive managing directors' beneficial ownership of Class B Shares, the tax receivable agreement and anti-takeover provisions in our charter documents and Delaware law could delay or prevent a change in control.

Risks Related to Taxation

- Our structure involves complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available.
- We expect to pay more corporate income taxes and may be required to make accelerated payments under the tax receivable agreement as a result of the Corporate Classification Change.
- U.S. federal income tax reform could have uncertain effects.
- Our structure is subject to other potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.
- Tax gain or loss on disposition of our Class A Shares could be more or less than expected.
- New rules regarding U.S. federal income tax liability arising from IRS audits of partnerships could adversely affect shareholders.
- Our ability to use net operating loss carryforwards to offset future taxable income may be subject to limitations.

PART I

Item 1. Business

Business Description

Sculptor Capital is a leading institutional alternative asset manager, with approximately $35.9 billion in Assets Under Management as of February 1, 2023 and a global presence with offices in New York, London, Hong Kong, and Shanghai. We provide asset management services and investment products across Multi-Strategy, Credit, and Real Estate. We serve our global client base through our commingled funds, separate accounts, and specialized products. Our capabilities span all major geographies and asset classes. Our approach to asset management is based on the same fundamental elements that we have employed since Sculptor Capital was founded in 1994. Our distinctive investment process seeks to generate attractive and consistent risk-adjusted returns across market cycles through a combination of fundamental bottom-up research, a high degree of flexibility, a collaborative team, and integrated risk management. We currently serve a diverse global investor base with investment solutions across core capabilities in multi-strategy funds, dedicated credit funds, including opportunistic credit funds and Institutional Credit Strategies products and real estate funds. We also create value by expanding our product offering and enhancing our distribution channels.

Multi-Strategy - Our multi-strategy funds invest globally in high-conviction investment ideas across the depth and breadth of global equity, credit and convertible securities and derivatives markets with a mandate to generate strong and consistent risk-adjusted returns across market cycles with a focus on risk management and capital preservation. Our investment strategy benefits from flexible and dynamic capital allocations to the most attractive individual investment opportunities. The strategy primarily focuses on idiosyncratic opportunities where return drivers are less sensitive to the direction of broader financial markets. Through detailed, bottoms-up fundamental analysis and due diligence, we aim to identify investment opportunities where intermediate or long-term value is obscured by attributes such as complexity, corporate events, technical dislocations, or market misunderstandings. Our multi-strategy funds allocate capital across strategies and geographies opportunistically based on market conditions, with no predetermined capital allocations by strategy or asset class. Our investment strategies include Corporate Credit, Structured Credit, Convertible & Derivative Arbitrage, Merger Arbitrage, and Fundamental Equities.

Credit - Our credit platform comprises both opportunistic credit and Institutional Credit Strategies. Opportunistic credit focuses on global corporate, structured and private credit markets, with the ability to source both undervalued and dislocated assets in times of market distress and pursue more complex process-driven opportunities during periods of relative calm. This includes investments in distressed businesses, restructurings and bankruptcies. Our investment proposition is a result of our disciplined underwriting of credit fundamentals, a value creation process generally focused on idiosyncratic situations that are less correlated to markets and having a thorough understanding of the market environment that permits the nimble flow of capital across security types dependent on the spread environment. Institutional Credit Strategies invests in performing credit via leveraged loans, high yield bonds, private financing and investment-grade credit and serves clients through CLOs, collateralized bond obligations (“CBOs”), aviation securitizations, commingled products and customized solutions.

Real Estate - Our real estate funds invest in opportunistic real estate private equity and real estate credit in both North America and Europe. Our opportunistic investment approach generates attractive risk-adjusted returns relative to positioning within the capital structure. Our Real Estate business adopts a broader investment mandate than most fund managers, having invested in 28 different traditional and non-traditional asset classes across the debt / equity spectrum. Our business emphasizes preservation of capital and downside protection by seeking to generate attractive current returns through interest income and fees. The real estate funds focus on proprietary sourcing, discretion in deal selection, thorough due diligence, intensive asset management, multiple defined exit strategies and structured downside protection to seek and manage investments.

Our Assets Under Management

Our primary sources of revenues are management fees, which are primarily based on the amount of our Assets Under Management, and incentive income, which is based on the investment performance of our funds. Accordingly, for any given

period, our revenues will be driven by the combination of Assets Under Management and the investment performance of our funds. Our Assets Under Management are a function of the capital that is allocated to us by the investors in our funds and the investment performance of our funds. For additional information regarding Assets Under Management, please see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Managing Business Performance"

Overview of Our Funds

Multi-Strategy

As of December 31, 2022, Assets Under Management in our multi-strategy funds totaled approximately $9.2 billion, or 25% of our total Assets Under Management. These funds seek to consistently generate strong risk-adjusted returns across market cycles with a focus on risk management and capital preservation. We aim to achieve these objectives by investing in high-conviction investment ideas across asset classes, regions and strategies, with a primary focus on idiosyncratic opportunities where return drivers are less sensitive to direction of broader financial markets. Our investment strategy seeks to benefit from flexible and dynamic capital allocations to the most attractive individual investment opportunities. Sculptor's investment process combines expert bottom-up fundamental analysis, a dynamic approach to portfolio construction, and a sophisticated and fully integrated risk management effort. The primary investment strategies we employ in our multi-strategy funds include the following:

- **Corporate Credit** takes an opportunistic approach to corporate credit investing and includes investments in undervalued or dislocated securities and pursuing process-driven investments including investments in complex distressed businesses, restructurings and bankruptcies. We take a fundamental investment approach to identify investments that may be undervalued due to complexity, market inefficiencies or other investors' lack of scale, capability or mandate to pursue these investments. Our ability to participate in many of these types of investments is a direct function of our presence in the markets, scale, experience and reputation as a counterparty.

- **Structured Credit** invests in a wide breadth of structured products, with a primary focus in several credit categories, including residential, commercial, corporate, and consumer credit, among others. This strategy aims to provide idiosyncratic and highly differentiated returns through process-driven investments in which value can be extracted through active rights enforcement, litigation, liquidation or restructuring. Our scale, propriety sourcing, collateral underwriting, and ability to analyze complex structures provides a competitive advantage. The strategy also invests in opportunities in areas such as CLO mezzanine debt, CMBS and ABS, pursuing positions that exploit market inefficiencies, misunderstandings and technical factors.

- **Convertible and Derivative Arbitrage** seeks to exploit the price discrepancies between certain convertible bonds and derivative securities and the underlying equity or other securities to generate strong, stable, and uncorrelated returns. We explore opportunities in traditional convertible arbitrage, mandatory convertible investments, short convertible strategies and relative value opportunities. Within this strategy, we also opportunistically invest in third party SPACs.

- **Merger Arbitrage** pursues a wide array of event-driven situations, with a focus on mergers and acquisitions in the U.S. and Europe. In addition to more-traditional merger arbitrage, the strategy also invests in favorably skewed risk/ reward opportunities in less-followed corporate actions, including exchange offers, unannounced deals, spin-offs, split-offs and hostile cross-border situations with regulatory and geopolitical complexity. Our flexible approach allows us to pursue strategies on a risk-adjusted basis and size them accordingly.

- **Fundamental Equities** seeks to generate returns through concentrated positions, both long and short, across global equity markets. The strategy employs a rigorous fundamental research process that draws on resources and knowledge from across the firm to generate investment ideas with medium to long-term time horizons. Our primary focus for long investments is situations where value is being obscured for an attributable reason with a path to value realization. Short positions generally focus on overvalued companies where earnings expectations in the future will be reduced as a result of secular challenges, cyclical headwinds, or a misjudgment of the fundamental earnings power of a business. The strategy's best-ideas framework is complemented with dynamic hedging at the portfolio level to allow few constraints on net directional exposure.

The Sculptor Master Fund, our global multi-strategy fund, invests in high-conviction investment ideas across asset classes, regions and strategies, with a primary focus on idiosyncratic opportunities where return drivers are less sensitive to the direction of broader financial markets. The key limitations we consider when selecting and sizing investments are related to our fundamental and quantitative view on the risk/reward, liquidity and availability of the specific investment under evaluation. Sculptor Master Fund generally employs every strategy and geography in which our funds invest and constituted approximately 25% of our Assets Under Management as of December 31, 2022. The investment performance for our other funds may vary from those of the Sculptor Master Fund, and that variance may be material.

The table below sets forth, as of December 31, 2022, the net annualized return, volatility and Sharpe Ratio of the Sculptor Multi-Strategy Composite (as defined below), the HFRI Fund Weighted Composite Index, MSCI World Index and Balanced US 60/40 Index.

Past performance is no indication or guarantee of future results.

Net Annualized Return through December 31, 2022	1 Year	3 Years	5 Years	10 Years	Since Sculptor Multi-Strategy Composite Inception (April 1, 1994)
Sculptor Multi-Strategy Composite[1]	(12.9)%	3.0%	4.5%	5.6%	10.5%
HFRI Fund Weighted Composite Index[2]	(4.2)%	5.7%	4.4%	4.7%	7.4%
MSCI World Index[2]	(15.6)%	6.3%	7.4%	10.6%	7.7%
Balanced U.S. 60/40 Index[2]	(19.1)%	0.4%	2.7%	5.3%	4.8%
Volatility - Standard Deviation (Annualized)[3]					
Sculptor Multi-Strategy Composite[1]	7.9%	10.5%	9.2%	7.3%	6.3%
HFRI Fund Weighted Composite Index[2]	5.3%	9.0%	7.8%	6.0%	6.8%
MSCI World Index[2]	20.4%	19.4%	17.0%	13.6%	14.2%
Balanced U.S. 60/40 Index[2]	16.6%	14.6%	12.6%	9.9%	9.7%
Sharpe Ratio[4]					
Sculptor Multi-Strategy Composite[1]	(1.94)	0.20	0.33	0.63	1.28
HFRI Fund Weighted Composite Index[2]	(1.22)	0.52	0.38	0.62	0.72
MSCI World Index[2]	(0.87)	0.28	0.35	0.71	0.36
Balanced U.S. 60/40 Index[2]	(1.29)	(0.04)	0.10	0.44	0.22

(1) The returns shown represent the composite performance of all feeder funds that comprise the Sculptor Master Fund since the inception of the Sculptor Master Fund on January 1, 1998, and are calculated using the total return of all feeder funds net of all fees and expenses and include the reinvestment of all dividends and other income. Since our inception on April 1, 1994 through December 31, 1997, we managed other accounts in a substantially similar manner to the Sculptor Master Fund, and in accordance with our same multi-strategy mandate that was not subject to portfolio investment restrictions or other factors that limited our investment discretion (the "Multi-Strategy Accounts"). The presentation of historical performance information in this table includes the performance of the Multi-Strategy Accounts for those periods prior to January 1, 1998. Performance is calculated using the total return of all such Multi-Strategy Accounts net of all investment fees and expenses of such accounts and include the reinvestment of all dividends and other income. For the period from April 1, 1994 through December 31, 1997, the returns are gross of certain overhead expenses that were reimbursed by the Multi-Strategy Accounts. Such reimbursement arrangements were terminated at the inception of the Sculptor Master Fund. The size of the accounts comprising the composite during the time period shown vary materially. Such differences impacted our investment decisions and the diversity of the investment strategies we followed. Furthermore, the composition of the investment strategies we follow is subject to our discretion and has varied materially since inception and is expected to vary materially in the future. We refer collectively to the combined returns of the Sculptor Master Fund and Multi-Strategy Accounts as the "Sculptor Multi-Strategy Composite." We believe that the inclusion of the historical performance of the Multi-Strategy Accounts provides a more complete representation of our historical multi-strategy performance. The returns exclude realized and unrealized gains and losses attributable to currency hedging specific to certain investors investing in Sculptor Master Fund in currencies other than the U.S. dollar. The returns for the Sculptor Multi-Strategy Composite exclude Special Investments. Special Investments in the Sculptor Master Fund are held by investors representing a small percentage of Assets Under Management in the fund. Inclusive of these Special Investments, the net returns of the Sculptor Multi-Strategy Composite were (13.3)%, 2.8%, 4.1%, and 5.3% for the trailing one, three, five, and ten year periods, respectively; and 10.4% since the Sculptor Multi-Strategy Composite inception.

(2) These comparisons show the returns of the HFRI Fund Weighted Composite Index (HFRIFWI), the MSCI World Index (GDDLWI) and the Balanced US 60/40 Index (VBINX US Equity) and (collectively, the "Broader Market Indices") against the Sculptor Multi-Strategy Composite. These comparisons are intended solely for illustrative purposes to show a historical comparison of the Sculptor Multi-Strategy Composite to the broader equity markets, as represented by the Broader Market Indices, and should not be considered as an indication of how the Sculptor Master Fund or the feeder funds will perform relative to the Broader Market Indices in the future. The Broader Market Indices are not performance benchmarks of the Sculptor Master Fund or the feeder

funds. Neither the Sculptor Master Fund nor the feeder funds are managed to correlate in any way with the returns or composition of the Broader Market Indices, which are unmanaged. It is not possible to invest in an unmanaged index. You should not assume that there is any material overlap between the securities underlying the Sculptor Multi-Strategy Composite and those that comprise the Broader Market Indices. The HFRI Fund Weighted Composite Index is a global equal-weighted index of over 2,000 single-manager funds that report to the HFR Database. Constituent funds report monthly, net of all fees, performance in U.S. dollar and have a minimum of $50.0 million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds. The MSCI World Index is a free float-adjusted market capitalization weighted index owned and maintained by MSCI Inc. that is designed to measure the equity market performance of developed markets. The Balanced US 60/40 Index is a Vanguard Fund weighted index that invests roughly 60% in stocks and 40% in bonds by tracking the performance of the CRSP U.S. Total Market Index and Bloomberg Barclays U.S. Aggregate Float Adjusted Index. Returns of the Broader Market Indices have not been reduced by fees and expenses associated with investing in securities and include the reinvestment of dividends.

(3) Standard Deviation is a statistical measure of volatility that measures the fluctuation of the monthly rates of return against the average return.

(4) Sharpe Ratio represents a measure of the risk-adjusted return of the composite returns, or benchmark returns, as applicable. The Sharpe Ratio is calculated by subtracting the risk-free rate from the composite returns, or benchmark returns, as applicable, and dividing that amount by the standard deviation of the applicable returns. The risk-free rate of return used in computing the Sharpe Ratio is the one-month U.S. dollar London Interbank Offered Rate compounded monthly throughout the periods presented.

Credit

As of December 31, 2022, we managed approximately $22.3 billion of Assets Under Management in our dedicated credit funds, or 62% of our total Assets Under Management. Our dedicated credit funds comprise our opportunistic credit funds and Institutional Credit Strategies products.

The tables below present returns for our flagship credit funds:

Net Annualized Return through December 31, 2022	1 Year	3 Years	5 Years	10 Years	Since Sculptor Credit Opportunities Master Fund Inception (November 1, 2011)
Sculptor Credit Opportunities Master Fund[1]	(4.1)%	3.4%	3.7%	6.8%	8.8%
BAML Global High Yield[3]	(13.2)%	(1.7)%	0.9%	3.2%	4.3%
HFRX Fixed Income Credit Index[3]	(11.6)%	(0.1)%	0.7%	1.2%	1.7%
Volatility - Standard Deviation (Annualized)[3]					
Sculptor Credit Opportunities Master Fund[1]	5.4%	14.3%	11.3%	8.7%	8.5%
BAML Global High Yield[3]	12.4%	12.2%	9.9%	8.1%	8.0%
HFRX Fixed Income Credit Index[3]	6.9%	7.3%	5.9%	4.7%	4.6%
Sharpe Ratio[4]					
Sculptor Credit Opportunities Master Fund[1]	(1.14)	0.17	0.20	0.67	0.92
BAML Global High Yield[3]	(1.26)	(0.21)	(0.05)	0.28	0.43
HFRX Fixed Income Credit Index[3]	(2.07)	(0.13)	(0.13)	0.06	0.18

Net Annualized Return through December 31, 2022	1 Year	3 Years	5 Years	10 Years	Since Customized Credit Focused Platform Inception (April 6, 2010)
Customized Credit Focused Platform (weighted average returns)[2]	(2.0)%	7.9%	7.0%	9.8%	11.3%
BAML Global High Yield[3]	(13.2)%	(1.7)%	0.9%	3.2%	4.8%
HFRX Fixed Income Credit Index[3]	(11.6)%	(0.1)%	0.7%	1.2%	1.5%
Volatility - Standard Deviation (Annualized)[3]					
Customized Credit Focused Platform	5.0%	11.0%	8.9%	6.9%	6.8%
BAML Global High Yield[3]	12.4%	12.2%	9.9%	8.1%	8.4%
HFRX Fixed Income Credit Index[3]	6.9%	7.3%	5.9%	4.7%	4.7%
Sharpe Ratio[4]					
Customized Credit Focused Platform	(0.82)	0.50	0.50	1.14	1.52
BAML Global High Yield[3]	(1.26)	(0.21)	(0.05)	0.28	0.48
HFRX Fixed Income Credit Index[3]	(2.07)	(0.13)	(0.13)	0.06	0.15

(1) The returns for the Sculptor Credit Opportunities Master Fund exclude Special Investments. Special Investments in the Sculptor Credit Opportunities Master Fund are held by investors representing a small percentage of Assets Under Management in the fund. Inclusive of these Special Investments, the net returns of the Sculptor Credit Opportunities Master Fund were (3.8)%, 3.5%, 3.6%, and 6.7% for the trailing one, three, five, and ten year periods, respectively; and 8.6% since the fund inception.

(2) Performance presented is for the opportunistic credit strategies in the Customized Credit Focused Platform. As of December 31, 2022, approximately 94% of the invested capital in the Customized Credit Focused Platform is invested in the Platform's opportunistic credit strategies. Weighted Average Returns reflect the total profit & loss divided by the weighted average capital base, which represents net asset value plus net contributions (distributions) for the period.

(3) These comparisons show the returns of the BAML Global High Yield ("HW00") and HFRX Fixed Income Credit Index ("HFRXFIC"). The BAML Global High Yield Index tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or Eurobond markets. The HFRX Fixed Income Credit Index is a credit Index which includes strategies with exposure to credit across a broad continuum of credit sub-strategies, including Corporate, Sovereign, Distressed, Convertible, Asset Backed, Capital Structure Arbitrage, Multi-Strategy and other Relative Value and Event Driven sub-strategies. Investment thesis across all strategies is predicated on realization of a valuation discrepancy between the related credit instruments. Strategies may also include and utilize equity securities, credit derivatives, government fixed income, commodities, currencies or other hybrid securities. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe.

(4) Standard Deviation is a statistical measure of volatility that measures the fluctuation of the monthly rates of return against the average return.

(5) Sharpe Ratio represents a measure of the risk-adjusted return of the composite returns, or benchmark returns, as applicable. The Sharpe Ratio is calculated by subtracting the risk-free rate from the composite returns, or benchmark returns, as applicable, and dividing that amount by the standard deviation of the applicable returns. The risk-free rate of return used in computing the Sharpe Ratio is the one-month U.S. dollar London Interbank Offered Rate compounded monthly throughout the periods presented.

Opportunistic Credit Funds

As of December 31, 2022, we managed approximately $6.0 billion of Assets Under Management in our opportunistic credit funds. These products seek to generate risk-adjusted returns by capturing value in mispriced investments across disrupted, dislocated and distressed corporate, structured and private credit markets globally. As of December 31, 2022, Assets Under Management in the Sculptor Credit Opportunities Master Fund, our global opportunistic credit fund, totaled $1.7 billion, and Assets Under Management in the Customized Credit Focused Platform totaled $3.8 billion. The remainder of the Assets Under Management in our opportunistic credit products was made up of various open-end and closed-end funds, as well as customized solutions structured to meet our fund investors' needs.

Institutional Credit Strategies

As of December 31, 2022, we managed approximately $16.3 billion of Assets Under Management in our Institutional Credit Strategies products. Institutional Credit Strategies is our asset management platform that invests in performing credits, including leveraged loans, high-yield bonds, private credit/bespoke financing and investment grade credit via CLOs, aircraft securitization vehicles, CBOs, structured alternative investment solutions, commingled products and other customized solutions for clients. The Institutional Credit Strategies platform's fundamental approach is built on capital preservation and rigorous assessment of relative value, proactive portfolio management combined with diversification, cross asset collaboration and integrated risk management.

Real Estate

As of December 31, 2022, we managed approximately $4.5 billion of Assets Under Management in our real estate funds, or 13% of our total Assets Under Management. Our real estate funds generally make investments in commercial and residential real estate, including real property, multi-property portfolios, real estate-related joint ventures, real estate operating companies and other real estate-related assets. We seek to build portfolios that are balanced between traditional and non-traditional asset classes, employing moderate leverage, using creative structures and targeting high cash-on-cash returns. Our opportunistic investment approach generates attractive risk-adjusted returns relative to positioning within the capital structure combined with a disciplined risk assessment process. These funds seek to diversify investments across geography, asset types and transaction structures to actively balance the portfolios within each of the funds. Our Real Estate business adopts a broader investment mandate than most fund managers, having invested in 28 different traditional and non-traditional asset classes across the debt/equity spectrum. Our two primary fund series are equity and credit opportunity funds (Sculptor Real Estate and Sculptor Real Estate Credit, respectively), and we also manage a SPAC. As of December 31, 2022, our real estate funds have invested across 28 different real estate asset classes with 72% of the capital deployed in non-traditional asset classes.

Over time, and in response to changing investment environments, asset pricing bubbles, and significant capital flows driving valuations past peak levels for the traditional asset classes in the major real estate markets, we developed significant experience and capabilities in more non-traditional asset classes. As a result we adopted a broad investment mandate, investing across traditional and niche asset classes along the entire real estate and real estate debt spectrum. Our real estate credit strategy is focused on distressed debt recapitalizations, certain construction lending opportunities, inefficiencies in non-traditional asset classes and attractive risk-adjusted returns in certain sectors with strong fundamentals.

The below table presents returns for select real estate funds:

Life-to-Date Performance (as of December 31, 2022)	Fund I	Fund II	Fund III	Credit Fund I
Gross	25.5%	32.9%	30.3%	18.3%
Net	16.1%	21.7%	21.0%	12.9%

The performance tables provided throughout this "Overview of Our Funds" section are for illustrative purposes only and are not necessarily indicative of the future results of our funds. There can be no assurance that any fund will achieve comparable results. An investment in our Class A Shares is not an investment in any of our funds. See "Item 1A. Risk Factors—Risks Related to Our Business—*An investment in our Class A Shares is not an alternative to an investment in any of our funds, and the returns of our funds should not be considered as indicative of any returns expected on our Class A Shares, although poor investment performance of, or lack of capital flows into, the funds we manage could have a materially adverse impact on our revenues and, therefore, the returns on our Class A Shares*."

Investment and Risk Management Process

Our extensive experience and consistent approach to investing and risk management are an essential part of our strong performance history. Risk management is a core element of our investment philosophy and process and plays a crucial role in the strategy and operations of our business. Our investment and risk management processes benefit from our dedicated and experienced teams operating out of our offices worldwide.

Our approach to investing and managing risk is defined by certain common elements:

- *Proactive risk management* is built on the principles of constant vigilance, frequent dialogue, and continuous improvement. We constantly monitor risk and have instituted a formal and consistent process to disseminate information, conduct informed debate, and take proactive or responsive action across our portfolios. Technology is at the core of Sculptor's risk management efforts, and we leverage our broad capabilities to develop proprietary solutions that fit the exact specifications of our investment approach. In addition to our formalized process, we conduct custom studies and optimizations for various groups on an as-needed, ad hoc basis such as bespoke hedge solutions, pre-trade what-if analysis, and portfolio rebalance alternatives.

- *Preservation of capital*. Preservation of capital is our top priority and guiding factor in our effort to deliver attractive returns to fund investors. Our goal is to preserve capital during periods of market decline and generate competitive investment performance in rising markets. We use sophisticated risk tools and active portfolio management to govern exposures to market and other risk factors. We adhere strictly to each fund's mandate and provisions with respect to leverage. We are knowledgeable about the risks of fund leverage, respectful of its limits, and judicious in our application.

- *Dynamic capital allocation.* We allocate to individual investments based on a thorough analysis of the risk/reward for each opportunity under consideration and the investment objectives for each of our funds. This results in an overall capital allocation that is constantly fine-tuned based on our best ideas at each point in time.

- *Expertise across strategies and geographies*. The considerable expertise, tenure and collaboration among our diverse interdisciplinary investment team forms the basis of our ability to generate attractive risk-adjusted returns for our fund investors. We have fostered a culture that allows us to analyze and scrutinize investment opportunities on a firm-wide basis, focusing on the best ideas and opportunities available.

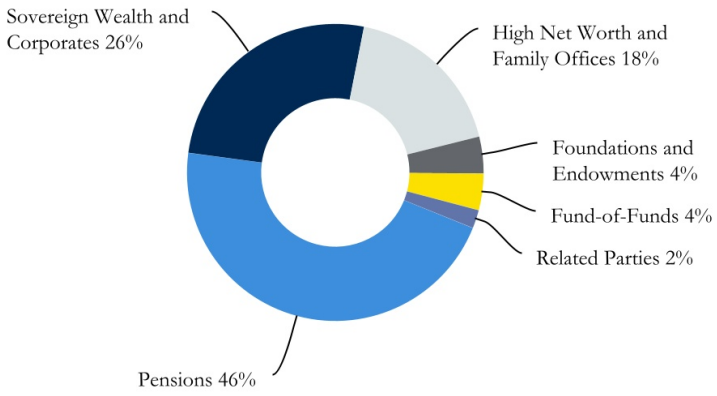
Our Fund Investors

We focus on developing and maintaining long-term relationships with a global base of institutional investors, which includes many of the largest, most sophisticated investors in the world. Excluding our securitization vehicles within Institutional Credit Strategies products, we currently have over 1,300 investors in our funds, including pensions, sovereign wealth and corporates, high net worth and family office, fund-of-funds, and foundations and endowments. Over 70% of our clients have been partnering with us for over a decade. We build transparent, thoughtful, and enduring partnerships with our investors that are grounded in a deep understanding of their objectives and expectations. Our investors value our funds' consistent performance history, our global investing expertise, our diverse investment strategies and our ability to develop investment capabilities in areas where we see opportunities evolve. As a result, a number of our fund investors invest in more than one of our funds.

Investments by our executive managing directors and employees collectively comprised approximately 2% of our total Assets Under Management as of January 1, 2023. The single largest unaffiliated investor in our funds accounted for approximately 19% of our total Assets Under Management as of January 1, 2023, and the top five unaffiliated fund investors accounted for approximately 43%. Approximately 28% of our Assets Under Management were from investors from outside North America as of January 1, 2023. These percentages, as well as those presented in the chart below, exclude Assets Under Management in our securitization vehicles, which are held by various types of investors.

The following chart presents the composition of our fund investors by type across our funds as of January 1, 2023:

FUND INVESTORS BY TYPE



Competitive Environment

The asset management industry is intensely competitive, and we expect that it will remain so. We compete globally and regionally with other investment managers, including hedge funds, public and private investment firms, distressed debt funds, mezzanine funds and other CLO issuers, real estate development companies, business development companies, investment banks and other financial institutions worldwide. We compete for both investors in our funds and attractive investment opportunities based on a number of factors, including investment performance, brand recognition, business reputation, pricing, innovation, the quality of services we provide to the investors in our funds, the range of products we offer, and our ability to attract and retain qualified professionals in all aspects of our business while managing our operating costs. We face competitors that are larger than we are and have greater financial, technical and marketing resources. Certain of our competitors may continue to raise capital to pursue investment strategies that may be similar to ours, which may create additional competition for investment opportunities. In addition, some of these competitors may have higher risk tolerances or make different risk assessments than we do, or may have lower return thresholds, allowing them to consider a wider variety of investments and establish broader networks of business relationships. They may also be subject to different regulatory requirements, which may give them greater flexibility to pursue investment opportunities or attract new capital to their funds. For additional information regarding the competitive risks that we face, see "Item 1A. Risk Factors—Risks Related to Our Business—*Competitive pressures in the asset management business could materially adversely affect our business, financial condition or results of operations.*"

Competitive Strengths

Sculptor Capital is built on certain distinct fundamental elements that we believe are differentiating competitive strengths. We view these elements as a crucial part of our efforts to generate attractive and consistent long-term investment performance and to retain and attract new Assets Under Management.

- *Performance.* Our funds have continued to deliver strong investment performance compared to relevant benchmarks and compound capital for our clients.
- *Resilience.* We have strengthened the balance sheet providing the firm with stability to weather potential downturns and opportunistically invest in our business to drive future returns for shareholders. We have increased our longer-duration AUM, creating longevity in our asset base and more stable earnings.

- *Alignment of interests.* Sculptor Capital's structure is designed to motivate and align the interests of our executive managing directors and employees with those of investors in our funds and our Class A Shareholders. Our 25 active executive managing directors and 60 managing directors (as of December 31, 2022) have a compensation structure that focuses on both individual and firm-wide performance. This structure includes granting a portion of bonus compensation in a combination of equity and deferred cash interests that vest over time.

- *One-firm philosophy.* Our "one-firm" philosophy promotes a collaborative environment that encourages internal cooperation and cross-functional sharing of information, expertise and transaction experience gained over our 28-year history. We believe this strong collaborative approach is a key differentiator that enhances the success of our firm as a whole and brings to bear our diverse resources and perspectives.

- *Synergies among investment strategies.* Our investment model is built off of and benefits from full collaboration among our investment team, fostering trust, diverse viewpoints, cross-disciplinary development and critical self-examination. Sculptor's investment team leadership comprises a group of 17 investment partners who have worked together for an average of over 15 years. We believe this approach and the tenure of our investment partners is a central factor in our ability to identify, evaluate and pursue opportunities across a broad range of geographies and capital structures.

- *Global presence.* We are a global organization with an investment philosophy that opportunistically pursues "best ideas" investment opportunities wherever they arise. Our ability to invest worldwide allows us to evaluate the fullest range of investments by employing both on-the-ground expertise and the support of our global team and infrastructure. Our investment professionals in the U.S., Europe and Asia are seamlessly integrated with the global team and have a long history of investing on an international scale.

- *Experience.* Sculptor's one-firm philosophy and collaborative investment style is enabled by the long tenure and shared experience of our investment and executive teams. We have a history of hiring highly talented employees and developing them into senior roles as managing directors and executive managing directors across the firm.

- *Focus on infrastructure.* Since inception, Sculptor has been highly committed to building and maintaining a robust infrastructure with an emphasis on strong financial, operational and compliance controls. As of December 31, 2022, of our total 343 professionals, 209 were dedicated to global infrastructure, illustrating our commitment to this important part of our business.

- *Transparency.* We believe that our fund investors should be provided with qualitative and quantitative information about our investment process, operational procedures and portfolio exposures in order to fully understand and evaluate their partnership with Sculptor. We provide fund investors with comprehensive and transparent reporting on a regular basis, and our senior management and investment staff regularly meet with investors to provide updates and address questions.

Our Structure

Sculptor Capital Management, Inc.

Sculptor Capital Management, Inc. is a publicly traded holding company, and its primary assets are ownership interests in the Sculptor Operating Group entities, which are held indirectly through Sculptor Corp. We conduct our business through the Sculptor Operating Group. Sculptor Capital Management, Inc. currently has two classes of shares outstanding: Class A Shares and Class B Shares.

Class A Shares. Class A Shares represent Class A common stock in Sculptor Capital Management, Inc. The holders of Class A Shares are entitled to one vote per share held of record on all matters submitted to a vote of our shareholders and, as of December 31, 2022, represent 37.9% of our total combined voting power. The holders of Class A Shares are entitled to any distribution declared by our Board of Directors, subject to any statutory or contractual restrictions on the payment of distributions and to any restrictions on the payment of distributions imposed by the terms of any outstanding preferred shares we may issue in the future. Additional Class A Shares are issuable upon the exercise of warrants, as well as exchange of Partner Equity Units, subject to certain vesting and other conditions as discussed below, and upon vesting of equity awards granted under

our Amended and Restated 2007 Equity Incentive Plan, 2013 Incentive Plan or 2022 Incentive Plan. As of December 31, 2022, we have warrants outstanding to issue an additional 4,338,015 of Class A Shares. See Note 8 for additional details on warrants.

We have also issued RSAs to certain active executive managing directors. RSAs are restricted Class A shares that are not transferable, and are subject to forfeiture, until vesting conditions are met. The RSAs entitle the holders of record to one vote per share on all matters submitted to a vote of our shareholders and, as of December 31, 2022, the RSAs represent 8.3% of our total combined voting power. The RSAs are held solely by executive managing directors and have no economic rights until they vest upon satisfying a service condition and, where applicable, certain market performance conditions based on achievement of targeted total shareholder return on Class A Shares. Unvested RSAs without market performance vesting conditions accrue dividend equivalents in the form of additional RSAs, and RSAs with market performance vesting conditions that have not yet met the service condition do not begin to accrue dividend equivalents until the market performance conditions have been achieved.

Class B Shares. Class B Shares have no economic rights and are not publicly traded, but rather entitle the holders of record to one vote per share on all matters submitted to a vote of our shareholders and, as of December 31, 2022, the Class B Shares represent 53.7% of our total combined voting power. The Class B Shares are held solely by current and former executive managing directors and provide them with a voting interest in Sculptor Capital Management, Inc. commensurate with their economic interest in the Sculptor Operating Group in the form of Group A Units, Group A-1 Units (until a corresponding number of Group E Units (other than Group E-2 Units) have vested), Group E Units (once such Group E Units have vested) and Group P Units (assuming such Group P Units are participating). Each executive managing director holding Group A Units, Group A-1 Units (until a corresponding number of Group E Units (other than Group E-2 Units) have vested), vested Group E Units or Group P Units holds an equal number of Class B Shares. Upon an issuance of Group A Units or Group P Units to an executive managing director or the vesting of such executive managing director's Group E Units, an equal number of Class B Shares is also issued to such executive managing director. Upon the exchange by an executive managing director of a Partner Equity Unit for a Class A Share as further discussed below, the corresponding Class B Share is canceled. Class B Shares that relate to our Group A-1 Units will be voted pro rata in accordance with the vote of the Class A Shares until a corresponding Group E Unit has vested.

Sculptor Operating Group Entities

We conduct our business through the Sculptor Operating Group. Historically, we have used more than one Sculptor Operating Group entity to segregate our operations for business, financial, tax and other reasons. We may increase or decrease the number of our Sculptor Operating Group entities and intermediate holding companies based on our views as to the appropriate balance between administrative convenience and business, financial, tax and other considerations.

The Sculptor Operating Group currently consists of Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP, and each of their consolidated subsidiaries (collectively, the "Sculptor Operating Partnerships" and collectively with their consolidated subsidiaries, the "Sculptor Operating Group"). Sculptor Capital Management, Inc. holds its interests in the Sculptor Operating Group indirectly through Sculptor Capital Holding Corporation ("Sculptor Corp"), a wholly owned subsidiary of Sculptor Capital Management, Inc. Sculptor Corp is the sole general partner of each of the Sculptor Operating Partnerships and, therefore, generally controls the business and affairs of such entities. The Sculptor Operating Group currently has the following units outstanding: Group A Units, Group A-1 Units, Group B Units, Group E Units and Group P Units.

The Group A Units and Group B Units have no preference or priority over other securities of the Sculptor Operating Group (other than the Group E Units and Group P Units to the extent described below) and, upon liquidation, dissolution or winding up, will be entitled to any assets remaining after payment of all debts and liabilities of the Sculptor Operating Group.

Group A Units. Our current and former executive managing directors own 100% of the Group A Units, which as of December 31, 2022, represent a 29.0% equity interest in the Sculptor Operating Group. Currently, Group A Units are exchangeable for our Class A Shares at the discretion of the Exchange Committee (which consists of the Chief Executive Officer and the Chief Financial Officer of Sculptor Capital Management, Inc.) (or the cash equivalent thereof), on a one-for-one basis, subject to vesting requirements by our executive managing directors, book-up requirements, transfer restrictions and certain exchange rate adjustments for splits, unit distributions and reclassifications. In connection with the Recapitalization, the Sculptor Operating Partnerships initiated a distribution holiday (the "Distribution Holiday"). Holders of Group A Units do not receive

distributions on such units during the Distribution Holiday. Each of our executive managing directors may exchange his or her vested and booked-up Group A Units over a period of two years in three equal installments commencing upon the final day of the Distribution Holiday and on each of the first and second anniversary thereof (or, for units that become vested and booked-up Group A Units after the final day of the Distribution Holiday, from the later of the date on which they would have been exchangeable in accordance with the foregoing and the date on which they become vested and booked-up Group A Units) (and thereafter such units will remain exchangeable), in each case, subject to certain restrictions (including, among other things, in connection with our insider trading policy in respect of affiliate holders and in certain circumstances where the exchange would be likely to impact our ability to use net operating losses). On the date of the Recapitalization, each Group A Unit then outstanding was recapitalized into 0.65 Group A Units and 0.35 Group A-1 Units. See Note 3 to our consolidated financial statements included in this report for additional information.

Group A-1 Units. Group A-1 Units are interests into which 0.35 of each Group A Unit then outstanding was recapitalized in connection with the Recapitalization. The Group A-1 Units will be canceled at such time and to the extent that the Group E Units granted in connection with the Recapitalization and associated with such Group A-1 Units vest and achieve a book-up. Group A-1 Units are not eligible to receive distributions at any time. However, the holders of Group A-1 Units shall participate in any sale, change of control or other liquidity event. In the Recapitalization, the holders of the 2016 Preferred Units forfeited 749,813 Group A Units, which were also recapitalized into Group A-1 Units.

Group B Units. Sculptor Corp holds a general partner interest and Group B Units in each Sculptor Operating Partnership that it controls. Group B Units are issued in respect to Class A Shares and Sculptor Corp owns 100% of the Group B Units, which, as of December 31, 2022, represent a 45.8% equity interest in the Sculptor Operating Group. Except during the Distribution Holiday, the Group B Units are economically identical to the Group A Units and represent common equity interests in our business, but are not exchangeable for Class A Shares and are not subject to vesting, forfeiture or minimum retained ownership requirements.

Group E Units. Group E Units are limited partner profits interests issued to certain executive managing directors that are only entitled to future profits and gains. Each Group E Unit converts into a Group A Unit and becomes exchangeable for one Class A Share (or the cash equivalent thereof) to the extent there has been a sufficient amount of appreciation for a Group E Unit to achieve a book-up target and, subject to other conditions contained in the limited partnership agreements of the Sculptor Operating Partnerships, the Distribution Holiday has ended (or an earlier exchange date is established by the Exchange Committee). The Group E Units are entitled to share in residual assets upon liquidation, dissolution or winding up and become eligible to participate in any tag along right, in a change of control transaction or other liquidity event only to the extent of their relative positive capital accounts (if any). One Class B Share will be issued to each holder of Group E Units upon the vesting of each such holder's Group E Unit, at which time, with respect to all Group E Units (other than Group E-2 Units), a corresponding number of Class B Shares held by holders of Group A-1 Units will be canceled. The general partner of the Sculptor Operating Partnerships may conditionally issue additional Group E Units to active executive managing directors, in an aggregate number not to exceed the amount described in the Sculptor Operating Partnerships' limited partnership agreements. The Group E Units convert into Group A Units to the extent they become economically equivalent to Group A Units. As part of the Recapitalization, holders of Group E Units will not receive distributions during the Distribution Holiday. See Note 3 to our consolidated financial statements included in this report for additional information.

Group P Units. On March 1, 2017, we issued Group P Units to certain executive managing directors. In December 2021, we issued additional Group P Units to certain executive managing directors and many Group P Units that were previously held by executive managing directors were forfeited. Group P Units entitle holders to receive distributions of future profits of the Sculptor Operating Group, and each Group P Unit becomes exchangeable for one Class A Share (or the cash equivalent thereof), in each case upon satisfaction of certain service and market performance conditions at such time and, with respect to exchanges, to the extent there has been sufficient appreciation for a Group P Unit to achieve a book-up target and, subject to other conditions contained in the limited partnership agreements of the Sculptor Operating Partnerships, the Distribution Holiday has ended (or an earlier exchange date is established by the Exchange Committee). The Group P Units are entitled to share in residual assets upon liquidation, dissolution or winding up and become eligible to participate in any tag along right, in a change of control transaction or other liquidity event only to the extent that certain market performance conditions are met and to the extent of their relative positive capital accounts (if any).

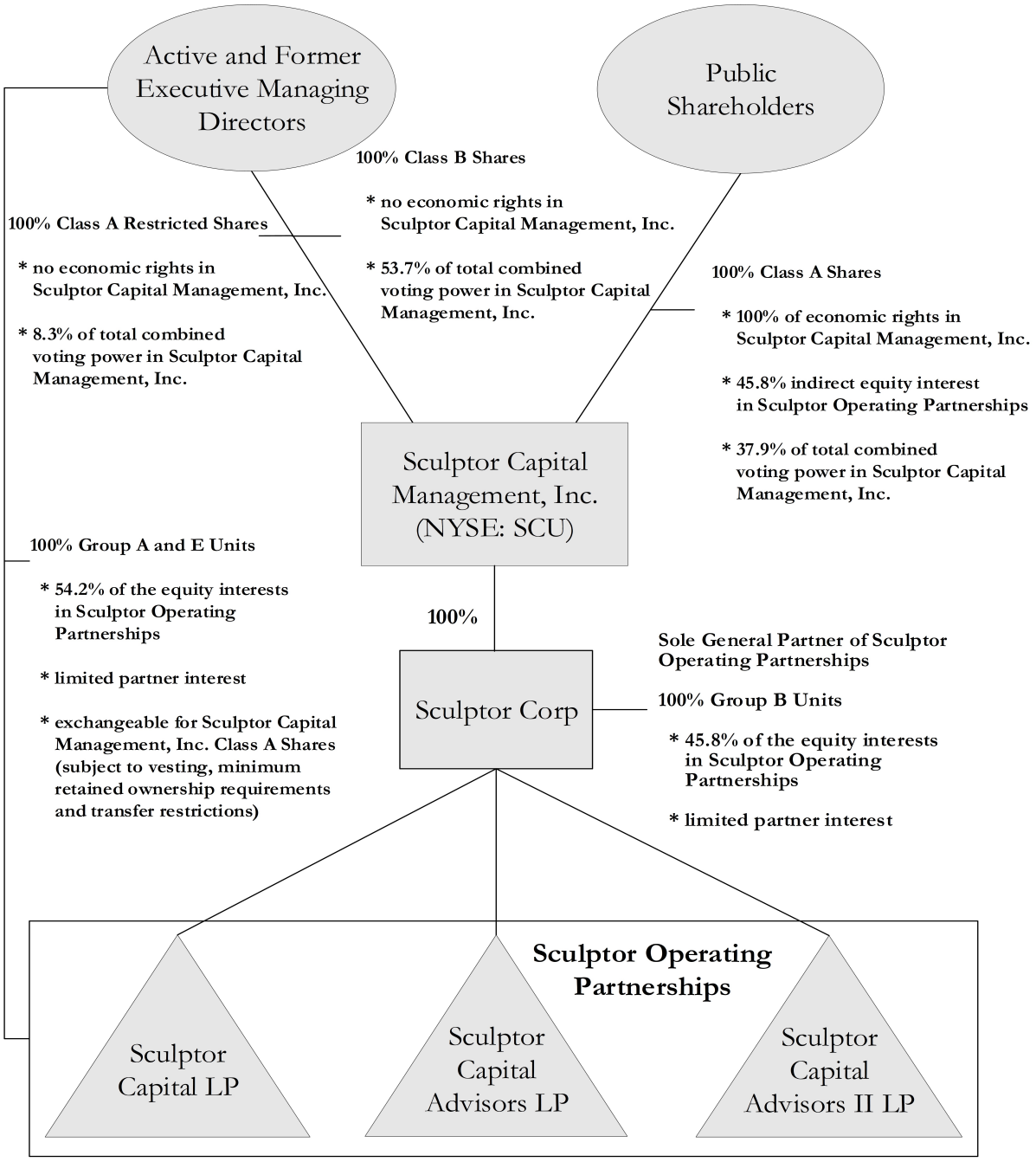
The terms of the Group P Units may be varied for certain executive managing directors. See Note 13 to our consolidated financial statements included in this report for additional information regarding the terms of the Group P Units.

Restricted Share Units

We grant RSUs as a form of compensation to our employees and executive managing directors. An RSU entitles the holder to receive a Class A Share, or cash equal to the fair value of a Class A Share at the election of the Board of Directors, upon completion of the requisite service period. We may grant, from time to time, RSUs that entitle the holder to receive cash equal to fair value of a Class A Share upon completion of the requisite service period. All of the RSUs granted to date accrue dividend equivalents equal to the dividend amounts paid on our Class A Shares. To date, these dividend equivalents have been awarded in the form of additional RSUs that also accrue additional dividend equivalents. Delivery of dividend equivalents on outstanding RSUs is contingent upon the vesting of the underlying RSUs. As part of the Recapitalization, certain RSUs held by directors and certain executive managing directors are limited in the amount of dividend equivalents they may receive during the Distribution Holiday. See Note 3 to our consolidated financial statements included in this report for additional information.

In 2018, we began granting PSUs. A PSU entitles the holder to receive a Class A Share, or cash equal to the fair value of a Class A Share at the election of the Board of Directors, upon completion of the requisite service period, as well as satisfying certain performance conditions based on achievement of targeted total shareholder return on Class A Shares. PSUs do not accrue dividend equivalents. See Note 13 to our consolidated financial statements included in this report for additional information regarding RSUs and PSUs.

The diagram below depicts our organizational structure as of December 31, 2022:



This diagram does not give effect to 4,338,015 Class A Shares that would be issued if all of our outstanding warrants were exercised. In addition, this diagram does not give effect to 3,893,011 RSUs that were outstanding as of December 31, 2022, which were granted to our executive managing directors, managing directors, other employees and the independent members of our Board of Directors. Also not presented in the diagram above are 5,348,572 Group P Units and 912,500 PSUs. The Group P Units and PSUs are not participating in the economics of Sculptor Operating Group, as the applicable Market Conditions (as defined in Note 13 to our consolidated financial statements) have not yet been met as of December 31, 2022. However, certain PSUs vested in the second quarter of 2021 at which time they were converted into Class A Shares. Further, not presented in the diagram above are Class C Non-Equity Interests, which are non-equity interests in the Sculptor Operating Group entities held by our executive managing directors in which they receive distributions in regards to annual discretionary cash bonus. No holder of Class C Non-Equity Interests will have any right to receive distributions on such interests. Our executive managing directors hold all of the Class C Non-Equity Interests, which may be used for discretionary income allocations, including the cash element of any discretionary annual performance awards paid to our executive managing directors. References to bonuses throughout this annual report include any Class C Non-Equity Interests distributions.

Human Capital

As of December 31, 2022, our worldwide headcount was 343, including 25 active executive managing directors and 60 managing directors, consisting of 106 investment professionals, 209 global infrastructure professionals and 28 client partner group professionals. We have built an experienced cross-functional team with a well-established presence in the United States, Europe and Asia.

Diversity, Equity and Inclusion

Sculptor is strongly committed to cultivating and growing a culture of diversity and inclusion. We believe that a breadth of backgrounds, experiences and knowledge is a competitive advantage and enhances the well-being and effectiveness of our employees. Sculptor's diversity, equity and inclusion initiatives aim to recruit, retain, and promote diverse talent, as well as to engage and train employees with these goals in mind. We encourage employees to participate in and support one another through our affinity networks. Our current networks include affinity groups for Women, LGBTQ, Black & African American, Asian, and Hispanic & Latino employees. These groups assist in fostering diverse recruiting and retention efforts.

Recruiting and developing diverse talent is an ongoing focus for Sculptor. Sculptor targets a diverse candidate population through its recruiting efforts and partnerships with relevant organizations. Sculptor's developmental efforts include day-to-day mentoring, training and firm-wide events. We also seek to promote diverse talent, including into senior leadership roles, wherever appropriate, which supports retention of diverse employees.

Sculptor's annual employee performance review process is essential to establishing an equitable environment and to retaining our employees. The process ensures that employees receive detailed feedback on their performance on a formal basis at least once a year. Because compliance and ethics are a fundamental component of our firm's culture, compliance with these key principles is part of our performance review process. Our review process also includes an evaluation of employees' participation in promoting an inclusive firm culture. In connection with our goal to retain diverse talent and ensure an equitable environment, we regularly conduct pay equity reviews across all levels and groups within the firm.

Compensation and Benefits

We believe that equitable compensation and incentive programs are critical to hiring and retaining highly qualified people. We seek to provide a pay and benefits package that is competitive within the local marketplace for our industry to reward and retain our employees and attract new talent.

Our annual discretionary performance-based cash bonus program is a significant component of our compensation program and rewards employees based in part on firm performance which directly aligns our employees with our financial performance and strategic goals. To further align the interests of our employees and to cultivate a strong sense of ownership and commitment to our firm, certain employees are also eligible to receive awards of restricted stock units or participate in our other long-term incentive programs.

Additionally, we provide our employees with a comprehensive benefits package which includes, among other benefits, support and coverage for physical and mental wellness. These offerings are consistent with our commitment to the health, safety and well-being of our employees.

Environmental, Social and Governance ("ESG")

As part of our investment approach, we view ESG integration as a key component of our underwriting and risk monitoring across all investment disciplines. We believe our approach to ESG integration contributes to acting in the best interests of our clients. We are a signatory, and seek to align our ESG investment practices with the tenets set out by the United Nations Principles for Responsible Investment ("UN PRI"). We recognize that industry guidelines and best practices for ESG management will continue to evolve over time. As such, we regularly review our publicly-available ESG policy and expect to adapt accordingly.

Our ESG policy covers all of our investment strategies and assets. This approach is rooted in our belief that ESG considerations can have important implications in investment decision-making. We see ESG integration as a complementary step in information processing that can improve investment outcomes: whereas traditional investment due diligence is focused on identifying and analyzing mostly financial and economic information, the additional step of proactively considering a broad range of non-financial risks and their materiality may enhance investment returns and optimize risk management.

Our investment professionals have primary responsibility for identifying ESG risks and opportunities as part of investment idea origination, and material issues are escalated for consideration by the relevant strategy head or investment committee, as appropriate. Similarly, all of our engagement activities are the responsibility of investment professionals and are not delegated to dedicated stewardship specialists. Strategy heads and the Partner Management Committee maintain ongoing oversight and monitoring of salient ESG matters across the portfolio through formal quarterly reporting, and informally as material ad-hoc considerations are escalated by investment professionals.

Regulatory Matters

Our business is subject to extensive regulation, including periodic examinations and regulatory investigations, by governmental and self-regulatory organizations in the jurisdictions in which we operate around the world. Since 1999, we have been registered with the SEC as an investment adviser under the Advisers Act. We are also a company subject to the registration and reporting provisions of the Exchange Act, and therefore subject to regulation and oversight by the SEC. As a company with a class of securities listed on the NYSE, we are subject to the rules and regulations of the NYSE. In addition, among other rules and regulations, we are subject to regulation by the Department of Labor under the U.S. Employee Retirement Income Security Act of 1974, which we refer to as "ERISA." As a registered commodity pool operator and a registered commodity trading advisor, we are subject to regulation and oversight by the Commodity Futures Trading Commission, which we refer to as the "CFTC." We are also subject to regulation and oversight by the National Futures Association in the U.S., as well as other regulatory bodies.

Our European and Asian operations, and our investment activities around the globe, are subject to a variety of regulatory regimes that vary country by country, including the U.K. Financial Conduct Authority, and the Securities and Futures Commission in Hong Kong. Currently, governmental authorities in the U.S. and in the other countries in which we operate have proposed additional disclosure requirements and regulation of hedge funds and other alternative asset managers.

See "Item 1A. Risk Factors—Risks Related to Our Business—*Extensive regulation of our business affects our activities and creates the potential for significant liabilities and penalties. Our reputation, business, financial condition or results of operations could be materially affected by regulatory issues*," "—*Increased regulatory focus in the U.S. could result in additional burdens on our business*," and "—*Regulatory changes in jurisdictions outside the U.S. could adversely affect our business*".

Global Compliance Program

We have implemented a global compliance program to address the legal and regulatory requirements that apply to our company-wide operations. We have structured our global compliance program to address the requirements of each of our

regulators, as described above, as well as the requirements necessary to support our global securities, futures, swaps, commodities and loan trading operations.

Our compliance program includes comprehensive policies and procedures that have been designed and implemented to monitor compliance with these requirements. All employees are required to complete certain annual trainings to ensure that they have the information and skills necessary to perform their duties in accordance with all applicable laws and regulations and Sculptor's requirements for the workplace. Mandatory annual compliance trainings are designed to reinforce our policies and procedures related to matters such as the handling of material non-public information, conflicts of interest and employee securities trading. Annual training specifically targeted at ensuring the understanding of and compliance with the FCPA and, as applicable, other foreign anti-corruption laws and regulations is mandatory for employees and executives responsible for structuring, supervising, ensuring compliance of and executing accounting functions for private deals, as well as for employees who interact with or provide reporting to investors. Annual trainings also cover areas relating to information security, as well as harassment prevention. In addition to a robust internal compliance framework, we have strong relationships with a global network of local attorneys specializing in compliance matters to help us quickly identify regulatory changes and address compliance issues as they arise.

Information about our Executive Officers

Set forth below is certain information regarding our executive officers as of the date of this filing.

James S. Levin, 40, is the Chief Investment Officer and Chief Executive Officer for Sculptor Capital. He is also a member of the Company's Partner Management Committee, a member of the Company's Board of Directors, an Executive Managing Director and a member of the Portfolio Committee. Prior to joining Sculptor Capital in 2006, Mr. Levin was an Associate at Dune Capital Management LP. Prior to that, Mr. Levin was an analyst at Sagamore Hill Capital Management, L.P. Mr. Levin holds a B.A. in Computer Science from Harvard University.

Dava Ritchea, 38, is the Chief Financial Officer of Sculptor Capital. She is also an Executive Managing Director and a member of the Company's Partner Management Committee. Prior to joining Sculptor Capital in 2021, Ms. Ritchea served as Chief Financial Officer at Assured Investment Management (formerly known as BlueMountain Capital Management) from January 2017, and vice president of business management and strategy from October 2013 to January 2017. Prior to joining Assured Investment Management in 2013, Ms. Ritchea worked at Barclays Capital, Credit Suisse and Lehman Brothers in several investment banking and strategy roles. Ms. Ritchea received a B.S. in Business Administration with a minor in Mathematics from Carnegie Mellon University.

Wayne Cohen, 48, is the President and Chief Operating Officer for Sculptor Capital. He is also an Executive Managing Director, a member of the Company's Partner Management Committee and a member of the Company's Board of Directors. In this role, Mr. Cohen has a broad scope of responsibilities managing day-to-day operations of Sculptor Capital, including overseeing non-investment functions and leading strategic initiatives. Mr. Cohen joined the Company in 2005 working as an Attorney and General Counsel. Prior to joining Sculptor Capital, he was an Attorney at Schulte Roth & Zabel LLP. Mr. Cohen holds a B.A. in International Relations from Tulane University and a J.D. from New York University School of Law.

David M. Levine, 55, is the Chief Legal Officer for Sculptor Capital. He is also an Executive Managing Director and a member of the Company's Partner Management Committee. In this role, Mr. Levine oversees the Company's legal team and the management of its legal affairs. Mr. Levine has over 20 years practicing securities law. Prior to joining Sculptor Capital in January 2017, Mr. Levine spent 15 years at Deutsche Bank AG, where he served as Global Head of Litigation and Regulatory Enforcement. From 1993 through 2001, Mr. Levine worked at the SEC in both New York and in the Washington D.C. headquarters. During this time he served in a variety of roles including as the agency's Chief of Staff, as well as Senior Adviser to the Director of Enforcement. Mr. Levine holds a B.S. from SUNY Albany, and a J.D. Degree from Hofstra University School of Law where he was valedictorian and an editor of the law review.

Hap Pollard, 44, is an Executive Managing Director and Chief Accounting Officer for Sculptor Capital. In this role, Mr. Pollard oversees the Public Entity, Corporate Finance and Accounting teams. He is responsible for the global corporate accounting function, which includes fund accounting, monthly and quarterly close processes, SEC filings, management reporting, expense management, treasury, compensation and regulatory reporting. Prior to joining Sculptor Capital in 2007, Mr. Pollard was

a Senior Manager of Financial Accounting and Control within the Asset Management Division at Morgan Stanley. Prior to that, he was an Auditor at KPMG and McGladrey & Pullen. Mr. Pollard holds a Bachelor of Science in Accounting from the University of Richmond. He is a Certified Public Accountant certified in the State of Virginia.

Item 1A. Risk Factors

In the course of conducting our business operations, we are exposed to a variety of risks that are inherent to or otherwise impact the alternative asset management business. Any of the risk factors we describe below have affected or could materially adversely affect our business, results of operations, financial condition and liquidity. The market price of our Class A Shares could decline, possibly significantly or permanently, if one or more of these risks and uncertainties occur. Certain statements in "Risk Factors" are forward-looking statements. See "Forward-Looking Statements."

Risks Related to Our Business

Difficult global market, economic or geopolitical conditions may materially adversely affect our business and cause significant volatility in equity and debt prices, interest rates, exchange rates, commodity prices and credit spreads. These factors can materially adversely affect our business in many ways, including by reducing the value or performance of the investments made by our funds and by reducing the ability of our funds to raise or deploy capital, each of which could materially adversely affect our financial condition and results of operations.

The success and growth of our business are highly dependent upon conditions in the global financial markets and economic and geopolitical conditions throughout the world that are outside of our control and difficult to predict. Factors such as equity prices, equity market volatility, asset or market correlations, interest rates, counterparty risks, availability of credit, increasing inflation rates, economic uncertainty, changes in laws or regulation (including laws relating to the financial markets generally or the taxation or regulation of the hedge fund industry), trade barriers and tariffs, disease, commodity prices, currency exchange rates and controls, and national and international political circumstances (including governmental instability or dysfunction, wars, terrorist acts, security operations and the ongoing conflict between Russia and Ukraine) can have a material impact on the value of our funds' portfolio investments or our general ability to conduct business. Difficult market, economic and geopolitical conditions can negatively impact those valuations and our ability to conduct business, which in turn would reduce or even eliminate our revenues and profitability, thereby having a material adverse effect on our business, financial condition or results of operations. As a global alternative asset manager, we seek to generate consistent, positive, absolute returns across all market cycles for the investors in our funds. Our ability to do this has been, and in the future may be, materially impacted by conditions in the global credit or equity financial markets and economic and geopolitical conditions worldwide.

Unpredictable or unstable market, economic or geopolitical conditions have resulted and may in the future result in reduced opportunities to find suitable risk-adjusted investments to deploy capital and make it more difficult to exit and realize value from our existing investments, which could materially adversely affect our ability to raise new funds and increase our Assets Under Management and, therefore, may have a material adverse effect on our business, financial condition or results of operations. In addition, during such periods, financing and merger and acquisition activity may be greatly reduced, making it harder and more competitive for asset managers to find suitable investment opportunities and to obtain funding for such opportunities. If we fail to react appropriately to difficult market, economic and geopolitical conditions, our funds could incur material losses.

Fiscal challenges facing the U.S. government could negatively impact financial markets which, in turn, could have an adverse effect on our financial position or results of operations.

Recent federal budget deficit concerns and political conflict over legislation to raise the U.S. government's debt limit have increased the possibility of a default by the U.S. government on its debt obligations, related credit-rating downgrades, or an economic recession in the United States. As a result of uncertain domestic political conditions, including the possibility of the federal government defaulting on its obligations for a period of time due to debt ceiling limitations, investments in financial instruments issued or guaranteed by the federal government pose liquidity risks. A possible sovereign credit rating downgrade in response to current political dynamics, as well as sovereign debt issues facing the governments of other countries, could have a material adverse impact on financial markets and economic conditions in the U.S. and worldwide.

We may be adversely affected by the effects of inflation.

General inflation in the United States, Europe and other geographies has risen to levels not experienced in recent decades. Inflation has the potential to adversely affect our liquidity, business, financial condition and results of operations by increasing our overall cost structure, particularly increased prices will increase our costs and may lead to our clients requesting fewer services or decreased investment in our funds. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, increased costs of labor, and other similar effects. Although we may take measures in an effort to mitigate the impact of this inflation, if these measures are not effective our business, financial condition, results of operations and liquidity could be materially adversely affected. Even if such measures are effective, there could be a difference between the timing of when such actions impact our results of operations and when the cost inflation is incurred.

An investment in our Class A Shares is not an alternative to an investment in any of our funds, and the returns of our funds should not be considered as indicative of any returns expected on our Class A Shares, although poor investment performance of, or lack of capital flows into, the funds we manage could have a materially adverse impact on our revenues and, therefore, the returns on our Class A Shares.

The returns on our Class A Shares are not directly linked to the historical or future performance of the funds we manage or the manager of those funds. Even if our funds experience positive performance and our Assets Under Management increase, holders of our Class A Shares may not experience a corresponding positive return on their Class A Shares.

However, poor performance of the funds we manage will cause a decline in our revenues from such funds, and may therefore have a negative effect on our performance and the returns on our Class A Shares. If we fail to meet the expectations of our fund investors or otherwise experience poor investment performance, whether due to difficult economic and financial conditions or otherwise, our ability to retain existing Assets Under Management and attract new investors and capital flows could be materially adversely affected. In turn, the management fees and incentive income that we would earn would be reduced and our business, financial condition or results of operations would suffer, thus negatively impacting the price of our Class A Shares. Furthermore, even if the investment performance of our funds is positive, our business, financial condition or results of operations and the price of our Class A Shares could be materially adversely affected if we are unable to attract and retain additional Assets Under Management consistent with our past experience, industry trends or investor and market expectations.

Investors in our funds have the right to redeem their investments in our funds on a regular basis and have in the past and could in the future redeem a significant amount of Assets Under Management during any given quarterly period. In addition, market or idiosyncratic factors may make it difficult to raise new capital from investors into our funds. Either or both of these circumstances could result in significantly decreased revenues and have a material adverse effect on our business, financial condition and results of operations.

Subject to any specific redemption provisions applicable to a fund, investors in our multi-strategy and opportunistic credit funds may generally redeem their investments in our funds on an annual or quarterly basis following the expiration of a specified period of time (typically between one and three years), although certain investors generally may redeem capital during such specified period upon giving proper notice. Investors in our funds have in the past and could in the future redeem a significant amount of Assets Under Management driven by a variety of factors, primarily the uncertainty and perceived instability created by recent public actions taken by the founder and former Chief Executive Officer of Och-Ziff, as well as market factors impacting investor allocations, idiosyncratic factors related to one or more investors (e.g., rebalancing), idiosyncratic factors related to one or more of our funds (e.g., fund performance) and other factors. These factors may also prevent us from raising new capital from investors into our funds. See separate Risk Factor in this Form 10-K entitled, “The founder and former Chief Executive Officer of Och-Ziff has taken certain actions that have had an adverse impact on our business.” If we are unable to replace redeemed amounts with new capital commitments or if additional investors seek significant redemptions of their investments in the future, our Assets Under Management will decline, which will reduce our revenues and could materially adversely affect our business, financial condition and results of operations. The decrease in revenues that would result from significant redemptions in our funds could have a material adverse effect on our business, financial condition or results of operations.

Our business, financial condition or results of operations may be materially adversely impacted by the highly variable nature of our revenues, results of operations and cash flows. In a typical year, a substantial portion of our incentive income and a large portion of our annual discretionary cash bonus expense is determined and recorded in the fourth quarter each year, which means that our interim results are not expected to be indicative of our results for a full year, which can cause increased volatility in the price of our Class A Shares.

Our revenues are influenced by the combination of the amount of Assets Under Management and the investment performance of our funds. Asset flows, whether inflows or outflows, can be highly variable from month-to-month and quarter-to-quarter. Furthermore, our funds' investment performance, which affects the amount of Assets Under Management and the amount of incentive income we may earn in a given year, can be volatile due to, among other things, general market and economic conditions. Accordingly, our revenues, results of operations and cash flows are all highly variable. This variability is exacerbated during the fourth quarter of each year, primarily due to the fact that a substantial portion of our revenues historically has been and we expect will continue to be derived from incentive income from our funds. Such incentive income is contingent on the investment performance of the funds as of the relevant incentive period, which generally is as of the end of each calendar year; however, as of December 31, 2022, with respect to 72% of Assets Under Management, the initial commitment period can be three years or longer depending on how the assets are invested. The expiration of these commitment periods may occur on dates other than December 31, which, in certain circumstances, may cause increased volatility in our results. Moreover, in a typical year, we determine a large portion of our annual discretionary cash bonus during the fourth quarter largely based on current year fund performance regardless of the year in which incentive income is recognized. As a result, there may be differences in the timing of when bonuses are accrued and when the corresponding incentive income is recognized, particularly for performance generated on our longer-term AUM and AUM that have annual incentive income crystallization dates other than at year-end. Because the bonus is variable and discretionary, and may not necessarily be recognized in the year the related incentive income is recognized, this mismatch can exacerbate the volatility of our results. We may also experience fluctuations in our results from quarter to quarter due to a number of other factors, including changes in management fees resulting from changes in the management fee rates we charge our fund investors or due to changes in the values of our funds' investments, as well as capital inflows or outflows. Changes in our operating expenses, unexpected business developments and initiatives and, as discussed above, general economic and market conditions may also cause fluctuations in our results from quarter to quarter. Such variability and unpredictability may lead to volatility or declines in the price of our Class A Shares and cause our results for a particular period not to be indicative of our performance in a future period or particularly meaningful as a basis of comparison against results for a prior period.

The amount of incentive income that may be generated by our funds is uncertain until it is actually crystallized. The commitment period for most of our multi-strategy Assets Under Management is for a period of one year on a calendar-year basis, and therefore we generally crystallize incentive income annually on December 31. We may also recognize incentive income related to fund investor redemptions at other times during the year, as well as on Assets Under Management subject to commitment periods that are longer than one year. We may also recognize incentive income from tax distributions relating to assets with longer-term commitment periods. As a result of these and other factors, our interim results may not be indicative of historical performance or any results that may be expected for a full year.

In addition, all of our hedge funds have "perpetual high-water marks." This means that if a fund investor experiences losses in a given year, we will not be able to earn incentive income with respect to such investor's investment unless and until our investment performance surpasses the perpetual high-water mark. For example, the incentive income we earn is dependent on the net asset value of each fund investor's investment in the fund. However, failure to earn incentive income as a result of any high-water marks that do arise may adversely impact our business, financial condition or results of operations and our ability to make distributions to our Class A Shareholders. Our bonus expense may be recognized even when we do not recognize the related incentive income due to high-watermarks, resulting in additional earnings volatility.

As a result of quarterly fluctuations in, and the related unpredictability of, our revenues and profits, the price of our Class A Shares can experience significant volatility.

Competitive pressures in the asset management business could materially adversely affect our business, financial condition or results of operations.

The asset management business remains intensely competitive, with competition based on a variety of factors, including investment performance, the quality of service and level of desired information provided to fund investors, brand recognition and business reputation. We compete for fund investors, highly qualified talent, including investment professionals, and for investment opportunities with a number of hedge funds, private equity firms, specialized funds, traditional asset managers, commercial banks, investment banks and other financial institutions.

A number of factors create competitive risks for us:

- We compete in an international arena and, to remain competitive, we may need to further expand our business into new geographic regions or new business areas where our competitors may have a more established presence or greater experience and expertise.
- A number of our competitors have greater financial, technical, marketing and other resources and more personnel than we do.
- Several of our competitors have raised and continue to raise significant amounts of capital, and many of them have or may pursue investment objectives that are similar to ours, which would create additional competition for investment opportunities and may reduce the size and duration of pricing inefficiencies that many alternative investment strategies seek to exploit.
- Some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we may want to make.
- Some of our competitors may be subject to less extensive regulation and thus may be better positioned to pursue certain investment objectives and/or be subject to lower expenses related to compliance than us.
- Other industry participants will from time to time seek to recruit our active executive managing directors, investment professionals and other professional talent away from us.

We may lose fund investors in the future if we do not match or provide more attractive management fees, incentive income arrangements, structures and terms than those offered by competitors. However, we may experience decreased revenues if we match or provide more attractive management fees, incentive income arrangements, structures and terms offered by competitors. In addition, changes in the global capital markets could diminish the attractiveness of our funds relative to investments in other investment products. This competitive pressure could materially adversely affect our ability to make successful investments and limit our ability to raise future successful funds, either of which would materially adversely impact our business, financial condition or results of operations.

If our investment performance, including the level and consistency of returns or other performance criteria, does not meet the expectations of our fund investors, it will be difficult for our funds to retain or raise capital and for us to grow our business. Additionally, even if our fund performance is strong, it is possible that we will not be able to attract additional capital. Further, the allocation of increasing amounts of capital to alternative investment strategies over the long term by institutional and individual investors may lead to a reduction in profitable investment opportunities, including by driving prices for investments higher and increasing the difficulty of achieving consistent, positive, absolute returns.

Competition for fund investors is based on a variety of factors, including:

- Investment performance.
- Investor liquidity and willingness to invest.

- Investor perception of investment managers' ability, drive, focus and alignment of interest with them.
- Investor perception of robustness of business infrastructure and financial controls.
- Transparency with regard to portfolio composition.
- Investment and risk management processes.
- Quality of service provided to and duration of relationship with investors.
- Business reputation, including the reputation of a firm's investment professionals.
- Level of fees and incentive income charged for services.

If we are not able to compete successfully based on these and other factors, our Assets Under Management, earnings and revenues may be significantly reduced and our business, financial condition or results of operations may be materially adversely affected. Furthermore, if we are forced to compete with other alternative asset managers on the basis of fees, we may not be able to maintain our current management fee and incentive income structures, which drive our revenues and earnings. We have historically competed for fund investors primarily on the investment performance of our funds and our reputation, and not on the level of our fees or incentive income relative to those of our competitors. However, as the alternative asset management sector continues to mature and addresses current market and competitive conditions, there is increasing downward pressure on management fees and a risk that incentive income rates will decline, without regard to the historical performance of a manager. Management fee or incentive income rate reductions on existing or future funds, particularly without corresponding increases in Assets Under Management or decreases in our operating costs, could materially adversely affect our business, financial condition or results of operations. In addition to the competitive pressures described above, as we diversify by offering new or enhanced products and investment platforms, the average management fee rate we earn on our Assets Under Management may fall as a result of a larger proportion of our Assets Under Management being invested in products that earn lower management fee rates. Our average management fee will vary from period to period based on the mix of products that comprise our Assets Under Management.

Even if we are able to compete successfully based on the factors noted above, it is possible we could lose Assets Under Management to our competitors. It is possible that similar circumstances could cause us to experience unusually high redemptions or a decrease in inflows, even if our investment performance and other business attributes are otherwise competitive or superior.

Damage to our reputation could harm our business.

Our business is highly competitive and we benefit from being highly regarded in our industry. Maintaining our reputation is critical to attracting and retaining fund investors and for maintaining our relationships with our regulators. Negative publicity regarding our company could give rise to reputational risk which could significantly harm our existing business and business prospects.

The founder and former Chief Executive Officer of Och-Ziff has taken certain actions that have had an adverse impact on our business.

The founder and former Chief Executive Officer (the "Founder") of Och-Ziff, has taken certain public actions that have had an adverse impact on our business, including commencement of a Section 220 legal proceeding on August 24, 2022 in Delaware Chancery Court, October 4, 2022 and November 3, 2022 letters to Sculptor's Board of Directors, simultaneously filed publicly with the SEC, and a January 27, 2023 Form 13D filing, See "Part II, Item 1. Legal Proceedings" for additional information. In each action, the Founder makes what we believe are inaccurate assertions with respect to our Board of Directors and our management team. Should such actions or similar actions persist, there will be a continuation of adverse impacts to our business, which include affecting our ability to retain and attract fund investors and highly qualified employees and our ability to raise new funds.

The uncertainty surrounding the ongoing COVID-19 pandemic, including the length and severity of its impact on global economic activity, caused a substantial disruption to many benchmark market indices and significantly increased volatility in equity and debt prices, interest and exchange rates, commodity prices and the ratings and cash flows of collateral in the CLOs that we manage. These factors may adversely impact our business in the future, which could adversely impact our business, financial condition, results of operations and liquidity. Additionally, we face various potential operational challenges due to the ongoing COVID-19 pandemic.

The degree to which COVID-19 may continue to impact our business, results of operations, financial condition and liquidity will depend on future developments, which are highly uncertain, difficult to predict and outside of our control, including the continued global spread of COVID-19 and spikes in infection rates, the severity and the duration of the pandemic, the efficacy employment and success of the COVID-19 vaccine, and further actions that may be taken by governmental authorities, businesses or individuals and how quickly and to what extent normal economic and operating conditions can resume. Risks that could be brought by the continuation of the COVID-19 pandemic include, but are not limited to, dislocations in market prices for investments in our funds, substantial market uncertainty which could lead to a decline in Assets Under Management and other negative effects that could flow from an overall economic downturn. As a result, the further impact on our business, results of operations, financial condition and liquidity cannot be reasonably estimated at this time, but the impact could be significant.

In the wake of the COVID-19 pandemic, certain of our employees are working remotely to mitigate the risks associated with COVID-19. While we have been successful in operating our business remotely, unexpected operational challenges may arise in the future and the use of remote work environments and virtual platforms may increase our risk of cyberattack or data security breaches. If we or any of our key service providers were to experience material disruptions in the ability for our or their employees to work remotely, our ability to operate our business could be materially adversely impacted. If our employees, including our executive managing directors and key investment professionals, were to become seriously ill, our ability to operate our business could be materially disrupted. Any such disruptions to our business operations could have a material adverse impact on our business, results of operation, financial condition or liquidity.

In addition, a resurgence of the COVID-19 pandemic could heighten many other risks described in this annual report.

The United Kingdom's withdrawal from the European Union and the implications thereof on United Kingdom, European and global macroeconomics conditions could adversely affect our business.

The United Kingdom (the "UK") left the European Union (the "EU") on January 31, 2020 (commonly referred to as "Brexit"). The UK and the EU agreed to a Trade and Cooperation Agreement which sets out the agreement for certain parts of the future relationship between the EU and the UK from January 1, 2021. The Trade and Cooperation Agreement does not provide the UK with the same level of rights or access to all goods and services in the EU as the UK previously maintained as a member of the EU and during the transition period. As of January 1, 2021, our UK FCA-authorized affiliate, Sculptor Capital Management Europe Limited ("SCME"), ceased to be entitled to exercise single market passport rights to provide investment services in or into the EEA on a cross-border services basis.

From January 1, 2021, EU laws ceased to apply in the UK. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the EU and the UK on financial services, substantial amendments to English law may occur, and it is impossible to predict the consequences on our funds, their investments, and our business. Such changes could be materially detrimental to investors.

Although one cannot predict the full effect of Brexit, it could continue to have a significant adverse impact on the UK, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the EU, which may negatively impact our business, including companies or assets held or considered for prospective investment by our funds.

Brexit may result in an adverse effect on the management of market risk and, in particular, asset and liability management due in part to an adverse effect on our ability, and the ability of our affiliates to manage, operate and invest in our

funds and increased legal, regulatory or compliance burden for us, our affiliates and/or our funds, each of which may have a negative impact on the operations, financial condition, returns or prospects of our funds, which may have a negative impact on our business.

Areas where the uncertainty created by the UK's withdrawal from the EU is relevant include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), industrial policy pursued within European countries, immigration policy pursued within European countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The uncertainty caused by the withdrawal may adversely affect the value of our funds' investments and the ability to achieve the investment objective of our funds, as well as the investment objectives of our business.

Our indebtedness may restrict our current and future operations, particularly our ability to respond to certain changes or to take future actions.

On September 25, 2020, Sculptor Capital LP, as borrower, (the "Borrower"), and certain other subsidiaries of the Company, as guarantors, entered into a credit and guaranty agreement (the "2020 Credit Agreement"), consisting of (i) a senior secured term loan facility in an initial aggregate principal amount of $320.0 million (the "2020 Term Loan") and (ii) a senior secured revolving credit facility in an initial aggregate principal amount of $25.0 million (the "2020 Revolving Credit Facility"). The funding of the 2020 Term Loan occurred on November 13, 2020 (the "Closing Date"). The 2020 Term Loan and the 2020 Revolving Credit Facility mature on the seventh and sixth anniversary of the Closing Date, respectively. Through the year ended December 31, 2022, we have repaid $225.0 million of the 2020 Term Loan, leaving a balance of $95.0 million. The 2020 Revolving Credit Facility remains undrawn.

The 2020 Credit Agreement contains a number of restrictive covenants that collectively impose operating and financial restrictions on the Sculptor Operating Group, including restrictions that may limit their ability to engage in acts that may be in our long-term best interests, including but not limited to:

- Incur certain additional indebtedness or issue certain equity interests.
- Create liens.
- Pay dividends or make other restricted payments.
- Make payments on, or redeem, repurchase or retire, subordinated debt.
- Merge, consolidate, or sell or otherwise dispose of all or any part of their assets.
- Engage in certain transactions with shareholders or affiliates.
- Engage in substantially different lines of business.
- Amend their organizational documents in a manner materially adverse to the lenders.

If we are unable to repay or refinance the debt at or prior to maturity, our business, financial condition and liquidity could be adversely effected.

In addition, the 2020 Credit Agreement requires us to comply with a minimum fee-paying Assets Under Management covenant. A failure to comply with the covenants and other obligations specified in the 2020 Credit Agreement could result in an event of default under 2020 Credit Agreement, which would give the lenders under the 2020 Credit Agreement the right to declare all amounts outstanding under the 2020 Credit Agreement, including accrued and unpaid interest and fees, to be immediately due and payable. If the indebtedness outstanding under 2020 Credit Agreement were to be accelerated, we may not have sufficient cash on hand or be able to sell sufficient assets to repay this indebtedness at such time, which may have a material adverse effect on our business, results of operations and financial condition.

For a description of the 2020 Credit Agreement, please see Note 8 to our consolidated financial statements included in this annual report

The replacement of LIBOR with an alternative reference rate, may adversely affect our collateralized loan obligation transactions.

LIBOR and certain other "benchmarks" in recent years have been the subject of national, international, and other regulatory guidance and proposals for reform. Given these reforms, LIBOR will cease to exist in the future and its benchmark settings may perform differently than in the past or have other consequences which cannot be predicted.

In July 2017, the UK Financial Conduct Authority (the "FCA") announced that it would phase out LIBOR as a benchmark by the end of 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee ("ARRC"), a steering committee comprised of large U.S. financial institutions, proposed replacing U.S. dollar LIBOR with a new index calculated by short-term repurchase agreements, backed by Treasury securities called the Secured Overnight Financing Rate ("SOFR"). The first publication of SOFR was released in April 2018. The Bank of England followed suit on April 23, 2018 by publishing its proposed alternative rate, the Sterling Overnight Index Average ("SONIA").

On November 30, 2020, ICE Benchmark Administration Limited ("IBA") announced its intention to cease the publication of (i) all GBP, EUR, CHF and JPY LIBOR settings, and the 1 Week and 2 Month USD LIBOR settings immediately following the LIBOR publication on December 31, 2021, and (ii) the Overnight and 1, 3, 6 and 12 Month USD LIBOR settings immediately following the LIBOR publication on June 30, 2023, subject to any rights of the FCA to compel IBA to continue publication. On March 5, 2021, the FCA released an announcement confirming that such LIBOR settings would cease to be provided by any administrator and would no longer be representative as of the dates specified in the IBA proposal, and confirmed that the FCA did not expect any LIBOR setting to become unrepresentative before such dates. Concurrent with the announcement made by the IBA, the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation released a statement that (i) encouraged banks to cease entering into new contracts that use U.S. dollar LIBOR as a reference rate as soon as practicable and in any event by December 31, 2021, (ii) indicated that new contracts entered into before December 31, 2021 should either utilize a reference rate other than U.S. dollar LIBOR or have robust fallback language that includes a clearly defined alternative reference rate after U.S. dollar LIBOR's discontinuation and (iii) explained that extending the publication of certain U.S. dollar LIBOR tenors until June 30, 2023 would allow most legacy US dollar LIBOR contracts to mature before LIBOR experiences disruptions. The FCA subsequently confirmed that U.S. Dollar LIBOR tenors would either cease to exist or no longer be representative following June 30, 2023. On July 29, 2021, ARRC announced that it recommended Term SOFR, a similar forward-looking term rate which is based on SOFR, for business loans.

On April 6, 2021, the state of New York enacted legislation (the "New York LIBOR Legislation") addressing the phase-out of LIBOR as a benchmark rate in contracts governed by New York law. The New York LIBOR Legislation provides a statutory remedy for contracts that reference USD LIBOR as a benchmark interest rate but do not include effective fallback provisions that address or operate adequately through a permanent cessation of LIBOR. Under the New York LIBOR Legislation, LIBOR references in such contracts would be replaced with SOFR plus any applicable spread adjustment and any conforming changes selected or recommended by the Federal Reserve Board, the Federal Reserve Bank of New York or by the ARRC. The New York LIBOR Legislation also establishes a safe harbor from liability for the selection and use of the recommended benchmark interest rate.

These announcements mean that LIBOR referencing contracts maturing after June 30, 2023, will need to be amended to reference alternative rates unless they are otherwise subject to contemplated regulatory or legislative remediation. These developments and uncertainties around further legislative or regulatory developments may adversely affect the market for LIBOR-based financial instruments, including interest rates on certain of our floating rate loans, deposits, derivatives, and other financial instruments tied to LIBOR rates, as well as the revenue and expenses associated with those financial instruments.

We commenced an enterprise-wide initiative to identify and help mitigate risks associated with the expected discontinuance of LIBOR. An internal LIBOR transition working group meets regularly, engages with industry working groups, and leverages regulatory best practice guidelines to help effectuate the transition. As of December 31, 2022, we had direct exposure to U.S. Dollar LIBOR-linked interest rate settings through certain CLO Investments Loans. For our latest generation of CLOs, we have been incorporating provisions to address a potential transition from LIBOR, however certain older CLOs may

not currently have been amended to contain clear LIBOR transition procedures. For these older CLOs, legislative remedy such as outlined by the New York LIBOR Legislation may be relied upon.

At this point in time, it remains unclear if there will be further legislative or regulatory developments that might impact LIBOR's replacement in certain contracts. Given characteristic differences between LIBOR and the regulatory endorsed alternative reference rates, there is no guarantee that said reference rates will behave or perform in a manner similar to LIBOR in the future. Given this, it is not possible to predict the effect of LIBOR cessation and adoption of alternative reference rates, including any impact on our LIBOR-linked CLOs. There is no guarantee that a transition from LIBOR to an alternative will not result in broader financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have a material adverse effect on our business, result of operations, financial condition, and price of our Class A Shares. Please see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Risks to Our Liquidity" for additional information.

Our business and financial condition may be materially adversely impacted by the loss of any of our key executive managing directors, particularly certain members of our Partner Management Committee, or other employees.

The success of our business depends on the efforts, judgment and personal reputations of our key executive managing directors, particularly certain members of our Partner Management Committee. Our key executive managing directors' reputations, expertise in investing and risk management, relationships with investors in our funds and third parties on which our funds depend for investment opportunities and financing are each critical elements in operating and expanding our business. The loss of any of these individuals – including James Levin, who assumed the role of our Chief Executive Officer and Chief Investment Officer – could harm our business and jeopardize our relationships with our fund investors and members of the business community. We believe our performance is highly correlated to the performance of these individuals. Accordingly, the retention of our key executive managing directors is crucial to our success, but none of them is obligated to remain actively involved with us. In addition, if any of our key executive managing directors were to join or form a competitor, some of our fund investors could choose to invest with that competitor rather than in our funds. The loss of the services of any of our key executive managing directors could have a material adverse effect on our business, financial condition or results of operations, including on the performance of our funds, our ability to retain and attract fund investors and highly qualified employees and our ability to raise new funds.

In addition, investors in most of our funds have certain key person provisions that are triggered upon the loss of services of one or more key investment professionals and could, upon the occurrence of such event, provide the investors in the funds with certain rights such as earlier redemption rights (including by conversion to interests providing for more frequent liquidity) or rights providing for the termination or suspension of the funds' investment periods and/or wind-down of the funds. Accordingly, the loss of such key investment professionals could result in significant or earlier redemptions from our funds or disruption of the funds' investment activities, which could have a material adverse impact on our business, financial condition or results of operations, and could harm our ability to maintain or grow our Assets Under Management in existing funds or raise additional funds in the future. Withdrawals exercised pursuant to key person provisions could lead to a liquidation of certain funds and a corresponding elimination of our management fees and potential to earn incentive income beyond the withdrawal dates with respect to such funds. This risk is somewhat mitigated by the fact that our executive managing directors and managing directors are subject to certain restrictions with respect to competing with us, soliciting our employees and fund investors and disclosing confidential information about our business.

Our ability to retain and attract executive managing directors, managing directors and other investment professionals is critical to the success and growth of our business.

Our investment performance and ability to successfully manage and expand our business, including into new geographic areas, is largely dependent on the talents and efforts of highly skilled individuals, including our active executive managing directors, managing directors and other investment professionals. Accordingly, our future success and growth depend on our ability to retain and motivate our active executive managing directors and other key personnel and to strategically recruit, retain and motivate new talent. We may not be successful in our efforts to recruit, retain and motivate the required personnel as the global market for qualified investment professionals is extremely competitive, particularly in cases where we are competing for qualified personnel in geographic or business areas where our competitors have a significantly greater presence or more extensive experience. Further, in January 2023, the U.S. Federal Trade Commission published a proposed rule that, if finally issued, would

generally prohibit post-employment non-compete clauses (or other clauses with comparable effect) in agreements between employers and their employees. We are monitoring the proposed rule and the impact it may have on our ability to recruit and retain our professionals. We compete intensely with businesses both within and outside the alternative asset management industry for highly talented and qualified personnel. Accordingly, in order to retain and attract talent, our total compensation and benefits expense could increase to a level that may materially adversely affect our profitability and reduce our cash available for distribution to our executive managing directors and Class A Shareholders.

It may be difficult for us to retain and motivate our active executive managing directors after their interests in our business are fully vested and they are permitted to exchange their interests for Class A Shares that they can sell. All of the Group A Units and the majority of the Group E Units granted to executive managing directors in connection with the Recapitalization are now fully vested. Sculptor Operating Group common units otherwise granted to our executive managing directors, including awards granted under our Incentive Program established in 2017 (the "2017 Incentive Program"), continue to vest over time. The holder of any Group A Units generally has the right to exchange each of his or her Group A Units for one of our Class A Shares (or, at our option, the cash equivalent thereof), subject to vesting and book-up requirements and transfer restrictions under the Sculptor Operating Partnerships' limited partnership agreements and the Class A Unit Exchange Agreement (as defined below). Beginning on the final day of the Distribution Holiday, each of our executive managing directors may exchange his or her vested and booked-up Group A Units over a period of two years in three equal installments commencing upon the final day of the Distribution Holiday and on each of the first and second anniversary thereof (or, for units that become vested and booked-up Group A Units after the final day of the Distribution Holiday, from the later of the date on which they would have been exchangeable in accordance with the foregoing and the date on which they become vested and booked-up Group A Units) (and thereafter such units will remain exchangeable), in each case, subject to certain restrictions. For more detail regarding exchange rights of our active executive managing directors, see "—The price of our Class A Shares may decline due to the large number of shares eligible for future sale and for exchange into Class A Shares." See Note 13 to our consolidated financial statements included in this report for additional information on the 2017 Incentive Program and Note 3 to our consolidated financial statements included in this report for additional information on the Recapitalization.

If we are unable to retain the services of any of our active executive managing directors, the loss of their services could have a material adverse effect on our business, financial condition or results of operations, including by harming our ability to maintain or grow Assets Under Management in existing funds or raise additional funds in the future.

In any year where our funds experience losses and we do not earn incentive income, bonuses for that year (and in subsequent years until such losses are recouped) may be significantly reduced. Reduced bonuses, particularly during subsequent years, could have a material adverse impact on our ability to motivate and retain our investment professionals and other employees.

Furthermore, our active executive managing directors and investment professionals possess substantial experience and expertise in investing, are responsible for locating and executing our funds' investments, have significant relationships with the institutions that are the source of many of our funds' investment opportunities, and in certain cases have strong relationships with our fund investors. Therefore, if our active executive managing directors or investment professionals join competitors or form competing businesses, we could experience a loss of investment opportunities and existing fund investor relationships, which if significant, would have a material adverse effect on our business, financial condition or results of operations.

The Sculptor Operating Partnerships' limited partnership agreements and other agreements entered into with our executive managing directors provide that the ownership interests in our business that are held by our executive managing directors are subject to various transfer restrictions and vesting and forfeiture conditions. In addition, the RSUs that have been awarded to our managing directors, certain executive managing directors and certain other employees are also subject to certain vesting and forfeiture requirements. Further, all of our active executive managing directors and managing directors are subject to certain restrictions with respect to competing with us, soliciting our employees and fund investors and disclosing confidential information about our business. These restrictions, however, may not be enforceable in all cases and can be waived by us at any time. There is no guarantee that these requirements and agreements, or the forfeiture provisions of the Sculptor Operating Partnerships' limited partnership agreements (which are relevant to our executive managing directors) or the agreements we have with our managing directors will prevent any of these professionals from leaving us, joining our competitors or otherwise competing with us. Any of these events could have a material adverse effect on our business, financial condition or results of operations.

We have experienced and may again experience periods of rapid growth and significant declines in Assets Under Management, which place significant demands on our legal, compliance, accounting, risk management, administrative and operational resources.

Rapid changes in our Assets Under Management may impose substantial demands on our legal, compliance, accounting, risk management, administrative and operational infrastructures. The complexity of these demands, and the time and expense required to address them, is a function not simply of the size of the increase or decrease, but also of significant differences in the investing strategies employed within our funds and the time periods during which these changes occur. For example, expanding our product offerings and entering into new lines of business places additional demands on our infrastructure. Furthermore, our future growth will depend on, among other things, our ability to maintain and develop highly reliable operating platforms, management systems and financial reporting and compliance infrastructures that are also sufficiently flexible to promptly and appropriately address our business needs, applicable legal and regulatory requirements and relevant market and other operating conditions, all of which can change rapidly.

Addressing the matters described above may require us to incur significant additional expenses and to commit additional senior management and operational resources, even if we are experiencing declines in Assets Under Management.

There can be no assurance that we will be able to manage our operations effectively without incurring substantial additional expense or that we will be able to grow our business and Assets Under Management, and any failure to do so could materially adversely affect our ability to generate revenues and control our expenses.

We are highly dependent on information systems and other technology, including those used or maintained by third parties with which we do business. Any failure or breach in any such systems or infrastructure (including from a cyberattack) could materially impair our business, financial condition or results of operations.

Our business is highly dependent on information systems and technology. We rely heavily on our financial, accounting, trading, risk management and other data processing and information systems to, among other things, execute, confirm, settle and record a very large number of transactions, which can be highly complex and involve multiple parties across multiple financial markets and geographies, and to facilitate financial reporting and legal and regulatory compliance all in an extremely time-sensitive, efficient and accurate manner. We must continually update these systems to properly support our operations and growth, which creates risks associated with implementing new systems and integrating them into existing ones. We also use and rely upon third-party information systems and technology to perform certain business functions. Such third-party technology may be integrated with our own. Therefore, we face additional significant risks that would arise from the failure, disruption, termination or constraints (including, in all respects, via a security breach or other tampering) in the information systems and technology of such third parties, including financial intermediaries such as exchanges and other service providers whose information systems and technology we use. Any of these information systems or technology infrastructures could fail, become disrupted (including by unauthorized security breaches) or otherwise not operate properly or as intended.

In addition, our systems may be subject to cyberattacks. Breaches of our network security systems could involve attacks that are intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer malware, cyberattacks and other means and could originate from a wide variety of sources, including employees, foreign governments and other unknown third parties outside the firm. The increased use of mobile technology can heighten these and other operational risks. Further, the use of remote work environments and virtual platforms, geopolitical tensions or conflicts, such as the ongoing conflict between Russia and Ukraine, may create a heightened risk of cyberattacks or other data security breaches. Although we take various measures to ensure the integrity of our systems, there can be no assurance that these measures will always provide sufficient protection. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, cybersecurity has become a top priority for regulators around the world. Many jurisdictions in which we operate have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including, in the EU, the General Data Protection Regulation ((EU) 2016/679) (the "GDPR"), which came into effect on May 25, 2018, as supplemented by various national laws, and further implemented through binding guidance from the European Data Protection Board, and the UK Data Protection Act of 2018 (the "UK Data Protection Act"). The California Consumer Privacy Act (the "CCPA"), which came into operation on January 1, 2020, provides enhanced consumer protections for California residents, including a private right of action for some data breaches, and imposes civil penalties for violations. The California Privacy Rights Enforcement Act (the "CCPRA") further expanded the

privacy rights of California residents as of January 1, 2023. Virginia and other states either have comprehensive laws similar to the CCPA and CDPRA going into operation this year, in the case of Colorado, Connecticut and Utah, or are considering similar laws. Some jurisdictions, including all 50 U.S. states, have also enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. Breaches in security could potentially jeopardize our, our employees' or our fund investors' or counterparties' confidential and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our, our employees', our fund investors', our counterparties' or third parties' operations, which could result in significant losses, increased costs, disruption of our business, liability to our fund investors and other counterparties, regulatory intervention or reputational damage. Furthermore, if we fail to comply with the relevant laws and regulations, it could result in regulatory investigations and penalties, which could lead to negative publicity and may cause our fund investors and clients to lose confidence in the effectiveness of our security measures. Any of these failures, particularly those that directly affect us, could materially impair our business, financial condition or results of operations.

Traditionally we have depended on our headquarters in New York and our London and Hong Kong offices, where most of our personnel are located. Although, we have taken important precautions to limit the impact of failures or disruptions in the information systems and technology infrastructures that we use, as well as the impact of physical disruptions to our New York headquarters, London and Hong Kong offices, these precautions, including our disaster recovery programs, may not be sufficient to adequately mitigate the harm that may result from such a disaster or disruption. While we believe we have been successful in operating our business remotely, unexpected operational challenges may arise in the future. If we or any of our key service providers were to experience material disruptions in the ability for our or their employees to work remotely, our ability to operate our business could be materially adversely impacted. In addition, insurance and other safeguards might only partially reimburse us for any losses, if at all.

Private litigation could result in significant legal and other liabilities and reputational harm, which could materially adversely affect our business, financial condition or results of operations.

We face significant risks in our business that may subject us to private litigation and legal liability. In general, we will be exposed to litigation risk in connection with any allegations of misconduct, negligence, dishonesty or bad faith arising from our management of any fund or by actions taken in the running of our parent company or operating partnerships. See, e.g., *—Part I, Item 3. Legal Proceedings* for additional information on a complaint under Section 220 filed by Dan S. Och and four former Och-Ziff executive managing directors. We may also be subject to litigation arising from investor dissatisfaction with the performance of our funds, including certain losses due to the failure of a particular investment strategy or improper trading activity, if we violate restrictions in our funds' organizational documents or from allegations that we improperly exercised control or influence over companies in which our funds have large investments. In addition, we are exposed to risks of litigation relating to claims that we have not properly addressed conflicts of interest. Any litigation arising in such circumstances is likely to be protracted, expensive and surrounded by circumstances that could be materially damaging to our reputation and our business. Moreover, in such cases, we would be obligated to bear legal, settlement and other costs, which may be in excess of any available insurance coverage. In addition, although we are indemnified by our funds, our rights to indemnification may be challenged. If we are required to incur all or a portion of the costs arising out of any litigation or investigation as a result of inadequate insurance proceeds, if any, or fail to obtain indemnification from our funds, our business, financial condition or results of operations could be materially adversely affected. In the event any fund-related litigation scenarios described above materialize, it is possible we are made a party to any such litigation. As with the funds, while we maintain insurance, there can be no assurance that our insurance will prove to be adequate. If we are required to incur all or a portion of the costs arising out of litigation, our business, financial condition or results of operations could be materially adversely affected. Furthermore, any such litigation could be protracted, expensive and highly damaging to our reputation, which could result in a significant decline in our Assets Under Management and revenues, even if the underlying claims are without merit. See *—Part II, Item 3. Legal Proceedings* for additional information. In addition, we may participate in transactions that involve litigation (including the enforcement of property rights) from time to time, and such transactions may expose us to reputational risk and increased risk from countersuits.

Extensive regulation of our business affects our activities and creates the potential for significant liabilities and penalties. Our reputation, business, financial condition or results of operations could be materially affected by regulatory issues.

Our business is subject to extensive and complex regulation, including periodic examinations and regulatory investigations, by governmental and self-regulatory organizations in the jurisdictions in which we operate and trade around the

world. As an investment adviser registered under the Advisers Act and a company subject to the registration and reporting provisions of the Exchange Act, we are subject to regulation and oversight by the SEC. As a company with a class of securities listed on the NYSE, we are subject to the rules and regulations of the NYSE. As a registered commodity pool operator and a registered commodity trading advisor, we are subject to regulation and oversight by the U.S. Commodity Futures Trading Commission ("CFTC") and the National Futures Association. In addition, we are subject to regulation by the Department of Labor under ERISA. In the UK, our UK sub-adviser is subject to regulation by the FCA. Our Asian operations, and our investment activities around the globe, are subject to a variety of other regulatory regimes that vary country by country, including the Securities and Futures Commission in Hong Kong.

The regulatory bodies with jurisdiction over us have the authority to grant, and in specific circumstances to cancel, permissions to carry on our business and the authority to conduct investigations and administrative proceedings. Such investigations and administrative proceedings can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of an investment adviser from registration or memberships. For example, a failure to comply with the obligations imposed by the Exchange Act or Advisers Act, including recordkeeping, advertising and operating requirements, disclosure obligations and prohibitions on fraudulent activities, or a failure to maintain our funds' exemption from compliance with the Investment Company Act of 1940 (the "1940 Act") could result in investigations, sanctions and reputational damage, which could adversely affect our business, financial condition or results of operations. Our funds are involved regularly in trading activities that implicate a broad number of U.S. and foreign securities law regimes, including laws governing trading on inside information, market manipulation, anti-corruption, including the FCPA, and a broad number of technical trading requirements that implicate fundamental market regulation policies. Even if an investigation or proceeding does not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing investors or to fail to gain new investors. Furthermore, the legal, technology and other costs associated with regulatory investigations could increase to such a level that they could have a material impact on our business, financial condition or results of operations.

These global financial services regulators affect us not only with their regulations, but also with their examination, inspection and enforcement functions. We are routinely subject to examination and inspection and, although we make reasonable efforts to maintain effective compliance programs, there can be no assurances that any such inquiry would not result in a finding or sanction that would adversely affect our business, financial condition or results of operations. Likewise, enforcement investigations and administrative inquiries can be sweeping in nature. Cooperating with these investigations, as is our practice, can be expensive and time-consuming and could distract us from our business operations. In particular, U.S. regulators routinely investigate potentially serious matters such as possible insider trading, market manipulation, misleading disclosure, conflicts of interest, fraud, foreign corruption, including under the FCPA; lesser potential violations, such as books and records inaccuracies, weaknesses in internal controls; and compliance with general reporting and advertising regulations. For the past several years, we have cooperated with a number of regulatory investigations and examinations, both domestically and internationally, and we expect to be the subject of investigations and examinations in the future. There can be no assurances that ongoing or future investigations will not adversely affect our business, financial condition or results of operations. Enforcement actions and administrative proceedings can result in fines, or other sanctions, including censure, the issuance of a cease-and-desist order, suspension or expulsion of persons or firms from the industry. Such sanctions can harm our reputation and cause us to lose existing investors or fail to gain new investors, which could adversely affect our business, financial condition or results of operations and related fines and settlements could have a material adverse effect on our business, financial condition or results of operations as described below in "—The FCPA settlements could have a material adverse effect on our ability to raise capital for our funds."

In addition, we regularly rely on exemptions or exclusions from various requirements of the Securities Act, the Exchange Act, the 1940 Act, the Commodity Exchange Act and ERISA in conducting our asset management activities. These exemptions or exclusions are sometimes highly complex and may, in certain circumstances, depend on compliance by third parties whom we do not control. If for any reason these exemptions or exclusions were to become unavailable to us, we could become subject to regulatory action or third-party claims and our business, financial condition or results of operations could be materially adversely affected. Certain of the requirements imposed under the 1940 Act, the Advisers Act, ERISA and by non-U.S. regulatory authorities are designed primarily to ensure the integrity of the financial markets and to protect investors in our funds and are not designed to protect holders of our Class A Shares. At any time, the regulations applicable to us may be amended or expanded by

the relevant regulatory authorities. If we are unable to correctly interpret and timely comply with any amended or expanded regulatory requirements, our business, financial condition or results of operations could be adversely impacted in a material way.

We may also be adversely affected if additional legislation or regulations are enacted, or by changes in the interpretation or enforcement of existing rules and regulations imposed by the SEC, other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets and their participants. See "*—Increased regulatory focus in the U.S. could result in additional burdens on our business" and "—Regulatory changes in jurisdictions outside the U.S. could adversely affect our business*" for additional information. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with additional new laws or regulations could be difficult and expensive and affect the manner in which we conduct business, and we may be unable to correctly interpret and timely comply with any amended or expanded regulatory requirements, which could have adverse impacts on our business, financial condition or results of operations.

The FCPA settlements could have a material adverse effect on our ability to raise capital for our funds.

In September 2016, we reached settlements with the DOJ and the SEC, resolving their investigations into our former private investment business in Africa and a 2007 investment by the Libyan Investment Authority in certain of our funds. As part of the settlements, we entered into a Deferred Prosecution Agreement ("DPA") with the DOJ, and our subsidiary, OZ Africa, agreed to plead guilty to one count of conspiracy to violate the anti-bribery provisions of the FCPA. In November 2020, Oz Africa paid approximately $138.0 million to former shareholders of Africo Resources Ltd. to settle the matter of U.S. v. Oz Africa Management GP, LLC, Cr. No. 16-515 (NGG) (EDNY) and the DPA was terminated shortly thereafter.

Any potential continuing negative impact of the FCPA settlements on our ability to raise or retain capital for our funds could adversely affect our business, financial condition or results of operations.

Increased regulatory focus in the U.S. could result in additional burdens on our business.

The financial industry has become more highly regulated. Legislation has been introduced in recent years in the U.S. relating to financial markets and institutions, including alternative asset management firms, which would result in increased oversight and taxation. There has been, and may continue to be, a related increase in regulatory investigations of the trading and other investment activities of alternative investment funds, including our funds. Such investigations may impose additional expenses on us, may require the attention of senior management and may result in fines if any of our funds are deemed to have violated any regulations.

We are subject to numerous regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Title VII of the Dodd-Frank Act (the "Derivatives Title") has imposed and will impose a comprehensive regulatory regime on over-the-counter ("OTC") derivatives and the operations of the markets for, and the activities of the dealers in and users of, OTC derivatives. The Derivatives Title, among other things: (i) could require certain OTC derivatives, including "swaps" (such as rate, credit, equity and commodity swaps) and "security-based swaps" (swaps and security-based swaps, collectively, "Swaps"), to be traded on a regulated exchange and cleared through a regulated clearing entity, potentially increasing significantly the collateral costs associated with such activities; (ii) imposes initial and variation margin requirements on certain entities whose derivatives are not cleared through a regulated clearing entity; (iii) creates several new classes of CFTC and SEC registrants, including "swap dealers," "security-based swap dealers," "major swap participants" and "major security-based swap participants," that are subject to comprehensive regulation, including minimum net capital, margin, disclosure, reporting and recordkeeping requirements, conflicts of interest policies and procedures, new business conduct standards and other regulatory requirements; and (iv) expands the CFTC's authority to impose speculative position limits with respect to derivative instruments, including Swaps on certain physical commodities (such as Swaps based on oil, gas, precious metals and agricultural commodities) and aggregate position limits for those instruments (including futures and options contracts and other listed instruments that are economically equivalent to such contracts) based on the same underlying physical commodity.

We are and may be directly and indirectly affected by the Derivatives Title and its rules, including but not limited to potential results such as increased clearing and margin costs and decreasing liquidity. The SEC requirements have largely yet to be made effective, but the CFTC requirements are largely in place. The regulatory requirements under the Derivatives Title continue to be developed and there may be further modifications that could impact materially and adversely the funds we manage, the

markets in which these funds trade and the counterparties with which these funds engage in transactions. At this time we still cannot fully predict what impact the Derivatives Title will have on us, the funds we manage, our counterparties, the financial services industry or the markets, although we have already seen meaningful impacts on the financial services industry and the markets, both positive and negative.

The Financial Stability Oversight Council (the "Council") has the authority under the Dodd-Frank Act to review nonbank financial companies predominantly engaged in financial activities for potential designation as systematically important financial institutions ("SIFI"). In December 2019, the Council voted to change its methodology for assessing financial stability from its previous entity-specific approach to designation to a products and activities-based approach to designation. This reduces the risk of an entity-level designation, however it remains too early to predict the direction of the forthcoming regulatory environment and the Council retains the authority to designate an entity if an activities-based approach does not adequately address potential risks. If we or any of our funds were to be designated as a SIFI, or otherwise designated by the Council as presenting systemic risk, we would be subject to limitations on our ability to conduct certain activities, along with increased costs of doing business in the form of fees and assessments associated with such designation as well as by virtue of increased regulatory compliance costs, all of which would be likely to adversely affect our competitive position.

On December 10, 2013, U.S. financial regulators adopted final regulations to implement the statutory mandate of the "Volcker Rule" contained in Section 619 of the Dodd-Frank Act. The Volcker Rule limits the ability of certain banking entities to acquire as principal, directly or indirectly, ownership interests in certain private investment funds (referred to in the Volcker Rule as "covered funds"). As a result, the Volcker Rule may cause banking entities and their affiliates that would otherwise invest in our funds to not invest in our funds or CLOs, to invest less capital in our funds or CLOs, reduce or eliminate such investments, or require modifications to the documents governing our funds or CLOs that may adversely affect their performance or attractiveness to other investors or that otherwise may be adverse to our business and the value of our Class A Shares. The Volcker Rule also includes a general prohibition on certain banking entities engaging in activities defined as "proprietary trading." Applicable regulators have proposed amendments and invited comments to the Volcker Rule and the requirements of the Volcker Rule may change over time. The Volcker Rule (including any changes thereto) and its effects could negatively impact our business, financial condition or results of operations.

The Dodd-Frank Act also requires increased disclosure of executive compensation and provides shareholders with the right to a non-binding vote on executive compensation. In October 2022, the SEC adopted final rules, as mandated by the Dodd-Frank Act, requiring companies to develop and enforce recovery policies that in the event of an accounting restatement, "claw back" from current and former executive officers' incentive-based compensation they would not have received based on the restatement.

Furthermore, the Dodd-Frank Act required the SEC and the CFTC to implement more expansive regulations concerning whistleblowers. The SEC and the CFTC have each adopted rules under this requirement, establishing reward programs for persons who bring information to the SEC or the CFTC. To receive a reward under these programs, the information must lead to the successful enforcement or resolution of a judicial or administrative action brought by the SEC or CFTC that results in a monetary sanction of more than $1.0 million for a violation of the securities laws or the Commodity Exchange Act, respectively. These rules may result in increased regulatory inquiries or investigations by the SEC or the CFTC. Such inquiries or investigations could impose significant additional expense on us, require the attention of senior management and result in negative publicity and harm to our reputation.

Effective September 23, 2013, and pursuant to a mandate under the Dodd-Frank Act, the SEC adopted amendments to Rule 506 that disqualify issuers, such as our funds, from relying on the exemption from registration provided by Rule 506 in connection with a securities offering structured as a private placement if any "covered persons" are deemed to be "bad actors." Specifically, an issuer generally will be precluded from conducting offerings that rely on the registration exemption provided by Rule 506 if a "covered person" has been subject to a relevant criminal conviction, regulatory or court order or other disqualifying event that occurred on or after September 23, 2013. For these purposes, the "covered persons" of an issuer include directors, certain officers, various entities related to the issuer, solicitors and promoters of the issuer and 20% beneficial owners of the issuer's voting securities. Risk to the business would be created should a Rule 506 disqualifying event take place in the future.

These and other outstanding rulemakings mandated by the Dodd-Frank Act will be completed by various regulatory bodies and other groups over the next several years, and the Dodd-Frank Act mandates multiple agency reports and studies

(which could result in additional legislative or regulatory action). As a result of the regulatory and other action yet to be taken, we do not know what the remaining final regulations under the Dodd-Frank Act will require and it is difficult to predict how significantly the Dodd-Frank Act will affect us. The Dodd-Frank Act will likely increase our administrative costs and could impose additional restrictions on our business.

The Foreign Investment Risk Review Modernization Act ("FIRRMA") and related regulations significantly expanded the types of transactions that are subject to the jurisdiction of the Committee on Foreign Investment in the United States ("CFIUS"). Under FIRRMA, CFIUS has the authority to review and potentially block or impose conditions on certain foreign investments in U.S. companies and real estate, which may reduce our ability to raise capital from certain types of investors.

Risk retention regulations could adversely affect our business.

Jurisdictions including the U.S., the EU and UK have adopted risk retention regulations applicable to securitizations and similar transactions, including CLOs and other transactions that we manage or may manage in the future. As a result of these regulations, we may be required to retain, and historically have retained, a portion of the securities or other interests issued in some of these CLOs and other transactions, whether in order to satisfy compliance obligations directly applicable to us or in response to investor demands based on regulatory requirements imposed on such investors. Accordingly, this has required us to utilize capital that could otherwise be deployed in another manner, and we expect that we will need to continue to do so in the future for certain CLOs and other transactions that we may manage in the future. In addition, retaining interests in these transactions increases our exposure to the performance of these transactions and changes in the value of those interests. We have also incurred, and expect to continue to incur, costs and expenses in connection with our efforts to comply with these regulations or related investor demands. We have historically financed the majority of the interests we retain as a result of these regulations, and expect to continue to do so. Such financing arrangements may impose limitations or restrictions on our business that could adversely affect our business and the price of our Class A Shares.

These risk retention regulations have changed and may continue to change over time, and may be introduced in other jurisdictions, and their interpretation and applicability at any given point in time may be uncertain. For example, as of January 1, 2019, new EU and UK risk retention regulations replaced previously existing EU and UK risk retention regulations for applicable transactions that issue securities on or after January 1, 2019. In addition, in the U.S., a court has held that certain regulators exceeded their statutory authority by requiring managers of "open-market" CLOs to hold risk retention interests in those CLOs under U.S. risk retention regulations. Regulatory uncertainty of this nature may cause us to continue to incur costs and expenses in our efforts to comply with risk retention regulations or in response to the efforts of others to comply with risk retention regulations, and there can be no assurance that those costs and expenses, or the amount of capital we invest in connection with these risk retention regulations, will not increase in the future. Nor can there be any assurance that applicable governmental or regulatory authorities agree with our compliance approaches to these risk retention regulations, which may expose us to liability, including to third parties to whom we have made representations, warranties or covenants regarding such compliance. In the event that we adopt compliance approaches that are subsequently determined to not be required (such as with U.S. "open-market" CLOs), or are less capital-efficient than other approaches subsequently determined to be possible under applicable law, there can be no assurance that we will be able to recover or redeploy capital that we've previously committed (and we may be contractually prohibited from disposing of the related risk retention interests), and we will generally not be able to recover any costs or expenses that we have already incurred.

In addition to any direct effects on us, risk retention regulations may adversely affect markets relevant to our business, such as leveraged loan markets or credit markets generally, which may in turn adversely affect the transactions we manage and our business generally. There can be no assurance that risk retention regulations will not materially and adversely affect our business and operations, and the price of our Class A Shares.

A downturn in the global credit markets could adversely affect our CLO investments.

CLOs are subject to credit, liquidity, interest rate and other risks. From time to time, liquidity in the credit markets is reduced, sometimes significantly, resulting in an increase in credit spreads and a decline in ratings, performance and market values for leveraged loans. We have exposure to these markets through our investments in our CLOs. In some cases, we may be required to maintain such exposure as a result of applicable risk retention regulations. CLOs invest on a leveraged basis in loans or securities that are themselves highly leveraged investments in the underlying collateral, which increases both the opportunity for

higher returns as well as the magnitude of losses when compared to unlevered investments. As a result of CLOs' leveraged position, CLOs and their investors are at greater risk of suffering losses. Any failure by our CLOs to meet certain overcollateralization and interest coverage tests will result in reduced cash flows that may have been otherwise available for distribution to us. This could reduce the value of our investment. There can be no assurance that market conditions giving rise to these types of consequences will not occur, subsist or become more acute in the future.

Increasing ESG-related requirements and expectations, including with respect to climate impact, could adversely affect our business and results of operations.

Regulation relating to the consideration of environmental, social and governance ("ESG") factors by investment managers and related disclosure requirements is rapidly evolving in many countries in which we do business. Compliance with these requirements will increase our compliance costs and could require changes to our investment policies and processes, which could adversely affect our business and results of operations.

New U.S. regulations may be adopted that require specified ESG-related disclosures by investment managers or public companies, which could increase our compliance costs. For example, in 2022, the SEC proposed rules that will require public companies to disclose information related to their direct and indirect greenhouse gas emissions. In addition to our own required disclosures, portfolio companies in which our funds invest may become subject to heightened disclosure and compliance obligations related to climate impact. Compliance by these companies may require capital expenditures and changes to operations and supply chains. Non-compliance with climate-related disclosure obligations could create business risks for companies in which our funds invest, which could negatively impact the returns in our funds.

In addition, asset owner expectations and requirements concerning managers' integration of ESG factors, including with respect to climate impact, into investment decisions and ongoing engagement are increasing, including due to requirements in some jurisdictions that asset owners integrate consideration of ESG factors into their investment decisions. Asset owner expectations, at both the manager and fund level, concerning voluntary ESG disclosures and membership and participation in and adherence to voluntary standards, codes, principles and initiatives also are increasing. In the U.S. the Biden administration has included rules adopted by the Department of Labor (the "DOL") in its list of agency actions required to be reviewed by agency heads for a potential conflict with the administration's environmental policies. These DOL rules require investments by ERISA funds to be made based solely on appropriately weighted pecuniary factors, which are certain material financial factors. Some of our investors are ERISA funds, and their investment processes may differ from our other funds as a result of these rules. If these rules are repealed or modified, it may change how some of our investors allocate capital. Compliance with these expectations and requirements may increase our costs and in some cases limit our investment options. Asset owner expectations concerning how managers manage ESG factors at the firm level also are increasing. Failure to meet any of the foregoing ESG-related expectations or requirements of investors and prospective investors, either at the fund or firm level, may adversely impact our ability to raise new funds and result in redemptions by existing investors, or may limit the types of investment opportunities that are available to our funds.

Additionally, the European Union's Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (as amended from time to time, the "SFDR") sets out certain ESG and sustainability disclosure requirements for alternative investment fund managers undertaking fund management activities, or marketing fund interests, to investors within the EEA, such as Sculptor Capital LP. To the extent applicable, the SFDR will require both manager level and pre-contractual product-specific disclosures, including among other things on how managers integrate sustainability risks into their investment decision-making process and remuneration decisions and the results of the assessment of the likely impacts of sustainability risks. In some situations, managers may be required to undertake a periodic assessment of the principal adverse impacts of a fund's impact on sustainability factors. Additional requirements, including ongoing disclosure requirements, also apply for products which promote environmental or social characteristics or have a sustainable investment objective. These requirements may result in additional compliance costs, disclosure obligations or other implications or restrictions on our funds and our investment advisers, including the requirement to capture information or data about our funds or their investments. Additionally, an investment adviser may be required to classify itself or the funds it manages against certain ESG criteria, some of which can be open to subjective interpretation. Our view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. A change to the relevant classification may require further actions to be taken, for example it may require further disclosures by an investment adviser or the fund or it may require new processes to be set up to capture data about the fund or its investments, which may lead to additional cost to be

borne by the fund. Additionally, the classification of a fund into a certain ESG category may make it more difficult for the fund to raise its targeted amount of capital commitments as such classification may not reflect the beliefs or values of a particular investor in the manner of which another classification otherwise would.

Further, the FCA has introduced a new regulatory framework focused on implementing the recommendations of the Financial Stability Board Taskforce on Climate-related Financial Disclosures ("TCFD") and, in particular, by introducing mandatory TCFD-aligned disclosure for certain FCA authorized firms. The rules capture certain asset managers and is a phased approach to the implementation of these rules. These new and changing rules and regulations are likely to result in increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations.

Finally, the significant physical effects of climate change including extreme weather events can also have an adverse impact on certain of our real estate portfolio investments, especially any real asset investments that may rely on physical property and equipment located in affected areas. As the effects of climate change increase, we expect the frequency and impact of weather and climate related events and conditions to increase as well.

Regulatory changes in jurisdictions outside the U.S. could adversely affect our business.

Similar to the U.S., jurisdictions outside the U.S. in which we operate, in particular the EU and the UK, have become subject to further regulation. Regulators and other governmental authorities in the EU and the UK have proposed or implemented a number of initiatives and additional rules and regulations that could adversely affect our business. While we have developed and implemented policies and procedures designed to ensure compliance with these rules and regulations, such policies and procedures may not be effective in all instances to prevent violations. Any such violations could subject us to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our business, financial condition or results of operation.

The EU's Alternative Investment Fund Managers Directive (2011/61/EU) (including all national, implementing or supplementary measures, laws and regulations the "AIFMD") and the UK Alternative Investment Fund Managers Regulations 2013 as amended from time to time, including by the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019, (the "AIFM Law") may have an adverse effect on the continued operation of our funds where interests are offered to or placed with investors in the European Economic Area (the "EEA") and the UK. The AIFMD and the AIFM Law are complex and key aspects of it remain subject to further consultation and interpretation.

The AIFMD and the AIFM Law impose significant regulatory requirements on alternative investment fund managers ("AIFMs"), operating within the EEA and the UK, as well as prescribing certain conditions with regard to regulatory standards, cooperation and transparency that need to be satisfied for non-EU and non-UK AIFMs to market alternative investment funds ("AIFs") into EEA Member States and the UK. Should any member of our group be treated as an AIFM operating within the EEA or the UK, AIFMD and the AIFM Law may impose additional costs on the operation of our business in the EEA and the UK and limit our operating flexibility. In any event, in order to market one of our AIFs to investors in the EEA or the UK, the non-EEA and non-UK investment adviser of that AIF will be required to comply with the marketing conditions in the AIFMD or the AIFM Law and any additional national restrictions (such as a requirement to appoint a depositary), assuming that national private placement is available. In addition, the AIFM will be required to comply specific notification or registration requirements and certain additional transparency requirements requiring disclosures to investors in the AIF and to EEA or UK regulators, such as annual reporting and regulatory filing requirements; requirements relating to the acquisition of substantial stakes in EEA or UK companies; and the jurisdictions in which the non-EEA or non-UK AIFM and the relevant AIF are organized satisfy certain conditions with regard to regulatory standards, cooperation and transparency. Compliance with these requirements may result in additional costs to our funds reducing the returns for investors. The need to comply with the registration requirements may also delay the capital raising process for our funds, in turn reducing the speed with which an investment manager could deploy the capital raised.

Furthermore, the extent to which an investment adviser of an AIF or any person acting on their behalf can market a fund in an EEA Member State or the UK may be more restricted than was the case before the AIFMD or the AIFM Law came into force. This could limit a fund's ability to attract investors based in those EEA Member States or the UK, resulting in a

reduction in the overall amount of capital raised by a fund which limits, in turn, the range of investment strategies and investments that a fund is able to pursue and make.

There is a risk that an investment adviser may breach the requirements imposed by the AIFMD or the AIFM Law as a result of the differing manner and way in which the AIFMD or the AIFM Law have been implemented in various EEA Member States and the UK, respectively. Such a breach may result in a regulatory authority or court in that or another EEA Member State or the UK requiring an investment adviser to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against an investment adviser or our funds. This may result in a reduction in the overall amount of capital available to our funds, which limits, in turn, the range of investment strategies and investments that our funds are able to pursue and make or otherwise result in a loss to our funds. Furthermore, there is a risk that the AIFMD or the AIFM Law will be interpreted differently by each EEA Member State or the UK. This may have an adverse effect on the marketing and/or operation of our funds and may result in additional costs, reducing the returns for investors.

A non-EEA or non-UK investment adviser, such as Sculptor Capital LP, is not required to comply with all of the requirements set out in the AIFMD or the AIFM Law. Accordingly, and subject to the below, investors in our funds may not receive the full protections or benefits available under AIFMD or the AIFM Law, which would otherwise be available to investors in an AIF managed by an EEA AIFM or UK AIFM.

Notwithstanding the above, in certain or all EEA Member States and the UK, we may choose not to market our funds at our own initiative or otherwise take any action that would result in the AIFMD or the AIFM Law applying to our investment advisers or our funds. In this respect, an investment adviser will only accept investors where an investment adviser concludes that such investors approached the investment adviser, our funds or someone acting on their behalf at their own initiative or that AIFMD or the AIFM Law would not otherwise apply to the investment adviser, our funds or any persons acting on their behalf. There is a risk that an EEA Member State or UK regulatory or governmental authority may reach a different conclusion than the investment adviser and find that the relevant measures taken in order to give effect to or supplement the AIFMD or the AIFM Law in one or more EEA Member States or the UK do apply to the investment adviser or our funds. Such a finding may result in a regulatory or governmental authority or court in one or more EEA Member States or the UK requiring an investment adviser or our funds to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against an investment adviser or our funds. This may result in a reduction in the overall amount of capital available to our funds, which limits, in turn, the range of investment strategies and investments that our funds are able to pursue and make or otherwise result in a loss to our funds. If an investor approaches an investment adviser or someone acting on their behalf at the investor's own initiative, a non-EEA or non-UK investment adviser will not be required to comply with any of the requirements of the AIFMD or the AIFM Law with which a non-EEA or a non-UK manager registered under the AIFMD or the AIFM Law is otherwise required to comply, and investors will not receive the protections or benefits available under the AIFMD or the AIFM Law, including initial disclosure requirements and periodic reporting on illiquid assets and leverage.

The European Commission recently published a proposed directive (known as "AIFMD II") to amend the AIFMD as it applies in the EEA. AIFMD II (which is not expected to come into force before 2024 at the earliest) includes significant proposals in respect of, among other things, delegation, loan origination, liquidity risk management, data reporting, depositaries and public disclosure via the European Single Access Point. At this stage, it cannot be ruled that the changes currently set out in AIFMD II will not change further or that new changes will not be introduced (each of which could again have a material impact upon the operation of our business in the EEA and could limit our operating flexibility and our ability to raise funds within the EEA) as the proposals are considered by the European Parliament and the European Council as part of the EU legislative process.

Separately to the AIFMD, the EU has also introduced significant changes to its regulation of EU securities and derivatives markets through "MiFID II" which came into force on January 3, 2018. MiFID II replaces the original MiFID I regime which had been in force since November 2007. MiFID II, which is comprised of the Markets in Financial Instruments Directive (2014/65/EU), the Markets in Financial Instruments Regulation ((EU)600/2014) and a number of regulatory and implementing technical standards that take the form of EU Delegated Acts, is the foundational legislation for investment firms operating in the EU. MiFID II forms part of UK law by virtue of national implementing legislation, sections 2 and 3 of the European Union (Withdrawal) Act 2018, the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 and a number of regulators' EU Exit Instruments ("UK MiFID II") and will apply to investment firms operating in the UK, including

our UK affiliates SCME and Sculptor Europe Loan Management Limited ("SELM"), both of which are authorized and regulated in the UK as MiFID investment firms.

MiFID II and UK MiFID II have imposed significant organizational, conduct, governance, operational and reporting requirements on SCME and SELM, including requirements around the receipt of inducements and the use of soft dollars / dealing commissions, enhanced transaction reporting and pre- and post-trade transparency requirements, formal telephone taping requirements, and best execution rules. Further, MiFID II and UK MiFID II rules may restrict the ability of other Sculptor entities domiciled outside of the EEA or the UK (known as "third-country firms") to provide investment services to clients domiciled in the EEA or the UK, respectively. Other changes resulting from MiFID II and UK MiFID II may have an impact on any Sculptor entity or client that trades on EEA or UK markets or trading venues, or does business with EEA of UK-regulated banks or brokers. These impacts may include venue trading requirements for certain categories of shares and derivatives, restrictions on so-called "dark pool" trading, product banning powers, algorithmic trading restrictions, and enhanced requirements around the provision of direct market access / direct electronic access services.

In addition to the AIFMD and MiFID II, the EU has implemented, or is in the process of implementing, a number of measures in response to the financial crisis or as part of an ongoing program of legislative change, which may or may not form part of the UK law. These include, but are not limited to:

- The European Markets Infrastructure Regulation ((EU) No 648/2012) (known as EMIR), which, together with EU Delegated Acts (including the Regulation and EU Delegated Acts as they form part of UK law by virtue of section 3 of the European Union (Withdrawal) Act 2018, the Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 and a number of regulators' EU Exit Instruments), imposes clearing, risk mitigation, margining and trade reporting requirements on derivatives counterparties.

- The Solvency II directive (including the directive as it forms part of UK law by virtue of national implementing legislation, section 2 of the European Union (Withdrawal) Act 2018 and the Solvency 2 and Insurance (Amendment etc.) (EU Exit) Regulations 2019), which applies capital charges on insurers in respect of their fund investments.

- The Market Abuse Regulation ((EU) No. 596/2014) (known as MAR) (including the regulation as it forms part of UK law by virtue of section 3 of the European Union (Withdrawal) Act 2018 and the Market Abuse (Amendment) (EU Exit) Regulations 2019) and a directive (including the directive as it forms part of UK law by virtue of national implementing legislation and section 2 of the European Union (Withdrawal) Act 2018) designed to harmonize criminal sanctions for market abuse (called CSMAD). MAR came into force in July 2016 and extended the EU's and UK's market abuse regime to behavior in respect of financial instruments traded on a wider variety of trading venues and EU and UK emission allowances, refined the definition of inside information, introduced a new offense of "attempted market manipulation" and strengthened regulatory authorities' investigative and sanctioning powers.

- The Securitisation Regulation ((EU) 2017/2402) (known as the Securitisation Regulation) (including the regulation as it forms part of UK law by virtue of section 3 of the European Union (Withdrawal) Act 2018 and the Securitisation (Amendment) (EU Exit) Regulations 2019) establishes due diligence, risk retention and transparency requirements for parties involved in securitisations. Among other requirements, the Securitisation Regulation imposes a duty on "institutional investors", which includes AIFMs investing in securitisations on behalf of their funds, to ensure that any investment in a "securitization" position is only undertaken following due diligence sufficient to verify, amongst other matters, that (i) the credit assets being securitised were originated on the basis of sound and well-defined criteria and (ii) the originator, sponsor or original lender retains on an ongoing basis a material net economic interest of at least 5% in the securitisation. The definition of "securitisation" is broad within the meaning of the Securitisation Regulation and includes structures which may not be "commercially" considered a securitisation but have the relevant characteristics.

- The Sustainable Finance Disclosure Regulation ((EU 2019/2088) (known as SFDR) establishes requirements on a broad range of investment firms, including certain of our affiliates, and firms providing investment advice to publish certain disclosures related to sustainability matters on their website and in pre-contractual disclosure documents

provided to investors. Additional requirements may apply to firms that promote funds or financial products with sustainable objectives or that promote environmental or social characteristics.

- The EU Cross-border Distribution of Funds Directive (EU 2019/1160) and Regulation (EU2019/1156) (known as the CBDF) have introduced new rules on pre-marketing and marketing within the EEA. There is uncertainty as to the manner in and extent to which the CBDF is being implemented in various EEA Member States and how it applies to third country managers. This uncertainty increases the risk of a breach by an investment adviser of the requirements imposed by the CBDF. Such a breach may result in a regulatory authority or court in that or another EEA Member State seeking to take enforcement or remedial action against an investment adviser or our funds. This may result in a reduction in the overall amount of capital available to our funds, which limits, in turn, the range of investment strategies and investments that our funds are able to pursue and make or otherwise result in a loss to our funds. Furthermore, there is a risk that the CBDF will be interpreted differently by each EEA Member State. This may have an adverse effect on the marketing and/or operation of our funds and may result in additional costs, reducing the returns for investors and may also limit our ability to raise funds within the EEA.

- The General Data Protection Regulation (EU) 2016/679 (including the regulation as it forms part of UK law by virtue of section 3 of the European Union (Withdrawal) Act 2018 and the Data Protection Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 and 2020) (together, the "GDPR") and the UK Data Protection Act expanded the scope of the EU and UK data protection laws, include, in certain cases, to foreign companies processing personal data of EEA or UK individuals (e.g., investor and employee data), imposed a more stringent data protection compliance regime, and included new data subject rights (e.g., the right to erasure, commonly known as "the right to be forgotten"). The GDPR and the UK Data Protection Act may have a significant impact on those who act as data controllers and processors and those who intend to transfer personal data outside the EEA or the UK, including the introduction of severe administrative fines of up to the greater of 4% of total worldwide annual turnover or €20.0 million/ £17.5 million (as well as the right to compensation for financial or non-financial damages claimed by any individuals under Article 82 GDPR). Additionally, non-compliance may lead to reputational damages and a loss of confidence in our security and privacy or data protection measures as well as the right to compensation for financial or non-financial damages claimed by individuals under Article 82 GDPR. Enforcement of the GDPR is designed to be harmonized across the EU, and the UK's data protection regulator, the Information Commissioner's Office, has indicated that it will continue to enforce the UK Data Protection Act in line with the GDPR. However, the UK government recently announced its intention to adopt a more flexible approach to the regulation of data, and as a result there remains a risk of future divergence between the data protection regimes in the EU and the UK.

- In July 2020, the Court of Justice of the European Union (the "CJEU") issued a ruling regarding the validity of the primary mechanism that investors, suppliers and other third parties use to safeguard transfers of personal data to us, namely, the European Commission-approved standard contractual clauses. Following the CJEU's ruling, those parties may be unable in certain cases to transfer personal data outside of the EEA and UK without a defined lawful mechanism under the GDPR or UK Data Protection Act, or may require Sculptor Capital LP to demonstrate that it has appropriate technical measures in place to ensure the legality of such transfers. It currently is unclear how data protection regulators, courts and counterparties of Sculptor Capital LP will view or enforce such potential non-compliance or any failure on our part to demonstrate such measures.

- The EU has proposed to replace the European e-Privacy Directive (Directive 2002/58/EC as amended by Directive 2009/136/EC), which obliges the EU member states to introduce certain national laws regulating privacy in the electronic communications sector, with a new e-Privacy Regulation. The text of the proposal for the e-Privacy Regulation is not yet final and the formal EU legislative process in relation to the e-Privacy Regulation has not yet begun. As the text of the e-Privacy Regulation is still under development and in draft form, and as further guidance is issued and interpretations of both the e-Privacy Regulation and the GDPR develop, it is difficult to assess the impact of the proposed e-Privacy Regulation on our business or operations, but it may require us to modify our data practices and policies (e.g. in relation to the management of cookies and marketing messages sent through different media) and we could incur substantial costs as a result. Each or all of these measures could have direct and indirect effects on our business.

In the UK, the Senior Managers and Certification Regime (the "SMCR") was extended on December 9, 2019 to "solo-regulated" firms (i.e. those firms that are only regulated by the FCA and not jointly by the FCA and the Prudential Regulation Authority) such as SCME and SELM. The SMCR replaces the existing FCA approved person regime and imposes new, more burdensome requirements on certain SCME and SELM staff as well as increasing the documentation and record-keeping needed to demonstrate compliance with the new regime.

The U.S. Congress, the Organization for Economic Co-operation and Development (the "OECD") and other government agencies in jurisdictions in which we and our affiliates invest or do business have maintained a focus on issues related to the taxation of multinational companies, such as Sculptor. The OECD has made changes to numerous long-standing tax principles through its base erosion and profit shifting ("BEPS") project, which looks at various different ways in which domestic tax rules around the world, and the bilateral double tax treaties that govern the interplay between them, could be amended to address perceived profit shifting among affiliated entities. Several of the proposed measures under the BEPS project, including measures covering treaty abuse (including an anti-abuse "principal purpose" test that would deny treaty benefits to the extent that obtaining such benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in such benefit), the deductibility of interest expense, local nexus requirements, transfer pricing and hybrid mismatch arrangements are potentially relevant to some of our structures and could have an adverse tax impact on our funds, investors and/or our portfolio companies. Some member countries have been moving forward on the BEPS agenda but, because timing of implementation and the specific measures adopted will vary among participating states, significant uncertainty remains regarding the impact of the BEPS proposals project. In addition to national implementation of the BEPS project, the European Council has adopted Anti-Tax Avoidance Directives that address many of the same issues. These and other proposals could result in increased taxes on our funds and/or management entities. Such implementation may also give rise to additional reporting and disclosure obligations for our funds and/or management entities.

National policies in jurisdictions outside the United States could negatively impact our business.

On June 30, 2020, the National People's Congress of China passed a national security law (the "National Security Law"), which criminalizes certain offenses related to the Chinese government. Although the extra-territorial reach of the National Security Law remains unclear, there is a risk that its application to conduct outside the Hong Kong Special Administrative Region of the People Republic of China ("Hong Kong") by non-permanent residents of Hong Kong could limit the activities of or negatively impact us or our funds. The United States, the United Kingdom and several EU countries have expressed concerns regarding the National Security Law and the implementation of the National Security Law has created additional U.S.-China tensions and could potentially increase the risks associated with the business and operations of U.S.-based companies in China and Hong Kong. Any alterations to our business strategy or operations made in order to adapt to or comply with any such changes would be time-consuming and expensive, and certain of our competitors may be better suited to withstand or react to these changes. The aforementioned risks, including an expansionary application of the National Security Law in unpredictable circumstances by the Chinese authorities, and any downturn in Hong Kong's economy could negatively impact the industries in which we participate, negatively impact our, our funds' operations and have a material adverse effect on our results of operations, financial condition and cash flow.

If third-party investors in our funds exercise their right to remove us as investment manager or general partner of our funds, we would lose the Assets Under Management in such funds, which would eliminate our management fees and incentive income derived from such funds.

The governing agreements of most of our funds provide that, subject to certain conditions, third-party investors in those funds have the right, without cause, to vote to remove us as investment manager or general partner of the fund by a simple majority vote, resulting in the elimination of the Assets Under Management by those funds and the management fees and incentive income derived from those funds. In addition to having a significant negative impact on our business, financial condition or results of operations, the occurrence of such an event would likely result in significant reputational damage to us.

In addition, because our funds generally have an adviser that is registered under the Advisers Act, the management agreements of all of our funds would be terminated upon an "assignment" of these agreements without investor consent, which assignment may be deemed to occur in the event these advisers were to experience a change of control. We cannot be certain that consents required to assignments of our investment management agreements will be obtained if a change of control occurs. "Assignment" of these agreements without investor consent could cause us to lose the fees we earn from such funds.

Our failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business, financial condition or results of operations.

The Sarbanes-Oxley Act and the related rules require our management to conduct annual assessments of the effectiveness of our internal control over financial reporting and require a report by our independent registered public accounting firm, as well as an independent audit of our internal control over financial reporting. While we believe we maintain an effective system of controls, if our independent registered public accounting firm is unable to opine on the effectiveness of our internal control over financial reporting for any reason or we are unable to report our financial information on a timely basis due to matters impacting our internal controls, as has occurred in the past, we may become subject to adverse regulatory or other consequences, including sanctions or investigations by the SEC, and some of these consequences could have a material adverse effect on our business, financial condition or results of operations.

Our failure to deal appropriately with conflicts of interest could damage our reputation and materially adversely affect our business, financial condition or results of operations.

As we expand the scope of our business, we increasingly confront potential conflicts of interest relating to our funds' investment activities. Certain of our funds have overlapping investment objectives and potential conflicts may arise with respect to our decisions regarding how to allocate investment opportunities among or even within those funds. For example, a decision to acquire material non-public information about a company while pursuing an investment opportunity for a particular fund gives rise to a potential conflict of interest when it results in our having to restrict the ability of other funds to buy or sell securities in the public markets. In addition, fund investors and holders of our Class A Shares may perceive conflicts of interest regarding investment decisions for funds in which our executive managing directors and employees, who have and may continue to make significant personal investments, are personally invested.

It is possible that actual, potential or perceived conflicts could give rise to investor dissatisfaction or litigation or regulatory enforcement actions. While we believe we have appropriate policies and procedures in place to manage conflicts of interest, this process is complex and difficult and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential or actual conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest would have a material adverse effect on our reputation, which would materially adversely affect our business, financial condition or results of operations in a number of ways, including an inability to raise additional funds and a reluctance of counterparties to do business with us.

Misconduct by our executive managing directors, employees or agents could harm us by impairing our ability to attract and retain investors and subjecting us to significant legal liability, regulatory scrutiny and reputational harm.

There is a risk that our executive managing directors, employees, joint venture partners, consultants or agents could engage in misconduct that materially adversely affects our business. We are subject to a number of obligations and standards arising from our asset management business and our authority over the assets we manage, as well as our status as a public company with securities listed on the NYSE. The violation of these obligations and standards by any of our executive managing directors, employees, joint venture partners, consultants or agents could materially adversely affect our investors, both in our funds and in our Class A Shares, and us. In addition to these numerous and complex obligations, our business requires that we properly deal with confidential matters of great significance to companies in which we may invest or with which we otherwise do business. If our executive managing directors, employees, joint venture partners, consultants or agents were improperly to use or disclose confidential information, we could be subject to litigation, regulatory investigations or sanctions and suffer serious harm to our reputation, financial position and current and future business relationships. Furthermore, there have been a number of recent highly publicized cases involving fraud or other misconduct by employees (including in the workplace via inappropriate or unlawful behavior or actions directed to other employees) in the financial services industry generally and there can be no assurance that we will not suffer from similar employee misconduct. It is not always possible to detect or deter employee misconduct, and the precautions we take to detect and prevent this activity have not been and may not be effective in all cases. While we believe we have effective policies and procedures in place designed to deter and detect employee misconduct, the steps we have taken have not been and may not be effective in all cases. If one of our executive managing directors, employees, joint venture partners, consultants or agents were to engage in misconduct or were to be accused of such misconduct, even if such allegations were unsubstantiated, our reputation and our business, financial condition or results of operations could be materially adversely affected.

In recent years, the DOJ and the SEC have devoted significant resources to enforcement of the FCPA. In addition, the UK has significantly expanded the reach of its anti-bribery laws. While we have developed and implemented policies and procedures designed to ensure strict compliance by us and our personnel with the FCPA, such policies and procedures previously have not been, and in the future may not be effective in all instances to prevent violations. Any determination that we have violated the FCPA or other applicable anti-bribery laws could subject us to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our business, financial condition or results of operations, see "—The FCPA settlements could have a material adverse effect on our ability to raise capital for our funds."

We may enter into new businesses, make future strategic investments or acquisitions or enter into joint ventures, each of which may result in additional risks and uncertainties in our business.

We intend, to the extent that market conditions warrant, to grow our business by increasing Assets Under Management and creating new investment platforms and businesses. Accordingly, we may pursue growth through strategic investments, acquisitions or joint ventures, which may include entering into new lines of business in which we may not have extensive experience, including sponsoring business development companies and special purpose acquisition companies. It is also possible that, from time to time, we may need to make payments in order to resolve commercial disputes. In addition, we expect opportunities will arise to acquire, or enter into joint ventures with, other alternative or traditional asset managers. To the extent we make strategic investments or acquisitions, enter into joint ventures, or enter into a new line of business, we will face numerous risks and uncertainties, including risks associated with the required investment of capital and other resources, the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, combining or integrating operational and management systems and controls, or loss of investors in our funds due to the perception that we are no longer focusing on our core fund management duties. Entry into certain lines of business may subject us to more complex or extensive new laws and regulations with which we may not be familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. If a new business that we enter into generates insufficient revenues or if we are unable to efficiently manage any expansion of our operations, our business, financial condition or results of operations could be materially adversely affected. In the case of joint ventures, we are subject to additional risks and uncertainties in that we may be dependent upon, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under our control.

Risks Related to Our Funds

Our results of operations are dependent on the performance of our funds. Poor performance of our funds will result in reduced revenues and earnings and make it difficult for us to retain or attract investors to our funds, retain and increase Assets Under Management and grow our business. The performance of each fund we manage is subject to some or all of the following risks.

Difficult market conditions can adversely affect our funds in many ways, including by negatively impacting their performance and reducing their ability to raise or deploy capital, which could materially reduce our revenues and adversely affect our business, financial condition or results of operations.

Significant disruptions and volatility in the global financial markets and economies could impair the investment performance of our funds. Additionally, we may not be able to raise capital for existing or new funds during, or even following, periods of market instability. Although we seek to generate consistent, positive, absolute returns across all market cycles, our funds have been and may be materially affected by conditions in the global financial markets and economic conditions. The global market and economic climate may become increasingly uncertain due to numerous factors beyond our control, including but not limited to, concerns related to unpredictable global market and economic factors, uncertainty in U.S. federal fiscal, tax, trade or regulatory policy and the fiscal, tax, trade or regulatory policy of foreign governments, rising interest rates, inflation or deflation and rapid fluctuations in inflation rates, the availability of credit, performance of financial markets, terrorism and other armed conflicts, cyberterrorism, major or prolonged power outages or network interruptions, political uncertainty or public health crises, including infectious disease outbreaks, epidemics and pandemics or the possibility of U.S. sovereign debt default.

A general market downturn, a specific market dislocation or deteriorating economic conditions may cause a material reduction in our revenues and adversely affect our business, financial condition or results of operations by causing:

- A decline in Assets Under Management, resulting in lower management fees and incentive income.
- An increase in the cost of financial instruments, executing transactions or otherwise doing business.
- Lower or negative investment returns, which may reduce Assets Under Management and potential incentive income.
- Reduced demand for assets held by our funds, which would negatively affect our funds' ability to realize value from such assets.
- Increased investor redemptions or greater demands for enhanced liquidity or other terms, resulting in a reduction in Assets Under Management, lower revenues and potential increased difficulty in raising new capital.

Furthermore, while difficult market and economic conditions and other factors can potentially increase investment opportunities over the long term, including with respect to the competitive landscape for the hedge fund industry, such conditions and factors also increase the risk of increased investment losses and additional regulation, which may impair our business model and operations. Our funds may also be materially adversely affected by difficult market conditions if our investment professionals fail to assess the adverse effect of such conditions on our investments, resulting in a significant reduction in the value of those investments. Moreover, challenging market conditions may prompt alternative asset managers to reduce the management fee and incentive income rates they charge in order to retain assets. In response to competitive pressures or for any other reason, we may reduce or change the compensation structures of our funds, which could reduce the amount of fees and income that we may earn relative to Assets Under Management.

Most of our funds utilize investment strategies that depend on our ability to appropriately react to, or accurately assess, the occurrence of certain events, including market and corporate events. If we fail to do so, our funds' investment performance could be adversely affected in a material way.

The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or any future funds we may raise.

We have presented throughout this report the net composite returns relating to the historical performance of our most significant funds, and we have also referred to other metrics associated with historical returns, such as risk and correlation measures. The returns are relevant to us primarily insofar as they are indicative of incentive income we have earned in prior periods and are not indicative of any future fund returns.

Moreover, with respect to the historical returns of our funds:

- The historical returns of our funds should not be considered indicative of the future results that should be expected from such funds or from any future funds we may raise.
- Our funds' returns, particularly during periods of more extreme market and economic conditions, have benefited from or been impaired by the existence or lack of investment opportunities and such general market and economic conditions, which may not repeat themselves, and there can be no assurance that our current or future funds will be able to avail themselves of profitable investment opportunities.
- The historical rates of return of our funds reflect such funds' historical expenses, which may vary in the future due to factors beyond our control, including changes in laws or regulations.

We are subject to counterparty default risks.

Our funds enter into numerous types of financial arrangements with a wide array of counterparties around the world, including loans, swaps, repurchase agreements, securities lending agreements and other derivative and non-derivative contracts. The terms of these contracts are often customized and complex and these arrangements may occur in markets or relate to products that are not currently subject to experienced regulatory oversight although the Dodd-Frank Act provides certain regulation in the derivatives market. In particular, certain of our funds utilize prime brokerage arrangements with a relatively limited number of counterparties, which has the effect of concentrating the transaction volume (and related counterparty default risk) of these funds with these counterparties.

Our funds are subject to the risk that the counterparty to one or more of these contracts defaults, either voluntarily or involuntarily, under the contract. Any such default may occur rapidly and without prior notice to us. Moreover, if a counterparty defaults, we may be unable to take action to recover our assets or any amounts due to us, either because we lack the contractual ability or because market conditions make it difficult to take effective action. This inability could occur at any time, but particularly in times of market stress, which are precisely the times when defaults may be most likely to occur.

In addition, our risk-management assessments may not accurately anticipate the impact of market stress or counterparty financial condition and, as a result, we may not take sufficient action to reduce our risks effectively. Although each of our funds regularly monitors its credit exposures, default risk may arise from events or circumstances that are difficult to detect, foresee or evaluate. In addition, concerns about, or a default by, one large participant could lead to significant liquidity problems for other participants, which may in turn expose us to significant losses.

In the event of a counterparty default, particularly a default by a major investment or commercial bank or other financial institution, one or more of our funds could incur material losses, and the resulting market impact of a major counterparty default could harm our business, results of operation and financial condition. In the event that one of our counterparties becomes insolvent or files for bankruptcy, our ability to eventually recover any losses suffered as a result of that counterparty's default may be limited by the liquidity of the counterparty or the applicable legal regime governing the bankruptcy proceeding.

The counterparty risks that we face have increased in complexity and magnitude as a result of major disruptions in the financial markets in recent years. Further, the consolidation or elimination of counterparties has increased our concentration of counterparty risk. In addition, counterparties have generally reacted to the ongoing market volatility by tightening their underwriting standards and increasing their margin requirements for all categories of financing, which has the result of decreasing the overall amount of leverage available to our funds and increasing the costs of borrowing.

Poor performance of our funds would cause a decline in our revenues, results of operations and cash flows and could materially adversely affect our ability to retain capital or attract additional capital.

If our funds perform poorly, our revenues, results of operations and cash flows decline because the value of our Assets Under Management decreases, which in turn results in a reduction in management fees. To the extent that our funds perform poorly and such performance is continuing at the end of a relevant incentive period, we would experience a reduction in incentive income and total revenues, and if such reduction was substantial, could result in the elimination of incentive income for a given year and future years until that decrease has been surpassed by positive performance. Poor performance of our funds would make it more difficult for us to raise new capital and may cause investors in our funds to redeem their investments. Investors and potential investors in our funds continually assess our funds' performance, as well as our ability to raise capital for existing and future funds. Our ability to avoid excessive redemption levels will depend in part on our funds' continued satisfactory performance. Moreover, poor performance, particularly in our most significant funds, would harm our reputation and competitive standing, which would further impair our ability to retain or attract fund capital. These factors may cause us to reduce or change the compensation structure of our funds in order to retain or continue to attract Assets Under Management, which could further reduce the amounts of management fees and incentive income that we may earn relative to Assets Under Management.

Our funds may determine to use leverage in investments, which could materially adversely affect our ability to achieve positive rates of return on those investments.

Our funds use or may choose to use leverage, either directly or through the use of derivative instruments, to increase the yield on certain of their investments. The use of leverage poses a significant degree of risk, most notably by significantly increasing the risk of loss associated with leveraged investments that decline in value, and enhances the possibility of a significant loss in the value of the investments in our funds. Our funds may borrow money from time to time to purchase or carry securities. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried, and will be lost—and the timing and magnitude of such losses may be accelerated or exacerbated—in the event of a decline in the market value of such securities. Volatility in the credit markets increases the degree of risk associated with such borrowing. Gains realized with borrowed funds may cause a fund's net asset value to increase at a faster rate than would be the case without borrowings. If investment results fail to cover the cost of borrowings, the fund's applicable net asset value could also decrease faster than if there had been no borrowings. Increases in interest rates could also decrease the value of fixed-rate debt investments made by our funds. To the extent our funds determine to significantly increase their use of leverage, any of the foregoing circumstances could have a material adverse effect on our financial condition, results of operations and cash flows.

The due diligence process that we undertake in connection with investments by our funds may not reveal all facts that may be relevant in connection with making an investment.

Before investments are made by our funds, particularly investments in financial instruments that are not publicly traded, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, ESG and legal issues. Outside consultants, legal advisors, accountants and investment bankers may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. In some cases, whether or not known to us at the time, such resources may not be sufficient, accurate, complete or reliable. The due diligence that we carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity, and such an evaluation will not necessarily result in the investment being successful. Moreover, the level of due diligence conducted with respect to a particular investment will vary and we may not properly assess the appropriate amount of diligence for each investment, which may result in losses.

Our funds may invest in relatively high-risk, illiquid assets, including structured products, and may fail to realize any profits from these activities for a considerable period of time or lose some or all of the principal investments.

Our funds invest in financial instruments that are not publicly traded or that are otherwise illiquid, including complex structured products. There may be no readily available liquidity in these financial instruments, particularly at times of market stress or where many participants may be seeking liquidity at the same time. In many cases, our funds may be prohibited, whether by contract, by applicable securities laws or by the lack of a liquid market, from selling such financial instruments for a period of time. Moreover, even if the financial instruments are publicly traded, large holdings of financial instruments can often be disposed of only over a substantial length of time, exposing the investment returns to risks of downward movement in market prices during the required holding period. Accordingly, under certain conditions, our funds may be forced to either sell financial instruments at lower prices than they had expected to realize or defer, potentially for a considerable period of time, sales that they had planned to make. Investment in illiquid assets involves considerable risk and our funds may lose some or all of the principal amount of such investments.

Valuation methodologies for certain assets in our funds are subject to significant subjectivity and the values established pursuant to such methodologies may never be realized, which could result in significant losses for our funds.

While we believe we have effective policies and procedures in place governing valuation of illiquid investments, risk exists that these policies and procedures may not always function effectively. There are no readily ascertainable market prices for the large number of the illiquid investments held by our funds. The fair value of the investments of our funds is determined periodically by us using a number of methodologies permitted by our funds' valuation policies. These methodologies involve a

significant degree of judgment and are based on a number of factors, which may include, without limitations, the nature of the investment, the expected cash flows from the investment, bid or ask prices provided by third parties for the investment, the length of time the investment has been held, the trading price of financial instruments (in the case of publicly traded financial instruments), restrictions on transfer and other recognized valuation methodologies. In addition, because certain of the illiquid investments held by our funds may be in industries or sectors that are under distress or undergoing some uncertainty, such investments may be subject to rapid changes in value caused by sudden company-specific or industry-specific developments.

Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for our investments, such quotations may not reflect the value that may actually be realized because of various factors, including the possible illiquidity associated with a large ownership position, subsequent illiquidity in the market for a company's financial instruments, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall company and management performance.

Because there is significant uncertainty in the valuation of and in the stability of the value of illiquid investments, the fair values of such investments as reflected in a fund's net asset value do not necessarily reflect the prices that might actually be obtained when such investments are sold. Realizations at values significantly lower than the values at which investments have been reflected in fund net asset values would result in losses for the applicable funds, a decline in management fees and the loss of potential incentive income. Also, a situation where asset values turn out to be materially different from values reflected in fund net asset values may cause investors to lose confidence in us, which could, in turn, result in redemptions from our funds, difficulties in our ability to raise additional capital or an increased risk of litigation by investors or governmental or self-regulatory organizations. These issues could result in regulatory scrutiny of our valuation methodologies, polices and related disclosures.

Our funds make investments in companies that we do not control, exposing us to the risk of decisions made by others with whom we may not agree.

Investments by our funds will include investments in debt or equity of companies that we do not control. Such investments may be acquired by our funds through trading activities or through purchases of financial instruments from the issuer. Those investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions contrary to our expectations, with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. In addition, we may make investments in which we share control over the investment with co-investors, which may make it more difficult for us to implement our investment approach or exit the investment when we otherwise would. If any of the foregoing were to occur with respect to one or more significant investments, the values of such investments by our funds could decrease and our business, financial condition or results of operations could suffer as a result.

Our funds make investments in companies that are based outside of the U.S., exposing us to additional risks not typically associated with investing in companies that are based in the U.S.

Many of our funds may invest a significant portion of their assets in the equity, debt, loans or other financial instruments of issuers located outside the U.S. Investments in non-U.S. financial instruments involve certain factors not typically associated with investing in U.S. financial instruments, including risks relating to the following:

- Currency exchange matters, including fluctuations in currency exchange rates and costs associated with conversion of investment principal and income from one currency into another.
- Less developed or efficient financial markets than in the U.S., which may not enable or permit appropriate hedging techniques or other developed trading activities, leading to potential price volatility and relative illiquidity.
- The absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation.

- Differences in the legal and regulatory environment, including less-developed or less-comprehensive bankruptcy laws.
- Fewer investor protections and less stringent requirements relating to fiduciary duties.
- Difficulties in enforcing contracts and filing claims under foreign legal systems.
- Less publicly available information in respect of companies in non-U.S. markets.
- Higher rates of inflation.
- Heightened exposure to corruption risk in non-U.S. markets.
- Certain economic and political risks, including potential exchange control regulations and restrictions on our non-U.S. investments and repatriation of profits on investments or of capital invested, the risks of political, economic or social instability, the possibility of expropriation or confiscatory taxation, unexpected, additional and/ or costly changes in trade policies, tariffs or other barriers and adverse economic and political developments.
- The possible imposition of non-U.S. taxes or withholding on income and gains recognized with respect to such financial instruments.

There can be no assurance that adverse developments with respect to such risks will not materially adversely affect our funds' investments that are held in certain countries or the returns from these investments.

Tariffs, sanctions and other restrictions imposed by the U.S. government, and potential for further regulatory reform, may create regulatory uncertainty and adversely affect our investment strategies and the profitability of our funds.

The U.S. has imposed new or increased tariffs on certain goods and materials, such as steel products imported into the U.S. from certain jurisdictions, including China and Russia. Similarly, the U.S. government has expanded economic sanctions laws and regulations to target an increasingly broad range of non-U.S. parties, including in response to the ongoing conflict between Russia and Ukraine. These tariffs, sanctions and other changes in U.S. trade policy, have resulted in, and may continue to trigger, retaliatory actions by affected countries. Certain foreign governments have instituted or are considering imposing tariffs on certain U.S. goods, or restrictions that will deny U.S. companies access to critical raw materials. A "trade war" of this nature or other governmental action related to tariffs or international trade agreements or policies has the potential to further increase uncertainty and costs, decrease margins, reduce the competitiveness of products and services offered by companies where our funds have current or future investments and adversely affect the revenues and profitability of companies whose businesses rely on goods imported from outside of the U.S. and could reduce the value of our current or future investments in such companies. In addition, tariff increases may have a similar impact to suppliers and certain other customers of companies where our funds have current or future investments, which could increase the negative impact on our operating results or future cash flows. Similarly, the proliferation of U.S. economic sanctions and similar trade-related restrictions, and countersanctions imposed by foreign governments, may increase the regulatory burden on our funds, and the compliance considerations for the companies where our funds have current or future investments if our funds were to violate or be deemed in violation of any such sanction, such funds could face significant legal and monetary penalties.

Furthermore, sanctions may negatively impact our funds' ability to effectively implement their respective investment strategies and have a material adverse impact on the funds' investment programs. Sanctions may adversely affect our funds in various ways, including by preventing or inhibiting our funds from making certain investments or by forcing our funds to divest from investments previously made.

Risk management activities may materially adversely affect the return on our funds' investments.

When managing our funds' exposure to market risks, we may from time to time use hedging strategies and various forms of derivative instruments to limit the funds' exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates, currency exchange rates and commodity prices. The success of any

hedging transactions generally will depend on our ability to correctly assess the degree of correlation between price movements of the hedging instrument, the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while we may enter into a transaction in order to reduce our exposure to market risks, the transaction may result in poorer overall investment performance than if it had not been executed, such as by limiting the opportunity for gain if the value of a hedged position increases, and in some cases, the hedging or derivative transaction may not perform as anticipated. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. For a variety of reasons, we may not seek or be successful in establishing a perfect correlation between the instruments used in a hedging or other derivative transaction and the position being hedged. An imperfect correlation could prevent us from achieving the intended result and could give rise to a loss. In addition, it may not be possible to fully or perfectly limit our exposure against all changes in the value of our investment because the value of investments is likely to fluctuate as a result of a number of factors, some of which will be beyond our control or ability to hedge.

If our risk management processes and systems are ineffective, we may be exposed to material unanticipated losses.

We continue to refine and implement our risk management techniques, strategies and assessment methods, such as the use of statistical and other quantitative and qualitative tools to identify, observe, measure and analyze the risks to which our funds are exposed. These methods, even if properly implemented, may not allow us to fully mitigate the risk exposure of our funds in all economic or market environments, or against all types of risk, including risks that we might fail to identify or anticipate. Some of our strategies for anticipating and managing risk in our funds are based upon our use of historical market behavior statistics, which may not be an accurate predictor of current or future market risks. Any failure in our risk management systems, whether in design or implementation, to accurately identify and quantify such risk exposure could limit our ability to manage risks in the funds, identify appropriate investment opportunities or realize positive, risk-adjusted returns. Because neither our quantitative nor qualitative risk management processes can anticipate for every investment the economic and financial outcome or timing and other specifics of the outcome, we will, in the course of our activities, incur losses.

Our funds' investments are subject to numerous additional risks.

Our funds' investments are subject to numerous additional risks, including the following:

- The funds may engage in short selling, which is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. A fund may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if such fund is otherwise unable to borrow securities that are necessary to hedge its positions.

- Our funds may be limited in their ability to engage in short selling or other activities as a result of regulatory mandates. Such regulatory actions may limit our ability to engage in hedging activities and therefore impair our investment strategies. In addition, our funds may invest in securities and other assets for which appropriate market hedges do not exist or cannot be acquired on attractive terms.

- Our funds may invest in companies with weak financial conditions, poor operating results, substantial financial needs, negative net worth and/or special competitive problems or that are involved in bankruptcy or reorganization proceedings. In such "distressed" situations, it may be difficult to obtain full information as to the exact financial and operating condition of the issuer. Depending on the specific fund's investment profile, a fund's exposure to distressed investments may be substantial in relation to the market for those investments and the investments may be illiquid and difficult to transfer. As a result, it may take a number of years for the fair value of our funds' distressed investments to reflect their intrinsic value as perceived by us.

- Distressed investments may be involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions and may purchase high-risk receivables. Additionally, the fair values of such investments may be subject to abrupt and erratic market movements and significant price volatility if they are widely traded financial instruments and significant uncertainty in general if they are not widely traded financial instruments, have no recognized market or if transactions or events in related markets, such as related derivatives markets, have the effect of increasing the economic significance or importance of a price or value determined as of a particular time of timeframe. Moreover, a major economic recession could have a materially adverse impact on the value of such

financial instruments. An investment in such business enterprises entails the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the funds of the security or other financial instrument in respect of which such distribution is received. In addition, if an anticipated transaction does not in fact occur, the funds may be required to sell their investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss by a fund of its entire investment in each such company.

- Investments in troubled companies may also be adversely affected by U.S. federal and state laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in financial instruments and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of financial instruments rated below investment grade or otherwise adversely affect our reputation.

- Credit risk may be exacerbated through a default by or because of one of several large institutions that are dependent on one another fail to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This "systemic risk" could have a further material adverse effect on the financial intermediaries (such as prime brokers, clearing agencies, clearing houses, banks, securities firms and exchanges) with which the funds transact on a daily basis. Although the U.S. government, including the U.S. Treasury Department and the Federal Reserve, has taken significant actions to prevent a systemic collapse, no assurance can be given that such actions will be sufficient or successful in all cases.

- The effectiveness of investment and trading strategies depends largely on the ability to establish and maintain an overall market position in a combination of financial instruments. A fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including systems failures or human error. In such event, the funds may only be able to acquire some but not all of the components of the position, or if the overall position were to need adjustment, the funds might not be able to make such adjustment. As a result, the funds would not be able to achieve the market position selected by the investment manager or general partner of such funds, and might incur a loss in liquidating their position.

- Fund investments are subject to risks relating to investments in commodities, futures, options and other derivatives, the prices of which are highly volatile and may be subject to the theoretically unlimited risk of loss in certain circumstances, including if the funds write a call option. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs; and policies of governments and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the securities underlying them. In addition, the funds' assets are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or counterparties.

- Our funds may make real estate investments, including, without limitation, the acquisition of real estate assets, the purchase of loans secured directly or indirectly by real estate and the purchase of public and private market securities backed by real estate assets or mortgage loans secured by real estate, which will be subject to the risks incident to the lending, ownership and operation of commercial and residential real estate, including (i) risks associated with both the domestic and international general economic climate; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks relating to the decline in value of the real estate properties in question; (v) risks and operating problems arising out of the absence of certain construction materials; (vi) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vii) the financial condition of tenants, buyers and sellers of properties; (viii) risks relating to the absence of debt financing or changes in its availability; (ix) energy and supply shortages; (x) laws assigning liability to the owners of real estate properties for environmental hazards existing on such properties; (xi) laws relating to real estate lending, management and/or ownership that are complex or unclear or otherwise difficult to comply with; (xii) changes in

the tax, real estate, environmental and zoning laws and regulations; (xiii) various uninsured or uninsurable risks; (xiv) natural disasters and disease, including COVID-19; and (xv) the ability of the funds or third-party borrowers to develop and manage the real properties. With respect to investments in equity or debt securities, the funds will in large part be dependent on the ability of third parties to successfully manage the underlying real estate assets. In addition, the funds may invest in mortgage loans that are structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. The funds' investment strategy, which may involve the acquisition of distressed or underperforming assets in a leveraged capital structure, will involve a high degree of legal and financial risk, and there can be no assurance that the funds' rate of return objectives will be realized or that there will be any return of capital. There is no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid.

- Our funds may make investments in Bitcoin, Ethereum and other digital assets and cryptocurrencies (collectively, "Digital Assets"). The investment characteristics of Digital Assets differ from those of many traditional currencies, commodities and securities. Digital Assets are not backed by a central bank or a national, supra-national or quasi-national organization, any hard assets, human capital, or other form of credit. Banks and other established financial institutions may refuse to process funds for Digital Asset transactions, process wire transfers to or from Digital Asset exchanges, cryptocurrency-related companies or service providers, or maintain accounts for persons or entities transacting in Digital Assets. Market capitalization for Digital Assets is as a medium of exchange and payment method may always be low. Further, any Digital Asset's use as an international currency may be hindered by the fact that it may not be considered as a legitimate means of payment or legal tender in some jurisdictions and governments may curtail or outlaw the acquisition, use or redemption of Digital Assets. In certain cases, ownership of, holding or trading in Digital Assets may then be considered illegal, subject to sanction and subject us and our funds to heightened regulatory scrutiny. While all investments entail risk of loss of capital, investments in Digital Assets should be considered substantially more speculative and significantly more likely to result in total loss of capital than many other investments. The market prices of many Digital Assets have experienced extreme volatility in recent periods and may continue to do so. Digital Assets can be traded on virtual currency exchanges and held by companies providing Digital Asset custodial services. Such electronic exchanges and third-party custodians are subject to their own risks such as cyber-attacks.

Our and our funds' investments in special purpose acquisition companies, or SPACs, may expose us and our funds to increased risks and liabilities.

We and our funds have, continue to, sponsor or otherwise make investments in, or facilitate the acquisition of companies by, special purpose acquisition vehicles ("SPACs"), including our investment into our subsidiary that is the sponsor of Sculptor Acquisition Corp I (NYSE: SCUA) in December 2021. There are a number of risks associated with investing in SPACs, including: (i) because a SPAC is raised without a specifically-identified acquisition target, it may never, or only after an extended period of time, be able to find and execute a suitable business combination, during which period the capital invested in or committed to the SPAC will not be available for other uses: (ii) investments made by us and our funds in a SPAC may be entirely lost, or otherwise decline in value in the case of investments in third-party SPACs, if the SPAC does not execute a business combination during the finite period of time that is permitted for the related SPAC; (iii) SPACs typically invest in single assets and not diversified portfolios, and investments therein are therefore subject to significant concentration risk; (iv) SPACs incur substantial fees, costs and expenses related to their initial public offerings, being a public company and in connection with pursuing a business combination (in some cases, regardless of whether, or when, the SPAC ultimately consummates a transaction); and (v) potential litigation risks associated with transactions executed by SPACs and compliance with regulatory, tax or other policies relating to SPACs and SPAC investing. In addition, SPACs can raise capital through offering securities, each of which is subject to the risks associated with such instruments. Furthermore, sponsoring SPACs or otherwise making investments in SPACs increases the likelihood that potential conflicts of interest relating to us and our funds' investment activities may arise. Management may also determine that our internal controls over financial reporting have material weaknesses or significant deficiencies if there are changes to accounting policies for SPACs that would require a restatement of the financial statements of any SPAC that we consolidate for financial reporting.

Sculptor Acquisition Corp I has until June 13, 2023 to complete a business combination transaction. If Sculptor Acquisition Corp I does not complete a business combination transaction by this date and chooses to extend its deadline to

complete a business combination transaction, we may be required to contribute additional amounts to Sculptor Acquisition Corp I's trust account. Further investment in Sculptor Acquisition Corp I by us may heighten the impact of the risks described above.

In addition, litigation related to acquisitions by SPACs has increased in recent years. Litigation has also arisen asserting that SPACs are violating federal securities laws by operating as unregistered investment companies. Any liabilities arising from these developments could harm our professional reputation as the sponsor of Sculptor Acquisition Corp I. Moreover, we may lose all or a portion of our investment in Sculptor Acquisition Corp I if a business combination is not completed.

Risks Related to Our Organization and Structure

Our current and former executive managing directors' total combined voting power could influence major corporate decisions that could conflict with the interests of our Class A Shareholders and materially adversely affect the market price of the Class A Shares.

As of December 31, 2022, our current and former executive managing directors control approximately 66.6% of the total combined voting power of our Class A Shares and Class B Shares, excluding the voting power of the Class B Shares that relate to our Group A-1 Units, which represent 0.7% of our total combined voting power, and are voted pro rata in accordance with the vote of our Class A Shares until such time as the relevant Group E Units become vested or are forfeited. Our executive managing directors will receive additional Class B Shares resulting in additional control in connection with the vesting of Group E Units.

As of December 31, 2022, Mr. Och controls approximately 12.5% of the total combined voting power of our Class A Shares and Class B Shares after excluding the Class B Shares owned by Mr. Och that relate to Group A-1 Units that will be voted pro rata in accordance with the vote of the Class A Shares. As of May 29, 2019, (the "Transition Date"), Mr. Och no longer has an irrevocable proxy to vote all of our executive managing director's Class B Shares. In addition, pursuant to the governance agreement, dated as of February 7, 2019, (the "Governance Agreement"), Mr. Och has the right to designate a director to serve in his place as a director on the Board of Directors for as long as Mr. Och continues to own a number of common equity units (on an as-converted basis) of the Company not less than 33% of the number of common equity units (on an as-converted basis) of the Company owned by Mr. Och immediately after the Recapitalization.

Our Certificate of Incorporation and By-Laws contain provisions limiting the liability of our officers and directors to us, which also reduces remedies available to our Class A Shareholders for certain acts by such persons.

Under our Certificate of Incorporation and By-Laws, in most circumstances the Company will indemnify the following persons (the "Indemnified Persons"), to the fullest extent authorized or permitted by applicable law, if such indemnified persons acted in a manner not constituting fraud, gross negligence or willful misconduct: (a) any person who is or was a director, officer or tax matters partner of the Company or its predecessor, (b) any person who is or was serving at the request of the Company or its predecessor as an officer, director, member, manager, partner, tax matters partner, fiduciary or trustee of another person (including any subsidiary); provided, that a person shall not be an Indemnified Person by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services, and (c) any person the Board of Directors designates as an "Indemnified Person" for purposes of the Certificate of Incorporation or the By-Laws. In addition to rights to indemnification, the Certificate of Incorporation also contains a provision eliminating personal liability of directors of the Company for monetary damages for breach of fiduciary duties, except for personal liability for fraud, gross negligence or willful misconduct and except that personal liability may not be eliminated for:

- any breach of the director's duty of loyalty to the Company or its stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law, which we refer to as the "DGCL"; and
- any transaction from which the director derived an improper personal benefit.

The Company has agreed to provide this indemnification unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that these persons are not entitled to indemnification. The Company has also agreed to provide this indemnification for criminal proceedings. The Company may purchase insurance against these liabilities asserted against and expenses incurred by persons in connection with its activities, regardless of whether the Company would have the power to indemnify the person against liabilities under the Certificate of Incorporation and By-Laws.

In connection with the Recapitalization, we agreed to indemnify losses, and advance expenses, of each active and former executive managing director and trust that executed a consent agreement (and their applicable related parties and representatives) arising out of, relating to, based upon or resulting from the Recapitalization or any act or omission with respect to the planning for, or otherwise arising out of or relating to, the Recapitalization (including, without limitation, losses relating to taxes) solely in respect of the period beginning on May 17, 2018 and subject to and in accordance with the terms and conditions of the consent agreements (and excluding any intended effects of the Recapitalization).

Additionally, we have entered into an indemnification agreement with each of our directors and executive officers. The indemnification agreements provide for, among other things, indemnification to the fullest extent permitted by law against: (i) any and all expenses and liabilities, including judgments, fines, penalties, interest and amounts paid in settlement of any claim with our approval, and counsel fees and disbursements; (ii) any liability pursuant to a loan guarantee, or otherwise, for any of our indebtedness; and (iii) any liabilities incurred as a result of acting on our behalf (as a fiduciary or otherwise) in connection with an employee benefit plan. The indemnification agreements provide for the advancement or payment of all expenses to the director or executive officer and for reimbursement to us if it is found that such director or executive officer is not entitled to such indemnification under applicable law. The Sculptor Operating Partnerships' limited partnership agreements also require the Sculptor Operating Group entities to indemnify and exculpate our executive managing directors, including those who are our executive officers.

Because our executive managing directors hold their economic interest in our business directly in the Sculptor Operating Group, conflicts of interest may arise between them and holders of our Class A Shares, particularly with respect to tax considerations.

As of December 31, 2022, our executive managing directors held 54.2% of the outstanding interests in the Sculptor Operating Group in the form of Group A Units and Group E Units. In addition, as of December 31, 2022, our executive managing directors held 5,348,572 Group P Units. Because they hold their economic interests in our business directly through the Sculptor Operating Group, our executive managing directors may have conflicting interests with holders of Class A Shares or with us. For example, our executive managing directors will have different tax positions from holders of our Class A Shares which could influence decisions of the Partner Management Committee and also our Board of Directors regarding whether and when to dispose of assets, and whether and when to incur new or refinance existing indebtedness, especially in light of the existence of the tax receivable agreement. Decisions with respect to these and other operational matters could affect the timing and amounts of payments due to our executive managing directors and Ziff Investors Partnership, L.P. II and certain of its affiliates and control persons (the "Ziffs") under the tax receivable agreement. In addition, the structuring of future transactions and investments may take into consideration our executive managing directors' tax considerations even where no similar benefit would accrue to us or the holders of Class A Shares.

We intend to pay regular quarterly distributions to Class A Shareholders but our ability to do so may be limited by our holding company structure, as we are dependent on distributions from the Sculptor Operating Group to make distributions and to pay taxes and other expenses, and may be limited by contractual restrictions and obligations.

As a holding company, our ability to make distributions or to pay taxes and other expenses is subject to the ability of our subsidiaries to provide cash to us. We intend to make quarterly distributions to our Class A Shareholders. Accordingly, we expect to cause the Sculptor Operating Group to make distributions to Sculptor Corp in an amount sufficient to enable us to pay distributions to our Class A Shareholders and make required tax payments and payments under the tax receivable agreement; however, no assurance can be given that such distributions will or can be made. The members of the Sculptor Operating Group are subject to certain restrictions under the 2020 Credit Agreement that limit their ability to make distributions. Consequently, no assurance can be given that the Sculptor Operating Group will or can make such distributions to Sculptor Corp. Our Board of Directors can change our distribution policy or reduce or eliminate our distributions at any time, in its discretion. The Sculptor Operating Group may make minimum tax distributions to its direct unit holders, to which our Class A Shareholders may not be entitled, as distributions on Group B Units to Sculptor Corp that may be used to settle tax liabilities, if any, and make payments

under the tax receivable agreement or settle other obligations. In addition, the Sculptor Operating Group may make distributions to our executive managing directors in respect of their Class C Non-Equity Interests with respect to cash awards granted to them from time to time. As a result, Class A Shareholders may not receive any distributions at a time when our executive managing directors are receiving distributions on their Class C Non-Equity Interests or their other ownership interests. If the Sculptor Operating Group has insufficient funds to make such distributions, we may have to borrow additional funds or sell assets, which could have a material adverse effect on our business, financial condition or results of operations.

Furthermore, by paying cash distributions rather than investing that cash in our business, we might risk slowing the pace of our growth, or not having a sufficient amount of cash to fund our operations, new investments or unanticipated capital expenditures, should the need arise.

There may be circumstances under which we are restricted from making distributions under applicable law or regulation (for example, our Board of Directors may only declare and pay dividends either out of our surplus (as defined in DGCL) or in case there is no such surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year) or under our 2020 Credit Agreement.

The declaration and payment of any future distributions will be at the sole discretion of our Board of Directors, which may change our distribution policy or reduce or eliminate our distributions at any time, in its discretion, and may be subject to contractual obligations and restrictions under Delaware law.

Because we have historically earned and recognized most of our incentive income in the fourth quarter of each year, we anticipate that quarterly distributions in respect of the first three calendar quarters will be disproportionate to distributions in respect of the last calendar quarter, which will typically be paid in the first calendar quarter of the following year. Our Board of Directors will take into account such factors as it may deem relevant, including general economic and business conditions; our strategic plans and prospects; our business and investment opportunities; our financial condition and operating results; working capital requirements and anticipated cash needs; contractual restrictions and obligations, including payment obligations pursuant to the tax receivable agreement and restrictions pursuant to our 2020 Credit Agreement; legal, tax and regulatory restrictions; and other restrictions and implications on the payment of distributions by us to our Class A Shareholders or by our subsidiaries to us and such other factors as our Board of Directors may deem relevant. Any compensatory payments made to our employees, as well as payments that Sculptor Corp makes under the tax receivable agreement and distributions to holders of ownership interests in respect of their tax liabilities arising from their direct ownership of ownership interests, will reduce amounts that would otherwise be available for distribution on our Class A Shares. In addition, discretionary income allocations on Class C Non-Equity Interests as determined by the Chairman of the Partner Management Committee (or, in the event there is no Chairman, the full Partner Management Committee acting by majority vote) in conjunction with our Compensation Committee with respect to our executive officers, relating to cash awards granted to our executive managing directors will also reduce amounts available for distribution to our Class A Shareholders. We have granted RSUs and restricted shares that may settle in Class A Shares to certain of our executive managing directors, managing directors and other employees, and to certain independent members of our Board of Directors. All of these RSUs accrue distributions (except with respect to certain RSUs, during the Distribution Holiday) to be paid if and when the underlying RSUs vest. Distributions may be paid in cash or in additional RSUs that accrue additional distributions and will be settled at the same time the underlying RSUs vest . Restricted shares have the same rights to distributions as Class A Shares, provided that any distributions payable with respect to unvested restricted shares are payable only in restricted Class A Shares.

The declaration and payment of any distribution may be subject to legal, contractual or other restrictions. For example, as a Delaware corporation, our Board of Directors may only declare and pay dividends either out of our surplus (as defined in DGCL) or in case there is no such surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. In addition, we may not be permitted to make certain distributions if we are in default under our 2020 Credit Agreement. Our cash needs and payment obligations may fluctuate significantly from quarter to quarter, and we may have material unexpected expenses in any period. This may cause amounts available for distribution to significantly fluctuate from quarter to quarter or may reduce or eliminate such amounts.

We will be required to pay amounts under the tax receivable agreement we are party to for most of the actual tax benefits we realize as a result of the tax basis step-up we receive in connection with an exchange of common units in the Sculptor Operating Group for Class A Shares (or cash). In certain circumstances, payments under the tax receivable agreement may be accelerated and/or could exceed the actual tax benefits we realize.

We generally receive a tax benefit when common units in the Sculptor Operating Group are acquired or exchanged because our tax basis in our distributive share of the Sculptor Operating Group assets generally increases as a result of these acquisitions or exchanges. We are a party to a tax receivable agreement with active and former executive managing directors and the Ziffs, that requires us to pay 75% of the amount of cash savings in U.S. federal, state and local income tax that we actually realize as a result of such an increase in tax basis.

The actual increase in tax basis of the Sculptor Operating Group assets resulting from an exchange or from payments under the tax receivable agreement, as well as the amortization thereof and the timing and amount of payments under the tax receivable agreement, will vary based upon a number of factors including the law in effect at the time of an exchange or a payment under the tax receivable agreement, the timing of future exchanges, the timing and amount of prior payments under the tax receivable agreement, the price of our Class A Shares at the time of any exchange, the composition of the Sculptor Operating Group's assets at the time of any exchange, the extent to which such exchanges are taxable and the amount and timing of the income of Sculptor Corp and our other intermediate corporate taxpayers that hold Group B Units in connection with an exchange, if any. Depending upon the outcome of these factors, payments that we may be obligated to make to our executive managing directors and the Ziffs under the tax receivable agreement in respect of exchanges are likely to be substantial. In light of the numerous factors affecting our obligation to make payments under the tax receivable agreement, however, the timing and amounts of any such actual payments are not reasonably ascertainable. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Tax Receivable Agreement."

Were the Internal Revenue Service ("IRS") to successfully challenge all or a part of increased deductions and a tax basis increase, our executive managing directors and the Ziffs who have received payments under the tax receivable agreement will not reimburse the corporate taxpayers for any such payments that have been previously made. As a result, in certain circumstances, payments could be made to our executive managing directors and the Ziffs under the tax receivable agreement in excess of the corporate taxpayers' cash tax savings. The corporate taxpayers' ability to achieve benefits from any tax basis increase, and the payments to be made under this agreement, will depend upon a number of factors, including the timing and amount of our future income.

Decisions made by our executive managing directors in the course of running our business, in particular decisions made with respect to the sale or disposition of assets or change of control, may influence the timing and amount of payments that are payable to an exchanging or selling executive managing director or the Ziffs under the tax receivable agreement. In general, earlier disposition of assets following an exchange or acquisition transaction will tend to accelerate such payments and increase the present value of the tax receivable agreement, and disposition of assets before an exchange or acquisition transaction will tend to increase the tax liability of our executive managing directors or the Ziffs without giving rise to any rights to receive payments under the tax receivable agreement.

In addition, the tax receivable agreement provides that, upon a merger, asset sale or other form of business combination or certain other changes of control, the corporate taxpayers' (or their successors') obligations with respect to exchanged or acquired units (whether exchanged or acquired before or after such change of control) would be based on certain prescribed assumptions, including that the corporate taxpayers would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreement. Accordingly, obligations under the tax receivable agreement may make it more expensive for third parties to acquire control of us and make it more difficult for the holders of Class A Shares to recognize a premium in connection with any such transaction. Finally, we may need to incur debt to finance payments under the tax receivable agreement to the extent our cash resources are insufficient to meet our obligations under the tax receivable agreement, which may or may not be available on favorable terms, if at all.

Our board of directors has publicly disclosed that it has formed a special committee to explore potential interest from third parties in a transaction that maximizes value for shareholders, and if we are unable to consummate a transaction at the conclusion of that process, there could be an adverse effect on our business, financial condition and results of operations.

On November 18, 2022, we issued a press release announcing the formation by of our board of directors of a special committee comprised solely of independent directors (the "Special Committee") to explore potential interest from third parties in a transaction with the Company that maximizes value for shareholders. As of the filing date of this Annual Report on Form 10-K, no transaction has been announced, and there can be no assurance that the Special Committee process will result in any transaction in the future. If we are unable to consummate a strategic transaction at the conclusion of the Special Committee process, there could be an adverse effect on our business, financial condition or results of operations, including that the price of our Class A Shares may decline or become more volatile.

If we are deemed an investment company under the 1940 Act, the applicable restrictions could make it impracticable for us to continue our business as contemplated and would have a material adverse impact on the market price of our Class A Shares.

We do not believe that we are an "investment company" under the 1940 Act because the nature of our assets and the sources of our income exclude us from the definition of an investment company under the 1940 Act. In addition, we believe our Company is not an investment company under Section 3(b)(1) of the 1940 Act because we are primarily engaged in a non-investment company business. We intend to continue to conduct our operations so that we will not be deemed an investment company. If we were to be deemed an investment company, including in connection with our sponsorship of Sculptor Acquisition Corp I, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated.

Risks Related to Our Shares

The market price and trading volume of our Class A Shares have been and may continue to be highly volatile, which could result in rapid and substantial losses for our shareholders.

The market price of our Class A Shares has been and may continue to be highly volatile and subject to wide fluctuations. In addition, the trading volume in our Class A Shares can be highly variable, which has caused and may continue to cause significant price variations to occur. The market price of our Class A Shares may fluctuate or decline significantly in the future.

Some of the primary factors that could negatively affect the price of our Class A Shares or result in fluctuations in the price or trading volume of our Class A Shares include:

- Reductions or lack of growth in our Assets Under Management, whether due to poor investment performance by our funds or redemptions by investors in our funds.
- Difficult global market and economic conditions.
- Loss of investor confidence in the global financial markets and investing in general and in alternative asset managers in particular.
- Competitively adverse actions taken by other hedge fund managers with respect to pricing, fund structure, redemptions, employee recruiting and compensation.
- Inability to attract, retain or motivate our active executive managing directors, investment professionals, managing directors or other key personnel.
- Public or other offerings of additional Class A Shares.
- Inability to develop or successfully execute on business strategies or plans.
- Unanticipated variations in our quarterly operating results or dividends.

- Failure to meet analysts' earnings estimates.
- Publication of negative or inaccurate research reports about us or the asset management industry or the failure of securities analysts to provide adequate coverage of our Class A Shares in the future.
- Adverse market reaction to any indebtedness we may incur, Sculptor Operating Group common units or cash awards we may grant under our 2013 Incentive Plan and 2022 Incentive Plan or otherwise, or any other securities we may issue in the future.
- Changes in market valuations of similar companies.
- Speculation in the press or investment community about our business.
- Additional or unexpected changes or proposed changes in laws or regulations or differing interpretations thereof affecting our business or enforcement of these laws and regulations, or announcements relating to these matters.
- Increases in compliance or enforcement inquiries and investigations by regulatory authorities, including as a result of regulations mandated by the Dodd-Frank Act and other initiatives of various regulators that have jurisdiction over us related to the alternative asset management industry.
- Adverse publicity about the asset management industry generally or scandals involving hedge funds specifically.
- Negative publicity or unfavorable or downgraded reports published by analysts who cover our securities.

The price of our Class A Shares may decline due to the large number of shares eligible for future sale and for exchange into Class A Shares.

The market price of our Class A Shares could decline as a result of sales of a large number of our Class A Shares or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate. As of December 31, 2022, 23,707,228 Class A Shares were outstanding and 3,163,667 interests were outstanding pursuant to our Amended and Restated 2007 Equity Incentive Plan. The Amended and Restated 2007 Equity Incentive Plan expired on November 11, 2017, and no new awards may be granted thereunder on or after that date. As of December 31, 2022, 35,153,361 interests were outstanding pursuant to our 2013 Incentive Plan, and approximately 674,870 Class A Shares and other plan interests remain available for future grant under that plan. The Class A Shares reserved under our 2013 Incentive Plan are increased on the first day of each fiscal year during the plan's term by 15% of any increase in the number of outstanding Class A Shares (assuming the exchange of all outstanding Sculptor Operating Group common units (other than Group B Units) for Class A Shares) from the number outstanding on the first day of the immediately preceding fiscal year. As of December 31, 2022, 5,500,000 interests were outstanding pursuant to our 2022 Incentive Plan, and all plan interests remain available for future grant under that plan.

As of December 31, 2022, our executive managing directors owned an aggregate of 28,040,152 Group A and E Units. The holder of any Group A Units generally has the right to exchange each of his or her Group A Units for one of our Class A Shares (or, at our option, the cash equivalent thereof), subject to vesting and transfer restrictions under the Sculptor Operating Partnerships' limited partnership agreements and the Class A Unit Exchange Agreement. The Group E Units convert into Group A Units to the extent they have become economically equivalent to Group A Units. Prior to the expiration of the Distribution Holiday, the Exchange Committee (comprised of our Chief Executive Officer and the Chief Financial Officer), in consultation with the Board of Directors, shall have the authority to permit exchanges of vested and booked-up Group A Units, which exchanges shall be made available to all holders of such vested and booked-up Group A Units on a pro rata basis. Beginning on the final day of the Distribution Holiday, each of our executive managing directors may exchange his or her vested Group A Units over a period of two years in three equal installments commencing upon the final day of the Distribution Holiday and on each of the first and second anniversary thereof (or, for units that become vested and booked-up Group A Units after the final day of the Distribution Holiday, from the later of the date on which they would have been exchangeable in accordance with the foregoing and the date on which they become vested and booked-up Group A Units) (and thereafter such units will remain exchangeable), in each case, subject to certain restrictions (including, among other things, in connection with our insider trading

policy in respect of affiliate holders and in certain circumstances where the exchange would be likely to impact our ability to use net operating losses).

As of December 31, 2022, our executive managing directors owned an aggregate of 5,348,572 Group P Units. The holder of any Group P Unit generally has the right to exchange each of his or her Group P Units for one of our Class A Shares (or cash), subject to service and performance criteria. See Note 13 to our consolidated financial statements included in this report for additional information regarding the terms of the Group P Units.

We are party to a registration rights agreement, as amended, with our executive managing directors pursuant to which we granted them certain "piggyback" registration rights with respect to the resale of all Class A Shares delivered in exchange for Group A Units or otherwise held from time to time by our executive managing directors, including after an exchange of Group P Units. We will agree to file with the SEC a shelf registration statement or a prospectus supplement or other supplemental materials to an existing shelf registration statement, no later than the first "established exchange date" under the Class A Unit Exchange Agreement, providing for registration and resale of the Class A Shares that may be delivered in exchange for Operating Group Units (as provided for in the registration rights agreement) or otherwise held from time to time by the executive managing directors.

RSUs may be settled at the election of a majority of our Board of Directors in Class A Shares or cash. Subject to continued employment over the vesting period, the underlying Class A Shares will be issued, or cash in lieu thereof will be paid, as such RSUs vest. We filed registration statements on Form S-8 to register an aggregate of 6,718,827 Class A Shares reserved for issuance under our Amended and Restated 2007 Equity Incentive Plan (which expired on November 11, 2017) and registration statements on Form S-8 to register an aggregate of 32,904,525 Class A Shares reserved for issuance under our 2013 Incentive Plan (not including automatic annual increases thereto), as well as a registration statement on Form S-8 to register an aggregate of 5,500,000 Class A Shares reserved for issuance under our 2022 Incentive Plan. As a result, any Class A Shares issued in respect of the RSUs will be freely transferable by non-affiliates upon issuance and by affiliates under Rule 144, without regard to holding period limitations.

Our current and former executive managing directors' beneficial ownership of Class B Shares, the tax receivable agreement and anti-takeover provisions in our charter documents and Delaware law could delay or prevent a change in control.

Our current and former executive managing directors own all of our Class B Shares, which as of December 31, 2022, represent approximately 53.0% of the total combined voting power of our Company, excluding the voting power of the Class B Shares that relate to our Group A-1 Units, which represent 0.7% of our total combined voting power, and are voted pro rata in accordance with the vote of our Class A Shares until such time as the relevant Group E Units become vested, or are forfeited.

In addition, the tax receivable agreement provides that, upon a merger, asset sale or other form of business combination or certain other changes of control, the corporate taxpayers' (or any successors') obligations with respect to exchanged or acquired units (whether exchanged or acquired before or after such change of control) would be based on certain prescribed assumptions, including that the corporate taxpayers would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreement. The provisions may make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our shareholders.

Further, provisions in our Certificate of Incorporation and By-laws may make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our shareholders. For example, our Certificate of Incorporation and By-laws provide for a staggered Board of Directors, require advance notice for proposals by shareholders and nominations, place limitations on convening shareholder meetings, and authorize the issuance of preferred shares that could be issued by our Board of Directors to thwart a takeover attempt. The market price of our Class A Shares could be materially adversely affected to the extent that our current and former executive managing directors' influence over us, as well as provisions of our Certificate of Incorporation and By-laws, discourage potential takeover attempts that our shareholders may favor.

Finally, some provisions of Delaware law may delay or prevent a transaction that would cause a change in our control. In this regard, Section 203 of the DGCL restricts certain business combinations with interested stockholders in certain situations. In

general, this statute prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction by which that person became an interested stockholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a business combination includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and an interested stockholder is a person who, together with affiliates and associates, owns, or within three years prior, did own, 15% or more of voting stock.

Risks Related to Taxation

Our structure involves complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. Our structure also is subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis.

The U.S. federal income tax treatment of holders of the Class A Shares depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. You should be aware that the U.S. federal income tax rules are constantly under review by persons involved in the legislative process, the IRS, and the U.S. Treasury Department, frequently resulting in revised interpretations of established concepts, statutory changes, revisions to regulations and other modifications and interpretations. The IRS pays close attention to the proper application of tax laws to partnerships. The present U.S. federal income tax treatment of an investment in the Class A Shares may be modified by administrative, legislative or judicial interpretation at any time, possibly on a retroactive basis, and any such action may affect investments and commitments previously made. For example, changes to the U.S. federal tax laws and interpretations thereof could affect or cause us to change our investments and commitments, change the character or treatment of portions of our income, affect the tax considerations of an investment in us and adversely affect an investment in our Class A Shares.

As a result of the Recapitalization and the Corporate Classification Change, we expect to pay more corporate income taxes and may be required to make accelerated payments under the tax receivable agreement compared to under our prior structure. In addition, we may fail to realize some or all of the benefits of the Corporate Classification Change, or those benefits could take longer to materialize than expected, which could have a material and adverse effect on the trading price of the Class A Shares.

We converted from a partnership to a corporation for U.S. federal income tax purposes, effective April 1, 2019 (the "Corporate Classification Change"). Following the Corporate Classification Change, all of our net income has become subject to U.S. federal (and state and local) corporate income taxes, which reduces the amount of cash available for distributions or for reinvestment in our business. The maximum U.S. federal corporate income tax rate is currently 21%, but this rate may increase in the future, which would cause us to pay more corporate income taxes than currently anticipated.

We generally receive a tax benefit when common units in the Sculptor Operating Group are acquired or exchanged because our tax basis in our distributive share of the Sculptor Operating Group assets generally increases as a result of these acquisitions or exchanges. We are a party to a tax receivable agreement with active and former executive managing directors and the Ziffs, that requires us to pay 75% of the amount of cash savings in U.S. federal, state and local income tax that we actually realize as a result of such an increase in tax basis. We expect corporate-entity-level taxes and payments under the tax receivable agreement will accelerate as a result of the Recapitalization and the Corporate Classification Change.

During the Distribution Holiday, net income and distributions of the Sculptor Operating Group that previously would have been allocated and distributed pro rata among the Sculptor Operating Group Units will be allocated and distributed solely to the Group B Units. This will result in increased corporate income taxes and acceleration of the utilization of our deferred tax assets, and may result in accelerated payments under the tax receivable agreement.

For U.S. federal income tax purposes, any distributions we pay following the Corporate Classification Change generally will be treated as qualified dividend income (generally subject to tax in the hands of U.S. individual shareholders at capital gain rates under current law) paid by a domestic corporation to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Since the Corporate Classification Change, no income, gains, losses, deductions or credits of the Sculptor Operating Partnerships flow through to the shareholders for U.S. federal income tax purposes.

Although we believe that the Corporate Classification Change will, among other things, simplify our tax reporting for shareholders, expand our shareholder base, and increase the liquidity of our Class A Shares, we may fail to realize all or some of the anticipated benefits of the Corporate Classification Change, or those benefits may take longer to realize than we expected, which could contribute to a decline in the trading price of our shares. Moreover, there can be no assurance that the anticipated benefits of the Corporate Classification Change will over time offset the cost of these transactions.

U.S. federal income tax reform could have uncertain effects.

The TCJA made significant changes to the taxation of U.S. business entities, including reducing the corporate income tax rate from 35% to 21%, eliminating the corporate alternative minimum tax, restricting deductions allowed for net operating losses beginning in 2018 to 80% of current year taxable income, permitting those net operating losses to be carried forward indefinitely, limiting the deductibility of business interest to 30% of "adjusted taxable income" (which is similar to EBITDA before 2022 and EBIT beginning in 2022), and making certain modifications to section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), among other changes. Under the regulations issued by the U.S. Treasury (the "Treasury Regulations"), partnership guaranteed payments for the use of capital may under certain circumstances be characterized as interest for purposes of the aforementioned limitation on the deductibility of business interest. In addition, recently finalized Treasury Regulations under section 162(m) of the Code would limit deductions for compensation paid by a partnership for services performed for it by covered employees of a corporation that is a partner in the partnership. The aforementioned limitation on the deductibility of business interest and the final Treasury Regulations under section 162(m) could reduce deductions available to us. Other changes to the tax laws may be enacted in the future. For example, the Biden Administration proposed various changes in the Build Back Better Act passed by the House of Representatives. The likelihood that any of these or other changes are enacted, and, if so, the consequences to us, are uncertain.

Our structure is subject to other potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

As described above, the TCJA made significant changes to the taxation of U.S. business entities and changes to the tax laws may be enacted in the future. If any change in the tax laws, rules, regulations or interpretations were to impose additional taxes or limitations, Class A Shareholders could be negatively affected because we could incur a material increase in our tax liability as a public company from the date any such changes applied to us, which could result in a reduction in the value of our Class A Shares.

Tax gain or loss on disposition of our Class A Shares could be more or less than expected.

If you sell your Class A Shares, you will generally recognize a gain or loss equal to the difference between the amount realized and the adjusted tax basis in those Class A Shares. Prior distributions to you for periods prior to the Corporate Classification Change in excess of the total net taxable income allocated to you for such periods, if any, which decreased the tax basis in your Class A Shares, will in effect become taxable income to you if the Class A Shares are sold in a taxable disposition at a price greater than your tax basis in those Class A Shares, even if the price is less than the original cost.

New rules regarding U.S. federal income tax liability arising from IRS audits of partnerships could adversely affect shareholders.

For taxable years of entities treated as partnerships for U.S. federal income tax purposes beginning on or after January 1, 2018, U.S. federal income tax liability arising from an IRS audit will be borne by the entity, unless certain alternative methods are available and the entity elects to utilize them. Under the new rules, it is possible that holders or the entity itself may bear responsibility for taxes attributable to adjustments to the taxable income of the entity with respect to tax years that closed before the holder owned an interest in the entity. Accordingly, this new legislation may adversely affect certain of our shareholders for periods prior to the Corporate Classification Change in certain cases and could affect the Sculptor Operating Partnerships, which will continue to be classified as partnerships for U.S. federal income tax purposes. These new rules differ from the prior rules, which generally provided that tax adjustments only affected the persons who were partners in the partnership in the tax year in which the item was reported on the partnership's tax return. The changes created by these new rules are uncertain and in many respects depend on the promulgation of future regulations or other guidance by the IRS or the U.S. Treasury.

Our ability to use net operating loss carryforwards to offset future taxable income may be subject to limitations.

Our ability to use our federal net operating losses and built-in losses ("NOLs") to offset potential future taxable income and related income taxes may be limited. Section 382 of the Code, imposes an annual limitation on the amount of taxable income that may be offset by loss carryforwards of a "loss corporation" if the corporation experiences an "ownership change" as defined in Section 382 (generally, a cumulative change in ownership that exceeds 50% of the value of a corporation's stock over a rolling three-year period). We may experience an ownership change as a result of issuances or other changes in ownership of our shares, including as a result of issuances of Class A Shares upon future exchanges of Group A Units or Group P Units by active and former executive managing directors. In addition, Section 382 of the Code contains certain anti-avoidance rules that could result in the application of similar limitations on our ability to use our NOLs. To the extent we experience an ownership change at a time when we are a loss corporation, or Section 382 of the Code otherwise applies under such rules, our ability to utilize our NOLs could be significantly limited, and similar limitations may apply at the state level.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal executive offices are located in leased office space in New York. We also lease space for our operations in London, Hong Kong and Shanghai. We believe that our existing facilities are adequate to meet our current requirements and we anticipate that suitable additional or substitute space will be available, as necessary, upon favorable terms. See Note 7 to our consolidated financial statements included in this report for additional information regarding our leases.

Item 3. Legal Proceedings

We are from time to time involved in litigation, investigations, inquiries, disputes, and other potential claims incidental to the conduct of our business. Like other businesses in our industry, we are subject to extensive scrutiny by regulatory agencies globally that have, or may in the future have, regulatory authority over us and our business activities. This has resulted in, or may in the future result in, regulatory agency investigations, litigation and subpoenas, and related sanctions and costs.

On August 24, 2022, a complaint under Section 220 of Delaware's general corporation law, which allows shareholders to inspect corporate books and records, was filed by Daniel S. Och, the founder and former Chief Executive Officer (the "Founder") of Och-Ziff Capital Management LLC and its consolidated subsidiaries ("Och-Ziff") and four former Och-Ziff executive managing directors. In April 2022, the Founder and these former executive managing directors made a demand to inspect books and records relating to alleged corporate governance concerns in connection with the promotion of James S. Levin to Chief Executive Officer, a new executive compensation plan approved by the Board of Directors in December 2021, and other matters related to the Board's exercise of its duties. Despite the voluntary production by the Company of extensive documentation in response to that demand, the Founder and the former executive managing directors filed the Section 220 complaint to compel additional production. On November 18, 2022, the parties announced a settlement of the matter whereby the Founder and the former executive managing directors dismissed the Section 220 complaint with prejudice and in return, among other things, the Company agreed to produce certain additional books and records as well as to issue a press release announcing the formation of a Special Committee of the Board, as discussed in additional detail in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Recent Developments – Formation of Special Committee to Explore Potential Transactions.

See "Item 1A. Risk Factors—Risks Related to Our Business—*Extensive regulation of our business affects our activities and creates the potential for significant liabilities and penalties. Our reputation, business, financial condition or results of operations could be materially affected by regulatory issues.," "—Increased regulatory focus in the U.S. could result in additional burdens on our business," and "—Regulatory changes in jurisdictions outside the U.S. could adversely affect our business."* See Note 18 to our consolidated financial statements included in this report for additional information.

Item 4. Mine Safety Disclosures

None.

PART II

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

Market for Registrant's Common Equity

Our Class A Shares are listed and traded on the NYSE under the symbol "SCU." Our Class B Shares are not listed on the NYSE and there is no, and we do not expect there would be any, other established trading market for these shares. All of our Class B Shares are owned by our current and former executive managing directors and have no economic rights, but entitle holders to one vote per share on all matters submitted to a vote of our Class A Shareholders.

As of February 27, 2023, there were 18 holders of record of our Class A Shares. A substantially greater number of holders of our Class A Shares are "street name" or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions.

Recent Sales of Unregistered Securities

Issuer Purchases of Equity Securities

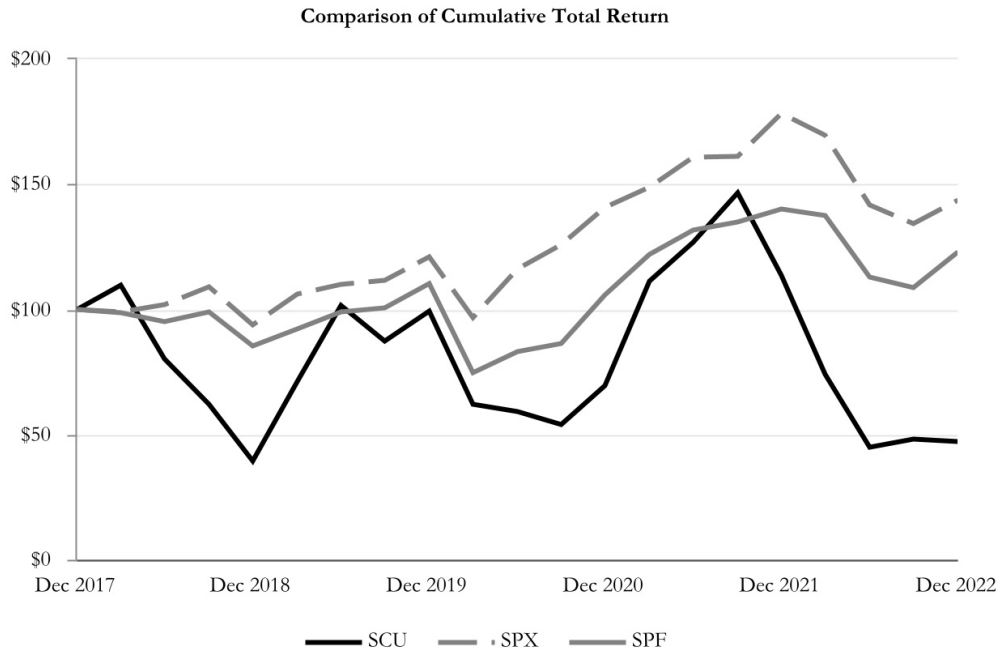
The following table summarizes our Class A Share repurchase activity under our 2022 Share Repurchase Program during the fourth quarter of 2022.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased Publicly as part of Publicly Announced Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under Our Programs ($ in millions)
October 2022	112,133	$ 9.99	112,133	$ 70.6
November 2022	175,486	9.60	175,486	69.0
December 2022	157,156	9.28	157,156	67.5
Total	**444,775**	**$ 9.58**	**444,775**	**$ 67.5**

In February 2022, our Board of Directors authorized us to repurchase up to $100.0 million of our outstanding common stock. The repurchase program has no expiration date. In the quarter ended December 31, 2022, we repurchased 444,775 Class A Shares at a cost of $4.3 million, for an average price of $9.58 per share through open market purchase transactions. As of December 31, 2022, $67.5 million remained available for repurchase of our common stock under the share repurchase program. All of the repurchased shares are classified as treasury stock in our consolidated balance sheets. Please see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Share Repurchase Program" for additional information.

SCU Stock Performance

The line graph and table below compares the cumulative total return on our Class A Shares with the cumulative total return of the Standard & Poor's ("S&P") 500 Index ("SPX") and the S&P 500 Financials Index ("SPF") for the period of December 31, 2017 through December 31, 2022. The graph and table assume that $100 was invested simultaneously on December 31, 2017 in our Class A Shares, the SPX and SPF, respectively, that these investments were held until December 31, 2022, and that all dividends were reinvested. The past performance of our Class A Shares is not an indication of future performance.



	Period Ended December 31,					
	2017	2018	2019	2020	2021	2022
Sculptor Capital Management, Inc.	$ 100.00	$ 39.25	$ 99.07	$ 69.57	$ 113.42	$ 47.14
S&P 500 Index	$ 100.00	$ 93.76	$ 120.84	$ 140.49	$ 178.27	$ 143.61
S&P 500 Financials Index	$ 100.00	$ 85.33	$ 110.23	$ 105.71	$ 140.11	$ 122.80

Item 6. Selected Financial Data

Not Applicable.

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

This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in "Part I—Item 1A. Risk Factors" of this report. Actual results may differ materially from those contained in any forward-looking statements. This MD&A should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this annual report. An investment in our Class A Shares is not an investment in any of our funds.

Overview

General

2022 was one of the most volatile years on record for the markets. We were pleased with our ability to protect clients' capital and deliver relative outperformance versus relevant benchmarks and indices, especially in our opportunistic credit and real estate strategies. Our focus is to make attractive investments for our clients and be stewards of their capital, showcasing the value of our investment capabilities to both fund investors and shareholders.

The Sculptor Credit Opportunities Master Fund and Customized Credit Focused Platform were down 3.2% and 1.9% gross, respectively, for the full year 2022, both of which delivered exceptional relative outperformance as compared to the BAML Global High Yield Index which was down 13.2%. Our real estate funds continued to perform strongly, and show the benefits of our investments in non-traditional asset classes with attractive risk and return profiles not correlated to broader markets. Our Real Estate Fund III was up 15% while real estate indices were down for the year. The Sculptor Master Fund was down 11.6% gross for the full year 2022, compared to the MSCI World Index and the Balanced US 60/40 Index which were down 15.6% and 19.1%, respectively. The fund is not market-neutral and is expected to have some downside capture in a challenging market. However, this represents an outlier year of more than expected downside capture for the fund. The strategy maintains an attractive long term track record with a 15.4% gross return since inception, with less than half the volatility of equity markets. While markets may continue to remain volatile, we believe both our funds, through their unconstrained investment style, and our platform, from our business diversification and strong balance sheet, are well position to navigate these challenging market conditions.

In 2022 we furthered our expansion into credit and real estate. In 2022, we held first closes for our Real Estate Credit Fund II, Tactical Credit Fund ("STAX"), the latest vintage in our series of seven closed-end opportunistic credit funds and closed a $350.0 million structured alternative investment solution, which was tailored to meet the needs of insurance investors. We also launched an additional real estate investment vehicle. Lastly, we launched two additional CLOs during 2022. These new launches further diversify our business by product, channel and vintage, continuing the trend of raising long term capital, as we grew our long-term AUM to 72% of our total AUM as of December 31, 2022.

Additionally, our balance sheet remains strong as a result of the actions we have taken over the past several years. This gives us the stability to weather challenging market conditions and allows us to pursue attractive uses of our capital. During 2022, our Board of Directors authorized a share repurchase plan, allowing us a pathway complimentary to our dividend distributions to return capital to our shareholders, as a result during the year we repurchased approximately 3.0 million Class A Shares for a total of $32.5 million.

While the business fundamentals are sound, the earnings for any given year can have volatility due to annual performance or incentive fee recognition timing. Over time, we created greater consistency in management fees as our longer-term AUM grew. With that also comes volatility in overall earnings due to the impact of longer-term AUM on incentive fee recognition and associated variable bonus expense timing. There is a timing difference between when we can recognize incentive income and when we accrue our discretionary bonus expense, which is dependent upon a variety of factors, including fund performance for the full calendar year. Incentive income for this longer-term AUM is typically recognized near the end of a multi-year period, which can create year-over-year volatility in incentive income.

Finally, when we evaluate our business, we look to the underlying earnings drivers of the organization which will drive future returns to shareholders. These key indicators include fund performance in line with or exceeding investor expectations, the compounding of our asset base through net flows and new products, continuing to be cognizant of our cost framework, and growing and utilizing our balance sheet to invest in the growth of the business.

Recent Developments – Formation of Special Committee to Explore Potential Transactions

On November 18, 2022, we issued a press release announcing the formation by of our board of directors of the Special Committee to explore potential interest from third parties in a transaction with the Company that maximizes value for shareholders. As of the filing date of this Annual Report on Form 10-K, no transaction has been announced, and there can be no assurance that the Special Committee process will result in any transaction in the future.

Overview of Our Business

Sculptor Capital is a leading institutional alternative asset manager, with approximately $35.9 billion in Assets Under Management as of February 1, 2023 and a global presence with offices in New York, London, Hong Kong, and Shanghai. We provide asset management services and investment products across Credit, Real Estate, and Multi-Strategy. We serve our global client base through our commingled funds, separate accounts, specialized products, and the SPAC. Our capabilities span all major geographies and asset classes. Our approach to asset management is based on the same fundamental elements that we have employed since Sculptor Capital was founded in 1994. Our distinct investment process seeks to generate attractive and consistent risk-adjusted returns across market cycles through a combination of bottom-up fundamental analysis, a high degree of flexibility, a collaborative team and integrated risk management. Our capabilities span all major geographies and asset classes, including fundamental equities, corporate credit, real estate debt and equity, merger arbitrage, structured credit, and convertible and derivative arbitrage.

We manage multi-strategy funds, dedicated credit funds, including opportunistic credit funds and Institutional Credit Strategies products, real estate funds, and other alternative investment vehicles. Through Institutional Credit Strategies, our asset management platform that invests in performing credits, we manage CLOs, aircraft securitization vehicles, collateralized bond obligations (“CBOs”), structured alternative investment solutions, commingled products and other customized solutions for clients.

COVID-19 Pandemic

As the COVID-19 pandemic evolved, we continued to focus on the health and well-being of our employees and the uninterrupted service to investors in our funds and our shareholders. We have returned to the office with safety protocols in place consistent with government guidelines. We continue to monitor government guidelines and maintain the effectiveness of our information technology infrastructure and other controls to remain agile should the situation change.

Due to the uncertainty over the timing and extent of any possible global economic recovery, we cannot readily estimate or determine the effects that the ongoing COVID-19 pandemic will ultimately have on our future business and financial results, as well as on our liquidity and capital resources. Please see the COVID-19 commentary included throughout this MD&A, including “—Liquidity and Capital Resources”, and “Part I—Item 1A. Risk Factors” included in this annual report for additional information.

War in Ukraine

We are monitoring the developments in Ukraine resulting from the Russian invasion and the economic sanctions and restrictions imposed as a result. As of December 31, 2022, our funds had no material investments that would cause us or any of our funds to be in violation of the current international sanctions, and we believe the direct or indirect exposure of our funds’ investments to Russia, Belarus and Ukraine is immaterial. We have appropriate controls in place and we continue to monitor any new exposure including any investments that may be in violation of current international sanctions.

Overview of Our Financial Results

As a global alternative asset manager, our results of operations are impacted by a variety of factors, including conditions in the global financial markets and economic and political environments. Global risk assets fell under pressure this year as financial conditions tightened at a velocity not witnessed since COVID and the global financial crisis in 2008. As a result, both global equities and bonds declined and had their worst year since 2008 by a wide margin. Sculptor Credit Opportunities Master Fund delivered exceptional relative outperformance in 2022, exceeding the returns of the BAML Global High Yield by 10.0% on a gross basis. Our Multi-Strategy funds had an outlier year of downside capture, but outperformed the Balanced US 60/40 Index by 7.5% on a gross basis. Negative absolute performance impacted our ability to generate incentive income for the year in these strategies. Our real estate funds continued to perform strongly and show the benefits of our strategic investment in non-traditional and traditional asset classes with limited correlation to broader markets. We continued to deploy and realize investments, leading to incentive income for the year. Market conditions remain challenged and we believe both our funds, through their unconstrained investment style, and our platform, from our business diversification and strong balance sheet, are well positioned to navigate these challenging conditions.

As of December 31, 2022, our AUM was $36.0 billion, a decrease of $2.1 billion from the prior year. Our AUM decreased primarily due to: (i) performance-related depreciation in multi-strategy and credit funds and (ii) distributions and other reductions in Institutional Credit Strategies and real estate funds, which led to recognition of incentive income in the year, as well as reductions due to the effects of foreign currency translation adjustments on our European CLOs. These decreases were partially offset by net inflows in Institutional Credit Strategies and real estate funds. In 2022, we held first closes for our Real Estate Credit Fund II, Tactical Credit Fund ("STAX"), the latest vintage in our series of seven closed-end opportunistic credit funds, and another real estate investment vehicle. Additionally, in the current year, we closed a $350.0 million structured alternative investment solution, which was tailored to meet the needs of insurance investors. Lastly, we launched two additional CLOs in 2022. These new launches further diversify our business by product, channel and vintage, continuing the trend of raising long term capital, as we grew our long-term AUM to 72% of our total AUM as of December 31, 2022.

We reported a GAAP net loss of $12.0 million in 2022, compared to a GAAP net loss of $8.6 million in 2021.

Management fees were $278.4 million in 2022, a decrease of $23.6 million compared to 2021. Our management fees fell primarily due to Institutional Credit Strategies and multi-strategy funds. The decrease year-over-year in Institutional Credit Strategies was driven by the one-time recovery of previously deferred subordinated management fees in the prior year as well as lower weighted-average management fee rates. We continue to issue new CLOs and reset older CLO vintages, which extends the duration of our AUM in Institutional Credit Strategies, but we have seen our average fee rate decline in these vehicles, bringing down management fees. The decrease in multi-strategy funds was driven primarily by lower average assets under management, primarily as a result of negative fund performance in 2022 as well as redemptions. Please see "—Managing Business Performance—Multi-Strategy Funds" for additional information regarding the performance of the Sculptor Master Fund.

Incentive income was $123.4 million in 2022 driven primarily by realizations in Sculptor Real Estate Fund III, Customized Credit Focused Platform, and Sculptor Credit Opportunities Master Fund. The $189.0 million decrease from 2021 was driven primarily by negative fund performance in multi-strategy and credit funds, compared to strong performance in 2021, this decrease was partially offset by higher realizations from our real estate funds in 2022.

Expenses were $458.2 million in 2022, down $92.8 million from 2021 due to lower compensation and benefits expense driven by lower bonus expense, as well as lower general, administrative and other expenses due to a decrease in occupancy expense due to a right-of-use asset impairment loss in the prior year period.

Other loss in 2022 decreased by $55.5 million from 2021, primarily as a result of lower fair value of warrant liabilities and losses incurred on early retirement of debt in the prior year, partially offset by losses on our equity-method investments and risk retention investments in our CLOs.

Please see the "Results of Operations" section of this MD&A for commentary regarding changes in net loss attributable to noncontrolling interests and changes in the redemption value of redeemable noncontrolling interests.

Economic Income was $69.9 million in 2022, compared to $119.4 million in 2021. The decrease was primarily due to lower revenues and higher general, administrative and other expenses, partially offset by lower compensation and benefits expenses, driven by lower bonus expense as a result of negative fund performance, which resulted in lower performance related bonuses.

Economic Income is a non-GAAP measure. For additional information regarding non-GAAP measures, as well as for a discussion of the drivers of the year-over-year change in Economic Income, please see "—Economic Income Analysis."

Managing Business Performance

Our financial results are primarily driven by the combination of our AUM and the investment performance of our funds. Both of these factors directly affect the revenues we earn from management fees and incentive income. Growth in AUM in our funds and positive investment performance of our funds drive growth in our revenues and earnings. Conversely, poor investment performance slows our growth by decreasing our AUM and increasing the potential for redemptions from our funds, which would have a negative effect on our revenues and earnings.

We typically accept capital from new and existing investors in our multi-strategy and certain open-end opportunistic credit funds on a monthly basis on the first day of each month. Investors in these funds (other than with respect to capital invested in Special Investments) typically have the right to redeem their interests either following an initial lock-up period of one to four years, or on a quarterly basis for certain multi-strategy fund investors. Following the expiration of these lock-up periods, subject to certain limitations, investors may redeem capital generally on a quarterly, annual or three-year basis upon giving 30 to 90 days prior written notice. The lock-up requirements for our funds may generally be waived or modified at the sole discretion of each funds' general partner or board of directors, as applicable.

With respect to investors with quarterly redemption rights, requests for redemptions submitted during a quarter generally reduce AUM on the first day of the following quarter. Accordingly, quarterly redemptions generally will have no impact on management fees during the quarter in which they are submitted. Instead, these redemptions will reduce management fees in the following quarter. With respect to investors with annual redemption rights, redemptions paid prior to the end of a quarter impact AUM in the quarter in which they are paid, and therefore impact management fees for that quarter.

Investors in our closed-end credit funds, securitization vehicles, real estate and certain other funds are not able to redeem their investments. In those funds, investors generally make a commitment that is funded over an investment period (or at launch for our securitization vehicles). Upon the expiration of the investment period, the investments are then sold or realized over time, and distributions are made to the investors in the fund.

Information with respect to our AUM throughout this report, including the tables set forth below, includes investments by us, our executive managing directors, employees and certain other related parties. As of December 31, 2022, approximately 3% of our AUM represented investments by us, our executive managing directors, employees and certain other related parties in our funds. As of that date, approximately 43% of these affiliated AUM are not charged management fees and are not subject to an incentive income calculation. Additionally, to the extent that a fund is an investor in another fund or vehicle, we waive or rebate a corresponding portion of the management fees charged to the fund.

As further discussed below in "—Understanding Our Results—Revenues—Management Fees," we generally calculate management fees based on AUM as of the beginning of each quarter. The AUM in the tables below are presented net of management fees and incentive income as of the end of the period. Accordingly, the AUM presented in the tables below are not the amounts used to calculate management fees for the respective periods.

Appreciation (depreciation) in the tables below reflects the aggregate net capital appreciation (depreciation) for the entire period and is presented on a total return basis, net of all fees and expenses (except incentive income on Special Investments), and includes the reinvestment of all dividends and other income. Management fees and incentive income vary by product.

Summary of Changes in AUM

The tables below present the changes to our AUM for the respective periods based on the type of funds or investment vehicles we manage.

	Year Ended December 31, 2022					
	December 31, 2021	Inflows / (Outflows)[1]	Distributions / Other Reductions	Appreciation / (Depreciation)	Other[2]	December 31, 2022
	(dollars in thousands)					
Multi-strategy funds	$ 11,112,445	$ (354,677)	$ (5,494)	$ (1,578,171)	$ —	$ 9,174,103
Credit						
Opportunistic credit funds	6,350,474	(30,623)	(182,496)	(166,393)	—	5,970,962
Institutional Credit Strategies	16,052,406	990,969	(464,920)	730	(305,449)	16,273,736
Real estate funds	4,544,862	423,475	(390,816)	3,364	(17,193)	4,563,692
Total	**$ 38,060,187**	**$ 1,029,144**	**$ (1,043,726)**	**$ (1,740,470)**	**$ (322,642)**	**$ 35,982,493**

	Year Ended December 31, 2021					
	December 31, 2020	Inflows / (Outflows)[1]	Distributions / Other Reductions	Appreciation / (Depreciation)	Other[2]	December 31, 2021
	(dollars in thousands)					
Multi-strategy funds	$ 10,504,024	$ 99,974	$ (5,301)	$ 513,748	$ —	$ 11,112,445
Credit						
Opportunistic credit funds	6,287,777	(799,744)	(38,545)	900,986	—	6,350,474
Institutional Credit Strategies	15,697,827	2,904,817	(2,082,381)	710	(468,567)	16,052,406
Real estate funds	4,308,648	708,348	(470,581)	(1,553)	—	4,544,862
Total	**$ 36,798,276**	**$ 2,913,395**	**$ (2,596,808)**	**$ 1,413,891**	**$ (468,567)**	**$ 38,060,187**

(1) Includes transfers between Sculptor funds.

(2) Includes the effects of changes in the par value of the underlying collateral of the CLOs, foreign currency translation changes in the measurement of AUM of our European CLOs and other funds, and changes in the portfolio appraisal value for aircraft securitization vehicles. For FP AUM, this also includes movements in or out of FP AUM.

AUM totaled $36.0 billion as of December 31, 2022. In the year ended December 31, 2022, AUM decreased by $2.1 billion, driven by performance-related depreciation of $1.7 billion, primarily from multi-strategy funds, distributions and other reductions of $1.0 billion, driven primarily by Institutional Credit Strategies and real estate funds, and a decrease of $220.2 million due to the effects of foreign currency translation adjustments on our European CLOs. These decreases were partially offset by net inflows of $1.0 billion across Institutional Credit Strategies and real estate funds.

AUM net inflows of $1.0 billion in the year ended December 31, 2022, were comprised of (i) $2.4 billion of gross inflows, driven by $1.0 billion in Institutional Credit Strategies, from the launch of two additional CLOs, $698.9 million in multi-strategy funds, $423.5 million in real estate funds, driven by the launches of Real Estate Credit Fund II and another real estate investment vehicle, and $241.9 million in opportunistic credit funds due to the launch and additional closings of STAX; and (ii) $1.4 billion of gross outflows due to redemptions, primarily in our multi-strategy and opportunistic credit funds. In 2022, excluding securitization vehicles within Institutional Credit Strategies, our largest sources of gross inflows were from high net worth and family offices, sovereign wealth and corporates, and pensions, while pensions, high net worth and family offices, and fund-of-funds were the largest source of gross outflows.

Also as to flows, following a strong fundraising start to 2022 in Q1 and continued momentum in Q2, inflows slowed in the second half of the year, and we are experiencing elevated redemption requests for the coming year, driven by a variety of factors, primarily the uncertainty and perceived instability created by recent public actions taken by the founder and former Chief Executive Officer of Och-Ziff. Also relevant are market factors impacting investor allocations, idiosyncratic factors related to

one or more investors (e.g., rebalancing), idiosyncratic factors related to one or more of our funds (e.g., fund performance) and other factors. If the founder and former Chief Executive Officer of Och-Ziff takes actions of a similar nature going forward, there will be a continuation of adverse impacts to our business, including negative impact on our ability to attract and retain fund investors and our ability to raise new funds.

Distributions and other reductions of $1.0 billion in the year ended December 31, 2022, were driven primarily by: (i) $464.9 million of distributions from Institutional Credit Strategies as a result of a redemption and paydowns in certain of our CLOs; (ii) $390.8 million of distributions from our real estate funds as a result of realizations, primarily in Sculptor Real Estate Credit Fund I and Sculptor Real Estate Fund III; and (iii) a $182.5 million reduction in opportunistic credit funds, primarily related to the expiration of the investment period of a closed-end fund.

As of February 1, 2023, estimated AUM decreased to $35.9 billion, driven by $442.4 million of net outflows, primarily in multi-strategy funds, as well as $176.7 million of distributions and other reductions, as a result of distributions in certain of our opportunistic credit funds. These decreases were partially offset by $482.6 million of performance-related appreciation, primarily in multi-strategy and opportunistic credit funds.

In the year ended December 31, 2021, assets under management increased by $1.3 billion, driven by performance-related appreciation of $1.4 billion, net inflows of $2.9 billion, distributions and other reductions of $2.6 billion, and a decrease of $468.6 million primarily due to the effects of foreign currency translation adjustments and changes in par value of underlying collateral of the CLOs.

AUM net inflows in the year ended December 31, 2021 were comprised of (i) $4.8 billion of gross inflows, driven by $2.9 billion in Institutional Credit Strategies, due to the launches of additional CLOs and an aircraft securitization vehicle, $1.2 billion in multi-strategy funds, primarily driven by inflows into the Sculptor Master Fund, which had the first positive net flows since 2014, and $708.3 million in real estate funds, primarily due to the launches of several Sculptor Real Estate Fund IV co-investment vehicles and our real estate SPAC; and (ii) $1.9 billion of gross outflows due to redemptions, primarily in our multi-strategy and opportunistic credit funds.

Distributions and other reductions of $2.6 billion in the year ended December 31, 2021 were driven primarily by $2.1 billion of distributions from Institutional Credit Strategies as a result of the wind down and redemption of certain of our CLOs, and $470.6 million of distributions from our real estate funds, as a result of realizations. In 2021, excluding securitization vehicles within Institutional Credit Strategies, our largest sources of gross inflows were from high net worth and family offices, sovereign wealth and corporates, and pensions, while pensions, fund-of-funds, and sovereign wealth and corporates were the largest source of gross outflows.

Summary of Changes in FP AUM

The tables below present the changes to our FP AUM for the respective periods based on the type of funds or investment vehicles we manage. FP AUM represents the AUM on which we earn management fees and / or incentive income.

	Year Ended December 31, 2022					
	December 31, 2021	Inflows / (Outflows)[1]	Distributions / Other Reductions	Appreciation / (Depreciation)	Other[2]	December 31, 2022
	(dollars in thousands)					
Multi-strategy funds	$ 10,877,541	$ (304,078)	$ (3,038)	$ (1,544,079)	$ (5,357)	$ 9,020,989
Credit						
Opportunistic credit funds	5,742,605	(158,322)	(104,269)	(163,533)	71,009	5,387,491
Institutional Credit Strategies	11,142,956	520,359	(226,513)	196	(278,745)	11,158,253
Real estate funds	3,875,427	100,665	(208,893)	—	(50,163)	3,717,036
Total	**$ 31,638,529**	**$ 158,624**	**$ (542,713)**	**$ (1,707,416)**	**$ (263,256)**	**$ 29,283,768**

	Year Ended December 31, 2021					
	December 31, 2020	Inflows / (Outflows)[1]	Distributions / Other Reductions	Appreciation / (Depreciation)	Other[2]	December 31, 2021
	(dollars in thousands)					
Multi-strategy funds	$ 10,319,387	$ 50,992	$ (4,567)	$ 508,098	$ 3,631	$ 10,877,541
Credit						
Opportunistic credit funds	5,964,678	(770,670)	(194,351)	889,075	(146,127)	5,742,605
Institutional Credit Strategies	12,694,258	1,327,575	(1,578,062)	143	(1,300,958)	11,142,956
Real estate funds	3,575,828	643,577	(342,428)	—	(1,550)	3,875,427
Total	**$ 32,554,151**	**$ 1,251,474**	**$ (2,119,408)**	**$ 1,397,316**	**$ (1,445,004)**	**$ 31,638,529**

(1) Includes transfers between Sculptor funds.

(2) Includes the effects of changes in the par value of the underlying collateral of the CLOs, foreign currency translation changes in the measurement of AUM of our European CLOs and other funds, and changes in the portfolio appraisal value for aircraft securitization vehicles. For FP AUM, this also includes movements in or out of FP AUM.

FP AUM totaled $29.3 billion as of December 31, 2022. FP AUM is lower than AUM primarily due to:

- Amounts held by our employees or other related parties who do not pay fees in our multi-strategy funds, opportunistic credit funds, and real estate funds
- Uncalled capital for funds where we do not earn management fees until it is invested for our opportunistic credit funds and real estate funds; and
- Fee rebates when our funds invest in the equity of CLOs in Institutional Credit Strategies, in addition to the AUM associated with the structured alternative investment solution, which becomes FP AUM once it is invested in our funds. Refer to the "Institutional Credit Strategies" section below for further details.

In the year ended December 31, 2022, FP AUM decreased by $2.4 billion, driven largely by the drivers discussed in the Summary of Changes in AUM section above. FP AUM as a percentage of AUM decreased during the period due to the launch of a new real estate vehicle in December 2022, which increased AUM by $150.2 million, but did not begin charging fees until January 2023, as well as an increase in the amount of CLO equity held by our funds; the related management fee is rebated to the funds and the AUM is then treated as non-fee paying.

Weighted-Average FP AUM and Average Management Fee Rates

The table below presents our weighted-average FP AUM and average management fee rates for our FP AUM. Weighted-average FP AUM exclude the impact of fourth quarter investment performance for the periods presented, as these amounts generally do not impact management fees calculated for those periods. Our average management fee may vary from period to period based on the mix of products that comprise our FP AUM. The average management fee rates below consider management fees on an Economic Income basis. For reconciliations of our non-GAAP measures to the respective GAAP measures, please see "—Economic Income Reconciliations" at the end of this MD&A.

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Weighted-average fee-paying assets under management	$ 30,605,283	$ 32,017,541
Average management fee rates	0.84 %	0.88 %

Fund Performance Information

The tables below present performance information for the funds we manage. The return information presented represents, where applicable, the composite performance of all feeder funds that comprise each of the master funds presented. Gross return information is generally calculated using the total return of all feeder funds, net of all fees and expenses except management fees and incentive income of such feeder funds and master funds, and the returns of each feeder fund include the reinvestment of all dividends and other income. Net return information is generally calculated as the gross returns less management fees and incentive income. Return information that includes Special Investments excludes incentive income on unrealized gains attributable to such investments, which could reduce returns at the time of realization. Special Investments and initial public offering investments are not allocated to all investors in the funds, and investors that were not allocated Special Investments and initial public offering investments may experience materially different returns.

The performance information presented in this "Fund Performance Information" section is not indicative of the performance of our Class A Shares and is not necessarily indicative of the future results of any particular fund, including the accrued unrecognized amounts of incentive income. An investment in our Class A Shares is not an investment in any of our funds. There can be no assurance that any of our existing or future funds will achieve similar results. The timing and amount of incentive income generated from our funds are inherently uncertain. Incentive income is a function of investment performance and realizations of investments, which vary period-to-period based on market conditions and other factors. We cannot predict when, or if, any realization of investments will occur. Incentive income recognized for any particular period is not a reliable indicator of incentive income that may be earned in subsequent periods.

Multi-Strategy Funds

Our multi-strategy funds invest globally in high-conviction investment ideas across asset classes, regions and investment strategies with a primary focus is on idiosyncratic opportunities where return drivers are less sensitive to direction of broader financial markets and which tend to arise when value is obscured by attributes such as complexity, corporate actions, market dislocations, or investor misunderstandings. Additionally, we have the flexibility to take on market-directional risk when we believe that broad market dislocations have created asymmetric upside/downside potential.

The table below presents AUM and investment performance for our multi-strategy funds. AUM are generally based on the net asset value of these funds plus any unfunded commitments, if applicable. Management fees generally range from 1.00% to 2.00% annually of FP AUM. For the fourth quarter of 2022, our multi-strategy funds had an average management fee rate of 1.25% of FP AUM.

We generally crystallize incentive income from the majority of our multi-strategy funds on an annual basis. Incentive income is generally equal to 20% of the realized and unrealized profits attributable to each investor. A portion of the AUM in each of the Sculptor Master Fund and our other multi-strategy funds is subject to initial commitment periods of three years, and for certain of these assets, we only earn incentive income once profits attributable to an investor exceed a preferential return, or "hurdle rate," which is generally equal to the 3-month T-bill rate for our multi-strategy funds. Once the investment performance has exceeded the hurdle rate for these assets, we may receive a "catch-up" allocation, resulting in a potential recognition by us of a full 20% of the net profits attributable to investors in these assets upon crystallization at the end of the multi-year commitment period.

	Assets Under Management as of December 31,		Returns for the Year Ended December 31,				Annualized Returns Since Inception Through December 31, 2022	
			2022		2021			
	2022	2021	Gross	Net	Gross	Net	Gross	Net
Fund	(dollars in thousands)							
Sculptor Master Fund[1][2]	$ 9,165,632	$ 10,200,106	-11.6 %	-12.9 %	7.8 %	5.0 %	15.4 % [3]	10.5 % [3]
Other funds[2]	8,471	912,339	n/m	n/m	n/m	n/m	n/m	n/m
	$ 9,174,103	**$ 11,112,445**						

n/m not meaningful

(1) The returns for the Sculptor Master Fund exclude Special Investments. Special Investments in the Sculptor Master Fund are held by investors representing a small percentage of AUM in the fund. Inclusive of these Special Investments, the returns of the Sculptor Master Fund for the year ended December 31, 2022 were -12.0% gross and -13.3% net, for the year ended December 31, 2021 were 8.5% gross and 5.7% net, and annualized since inception through December 31, 2022 were 15.1% gross and 10.4% net.

(2) In the third quarter of 2022, we consolidated Sculptor Enhanced Master Fund into the Sculptor Master Fund, as a result we show the related historical AUM in Other funds

(3) The annualized returns since inception are those of the Sculptor Multi-Strategy Composite, which represents the composite performance of all accounts that were managed in accordance with our broad multi-strategy mandate that were not subject to portfolio investment restrictions or other factors that limited our investment discretion since inception on April 1, 1994. Performance is calculated using the total return of all such accounts net of all investment fees and expenses of such accounts, and the returns include the reinvestment of all dividends and other income. The performance calculation for the Sculptor Master Fund excludes realized and unrealized gains and losses attributable to currency hedging specific to certain investors investing in Sculptor Master Fund in currencies other than the U.S. dollar. For the period from April 1, 1994 through December 31, 1997, the returns are gross of certain overhead expenses that were reimbursed by the accounts. Such reimbursement arrangements were terminated at the inception of the Sculptor Master Fund on January 1, 1998. The size of the accounts comprising the composite during the time period shown vary materially. Such differences impacted our investment decisions and the diversity of the investment strategies followed. Furthermore, the composition of the investment strategies we follow is subject to our discretion, has varied materially since inception and is expected to vary materially in the future. As of December 31, 2022, the annualized returns since the Sculptor Master Fund's inception on January 1, 1998 were 12.2% gross and 8.1% net excluding Special Investments and 11.9% gross and 7.9% net inclusive of Special Investments.

AUM in our multi-strategy funds decreased by $1.9 billion, or 17%, year-over-year. This was driven primarily by $1.6 billion of performance-related depreciation, as well as $354.7 million of net outflows. In 2022, the largest sources of gross inflows into our multi-strategy funds were from high net worth and family offices and sovereign wealth and corporates, while the largest sources of gross outflows were attributable to pensions and high net worth and family offices.

The Sculptor Master Fund was down 11.6% gross in the full year 2022 as compared to the MSCI World Index and the Balanced US 60/40 Index which were down 15.6% and 19.1%, respectively. The fund is not market-neutral and is expected to have some downside capture in a challenging market. However, this represents an outlier year of more than expected downside capture for the fund. Equities was the largest detractor for the year, along with corporate credit, while the fund profited from positions in convertible and derivative arbitrage and structured credit.

As a result of the performance-related depreciation in our multi-strategy funds in 2022, we will not earn incentive income in future periods on the AUM of substantially all investors until such losses from 2022 have been recovered. As of December 31, 2022, we had $1.4 billion of losses at the fund level remaining to be recovered before we can earn incentive income in our multi-strategy funds.

In 2021, the Sculptor Master Fund generated a gross return of 7.8% and a net return of 5.0%. The fund profited predominately from positions within corporate credit, structured credit, and convertible and derivative arbitrage, partially offset by losses in equities.

Credit

	Assets Under Management as of December 31,	
	2022	2021
	(dollars in thousands)	
Opportunistic credit funds	$ 5,970,962	$ 6,350,474
Institutional Credit Strategies	16,273,736	16,052,406
	$ 22,244,698	**$ 22,402,880**

Opportunistic Credit Funds

Our opportunistic credit funds seek to generate risk-adjusted returns by capturing value in mispriced investments across disrupted, dislocated and distressed corporate, structured and private credit markets globally.

Within our Opportunistic Credit strategy, we manage open-ended and closed-ended funds on behalf of investors. In our open-ended funds, we allow for contributions and redemptions (subject to initial lock-up and notice periods) on a periodic basis. In our closed-ended funds, investors commit capital that is funded over an investment period. The investments are then sold or realized over a period of time, and distributions are made to the investors in the fund.

AUM for our opportunistic credit funds are generally based on the net asset value of those funds plus any unfunded commitments, if applicable. Management fees for our opportunistic credit funds generally range from 0.75% to 2.25% annually of the net asset value of these funds. For the fourth quarter of 2022, our opportunistic credit funds had an average management fee rate of 0.96% of FP AUM.

The table below presents AUM and investment performance information for certain of our opportunistic credit funds. Incentive income related to these funds (excluding the closed-end opportunistic fund, which is explained further below) is generally equal to 20% of realized and unrealized profits attributable to each investor, and a portion of these AUM is subject to hurdle rates, which are generally 5% to 8% for our open-end opportunistic credit funds. Once the cumulative investment performance has exceeded the hurdle rate, we typically receive a "catch-up" allocation, resulting in the potential recognition by us of a full 20% of the net profits attributable to investors in these funds. The measurement periods for these AUM generally range from one to five years.

We generally crystallize incentive income from our opportunistic credit funds at the end of a multi-year measurement period. This results in a timing difference between when we can recognize incentive income and when we accrue the associated discretionary bonus expense. Incentive income accrued at the fund level that cannot yet be recognized drives an increase in our ABURI balance. Compensation expense related to ABURI generated from our opportunistic credit funds is generally recognized in the fourth quarter of the year the underlying fund performance is generated which may not occur at the same time that the related revenues are recognized by us. In addition, we recognize incentive income on our opportunistic credit funds related to certain tax distributions on realizations at the fund level. Realizations at the fund level may give rise to tax liabilities for our investors and us. Funds distribute capital back to us to cover these tax liabilities and this in turn drives the recognition of tax distribution-related incentive income.

			Returns for the Year Ended December 31,					
	Assets Under Management as of December 31,		2022		2021		Annualized Returns Since Inception Through December 31, 2022	
	2022	2021	Gross	Net	Gross	Net	Gross	Net
Fund	(dollars in thousands)							
Sculptor Credit Opportunities Master Fund[(1)]	$ 1,698,050	$ 2,069,005	-3.2 %	-4.1 %	22.2 %	17.0 %	12.5 %	8.8 %
Customized Credit Focused Platform	3,816,248	3,968,064	See below for return information on our Customized Credit Focused Platform.					
Closed-end opportunistic credit funds	456,664	313,405	See below for return information on our closed-end opportunistic credit funds.					
	$ 5,970,962	**$ 6,350,474**						

(1) The returns for the Sculptor Credit Opportunities Master Fund exclude Special Investments, which are held by investors representing a small percentage of AUM in the fund. Inclusive of these Special Investments, the returns of the Sculptor Credit Opportunities Master Fund for the year ended December 31, 2022 were -2.9% gross and -3.8% net, for the year ended December 31, 2021 were 22.3% gross and 17.3% net, and annualized since inception through December 31, 2022 were 12.2% gross and 8.6% net.

AUM in our opportunistic credit funds decreased by $379.5 million, or 6%, year-over-year. This was driven primarily by: (i) distributions and other reductions of $182.5 million primarily related to the expiration of the investment period of a closed-end fund; (ii) $166.4 million of performance-related depreciation, primarily from our open-ended funds; and (iii) $30.6 million of net outflows and transfers, primarily driven by redemptions from the Sculptor Credit Opportunities Master Fund, partially offset by transfers into STAX. We continue to raise capital for STAX with total committed capital of $370.0 million to date, a portion of which was transferred from the Sculptor Credit Opportunities Master Fund. We plan to continue to hold additional closes and have seen previous periods of market volatility act as a catalyst for capital raising in these types of strategies.

In 2022, the Sculptor Credit Opportunities Master Fund, our global opportunistic credit fund, delivered strong results on a relative basis, generating significant outperformance as compared to relevant credit indices and benchmarks during the year, and extending their exceptional year-to-date returns relative to the overall market. The fund generated a gross return of -3.2% and a net return of -4.1%, as compared to BAML Global High Yield of -13.2% and HFRX Fixed Income Credit Index -11.6% for the full year 2022. In 2022, the fund experienced losses in corporate credit and experienced gains in structured credit.

As a result of the performance-related depreciation in the Sculptor Credit Opportunities Master Fund in 2022, we will not earn incentive income in future periods on the AUM of certain investors until such losses from 2022 have been recovered. As of December 31, 2022, we had $59 million of losses at the fund level remaining, however, not all investors were in a high watermark position which is dependent upon the timing and duration of their investments.

In 2021, the Sculptor Credit Opportunities Master Fund, our global opportunistic credit fund, generated a gross return of 22.2% and a net return of 17.0%. In 2021 the fund saw positive contributions from both corporate credit and structured credit in both the U.S. and Europe, and the fund's returns represented their largest annual excess return over high yield, continuing our successful track record of delivering excess returns to high yield, particularly in the years following material spread widening periods.

Our Customized Credit Focused Platform invests under a flexible credit mandate across the credit spectrum to allow timely investments as market conditions change and dislocate. The table below presents investment performance for the fund.

	Weighted Average Return for the Year Ended December 31,[2]				Inception to Date as of December 31, 2022		
	2022		2021		IRR		
Customized Credit Focused Platform	Gross	Net	Gross	Net	Gross[3]	Net[4]	Net Invested Capital Multiple[5]
Opportunistic Credit Performance[1]	-1.9 %	-2.0 %	21.8 %	17.2 %	14.3 %	10.8 %	2.5x

(1) Performance presented is for the opportunistic credit strategies in the Customized Credit Focused Platform. As of December 31, 2022, approximately 94% of the invested capital in the Customized Credit Focused Platform is invested in the Platform's opportunistic credit strategies.

(2) Weighted Average Returns reflect the total profit & loss divided by the weighted average capital base, which represents net asset value plus net contributions (distributions) for the period.

(3) Gross IRR represents estimated, unaudited, annualized pre-tax returns based on the timing of cash inflows and outflows for each investment. It is calculated in the same manner as Net IRR, however, it does not reflect adjustments to cash flows related to incentive income, management fees and the applicable fund expenses. Gross IRR represents the estimated, unaudited, annualized pre-tax return based on the actual and/or projected timing of cash inflows from, and outflows to, investors for each investment (irrespective of any funding from a credit facility or other third-party financing source used by the Customized Credit Focused Platform). In certain cases, funding from a credit facility or other third party financing source was initially used by the Customized Credit Focused Platform to acquire an investment or pay certain expenses, which may have the effect of increasing the Gross IRR above that which would have been presented, had drawdowns from limited partners been initially used to acquire the investment or pay such expenses. Gross IRR includes the effect of investment hedges as determined by us. There can be no assurance that an appropriate hedge will be identified for each investment or that an appropriate hedge will be available for all investments.

(4) Net IRR is the Gross IRR adjusted to reflect actual management fees, incentive income and expenses incurred by the Customized Credit Focused Platform.

(5) Net invested capital multiple measures the current net asset value over the net invested capital, where net invested capital represents cumulative contributions less cumulative distributions. The Customized Credit Focused Platform has an active liquid investment program, a key element of which includes ramping up and ramping down depending on market conditions. Much of the capital has recently been deployed.

The table below presents AUM investment performance and other information for our closed-end opportunistic credit funds. Our closed-end opportunistic credit funds follow a European-style waterfall, whereby incentive income may be paid to us only after a fund investor receives distributions in excess of their total contributed capital and a preferential return, which is generally 6% to 8%. Incentive income related to these funds is generally equal to 20% of the cumulative realized profits in excess of the preferential return attributable to each investor over the life of the fund. Once the investment performance has exceeded the preferential return, we typically receive a "catch-up" allocation, resulting in a potential recognition by us of a full 20% of the net profits attributable to investors in these funds. These funds have concluded their investment periods, and therefore we expect AUM for these funds to decrease as investments are sold and the related proceeds are distributed to the investors in these funds.

	Assets Under Management as of December 31,		Inception to Date as of December 31, 2022				
	2022	2021	Total Commitments	Total Invested Capital[1]	Gross IRR[2]	Net IRR[3]	Gross MOIC[4]
Fund (Investment Period)		(dollars in thousands)					
Sculptor Tactical Credit Fund (2022 - 2025)[5]	243,625	—	370,471	169,420	n/m	n/m	n/m
Sculptor European Credit Opportunities Fund (2012-2015)	—	—	459,600	305,487	15.7 %	11.8 %	1.5x
Sculptor Structured Products Domestic Fund II (2011-2014)	—	—	326,850	326,850	19.2 %	15.1 %	2.1x
Sculptor Structured Products Offshore Fund II (2011-2014)	—	—	304,531	304,531	16.5 %	12.9 %	1.9x
Sculptor Structured Products Offshore Fund I (2010-2013)	—	—	155,098	155,098	23.7 %	18.9 %	2.1x
Sculptor Structured Products Domestic Fund I (2010-2013)	—	4,537	99,986	99,986	22.4 %	17.8 %	2.0x
OZ Global Credit Master Fund I (2008-2009)	—	—	214,141	214,141	5.5 %	4.2 %	1.1x
Other funds	213,039	308,868	679,471	408,162	n/m	n/m	n/m
	$ 456,664	**$ 313,405**	**$ 2,610,148**	**$ 1,983,675**			

n/m not meaningful

(1) Represents funded capital commitments net of recallable distributions to investors.

(2) Gross IRR for our closed-end opportunistic credit funds represents the estimated, unaudited, annualized return based on the timing of cash inflows and outflows for the fund as of December 31, 2022, including the fair value of unrealized investments as of such date, together with any appreciation or depreciation from related hedging activity. Gross IRR does not include the effects of management fees or incentive income, which would reduce the return, and includes the reinvestment of all fund income.

(3) Net IRR is calculated as described in footnote (2), but is reduced by all management fees, as well as paid incentive and accrued incentive income that will be payable upon the distribution of each fund's capital in accordance with the terms of the relevant fund. Accrued incentive income may be higher or lower at such time. The net IRR represents a composite rate of return for a fund and does not reflect the net IRR specific to any individual investor.

(4) Gross Multiple on Invested Capital ("MOIC") for our closed-end opportunistic credit funds is calculated by dividing the sum of the net asset value of the fund, accrued incentive income, life-to-date incentive income and management fees paid and any non-recallable distributions made from the fund by the invested capital.

(5) This fund is in the first year of deployment; therefore, IRR and MOIC information is not presented, as it is not meaningful.

Institutional Credit Strategies

Institutional Credit Strategies is our asset management platform that invests in performing credits, including leveraged loans, high-yield bonds, private credit/bespoke financing and investment grade credit via CLOs, aircraft securitization vehicles, CBOs, structured alternative investment solutions, commingled products and other customized solutions for clients.

AUM for Institutional Credit Strategies are generally based on the amount of equity outstanding for CLOs and CBOs (during the warehouse period), the par value of the collateral assets and cash held for CLOs and CBOs (after the warehouse period), and adjusted portfolio appraisal values for the aircraft collateral within the securitization vehicles. AUM also includes the net asset value of other investment vehicles within the strategy. However, AUM are reduced for any investments in CLOs and securitization vehicles held by our other funds. Management fees for Institutional Credit Strategies generally range from 0.25% to 0.50% annually of AUM. For the fourth quarter of 2022, Institutional Credit Strategies had an average management fee rate of 0.46% net of rebates on cross-investments from other funds we manage.

Given market pressures, average fee rates in our Institutional Credit Strategies business decreased in line with the broader market trends. We continue to issue new CLOs and reset older CLO vintages, which extend the duration of our AUM and we believe may lead to enhanced returns to our investors.

Incentive income from our CLOs and CBO is generally equal to 20% of the excess cash flows due to the holders of the subordinated notes issued by the CLOs and CBO and is generally subject to a 12% hurdle rate. Because of the hurdle rate and structure of our CLOs and CBO, we do not expect to earn a meaningful amount of incentive income from these entities, and

therefore no return information is presented for these vehicles. We do not earn incentive income from our aircraft securitization vehicles.

During the first quarter of 2022, we closed on a $350.0 million structured alternative investment solution, which was tailored to meet the needs of insurance investors. The financing vehicle issued senior and subordinated notes to investors and used those proceeds to invest in a diversified portfolio of funds managed by us. Prior to investing in the portfolio of funds, the AUM is included within Institutional Credit Strategies. Upon investment in the funds, which began during April 2022, we earn management and incentive fees based on the terms of the underlying funds in which the vehicle invests and the associated AUM is included in those funds.

	Most Recent Launch or Refinancing Year	Deal Size	Assets Under Management as of December 31,	
			2022	2021
			(dollars in thousands)	
Collateralized loan obligations	2017	$ 1,658,282	$ 1,023,882	$ 1,022,807
	2018	5,315,728	3,793,343	4,204,715
	2019	653,250	—	—
	2020	1,868,287	1,680,046	1,698,970
	2021	8,174,069	7,000,959	7,150,793
	2022	852,334	792,084	52,621
		18,521,950	14,290,314	14,129,906
Aircraft securitization vehicles	2018	696,000	432,723	471,774
	2019	1,128,000	292,667	339,981
	2020	472,732	164,101	168,788
	2021	821,529	569,253	641,778
		3,118,261	1,458,744	1,622,321
Collateralized bond obligation	2021	367,050	286,218	285,845
Other funds			238,460	14,334
		$ 22,007,261	**$ 16,273,736**	**$ 16,052,406**

AUM in Institutional Credit Strategies totaled $16.3 billion as of December 31, 2022, increasing $221.3 million, or 1%, year-over-year. The year-over-year increase in AUM in Institutional Credit Strategies was driven primarily by the launches of two CLOs in 2022, which is below our historical levels, given the current market environment. This was partially offset by the redemption and amortization of certain of our CLOs, as a result of natural life-cycle events, as well as decreases driven by foreign currency translation adjustments in our European CLOs and changes in the portfolio appraisal value for our aircraft securitization vehicles.

Real Estate Funds

Our real estate funds generally make investments in commercial and residential real estate, including real property, multi-property portfolios, real estate-related joint ventures, real estate operating companies and other real estate-related assets. We seek to build portfolios that are balanced between traditional and non-traditional asset classes, employing moderate leverage, using creative structures and targeting high cash-on-cash returns.

AUM for our real estate funds are generally based on the amount of capital committed by our fund investors during the investment period and the amount of actual capital invested for periods following the investment period. AUM are reduced for unfunded commitments that will be funded through transfers from other funds. AUM for the SPAC sponsored by us includes the proceeds raised in the initial public offering that are currently invested in U.S. Treasury bills and held in a trust for use in a business combination. The SPAC AUM is non-fee paying, and our AUM will be reduced if and when the SPAC undergoes a

business combination or in the event of its liquidation. AUM for the real estate vehicle launched in December 2022 is based on net asset value. Management fees for our real estate funds, exclusive of co-investment vehicles, generally range from 0.75% to 1.50% annually of FP AUM, however, management fees for Sculptor Real Estate Credit Fund I are based on invested capital both during and after the investment period. For the fourth quarter of 2022, our real estate funds, inclusive of co-investment vehicles, had an average management fee rate of 0.90% of FP AUM.

The tables below present AUM, investment performance and other information for our real estate funds. The amounts included within "co-investment and other funds" below mainly relate to co-investment vehicles in which we partner with clients on investment opportunities, typically with lower fees.

Our real estate funds generally follow an American-style waterfall, whereby incentive income may be paid to us after a fund investment is realized if a fund investor receives distributions in excess of the capital contributed for such investment, as well as a preferential return on such investment, which is generally 6% to 10%. Upon each subsequent realization, incentive income, which is generally 20% of realized profits, is recalculated based on the cumulative realized profits in excess of the preferential return attributable to each investor over the life of the fund. Once the investment performance has exceeded the preferential rate, we may receive a "catch-up" allocation, resulting in a potential recognition by us of a full 20% of the realized net profits attributable to investors in these funds.

In addition, we recognize incentive income on our real estate funds related to certain tax distributions on realizations at the fund level. Realizations at the fund level may give rise to tax liabilities for our investors and us. Funds distribute capital back to us to cover these tax liabilities and this in turn drives the recognition of tax distribution-related incentive income. In addition, incentive income is recognized as investments are sold and related distributions are made to investors and us. Due to the recalculation of cumulative realized profits upon each realization, the fund may clawback incentive income previously paid to us. As a result, we record incentive income paid to us by the real estate funds as unearned revenue in our consolidated balance sheets until the criteria for revenue recognition has been met as we have received cash before we can recognize the revenue.

For additional information on incentive income accrued at fund level for our real estate, as well as other funds, see "Longer-Term AUM and Accrued Unrecognized Incentive Income" for additional information.

For funds that have concluded their investment periods, we expect AUM to decrease as investments are sold and the related proceeds are distributed to the investors in these funds.

	Assets Under Management as of December 31,	
	2022	2021
Fund (Investment Period)	(dollars in thousands)	
Sculptor Real Estate Fund I (2005-2010)	$ —	$ —
Sculptor Real Estate Fund II (2011-2014)	20,413	24,676
Sculptor Real Estate Fund III (2014-2019)	242,964	308,970
Sculptor Real Estate Fund IV (2019-2023)	2,594,933	2,593,402
Sculptor Real Estate Credit Fund I (2015-2020)	192,941	368,442
Sculptor Real Estate Credit Fund II (2022-2025)	154,118	—
Co-investment and other funds	1,358,323	1,249,372
	$ 4,563,692	**$ 4,544,862**

	Inception to Date as of December 31, 2022									
		Total Investments					Realized/Partially Realized Investments[1]			
	Total Commitments	Invested Capital[2]	Total Value[3]	Gross IRR[4]	Net IRR[5]	Gross MOIC[6]	Invested Capital	Total Value	Gross IRR[4]	Gross MOIC[6]
Fund	(dollars in thousands)									
Sculptor Real Estate Fund I	$ 408,081	$ 386,298	$ 847,612	25.5 %	16.1 %	2.2x	$ 386,298	$ 847,612	25.5 %	2.2x
Sculptor Real Estate Fund II	839,508	762,588	1,614,894	32.9 %	21.7 %	2.1x	762,588	1,614,894	32.9 %	2.1x
Sculptor Real Estate Fund III	1,500,000	1,112,924	2,207,222	30.3 %	21.0 %	2.0x	951,783	1,909,781	32.2 %	2.0x
Sculptor Real Estate Fund IV[7]	2,596,024	1,173,285	1,470,062	n/m	n/m	n/m	293,006	440,851	n/m	n/m
Sculptor Real Estate Credit Fund I	736,225	698,388	904,789	18.3 %	12.9 %	1.3x	502,029	660,683	19.1 %	1.3x
Sculptor Real Estate Credit Fund II[7]	180,540	45,738	36,888	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Co-investment and other funds	1,356,173	1,328,194	1,669,322	n/m	n/m	n/m	196,791	353,355	n/m	n/m
	$ 7,616,550	**$ 5,507,415**	**$ 8,750,789**				**$ 3,092,495**	**$ 5,827,176**		

	Unrealized Investments as of December 31, 2022		
	Invested Capital	Total Value	Gross MOIC[6]
Fund	(dollars in thousands)		
Sculptor Real Estate Fund I	$ —	$ —	—
Sculptor Real Estate Fund II	—	—	—
Sculptor Real Estate Fund III	161,141	297,441	1.8x
Sculptor Real Estate Fund IV[7]	880,279	1,029,211	n/m
Sculptor Real Estate Credit Fund I	196,359	244,106	1.2x
Sculptor Real Estate Credit Fund II[7]	45,738	36,888	n/m
Co-investment and other funds	1,131,403	1,315,967	n/m
	$ 2,414,920	**$ 2,923,612**	

n/m not meaningful

(1) An investment is considered partially realized when the total amount of proceeds received, including dividends, interest or other distributions of income and return of capital, represents at least 50% of invested capital.

(2) Invested capital represents total aggregate contributions made for investments by the fund.

(3) Total value represents the sum of realized distributions and the fair value of unrealized and partially realized investments as of December 31, 2022. Total value will be impacted (either positively or negatively) by future economic and other factors. Accordingly, the total value ultimately realized will likely be higher or lower than the amounts presented as of December 31, 2022.

(4) Gross IRR for our real estate funds represents the estimated, unaudited, annualized return based on the timing of cash inflows and outflows for the aggregated investments as of December 31, 2022, including the fair value of unrealized and partially realized investments as of such date, together with any unrealized appreciation or depreciation from related hedging activity. Gross IRR is not adjusted for estimated management fees, incentive income or other fees or expenses to be paid by the fund, which would reduce the return.

(5) Net IRR is calculated as described in footnote (4), but is reduced by management fees and other fund-level fees and expenses not adjusted for in the calculation of gross IRR. Net IRR is further reduced by paid incentive and accrued incentive income that will be payable upon the distribution of each fund's capital in accordance with the terms of the relevant fund. Accrued incentive income may be higher or lower at such time. The net IRR represents a composite rate of return for a fund and does not reflect the net IRR specific to any individual investor.

(6) Gross MOIC for our real estate funds is calculated by dividing the value of a fund's investments by the invested capital, prior to adjustments for incentive income, management fees or other expenses to be paid by the fund.

(7) These funds have invested less than half of their committed capital; therefore, IRR and MOIC information is not presented, as it is not meaningful. Sculptor Real Estate Credit Fund II total commitments include $34.3 million associated with the structured alternative investment solution.

AUM in our real estate funds totaled $4.6 billion as of December 31, 2022, remaining relatively flat year-over-year. This was primarily due to net inflows of $423.5 million, driven by the first closings of Sculptor Real Estate Credit Fund II and another real estate investment vehicle. This was partially offset by $390.8 million of distributions and other reductions, primarily related to Sculptor Real Estate Credit Fund I, Sculptor Real Estate Fund III, and various other real estate funds, as these funds are

harvesting investments and making distributions. Our real estate funds continue to deploy capital and generate strong returns with a 30.3% annualized gross return in Sculptor Real Estate Fund III and an 18.3% annualized gross return in Sculptor Real Estate Credit Fund I.

Longer-Term AUM and Accrued But Unrecognized Incentive Income ("ABURI")

As of December 31, 2022, approximately 72% of our AUM was subject to initial commitment periods of three years or longer, excluding AUM that had initial commitment periods of three years or longer and subsequently moved to shorter commitment periods at the end of their initial commitment period. The table below presents the amount of these AUM.

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Multi-strategy funds	$ 408,171	$ 458,242
Credit		
Opportunistic credit funds	4,742,929	4,773,980
Institutional Credit Strategies	16,259,128	16,038,071
Real estate funds	4,562,718	4,544,862
	$ 25,972,946	**$ 25,815,155**

Incentive income on these assets, if any, is based on the cumulative investment performance generated over this commitment period. These amounts may ultimately not be recognized as revenue by us in the event of future losses in the respective funds. See "—Understanding Our Results—Revenues—Incentive Income" for additional information.

Our longer-term AUM has continued to increase over time, as our product mix continues to shift toward longer-duration products. Longer-term AUM has increased from 26% in 2013 to 45% in 2016 to 72% as of December 31, 2022, driven by growth in opportunistic credit, Institutional Credit Strategies and real estate funds. During the first quarter, longer-term AUM increased from the launch of a structured alternative investment solution, which was tailored to insurance investors and provides exposure to our funds across the platform in a long-dated format. Longer-term AUM creates stability in our platform and provides more consistency in our management fee earnings.

The table below presents the changes in the amount of incentive income accrued at the fund level but that has not yet been recognized in our revenues (ABURI) during the year ended December 31, 2022:

	December 31, 2021	Recognized Incentive Income	Performance	December 31, 2022
	(dollars in thousands)			
Multi-strategy funds	$ 5,246	$ (837)	$ (4,050)	$ 359
Credit				
Opportunistic credit funds	98,674	(37,339)	(24,007)	37,328
Real estate funds	122,940	(75,179)	75,054	122,815
	$ 226,860	**$ (113,355)**	**$ 46,997**	**$ 160,502**

Incentive income, if any, on our longer-term AUM is based on the cumulative investment performance generated over the respective commitment period. As of December 31, 2022, our ABURI was $160.5 million, down $66.4 million in 2022 primarily from the crystallization of ABURI into incentive income in our real estate and opportunistic credit funds. In real estate, we generated $75.1 million of performance for the year which was largely crystallized during the period. During the year, the opportunistic credit funds reversed $24.0 million of previously accrued ABURI due to performance.

Our ABURI from longer-term AUM generally comprise the following:

- *Multi-strategy funds.* Multi-strategy ABURI is derived from clients in the three-year liquidity tranche, where incentive income other than tax distributions will be recognized at the end of each client's three-year period.

- *Opportunistic credit funds.* Opportunistic credit funds ABURI is derived from three sources:

- Clients in the three-year and four-year liquidity tranches of an open-end opportunistic credit fund, where incentive income other than tax distributions will be recognized at the end of each client's three-year or four-year period.

- Long-dated closed-end opportunistic credit funds, where incentive income will be recognized during each fund's harvest period after invested capital and a preferred return has been distributed to the clients, other than tax distributions.

- The Customized Credit Focused Platform, where incentive income is recognized at the end of a multi-year term; previously crystallized on December 31, 2020, other than tax distributions.

- *Real estate funds.* Real Estate ABURI is derived from long-dated real estate funds, where incentive income will start to be recognized following the completion of each fund's investment period as investments are realized and after invested capital and a preferred return has been distributed to the clients other than tax distributions.

Certain ABURI amounts will generally have compensation expense (on an Economic Income Basis) that will reduce the amount ultimately realized on a net basis. Compensation expense relating to ABURI from our real estate funds is generally recognized at the same time the related incentive income revenue is recognized as the compensation is structured as carried interest in these vehicles. Compensation expense relating to ABURI generated from our multi-strategy funds and opportunistic credit funds is generally recognized in the fourth quarter of the year the underlying fund performance is generated which may not occur at the same time that the related revenues are generated.

Understanding Our Results

Revenues

Our operations historically have been financed primarily by cash flows generated by our business. Our principal sources of revenues are management fees and incentive income. For any given period, our revenues are influenced by the amount of our AUM, the investment performance of our funds and the timing of when we recognize incentive income for certain AUM as discussed below.

The ability of investors to contribute capital to and redeem capital from our funds causes our AUM to fluctuate from period to period. Fluctuations in AUM also result from our funds' investment performance. Both of these factors directly impact the revenues we earn from management fees and incentive income. For example, a $1.0 billion increase or decrease in AUM subject to a 1% management fee would generally increase or decrease annual management fees by $10.0 million. If profits, net of management fees, attributable to a fee-paying fund investor were $10.0 million in a given year, we generally would earn incentive income equal to $2.0 million, assuming a 20% incentive income rate, a one-year commitment period, no hurdle rate and no high-water marks from prior years.

For any given quarter, our revenues are influenced by the combination of AUM and the investment performance of our funds. For example, incentive income for the majority of our multi-strategy AUM is recognized in the fourth quarter each year, based on full year investment performance.

Management Fees. Management fees are generally calculated and paid to us on a quarterly basis in advance, based on the amount of AUM at the beginning of the quarter. Management fees are prorated for capital inflows and redemptions during the quarter. Accordingly, changes in our management fee revenues from quarter to quarter are driven by changes in the quarterly opening balances of AUM, the relative magnitude and timing of inflows and redemptions during the respective quarter, the impact of differing management fee rates charged on those inflows and redemptions, as well as the impact of the deferral of subordinated management fees from certain CLOs. See "—Weighted-Average FP AUM and Average Management Fee Rates" for information on our average management fee rate and Note 12 to our consolidated financial statements in this annual report for additional information regarding management fees.

Incentive Income. We earn incentive income based on the cumulative performance of our funds over a commitment period. We recognize incentive income when such amounts are probable of not significantly reversing. See Note 12 to our consolidated financial statements in this annual report for additional information regarding incentive income.

Other Revenues. Other revenues consist primarily of interest income on investments in CLOs, cash equivalents and long-term U.S. government obligations, as well as subrental income. Interest income is recognized on an effective yield basis. Subrental income is recognized on a straight-line basis over the lease term.

Income of Consolidated Entities. Revenues recorded as income of consolidated entities consist primarily of interest income, dividend income, fees and other income.

Expenses

Compensation and Benefits. Compensation and benefits consist of salaries, employee benefits, payroll taxes, and discretionary and guaranteed cash bonus expenses. We generally recognize compensation and benefits expenses over the related service period.

On an annual basis, compensation and benefits comprise a significant portion of total expenses, with discretionary cash bonuses generally comprising a significant portion of total compensation and benefits. We accrue minimum annual discretionary cash bonuses on a straight-line basis during the year. The total amount of discretionary cash bonuses ultimately recognized for the full year, which is determined in the fourth quarter of each year, could differ materially from the minimum amount accrued, as the total discretionary cash bonus is dependent upon a variety of factors, including fund performance for the year.

Due to multi-year crystallizations in our credit and real estate funds, we may recognize discretionary bonus expense as incentive is generated at the fund level but before we recognize the related incentive income. As our discretionary cash bonuses are generally determined based on fund performance in a given year, there may be differences in the timing of when bonuses are accrued and when the corresponding incentive income is recognized, particularly for performance generated on our longer-term AUM and AUM that have annual incentive income crystallization dates other than at year-end. In the fourth quarter we recognize discretionary bonuses, which are largely based on current year fund performance regardless of the year in which incentive income is recognized. It is best to look at our compensation ratio on incentive income over a multi-year period given the difference in timing of these line items. For additional information on incentive income recognized at fund level but not yet recognized by us see "—Longer-Term AUM and Accrued Unrecognized Incentive Income" for additional information. We generally pay our bonuses in January of the year following the year in which bonuses were accrued.

Note that expenses related to incentive income profit-sharing arrangements are generally recognized at the same time the related incentive income revenue is recognized, as management reviews the total compensation expense related to these arrangements in relation to any incentive income earned by the relevant fund.

Compensation and benefits also include equity-based compensation expense, which is primarily in the form of RSUs granted to our independent board members, employees and executive managing directors, as well as RSAs, PSUs and Partner Equity Units granted to executive managing directors. These awards are structured to create strong alignment of economic interest between our executives and shareholders, in addition to retaining key talent.

We also have profit-sharing arrangements whereby certain employees or executive managing directors are entitled to a share of incentive income that we earn primarily from our real estate funds. This incentive income is typically paid to us and then we pay a portion to the profit-sharing participant as investments held by these funds are realized. To the extent that the payments to the employees or executive managing directors are probable and reasonably estimable, we accrue these payments as compensation expense for GAAP purposes, which may occur prior to the recognition of the related incentive income.

Deferred cash interests ("DCIs") are also granted to certain employees and executive managing directors as a form of compensation. DCIs reflect notional fund investments made by us on behalf of an employee or executive managing director. DCIs generally vest over a three-year period, subject to an employee's or executive managing director's continued service. Upon vesting, we pay the employee or executive managing director an amount in cash equal to the notional investment represented by

the DCIs, as adjusted for notional fund performance. Except as otherwise provided in the relevant DCI plan or in an award agreement, in the event of a termination of the employee's or executive managing director's service, any portion of the DCIs that is unvested as of the date of termination will be forfeited. These awards are designed to create strong alignment of economic interest between our executives and fund investors, in addition to retaining key talent.

Sculptor's compensation structure is designed to align the interests of our executive managing directors and employees with those of investors in our funds and our Class A Shareholders. Our compensation structure focuses on both individual and firm-wide performance through bonus compensation in a combination of equity and deferred cash interests that vest over time.

Interest Expense. Amounts included within interest expense relate primarily to indebtedness outstanding.

General, Administrative and Other. General, administrative and other expenses are comprised of professional services, occupancy and equipment, information processing and communications, recurring placement and related service fees, business development, insurance, impairment of right-of-use lease assets, foreign currency transaction gains and losses, and other miscellaneous expenses. Legal provisions are also included within general, administrative and other.

Expenses of Consolidated Entities. Expenses recorded as expenses of consolidated entities consist of interest expense, general, administrative and other miscellaneous expenses.

Other Loss

Changes in Fair Value of Warrant Liabilities. Changes in fair value of warrant liabilities represent gains (losses) from changes in fair value of warrants.

Changes in Tax Receivable Agreement Liability. Changes in tax receivable agreement liability consists of changes in our estimate of the future payments related to the tax receivable agreement that result from changes in future income tax savings due to changes in tax rates. See Note 18 to our consolidated financial statements included in this report for additional information.

Net Losses on Retirement of Debt. Net losses on retirement of debt consist of net losses realized upon the retirement of any indebtedness outstanding, and include the write-off of unamortized debt discounts and issuance costs, as well as other fees incurred in connection with the retirement of debt.

Net (Losses) Gains on Investments. Net (losses) gains on investments primarily consist of realized and unrealized net gains and losses on investments in U.S. government obligations and investments in our funds, including CLOs and other funds we manage.

Net Gains (Losses) of Consolidated Entities. Net gains (losses) of consolidated entities primarily consist of changes in the fair value of warrant liabilities related to our consolidated SPAC and gains (losses) on investments held by consolidated entities, as well as changes in the fair value of the structured alternative investment solution's assets and liabilities and related interest and other income.

Income Taxes

Income taxes consist of our provision for federal, state and local income taxes in the U.S. and foreign income taxes, including provisions for deferred income taxes resulting from temporary differences between the tax and GAAP bases. The computation of the provision requires certain estimates and significant judgment, including, but not limited to, the expected taxable income for the year, projections of the proportion of income earned and taxed in foreign jurisdictions, permanent differences between the tax and GAAP bases and the likelihood of being able to fully utilize deferred income tax assets existing as of the end of the period.

The Sculptor Operating Partnerships are partnerships for U.S. federal income tax purposes and the Registrant is a corporation for U.S. federal income tax purposes. Generally all of the income allocated to the Registrant from the Sculptor

Operating Group will be subject to corporate-level income taxes in the U.S. See Note 14 for additional information regarding significant items impacting our income tax provision and effective tax rate.

Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests

Noncontrolling interests represent ownership interests in our subsidiaries held by parties other than us and are primarily made up of Group A Units. Increases or decreases in net (loss) income attributable to the Group A Units are driven by the earnings of the Sculptor Operating Group. See Note 4 for additional information regarding our ownership interest in the Sculptor Operating Group.

In 2021, we consolidated our SPAC, wherein investors are able to redeem Class A shares issued by the SPAC. Allocations of earnings to these shares are reflected within net income (loss) attributable to redeemable noncontrolling interests in the consolidated statements of operations. Increases or decreases in the net income (loss) attributable to SPAC investors' interests in the SPAC is driven primarily by interest income generated on investments in U.S. Treasury bills, changes in fair value of warrant liabilities of the SPAC and various expenses related to legal costs, business development and insurance. Change in redemption value of Class A Shares of the consolidated SPAC is reflected within change in redemption value of redeemable noncontrolling interests in the consolidated statements of operations.

Additionally in 2020, change in redemption value of Preferred Units was reflected within change in redemption value of redeemable noncontrolling interests in the consolidated statements of operations. The Preferred Units were redeemed in the fourth quarter of 2020.

Results of Operations

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

Net Loss Attributable to Class A Shareholders

	Year Ended December 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Net Loss Attributable to Class A Shareholders	$ (12,008)	$ (8,605)	$ (3,403)	40 %

Refer below for the discussion of the contributing factors to changes in net loss attributable to Class A Shareholders from the prior year.

Revenues

	Year Ended December 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Management fees	$ 278,374	$ 301,945	$ (23,571)	(8)%
Incentive income	123,434	312,432	(188,998)	(60)%
Other revenues	14,014	7,351	6,663	91 %
Income of consolidated entities	3,180	4,340	(1,160)	(27)%
Total Revenues	**$ 419,002**	**$ 626,068**	**$ (207,066)**	**(33)%**

Total revenues in 2022 were $419.0 million, decreasing $207.1 million, primarily due to the following:

Management Fees

Management fees decreased by $23.6 million, primarily driven by the following:

- *Multi-strategy funds.* A $10.3 million decrease due to lower average assets under management, primarily as a result of negative fund performance in 2022 as well as redemptions. Please see "—Managing Business Performance—Multi-Strategy Funds" for additional information regarding the performance of the Sculptor Master Fund.

- *Opportunistic credit funds.* A $2.0 million decrease due to lower average assets under management in the Sculptor Credit Opportunities Master Fund due to outflows, as well as negative fund performance in 2022. Please see "—Managing Business Performance—Opportunistic Credit Funds" for additional information regarding the performance of the Sculptor Credit Opportunities Master Fund.

- *Institutional Credit Strategies.* A $10.4 million decrease due to the recovery of $5.6 million of previously deferred subordinated management fees in 2021, as well as natural life cycle events within our existing CLOs which drove down our average net fee rate. Such life cycle events include: (i) the redemptions of certain of our CLOs; (ii) a reduction in AUM in certain of our CLOs due to distributions; and (iii) new issuances and refinancing transactions priced at lower rates. These decreases were partially offset by an increase in management fees driven by the new launches of two CLOs.

- *Real estate funds.* Management fees remained relatively flat year-over-year.

See "—Managing Business Performance—Weighted-Average FP AUM and Average Management Fee Rates" and "—Managing Business Performance—Summary of Changes in FP AUM" above for information regarding our average management fee rates and further detail on changes in FP AUM, respectively.

Incentive Income

Incentive income decreased by $189.0 million, primarily driven by the following:

- *Multi-strategy funds.* A $177.0 million decrease driven by the Sculptor Master Fund which generated a gross return of -11.6% in 2022, as compared to a gross return of 7.8% in 2021. Please see "—Managing Business Performance—Multi-Strategy Funds" for additional information regarding the performance of the Sculptor Master Fund.

- *Opportunistic credit funds.* A $47.0 million decrease driven by: (i) a $42.5 million decrease from the Sculptor Credit Opportunities Master Fund which generated a gross return of -3.2% in 2022, as compared to a gross return of 22.2% in 2021; and (ii) a $6.6 million decrease driven by the liquidation of one of our closed-end funds in 2021. These decreases were partially offset by a $2.6 million increase from the Customized Credit Focused Platform as a result of tax distributions taken to cover tax liabilities on accrued unrecognized incentive income, which represents incentive income at the fund level not yet recognized by us. Please see "—Managing Business Performance—Opportunistic Credit Funds" for additional information regarding the performance of the Sculptor Credit Opportunities Master Fund.

- *Real estate funds.* A $35.0 million increase driven by crystallizations and realizations in Sculptor Real Estate Fund III, as the fund is realizing investments during its harvest period. This increase was partially offset by decreases in realizations in Sculptor Real Estate Fund II, as well as decreases in tax distributions across several of our real estate funds. Realizations in our real estate funds will vary from period to period based on exit opportunities. Please see "—Managing Business Performance—Real Estate Funds" for information regarding incentive income recognized related to tax distributions in our real estate funds.

Other Revenues

Other revenues increased $6.7 million, primarily driven by: (i) a $3.4 million increase in interest income earned on cash and cash equivalents and longer-term treasury bills due to higher interest rates; (ii) a $1.9 million increase in interest income from our risk retention investments in our CLOs primarily due to higher interest rates and new CLO issuances; and (iii) a $1.4 million increase in sublease income as a result of the subleasing of a portion of our office space in New York City in the third quarter of 2021.

Income of Consolidated Entities

Income of consolidated entities decreased $1.2 million, driven by a decrease in other fee income from our consolidated entities compared to the prior year, partially offset by an increase in interest income generated on the trust assets of our consolidated SPAC.

Expenses

	Year Ended December 31,		Change	
	2022	2021	$	%
		(dollars in thousands)		
Compensation and benefits	$ 321,319	$ 411,463	$ (90,144)	(22)%
Interest expense	15,521	15,586	(65)	0 %
General, administrative and other	118,646	121,210	(2,564)	(2)%
Expenses of consolidated entities	2,753	2,823	(70)	(2)%
Total Expenses	**$ 458,239**	**$ 551,082**	**$ (92,843)**	**(17)%**

Total expenses were $458.2 million, decreasing $92.8 million, primarily due to the following:

Compensation and Benefits

Compensation and benefits decreased $90.1 million, primarily driven by the following:

- Equity-based compensation expenses increased by $25.1 million, primarily due to the following: (i) a $46.6 million increase in amortization related to RSAs and Group P Units, which were granted in the fourth quarter of 2021 and the first quarter of 2022; (ii) a decrease in stock-based compensation related to RSUs and PSUs of $13.8 million, primarily due to the separation-related costs incurred in the prior year period for a departing executive; and (iii) a $7.7 million decrease in amounts related to Group E Units.
- Bonus expense decreased by $119.7 million, primarily as a result of a decrease in performance-based bonuses as a result of negative performance in our multi-strategy and credit funds in 2022, as well as separation-related compensation incurred in 2021 for a departing executive. These decreases were partially offset by a $17.1 million increase in real estate profit sharing expense due to continued realizations and income generated by Sculptor Real Estate Fund III and Real Estate Credit Fund I.
- Salaries and benefits increased by $4.5 million, as our worldwide headcount increased to 343 as of December 31, 2022, from 337 as of December 31, 2021. Additionally, there was an $879 thousand decrease in the amount of capitalized salaries and benefits related to an internal use software implementation project.

Interest Expense

Interest expense remained relatively flat year-over-year, primarily due to a lower average outstanding debt balance, as we repaid $224.4 million under the 2020 Term Loan in 2021, partially offset by higher interest expense as a result of higher interest rates.

General, Administrative and Other Expenses

A $2.6 million decrease in general, administrative and other expenses, primarily due to the following: (i) a $15.5 million decrease in occupancy expense primarily due to the recognition of an $11.2 million impairment loss on a right-of-use asset and a $2.3 million loss incurred on the write-off of leasehold improvements in the prior year related to the sublease of a portion of our New York office space; (ii) a $1.2 million increase in foreign currency transaction gains; and (iii) reductions across various other operating expense categories. These decreases were partially offset by a $13.0 million increase in professional services expenses, primarily due to $11.1 million of elevated professional services fees, primarily legal costs, as well as a $1.4 million increase in recruiting costs, as a result of the hiring activity during the year.

Expenses of Consolidated Entities

Expenses of consolidated entities remained relatively flat year-over-year, primarily due to lower general, administrative and other expenses of certain of our consolidated entities, partially offset by the activity of the structured alternative investment solution that was consolidated in the first quarter of 2022, as well as expenses of our consolidated SPAC, which was consolidated in the fourth quarter of 2021.

Other Loss

	Year Ended December 31,		Change	
	2022	2021	$	%
		(dollars in thousands)		
Changes in fair value of warrant liabilities	$ 41,124	$ (27,460)	$ 68,584	(250)%
Changes in tax receivable agreement liability	(11,266)	(9,238)	(2,028)	22 %
Net losses on retirement of debt	—	(30,198)	30,198	(100)%
Net (losses) gains on investments	(33,664)	11,537	(45,201)	(392)%
Net gains (losses) of consolidated entities	3,419	(481)	3,900	n/m
Total Other Loss	**$ (387)**	**$ (55,840)**	**$ 55,453**	**(99)%**

Total other loss was $387 thousand, down from a loss of $55.8 million, which resulted from the following:

- *Changes in fair value of warrant liabilities.* These represent the change in the fair value of warrants to purchase our Class A Shares that were issued in connection with the 2020 Credit Agreement. The primary driver of the changes in fair value for both 2022 and 2021 was the change in our Class A Share price during each of the respective years. See Note 5 to our consolidated financial statements included in this report for additional details on warrants valuation inputs.

- *Changes in tax receivable agreement liability.* These are a result of changes in projected future tax rates impacting the anticipated liability under the tax receivable agreement.

- *Net losses on retirement of debt.* No losses on retirement of debt were incurred in 2022, while the amount in 2021 was primarily related to the $224.4 million prepayment of amounts outstanding under the 2020 Term Loan and a $19.9 million repayment of a CLO Investment Loan. The related losses on retirement of debt were comprised of unamortized discounts and deferred financing costs that were proportionately written-off in connection with these repayments.

- *Net (losses) gains on investments.* Investment income decreased by $45.2 million. This was primarily due to losses on our equity method investments in our multi-strategy funds, risk retention investments in our CLOs, and U.S. government obligations, compared to the prior year in which all of these investments generated income. These losses were largely related to temporary mark-to-market movements, without impairments to the underlying assets.

- *Net gains (losses) of consolidated entities.* Income of consolidated entities increased by $3.9 million, primarily due to gains on the change in the fair value of warrant liabilities of our consolidated SPAC, partially offset by losses incurred by our consolidated structured alternative investment solution.

Income Taxes

	Year Ended December 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Income taxes	$ (6,968)	$ 13,705	$ (20,673)	(151)%

Income tax expense decreased by $20.7 million, primarily due to the decrease in profitability and the change in fair value of warrant liabilities, as these gains are not taxable, partially offset by the change in disallowed expenses.

Net Loss Attributable to Noncontrolling Interests

The following table presents the components of the net loss attributable to noncontrolling interests and net income (loss) attributable to redeemable noncontrolling interests:

	Year Ended December 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Group A Units	$ (26,576)	$ (14,299)	$ (12,277)	86 %
Other	2,664	2,983	(319)	(11)%
Total	**$ (23,912)**	**$ (11,316)**	**$ (12,596)**	**111 %**
Redeemable noncontrolling interests	$ 7,466	$ (562)	$ 8,028	n/m

Net loss attributable to noncontrolling interests was $23.9 million, increasing by $12.6 million. The increase was driven by a loss generated by Sculptor Capital Advisors II LP primarily as a result of lower incentive income, partially offset by lower operating expenses. In the prior year Sculptor Capital Advisors II LP generated net income, none of which was allocated to the noncontrolling interests. This was partially offset by a smaller loss generated by Sculptor Capital Advisors LP as a result of lower operating expenses. Additionally, Sculptor Capital LP generated net income during the year, and therefore 100% of its income was allocated to Sculptor Capital Management, Inc. During the Distribution Holiday, net income earned by any Sculptor Operating Partnership is allocated 100% to Sculptor Capital Management, Inc., while losses are allocated on a pro rata basis among the Group A Units (noncontrolling interests) and Sculptor Capital Management, Inc. as described in Note 4 to the financial statements included in this report.

Net income (loss) attributable to redeemable noncontrolling interests relates to the SPAC that we consolidated in 2021. The $8.0 million increase was primarily due to gains on the change in fair value of the SPAC's warrant liabilities, as well as higher interest income earned on the SPAC's trust assets.

Change in Redemption Value of Redeemable Noncontrolling Interests

The following table presents the change in redemption value of redeemable noncontrolling interests:

	Year Ended December 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Change in redemption value of redeemable noncontrolling interests	$ 4,202	$ (25,924)	$ 30,126	(116)%

The change in redemption value of redeemable noncontrolling interests in the year ended December 31, 2022 was a gain of $4.2 million, increasing by $30.1 million from the prior year. These amounts represent the accretion to redemption value of the Class A Shares related to our consolidated SPAC. The gain in the current year was primarily driven by the increase in the SPAC's earnings allocated to the SPAC's Class A shareholders. The loss in the prior year period was primarily driven by an accretion of

the initial value of the SPAC's Class A Shares to their redemption value.

For the discussion of results of operations for the year ended December 31, 2021 compared to year ended December 31, 2020, please see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—December 31, 2021 Compared to December 31, 2020" in our annual report on Form 10-K for the year ended December 31, 2021, dated February 25, 2022 and filed with the SEC.

Economic Income Analysis

In addition to analyzing our results on a GAAP basis, management also reviews our results on an "Economic Income" basis. Economic Income excludes the adjustments described below that are required for presentation of our results on a GAAP basis, but that management does not consider when evaluating operating performance in any given period. Management uses Economic Income as the basis on which it evaluates our financial performance and makes resource allocation and other operating decisions. Management considers it important that investors review the same operating information that it uses.

Economic Income is a measure of pre-tax operating performance that excludes the following from our results on a GAAP basis:

- Equity-based compensation expenses, net of cash settled RSUs. When the number of RSUs to be settled in cash is discretionary at the time of the grant, then the fair value of RSUs that are settled in cash is included as an expense at the time of settlement. When the number of RSUs to be settled in cash is certain on the grant date, then the expense is recognized during the performance period to which the award relates.

- Amounts related to non-cash interest expense accretion on term debt. The 2020 Term Loan and Debt Securities, which were issued in connection with the Recapitalization, were each recognized at a significant discount, as proceeds from each borrowing were allocated to warrant liabilities and the 2019 Preferred Units, respectively, resulting in non-cash accretion to par over time through interest expense for GAAP. The Debt Securities and the 2019 Preferred Units were fully redeemed in 2020. Management excludes this non-cash expense from Economic Income, as it does not consider it to be reflective of our economic borrowing costs.

- Depreciation and amortization expenses, changes in fair value of warrant liabilities, changes in the tax receivable agreement liability, net losses on retirement of debt, gains and losses on fixed assets, and gains and losses on investments in funds, as management does not consider these items to be reflective of operating performance.

- Impairment of right-of-use lease assets is excluded from Economic Income at the time the impairment is recognized for GAAP and the impact is then amortized over the lease term for Economic Income, as management evaluates impairment expenses over the life of the related lease asset and considers the impairment charge to be nonrecurring in nature. Additionally, rent expense is offset by subrental income as management evaluates rent expenses on a net basis.

- Income allocations to our executive managing directors on their direct interests in the Sculptor Operating Group. Management reviews operating performance at the Sculptor Operating Group level, where our operations are performed, prior to making any income allocations.

- Net income (loss) attributable to redeemable noncontrolling interests, which relates to our consolidated SPAC, is also eliminated as management does not consider this to be reflective of operating performance.

- Amounts related to the consolidated entities, as management does not consider these amounts to be representative of our core operating performance. We also exclude the related eliminations of management fees and incentive income, as management reviews the total amount of management fees and incentive income earned in relation to total AUM and fund performance.

Additionally, management fees are presented net of recurring placement and related service fees, as management considers these fees a reduction in management fees, not an expense.

Expenses related to incentive income profit-sharing arrangements are generally recognized at the same time the related incentive income revenue is recognized, as management reviews the compensation expense related to these arrangements in relation to any incentive income earned from the relevant fund.

Further, for Economic Income deferred cash compensation is expensed in full during the performance period to which the award relates, rather than over the service period for GAAP, as management views the compensation expense impact in relation to the performance period.

As a result of the adjustments described above, management fees, incentive income, other revenues, compensation and benefits, interest expense, general, administrative and other expenses, net income (loss) attributable to noncontrolling interests and net income (loss) attributable to redeemable noncontrolling interests as presented on an Economic Income basis are also non-GAAP measures.

For reconciliations of our non-GAAP measures to the respective GAAP measures, please see "—Economic Income Reconciliations" at the end of this MD&A.

Our non-GAAP financial measures should not be considered alternatives to our GAAP net income allocated to Class A Shareholders or cash flow from operations, or as indicative of liquidity or the cash available to fund operations. Our non-GAAP measures may not be comparable to similarly titled measures used by other companies.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

Economic Income (Non-GAAP)

	Year Ended December 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Economic Income	$ 69,879	$ 119,371	$ (49,492)	(41)%

Refer below for the discussion of the contributing factors to changes in Economic Income from the prior year.

Economic Income Revenues (Non-GAAP)

	Year Ended December 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Economic Income Basis				
Management fees	$ 257,453	$ 280,473	$ (23,020)	(8)%
Incentive income	123,361	314,168	(190,807)	(61)%
Other revenues	10,144	6,396	3,748	59 %
Total Economic Income Revenues	**$ 390,958**	**$ 601,037**	**$ (210,079)**	**(35)%**

Economic Income revenues were $391.0 million, decreasing $210.1 million, primarily due to the following:

Management Fees

Management fees decreased by $23.0 million, driven primarily by the following:

- *Multi-strategy funds.* A $10.2 million decrease due to lower average assets under management, primarily as a result of negative fund performance in 2022 as well as redemptions.

- *Opportunistic credit funds.* A $1.8 million decrease due to lower average assets under management in the Sculptor Credit Opportunities Master Fund due to outflows, as well as negative fund performance in 2022.

- *Institutional Credit Strategies.* A $10.2 million decrease due to the recovery of $5.6 million of previously deferred subordinated management fees in 2021, as well as natural life cycle events within our existing CLOs which drove down our average net fee rate. Such life cycle events include: (i) the redemptions of certain of our CLOs; (ii) a reduction in AUM in certain of our CLOs due to distributions; and (iii) new issuances and refinancing transactions priced at lower rates. These decreases were partially offset by an increase in management fees driven by the new launches of two CLOs.

- *Real estate funds.* Management fees remained relatively flat year-over-year.

See "—Managing Business Performance—Weighted-Average FP AUM and Average Management Fee Rates" and "—Managing Business Performance—Summary of Changes in FP AUM" above for information regarding our average management fee rates and further detail on changes in FP AUM, respectively.

Incentive Income

Incentive income decreased by $190.8 million, primarily due to the following:

- *Multi-strategy funds.* A $177.0 million decrease driven by the Sculptor Master Fund which generated a gross return of -11.6% in 2022, as compared to a gross return of 7.8% in 2021.

- *Opportunistic credit funds.* A $48.8 million decrease driven by: (i) a $42.5 million decrease from the Sculptor Credit Opportunities Master Fund which generated a gross return of -3.2% in 2022, as compared to a gross return of 22.2% in 2021; and (ii) a $6.6 million decrease driven by the liquidation of one of our closed-end funds in 2021. These decreases were partially offset by a $2.6 million increase from the Customized Credit Focused Platform as a result of tax distributions taken to cover tax liabilities on accrued unrecognized incentive income, which represents incentive income at the fund level not yet recognized by us.

- *Real estate funds.* A $35.0 million increase driven by crystallizations and realizations in Sculptor Real Estate Fund III, as the fund is realizing investments during its harvest period. This increase was partially offset by decreases in realizations in Sculptor Real Estate Fund II, as well as decreases in tax distributions across several of our real estate funds. Realizations in our real estate funds will vary from period to period based on exit opportunities. Please see "—Managing Business Performance—Real Estate Funds" for information regarding incentive income recognized related to tax distributions in our real estate funds.

Other Revenues

Other revenues increased by $3.7 million, primarily as a result of higher interest income on both cash and cash equivalents, longer-term treasury bills and our risk retention investments in our CLOs driven by higher interest rates. The increase in interest income from our risk retention investment in our CLOs was also driven by new issuances.

Economic Income Expenses (Non-GAAP)

	Year Ended December 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Economic Income Basis				
Compensation and benefits	$ 217,521	$ 389,510	$ (171,989)	(44)%
Interest expense	14,507	14,317	190	1 %
General, administrative and other expenses	89,051	77,839	11,212	14 %
Total Economic Income Expenses	**$ 321,079**	**$ 481,666**	**$ (160,587)**	**(33)%**

Economic Income expenses were $321.1 million, decreasing $160.6 million, primarily due to the following:

Compensation and Benefits

Compensation and benefits decreased by $172.0 million, primarily driven by the following:

- Bonus expense decreased by $176.5 million, primarily due to the following: (i) a $153.5 million decrease in performance related bonuses as a result of negative fund performance in the current year, as compared to strong fund performance in 2021, primarily in multi-strategy and opportunistic credit funds; (ii) a $32.2 million decrease related to the issuance of certain cash-settled equity awards granted in place of share-settled RSUs in the prior year as part of 2021 bonuses, which were largely one-time in nature; and (iii) a $9.9 million decrease in separation-related compensation, primarily due to the costs incurred in the first half of 2021 related to a departing executive. Partially offsetting these decreases was an $18.8 million increase in real estate profit sharing expense due to continued realizations and income generated by Sculptor Real Estate Fund III and Real Estate Credit Fund I. Additionally, there was a $3.7 million increase in fixed bonus, primarily due to higher headcount.

- Salaries and benefits increased by $4.5 million, as our worldwide headcount increased to 343 as of December 31, 2022, from 337 as of December 31, 2021.

Interest Expense

Interest expense remained relatively flat year-over-year, primarily due to a lower average outstanding debt balance, as we repaid $224.4 million under the 2020 Term Loan in 2021, partially offset by higher interest expense as a result of higher interest rates.

General, Administrative and Other Expenses

An $11.2 million increase in general, administrative and other expenses, primarily due to an increase in professional services expenses, mainly driven by $11.1 million of elevated professional services fees, primarily legal costs, as well as a $1.4 million increase in recruiting costs, as a result of the hiring activity during the year. Additionally, business development expense increased $1.9 million as a result of business travel returning to a more normalized level in 2022 as compared to the prior year in which pandemic-related travel restrictions remained in place. These increases were partially offset by a $3.4 million decrease in occupancy expense due to a sublease, as we offset rental expense with subrental income for Economic Income, as well as a $1.2 million increase in foreign currency transaction gains.

For the discussion of results of Economic Income for the year ended December 31, 2021 compared to year ended December 31, 2020, please see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Economic Income Analysis” in our annual report on Form 10-K for the year ended December 31, 2021, dated February 25, 2022 and filed with the SEC.

Liquidity and Capital Resources

Overview

The working capital needs of our business have historically been met, and we anticipate will continue to be met, through cash generated from management fees and incentive income earned from our funds.

We ended the year with $258.9 million of unrestricted cash and cash equivalents, and $56.4 million of management fees and incentive income receivable (the majority of which will be collected in the first quarter of 2023) and $24.8 million of investments in U.S. government obligations that we can liquidate as needed. We also have access to an additional $25.0 million through our undrawn 2020 Revolving Credit Facility.

Based on management's experience and our current level of AUM, we believe that our current liquidity position, together with the cash generated from management fees will be sufficient to meet our anticipated fixed operating expenses (as defined below) and other working capital needs for at least the next 12 months. For our longer-term liquidity needs, we expect to continue to fund our fixed operating expenses through management fees and to fund discretionary cash bonuses and the repayment of our financing arrangements through a combination of management fees and incentive income. We may also decide to meet these requirements by issuing additional debt, equity or other securities.

Over the long term, we believe our AUM will grow, including longer-term fee generating capital, and sustain positive investment performance in our funds, which will reflect positively on our revenue streams strengthening the balance sheet and providing the firm with stability to cover our long-term liquidity requirements.

To maintain maximum flexibility to meet demands and opportunities both in the short and long term, and subject to existing contractual arrangements, we may want to use cash on hand, issue additional equity or borrow additional funds to:

- Support the future growth in our business.
- Create new or enhance existing products and investment platforms.
- Repay amounts due under our debt obligations and repurchase agreements.
- Repay amounts due under the tax receivable agreement.
- Repurchase Class A Shares or Sculptor Operating Group Units.
- Pursue new investment opportunities.
- Develop new distribution channels.
- Pay dividends.

Share Repurchase Program

In February 2022, our board of directors (the "Board of Directors" or the "Board") authorized us to repurchase up to $100.0 million of our outstanding common stock. As of December 31, 2022, we repurchased 3,022,380 Class A Shares at the average price of $10.75 per share. The repurchase program has no expiration date. We may purchase shares on a discretionary basis from time to time through open market purchases, privately negotiated transactions or other means including through Rule 10b5-1 trading plans or through the use of other techniques such as accelerated share repurchases. The timing and amount of any transactions will be subject to our discretion based upon market conditions and other opportunities that we may have for the use or investment of our cash balances. The repurchase program does not require the purchase of any minimum number of shares and may be suspended, modified or discontinued at any time without prior notice.

Liquidity Needs

Over the next 12 months, we expect that our primary liquidity needs will be to:

- Pay our operating expenses.
- Pay interest and principal on our financing arrangements.
- Provide capital to facilitate the growth of our business, including making risk retention investments in CLOs managed by us that are subject to EU and UK risk retention rules, investments in our funds and fund capital commitments to our funds.
- Pay income taxes, RSU tax withholding obligations and amounts due under the tax receivable agreement.
- Make cash distributions in accordance with our distribution policy.

Operating Expenses

We generally rely on management fees to cover our "fixed" operating expenses, which we define as salaries, benefits, a minimum discretionary bonus and general, administrative and other expenses, including upcoming lease payments as presented in Note 7 to our consolidated financial statements, incurred in the ordinary course of business. No assurances can be given that our management fees will be sufficient to cover our fixed operating expenses in future periods. To the extent our management fees do not cover our fixed operating expenses, as well as to fund any other liabilities, we would rely on cash on hand and incentive income to cover any shortfall. We cannot predict the amount of incentive income, if any, that we may earn in any given year. Total annual revenues, which are heavily influenced by the amount of incentive income we earn, historically have been sufficient to fund both our fixed operating expenses and all of our other working capital needs, including annual discretionary cash bonuses. These cash bonuses, which historically have comprised our largest cash operating expense, are variable such that in any year where total annual revenues are greater or less than the prior year, cash bonuses may be adjusted accordingly. Our ability to scale our largest cash operating expense to our total annual revenues helps us manage our cash flow and liquidity position from year to year.

Historically, we have determined the amount of discretionary cash bonuses during the fourth quarter of each year, based on our total annual revenues and fund performance. We have historically funded these amounts through fourth quarter management fees and incentive income crystallized on December 31, which represents the majority of the incentive income we typically earn each year. Related to performance on longer-term AUM, we accrue bonus expense on ABURI which will not be recognized as incentive income in the current year, but will have associated bonus expense in the current year period. This ABURI could crystallize into incentive income in future periods without the associated bonus expense, which would shift attributable earnings into future periods. In addition, we may elect to increase the amount of cash bonuses paid to employees over the amount already accrued throughout the year, with any incremental amounts recognized as expense in the fourth quarter. Although we cannot predict the amount, if any, of incentive income we may earn, we are able to regularly monitor expected management fees and we believe that we may be able to adjust our expense infrastructure, including discretionary cash bonuses, as needed to meet the requirements of our business and in order to maintain positive operating cash flows. Nevertheless, if we generate insufficient cash flows from operations to meet our short-term liquidity needs, we may have to borrow funds or sell assets, subject to existing contractual arrangements.

Financing Arrangements

We may use cash on hand to pay interest and principal due on our financing arrangements, including debt obligations and repurchase agreements, prior to their respective maturity or due dates, which would reduce amounts available to distribute to our Class A Shareholders. We may also refinance all or a portion of any borrowings outstanding on or prior to their respective maturity dates. For any amounts unpaid as of a maturity or due date, we will be required to repay the remaining balance by using cash on hand, refinancing the remaining balance by incurring new debt, which could result in higher borrowing costs, or by issuing equity or other securities, which would dilute existing shareholders. See Notes 8 and 9 to our consolidated financial statements for details on our debt obligations and repurchase agreements.

CLO Risk Retention Investments

In order to meet risk retention requirements for certain of the CLOs we manage, we use a combination of cash on hand, as well as financing under the CLO Investments Loans and repurchase agreements to fund our 5% risk retention investments. We expect to continue relying on a combination of cash on hand and financing to fund future CLO risk retention investments. Payments of interest and principal on these borrowings are generally due at such time interest and principal payments are received on our risk retention investments in the related CLOs; therefore, our CLO risk retention investments and related financings generally have a net positive impact on our liquidity at each CLO interest and principal payment date.

Tax Receivable Agreement

We have made, and may in the future be required to make, payments under the tax receivable agreement that we entered into with our executive managing directors and Ziff Investors Partnership, L.P. II and certain of its affiliates and control persons (the "Ziffs"). As of December 31, 2022, assuming no material changes in the relevant tax law and that we generate sufficient taxable income to realize the full tax benefit of the increased amortization resulting from the increase in tax basis of certain Sculptor Operating Group assets, we expected to pay our executive managing directors and the Ziffs approximately $190.2 million. Future cash savings and related payments to our executive managing directors under the tax receivable agreement in respect of subsequent exchanges would be in addition to these amounts. See Note 18 to our consolidated financial statements for additional details.

Payments under the tax receivable agreement are anticipated to increase the tax basis adjustment and, consequently, result in increasing annual amortization deductions in the taxable years of and after such increases to the original basis adjustments, and potentially will give rise to increasing tax savings with respect to such years and correspondingly increasing payments under the tax receivable agreement.

The obligation to make payments under the tax receivable agreement is an obligation of Sculptor Corp, and any other corporate taxpaying entities that hold Group B Units, and not of the Sculptor Operating Group. We may need to incur debt to finance payments under the tax receivable agreement to the extent the Sculptor Operating Group does not distribute cash to Sculptor Corp in an amount sufficient to meet our obligations under the tax receivable agreement.

The actual increase in tax basis of the Sculptor Operating Group assets resulting from an exchange or from payments under the tax receivable agreement, as well as the amortization thereof and the timing and amount of payments under the tax receivable agreement, will vary based upon a number of factors, including the following:

- The amount and timing of our income will impact the payments to be made under the tax receivable agreement. To the extent that we do not have sufficient taxable income to utilize the amortization deductions available as a result of the increased tax basis in the Sculptor Operating Partnerships' assets, payments required under the tax receivable agreement would be reduced.

- The price of our Class A Shares at the time of any exchange will determine the actual increase in tax basis of the Sculptor Operating Partnerships' assets resulting from such exchange; payments under the tax receivable agreement resulting from future exchanges, if any, will be dependent in part upon such actual increase in tax basis.

- The composition of the Sculptor Operating Group assets at the time of any exchange will determine the extent to which we may benefit from amortizing the increased tax basis in such assets and thus will impact the amount of future payments under the tax receivable agreement resulting from any future exchanges.

- The extent to which future exchanges are taxable will impact the extent to which we will receive an increase in tax basis of the Sculptor Operating Group assets as a result of such exchanges, and thus will impact the benefit derived by us and the resulting payments, if any, to be made under the tax receivable agreement.

- The tax rates in effect at the time any potential tax savings are realized, which would affect the amount of any future payments under the tax receivable agreement.

Depending upon the outcome of these factors, payments that we may be obligated to make to our current and former executive managing directors and the Ziffs under the tax receivable agreement in respect of exchanges could be substantial. In light of the numerous factors affecting our obligation to make payments under the tax receivable agreement, the timing and amounts of any such actual payments are not reasonably ascertainable.

Dividends and Distributions

The table below presents the cash dividends paid on our Class A Shares in 2022 and 2021. We did not declare a dividend in the fourth quarter of 2021 in respect of earnings for the fourth quarter. Dividends are generally declared and paid in the quarter following the quarter to which they relate. For example, the dividend paid on November 28, 2022 was in respect of earnings for the third quarter of 2022. We paid no related cash distributions to our executive managing directors on their Sculptor Operating Group Units in the respective periods as a result of the Distribution Holiday.

	Class A Shares	
Payment Date	**Record Date**	**Dividend per Share**
November 28, 2022	November 21, 2022	$ 0.01
August 22, 2022	August 15, 2022	$ 0.13
May 25, 2022	May 18, 2022	$ 0.11
November 22, 2021	November 15, 2021	$ 0.28
August 24, 2021	August 17, 2021	$ 0.54
May 25, 2021	May 18, 2021	$ 0.30
March 4, 2021	February 25, 2021	$ 2.35

As discussed in Note 1 to the financial statements, as of December 31, 2022, we repurchased 3,022,380 Class A Shares at a cost of $32.5 million for an average price of $10.75 per share through open market purchase transactions.

As discussed in Note 3, in connection with the Recapitalization, we and our executive managing directors agreed to a "Distribution Holiday" on the Group A Units, Group E Units, Group P Units, PSUs and certain RSUs and RSAs that will terminate on the earlier of (x) 45 days after the last day of the first calendar quarter as of which the achievement of $600.0 million of Distribution Holiday Economic Income is realized and (y) April 1, 2026. During the Distribution Holiday, dividends may continue to be paid on our Class A Shares. As of December 31, 2022, we have generated a total of $528.4 million of Distribution Holiday Economic Income, compared to the target of $600.0 million.

Distribution Holiday Economic Income is the cumulative amount of Economic Income earned since October 1, 2018, less any dividends paid to Class A Shareholders or on the now-retired Preferred Units. Distribution Holiday Economic Income is a non-GAAP measure that is defined in the agreements of limited partnership of the Sculptor Operating Partnerships and is being presented to provide an update on the progress made toward the $600.0 million target required to exit the Distribution Holiday. Please see "—Distribution Holiday Economic Income Reconciliation" for a reconciliation of Distribution Holiday Economic Income to net income attributable to Class A Shareholders.

During the Distribution Holiday, we expect to pay dividends on our Class A Shares annually in an aggregate amount equal to not less than 20% or greater than 30% of our annual Economic Income less an estimate of payments under the tax receivable agreement, and income taxes related to the earnings for the periods; provided, that, if the minimum amount of dividends eligible to be made hereunder would be $1.00 or less per Class A Share, then we expect to pay up to $1.00 per Class A Share (subject to appropriate adjustment in the event of any equity dividend, equity split, combination or other similar recapitalization with respect to the Class A Shares). During the Distribution Holiday, (i) we will only make distributions with respect to Group B Units, (ii) the performance thresholds of Group P Units and PSUs shall be adjusted to take into account performance and distributions during such period, and (iii) RSUs and certain RSAs will continue to receive dividend equivalents in respect of dividends or distributions paid on the Class A Shares. For certain executive managing directors, distributions on RSUs, as well as distributions counted in determining whether market performance conditions of Group P Units and PSUs are met, are limited to an aggregate amount not to exceed $4.00 per Group P Unit, PSU, RSU, or RSA, as applicable, cumulatively during the Distribution Holiday. Following the termination of the Distribution Holiday, Group A Units and Group E Units (whether vested or unvested) shall receive distributions even if such units have not been booked-up. See Note 13 for additional information.

The declaration and payment of any distribution may be subject to legal, contractual or other restrictions. For example, as a Delaware corporation, the Registrant's Board may only declare and pay dividends either out of its surplus (as defined in Delaware General Corporation Law) or in case there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Our cash needs and payment obligations may fluctuate significantly from quarter to quarter, and we may have material unexpected expenses in any period. This may cause amounts available for distribution to significantly fluctuate from quarter to quarter or may reduce or eliminate such amounts.

Additionally, RSUs and certain RSAs outstanding accrue dividend equivalents equal to the dividend amounts paid on our Class A Shares. To date, these dividend equivalents have been awarded in the form of additional RSUs or RSAs, as applicable, which accrue additional dividend equivalents. The dividend equivalents will only be paid if the related RSUs/RSAs vest and will be settled at the same time as the underlying RSUs/RSAs. Our Board of Directors has the right to determine whether the RSUs and any related dividend equivalents will be settled in Class A Shares or in cash. We currently withhold shares to satisfy the tax withholding obligations related to vested RSUs/RSAs and dividend equivalents held by our employees, which results in the use of cash from operations or borrowings to satisfy these tax-withholding payments. In addition, certain RSAs and Class P Units may receive dividend equivalents in the form of additional RSAs or Class P Units, as applicable, upon satisfaction of certain performance-based vesting requirements.

Historically, when we have paid dividends on our Class A Shares, we also made distributions to our executive managing directors on their interests in the Sculptor Operating Group, subject to the terms of the limited partnership agreements of the Sculptor Operating Partnerships; however, as part of the Recapitalization, the Sculptor Operating Partnerships initiated the Distribution Holiday. See Note 3 to our consolidated financial statements in this report for additional information regarding the Distribution Holiday.

Our cash distribution policy has certain risks and limitations, particularly with respect to our liquidity. Although we expect to pay distributions according to our policy, we may not make distributions according to our policy, or at all, if, among other things, we do not have the cash necessary to pay the distribution. Furthermore, by paying cash distributions rather than investing that cash in our businesses, we might risk slowing the pace of our growth, or not having a sufficient amount of cash to fund our obligations, operations, new investments or unanticipated capital expenditures, should the need arise. In such event, we may not be able to execute our business and growth strategy to the extent intended.

Risks to Our Liquidity

In the normal course of our funds' life cycles, investors in our multi-strategy and certain open-end opportunistic credit funds have the right to redeem their interests following an initial lock up period, as discussed in the "Managing Business Performance" section, which could impact our liquidity and management fees. While we continuously make every effort to scale our operations so that management fees are sufficient to cover our fixed operating expenses, our management fees may not always cover these expenses. Additionally, in the event that a future contingent liability were to arise that exceeded our liquidity resources, we would need to rely on new sources of liquidity such as issuing additional equity or borrowing additional funds.

Any new borrowing arrangement that we may enter into may have covenants that impose additional limitations on us, including with respect to making distributions, entering into business transactions or other matters, and may result in increased interest expense. If we are unable to meet our debt obligations on terms that are favorable to us, our business may be adversely impacted. No assurance can be given that we will be able to issue new notes, enter into new credit facilities or issue equity or other securities in the future on attractive terms or at all.

Adverse market conditions, including the COVID-19 pandemic, increase the risk that our management fees and incentive income may decline if net outflows increase or as a result of performance-related depreciation in our funds. Lower revenues and other factors may make it more difficult or costly to raise or borrow additional funds, and excessive borrowing costs or other significant market barriers may limit or prevent us from maximizing our growth potential and flexibility. We have also evaluated our financing arrangements in light of the COVID-19 pandemic to ensure compliance with debt covenants. Through the date of this filing, we remain in compliance with our debt covenants and expect to continue to be in compliance in the near term. Our ability to access financial markets, should it be necessary, may be limited because of the COVID-19 pandemic.

Our CLO risk retention financing arrangements are not subject to any financial maintenance covenants, but are subject to customary events of default and covenants included in financing arrangements of this type and also include terms that require our continued involvement with the CLOs. In addition to customary events of default included in financing arrangements of this type, the CLO Investments Loans may be accelerated to the extent there is an event of default ("EOD") at the CLO level. Prior to the relevant CLO's maturity date, this would include certain material covenant breaches, regulatory and insolvency events for the relevant CLO issuer, as well as a payment default where the relevant CLO is unable to make interest payments on the senior, non-deferrable interest notes issued by the CLO. For the repurchase agreements, in addition to customary events of default and covenants included in financing arrangements of this type, there are margin requirements that may cause us to post additional cash collateral; however, this is only triggered in the event of an EOD at the CLO level. Currently, we do not view any of the customary or CLO level EODs for these types of financing arrangements as a material risk. In particular, an EOD related to an interest payment default on the senior, non-deferrable interest notes of the type of cash flow CLOs that we manage has been unprecedented even during the credit crisis in 2008 and 2009.

On March 5, 2021, the UK Financial Conduct Authority announced that it would phase out LIBOR as a benchmark immediately after December 31, 2021, for sterling, euro, Japanese yen, Swiss franc and 1-week and 2-month U.S. Dollar settings and immediately after June 30, 2023, for the remaining U.S. Dollar settings. As of December 31, 2022, we had direct exposure to U.S. Dollar LIBOR-linked interest rate settings through certain CLO Investments and associated CLO Investments Loans. In December 2022, we elected to transition the applicable interest rate on the 2020 Credit Agreement from LIBOR to SOFR.

In the first quarter of 2020, we formed an internal LIBOR Transition Working Group to help effectuate an orderly transition from LIBOR. Each of our CLO Investments and CLO Investments Loans that reference U.S. Dollar LIBOR settings are expected to be transitioned to an alternative reference rate. This transition will either be carried out through hardwired replacement mechanisms and/or amendment procedures in the existing governing documents for such CLO Investments and CLO Investments Loans or, if the related governing documents do not clearly or practicably address fallbacks to alternative base rates, then potentially by application of the Adjustable Interest Rate (LIBOR) Act (the "LIBOR Act"), which was signed into law in the United States as part of the Consolidated Appropriations Act of 2022. The LIBOR Act establishes a process for replacing LIBOR on existing LIBOR contracts (governed by law in the United States) by providing that a benchmark replacement identified by the Federal Reserve Board that is based on the Secured Overnight Financing Rate (plus a spread) will replace LIBOR as the benchmark for such contracts.

Additionally, we have pursued several technology initiatives to ensure that firm-wide accounting and master data systems are equipped to handle evolving market conventions associated with regulatory recommended reference rates, and will continue to monitor our needs for any future changes in market standards. Our senior management has oversight of our transition efforts, and periodic updates have been provided to the Audit Committee of our Board of Directors. For the face value of instruments impacted by the LIBOR transition that we hold on our books see Note 8 to our consolidated financial statements included in this report. See "Part I, Item 1A. Risk Factors—Risks Related to Our Business—*The replacement of LIBOR with an alternative reference rate, may adversely affect our collateralized loan obligation transactions*" in this annual report for additional information.

Our Funds' Liquidity and Capital Resources

Our funds have access to liquidity from our prime brokers and other counterparties. Additionally, our funds may have committed facilities in addition to regular financing from our counterparties. These sources of liquidity provide our funds with additional financing resources, allowing them to take advantage of opportunities in the global marketplace.

Our funds' current liquidity position could be adversely impacted by any substantial, unanticipated investor redemptions from our funds that are made within a short time period. As discussed above in the "Managing Business Performance" section, capital contributions from investors in our multi-strategy and open-end opportunistic credit funds generally are subject to initial lock-up periods of one to four years, except for certain multi-strategy fund investors who have the right to redeem their interests on a quarterly basis. Following the expiration of these lock-up periods, subject to certain limitations, investors may redeem capital generally on a quarterly, annual, or three-year basis upon giving 30 to 90 days' prior written notice. These lock-ups and redemption notice periods help us to manage our liquidity position. Investors in our other funds are generally not allowed to redeem until the end of the life of the fund.

We also follow a rigorous risk management process and regularly monitor the liquidity of our funds' portfolios in relation to economic and market factors and the timing of potential investor redemptions. As a result of this process, we may determine to reduce exposure or increase the liquidity of our funds' portfolios at any time, whether in response to global economic and market conditions, redemption requests or otherwise. For these reasons, we believe we will be well prepared to address market conditions and redemption requests, as well as any other events, with limited impact on our funds' liquidity position. Nevertheless, significant redemptions made during a single quarter could adversely affect our funds' liquidity position, as we may meet redemptions by using our funds' available cash or selling assets (possibly at a loss). Such actions would result in lower AUM, which would reduce the amount of management fees and incentive income we may earn. Our funds could also meet redemption requests by increasing leverage, provided we are able to obtain financing on reasonable terms, if at all. We believe our funds have sufficient liquidity to meet any anticipated redemptions for the foreseeable future.

Liquidity of Consolidated SPAC

The investments of our consolidated SPAC are held in a trust account that includes U.S. Treasury bills with original maturities of 90 days or greater when purchased, that were purchased with funds raised through the initial public offering of the consolidated entity. The $238.0 million in funds as of December 31, 2022, are restricted for use and may only be used for purposes of completing an initial business combination or redemption of public shares as set forth in the SPAC trust agreement.

Cash Flows Analysis

Operating Activities. Net cash from operating activities for the years ended December 31, 2022 and 2021 was $(339.2) million and $476.7 million, respectively. Excluding the activity of these consolidated entities, our net cash from operating activities was $(4.6) million and $489.0 million for the years ended December 31, 2022 and 2021, respectively. Our net cash flows from operating activities are generally comprised of current-year management fees, the collection of incentive income earned during the fourth quarter of the previous year, interest income collected on our investments and bank deposits, less cash used for operating expenses, including interest paid on our debt obligations. Also contributing to lower cash inflows in 2022 were the investing activities of the entities we consolidate, which included $599.9 million of purchases of investments, partially offset by sale of investments by the funds of $245.6 million. These cash flows are of the consolidated entities and do not directly impact the cash flows related to our Class A Shareholders.

Net cash flows from operating activities for the year ended December 31, 2022 decreased from the prior year period due to lower year-end incentive income earned in 2021 than in 2020. A large portion of the 2021 and 2020 incentive, was collected in the beginning of 2022 and 2021, respectively. Additionally, discretionary bonuses were higher in 2021, which were paid in the first quarter of 2022, as compared to discretionary bonuses in 2020, which were paid in the first quarter of 2021. These decreases were partially offset by the collection of more incentive income from our real estate funds in 2022 compared to 2021.

Investing Activities. Net cash from investing activities for the years ended December 31, 2022 and 2021 was $8.2 million, and $(190.3) million, respectively. Investing cash inflows in 2022 primarily related to maturities and sales of U.S. government obligations and return of investments in our funds, partially offset by purchases of U.S. Government obligations by us and our consolidated SPAC and investments made by us in our funds. Investing cash outflows in 2021 primarily related to purchases of U.S. government obligations and investments made in our funds, partially offset by maturities and sales of U.S. government obligations.

Financing Activities. Net cash from financing activities for the years ended December 31, 2022 and 2021 was $195.7 million, and $(59.8) million, respectively. Net cash from financing activities is generally comprised of dividends paid to our Class A Shareholders, borrowings and repayments related to our debt obligations, repurchases of treasury shares, and proceeds from repurchase agreements used to finance risk retention investments in our CLOs. Distributions to our executive managing directors on their Group A Units (prior to the Distribution Holiday), are also included in net cash from financing activities. Also contributing to higher cash inflows in 2022 were the financing activities of the entities we consolidate. These cash flows are of the consolidated entities and do not directly impact the cash flows related to our Class A Shareholders.

In the year ended December 31, 2022, no repayments of the 2020 Term Loan were made, compared to repayments of $224.4 million and $19.9 million of the 2020 Term Loan and a CLO Investment loan, respectively, in the year ended December 31, 2021. Additionally, in the year ended December 31, 2022 and 2021, we entered into $20.4 million and $45.9 million,

respectively, of repurchase agreements to finance or refinance risk retention investments in our European CLOs. Further, in the year ended December 31, 2022, we repurchased $32.5 million of Class A shares as a part of our share repurchase program and our consolidated structured alternative investment solution issued $215.7 million of notes payable.

We paid dividends of $6.2 million to our Class A Shareholders in the year ended December 31, 2022, compared to dividends of $84.2 million paid to our Class A Shareholders in the year ended December 31, 2021. No distributions were made to our executive managing directors in the years ended December 31, 2022 or December 31, 2021, as a result of the Distribution Holiday.

Critical Accounting Estimates

Critical accounting estimates are those that require us to make significant judgments, estimates or assumptions that affect amounts reported in our financial statements or the notes thereto. We base our judgments, estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable and prudent. Actual results may differ materially from these estimates. See Note 2 to our consolidated financial statements included in this report for a description of our accounting policies. Set forth below is a summary of what we believe to be our most critical accounting policies and estimates.

Fair Value of Investments

The valuation of investments held by our funds is the most critical estimate made by management impacting our results. Pursuant to specialized accounting for investment companies under GAAP, investments held by the funds are carried at their estimated fair values. The valuation of investments held by our funds has a significant impact on our results, as our management fees and incentive income are generally determined based on the fair value of these investments.

GAAP prioritizes the level of market price observability used in measuring assets and liabilities at fair value. Market price observability is impacted by a number of factors, including the type of assets and liabilities and the specific characteristics of the assets and liabilities. Assets and liabilities with readily available, actively quoted prices (Level I) or for which fair value can be measured from actively quoted prices (Level II) generally will have a higher degree of market price observability and lesser degree of judgment used in measuring fair value than those measured using pricing inputs that are unobservable in the market (Level III). See Note 5 to our consolidated financial statements included in this report for additional information regarding fair value measurements.

As of December 31, 2022, the absolute values of our funds' invested assets and liabilities (excluding the notes and loans payable of our securitization vehicles) were classified within the fair value hierarchy as follows: approximately 31% within Level I; approximately 44% within Level II; and approximately 25% within Level III. As of December 31, 2021, the absolute values of our funds' invested assets and liabilities (excluding the notes and loans payable of our securitization vehicles) were classified within the fair value hierarchy as follows: approximately 40% within Level I; approximately 41% within Level II; and approximately 19% within Level III. The percentage of our funds' assets and liabilities within the fair value hierarchy will fluctuate based on the investments made at any given time and such fluctuations could be significant. A portion of our funds' Level III assets relate to Special Investments or other investments on which we do not earn any incentive income until such investments are sold or otherwise realized. Upon the sale or realization event of these assets, any realized profits are included in the calculation of incentive income for such year. Accordingly, the estimated fair value of our funds' Level III assets may not have any relation to the amount of incentive income actually earned with respect to such assets.

Valuation of Investments. Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants as of the measurement date. The fair value of our funds' investments is based on observable market prices when available. We, as the investment manager of our funds, determine the fair value of investments that are not actively traded on a recognized securities exchange or otherwise lack a readily ascertainable market value. The methods and procedures to value these investments may include the following: performing comparisons with prices of comparable or similar securities; obtaining valuation-related information from the issuers; calculating the present value of future cash flows; assessing other analytical data and information relating to the investment that is an indication of value; obtaining information provided by third parties; and evaluating financial information provided by the management of these investments.

Significant judgment and estimation go into the assumptions that drive our valuation methodologies and procedures for assets that are not actively traded on a recognized securities exchange or otherwise lack a readily ascertainable market value. The valuation of investments can be more difficult when severe economic and market shocks occur. The COVID-19 pandemic is an example of such a shock. The actual amounts ultimately realized could differ materially from the values estimated based on the use of these methodologies. Realizations at values significantly lower than the values at which investments have been reflected could result in losses at the fund level and a decline in future management fees and incentive income. Such situations may also negatively impact fund investor perception of our valuation policies and procedures, which could result in redemptions and difficulties in raising additional capital.

We have established an internal control infrastructure over the valuation of financial instruments that includes ongoing oversight by our Valuation Controls Group and Valuation Committee, as well as periodic audits by our Internal Audit function. These management control functions are segregated from the trading and investing functions.

The Valuation Committee is responsible for establishing the valuation policy and monitors compliance with the policy, ensuring that all of the funds' investments reflect fair value, as well as providing oversight of the valuation process. The valuation policy includes, but is not limited to the following: determining the pricing sources used to value specific investment classes; the selection of independent pricing services; performing due diligence of independent pricing services; and the classification of investments within the fair value hierarchy. The Valuation Committee reviews a variety of reports on a monthly basis, which include the following: summaries of the sources used to determine the value of the funds' investments; summaries of the fair value hierarchy of the funds' investments; methodology changes and variance reports that compare the values of investments to independent pricing services. The Valuation Committee is independent from the investment professionals and may obtain input from investment professionals for consideration in carrying out its responsibilities.

The Valuation Committee has assigned the responsibility of performing price verification and related quality controls in accordance with the valuation policy to the Valuation Controls Group. The Valuation Controls Group's other responsibilities include the following: overseeing the collection and evaluation of counterparty prices, broker-dealer quotations, exchange prices and pricing information provided by independent pricing services. Additionally, the Valuation Controls Group is responsible for performing back testing by comparing prices observed in executed transactions to valuations provided by independent pricing service providers on a monthly basis; performing stale pricing analysis on a monthly basis; performing due diligence reviews on independent pricing services on an annual basis; and recommending changes in valuation policies to the Valuation Committee. The Valuation Controls Group also verifies that indicative broker quotations used to value certain investments are representative of fair value through procedures such as comparison to independent pricing services, back testing procedures, review of stale pricing reports and performance of other due diligence procedures as may be deemed necessary.

Investment professionals and members of the Valuation Controls Group review a daily profit and loss report, as well as other periodic reports that analyze the profit and loss and related asset class exposure of the funds' investments.

The Internal Audit function employs a risk-based program of audit coverage that is designed to provide an assessment of the design and effectiveness of controls over our operations, regulatory compliance, valuation of financial instruments and reporting. Additionally, the Internal Audit function meets periodically with management and the Audit Committee of our Board of Directors to evaluate and provide guidance on the existing risk framework and control environment assessments.

For information regarding the impact that the fair value measurement of AUM has on our results, please see "Part II—Item 7A. Quantitative and Qualitative Disclosures about Market Risk."

Recognition of Incentive Income

The determination of whether to recognize incentive income under GAAP requires a significant amount of judgment regarding whether it is probable that a significant revenue reversal of incentive income that we are potentially entitled to as of a point in time will not occur in future periods, which would preclude the recognition of such amounts as incentive income. Management considers a variety of factors when evaluating whether the recognition of incentive income is appropriate, including: the performance of the fund, whether we have received or are entitled to receive incentive income distributions and whether such amounts are restricted, the investment period and expected term of the fund, where the fund is in its life-cycle, the volatility and liquidity of investments held by the fund, our team's experience with similar investments and potential sales of investments within

the fund. Management continuously evaluates whether there are additional considerations that could potentially impact the recognition of incentive income and notes that the recognition, and potential reversal, of incentive income is subject to potentially significant variability due to changes to the aforementioned considerations. See Note 12 for details on amounts recognized and deferred for incentive income.

Variable Interest Entities

The determination of whether or not to consolidate a variable interest entity under GAAP requires a significant amount of judgment concerning the degree of control over an entity by its holders of variable interests. To make these judgments, management has conducted an analysis, on a case-by-case basis, of whether we are the primary beneficiary and are therefore required to consolidate the entity. Management continually reconsiders whether we should consolidate a variable interest entity. Upon the occurrence of certain events, such as investor redemptions or modifications to fund organizational documents and investment management agreements, management will reconsider its conclusion regarding the status of an entity as a variable interest entity.

Income Taxes

We use the asset and liability method of accounting for deferred income taxes. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established when management believes it is more likely than not that a deferred income tax asset will not be realized.

The majority of our deferred income tax assets relate to the goodwill and other intangible assets deductible for tax purposes by Sculptor Corp that arose in connection with the purchase of Group A Units with proceeds from the 2007 Offerings, subsequent exchanges of Group A Units for Class A Shares and subsequent payments made under the tax receivable agreement, in addition to any related net operating loss carryforward. In accordance with relevant provisions of the Code, we expect to take these goodwill and other intangible deductions over the 15-year period following the 2007 Offerings and subsequent exchanges, as well as an additional 20-year loss carryforward period available to us for net operating losses generated prior to 2018 and indefinite carryforward period for net operating losses generated beginning in 2018, in order to fully realize the deferred income tax assets. Our analysis of whether we expect to have sufficient future taxable income to realize these deductions is based solely on estimates over this period.

Sculptor Corp generated taxable income of $94.9 million for the year ended December 31, 2022, before taking into account deductions related to the amortization of the goodwill and other intangible assets. We determined that we would need to generate taxable income of at least $817.3 million over the remaining two-year weighted-average amortization period, as well as an additional 20-year loss carryforward period available for expiring losses, in order to fully realize the deferred income tax assets. Using the estimates and assumptions discussed below, we expect to generate sufficient taxable income over the remaining amortization and loss carryforward periods available to us in order to fully realize the deferred income tax assets.

To generate $817.3 million in taxable income over the remaining amortization and loss carryforward periods available to us, we estimated that, based on estimated AUM of $35.5 billion as of January 1, 2023, we would need to generate a minimum compound annual growth rate in AUM of less than 3% over the period for which the taxable income estimate relates to fully realize the deferred income tax assets, assuming no performance-related growth, and therefore no incentive income. The assumed nature and amount of this estimated growth rate are not based on historical results or current expectations of future growth; however, the other assumptions underlying the taxable income estimates, are based on our near-term operating budget. If our actual growth rate in AUM falls below this minimum threshold for any extended time during the period for which these estimates relate and we do not otherwise experience offsetting growth rates in other periods, we may not generate taxable income sufficient to realize the deferred income tax assets and may need to record a valuation allowance.

Management regularly reviews the model used to generate the estimates, including the underlying assumptions. If it determines that a valuation allowance is required for any reason, the amount would be determined based on the relevant circumstances at that time. To the extent we record a valuation allowance against our deferred income tax assets related to the goodwill and other intangible assets, we would record a corresponding decrease in the liability under the tax receivable agreement

equal to approximately 69% of such amount; therefore, our consolidated net income (loss) would only be impacted by 31% of any valuation allowance recorded against the deferred income tax assets.

Actual taxable income may differ from the estimate described above, which was prepared solely for determining whether we currently expect to have sufficient future taxable income to realize the deferred income tax assets. Furthermore, actual or estimated future taxable income may be materially impacted by significant changes in AUM, whether as a result of fund investment performance or fund investor contributions or redemptions, significant changes to the assumptions underlying our estimates, future changes in income tax law, state income tax apportionment or other factors.

As of December 31, 2022, we had $243.0 million of net operating losses available to offset future taxable income for federal income tax purposes that will expire between 2030 and 2037, and $251.1 million of net operating losses available to be carried forward without expiration. Additionally, $219.7 million of net operating losses are available to offset future taxable income for state income tax purposes and $215.9 million for local income tax purposes that will expire between 2035 and 2042.

Based on the analysis set forth above, as of December 31, 2022, we have determined that it is not necessary to record a valuation allowance with respect to our deferred income tax assets related to the goodwill and other intangible assets deductible for tax purposes, and any related net operating loss carryforward. However, we have determined that we may not realize certain foreign income tax credits and accordingly, a valuation allowance of $4.7 million has been established for these items.

Impact of Recently Adopted Accounting Pronouncements on Recent and Future Trends

No changes to GAAP that went into effect during the year ended December 31, 2022, are expected to substantively impact our future trends.

Expected Impact of Future Adoption of New Accounting Pronouncements on Future Trends

None of the changes to GAAP that have been issued but that we have not yet adopted are expected to substantively impact our future trends.

Economic Income Reconciliations

The tables below present the reconciliations of total Economic Income and its components to the respective GAAP measures for the periods presented in this MD&A:

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Net Loss Attributable to Class A Shareholders—GAAP	**$ (12,008)**	**$ (8,605)**
Change in redemption value of redeemable noncontrolling interests	(4,202)	25,924
Net (Loss) Income Allocated to Sculptor Capital Management, Inc.—GAAP	**(16,210)**	**17,319**
Equity-based compensation, net of RSUs settled in cash	84,798	27,323
Deferred cash compensation	20,772	(5,313)
Incentive income profit sharing	(1,772)	(57)
2020 Term Loan non-cash discount accretion	1,014	1,269
Depreciation, amortization and net gains and losses on fixed assets	4,872	9,058
Changes in fair value of warrant liabilities	(41,124)	27,460
Changes in tax receivable agreement liability	11,266	9,238
Net losses on retirement of debt	—	30,198
Net losses (gains) on investments	33,664	(11,537)
Impairment of right-of-use asset	—	11,240
Other adjustments	(141)	2,382
Income taxes	(6,968)	13,705
Net loss allocated to noncontrolling interests	(23,912)	(11,316)
Net income attributable to redeemable noncontrolling interests	7,466	(562)
Consolidated entities related items:		
Income of consolidated entities	(3,180)	(4,340)
Expenses of consolidated entities	2,753	2,823
Net (gains) losses of consolidated entities	(3,419)	481
Economic Income—Non-GAAP	**$ 69,879**	**$ 119,371**

Economic Income Revenues

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Management fees—GAAP	$ 278,374	$ 301,945
Adjustment to management fees[(1)]	(20,921)	(21,472)
Management Fees—Economic Income Basis—Non-GAAP	**257,453**	**280,473**
Incentive income—GAAP	123,434	312,432
Adjustment to incentive income[(2)]	(73)	1,736
Incentive Income—Economic Income Basis— Non-GAAP	**123,361**	**314,168**
Other revenues—GAAP	14,014	7,351
Adjustment to other revenues[(3)]	(3,870)	(955)
Other Revenues—Economic Income Basis—Non-GAAP	**10,144**	**6,396**
Total Revenues—Economic Income Basis—Non-GAAP	**$ 390,958**	**$ 601,037**

(1) Adjustment to present management fees net of recurring placement and related service fees, as management considers these fees a reduction in management fees, not an expense.

(2) Adjustment to exclude the related eliminations of management fees and incentive income, as management reviews the total amount of management fees and incentive income earned in relation to total AUM and fund performance.

(3) Adjustment to offset rent expense by subrental income as management evaluates rent expense on a net basis.

Economic Income Expenses

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Compensation and benefits—GAAP	$ 321,319	$ 411,463
Adjustment to compensation and benefits[(1)]	(103,798)	(21,953)
Compensation and Benefits—Economic Income Basis—Non-GAAP	**$ 217,521**	**$ 389,510**
Interest expense—GAAP	$ 15,521	$ 15,586
Adjustment to interest expense[(2)]	(1,014)	(1,269)
Interest Expense—Economic Income Basis—Non-GAAP	**$ 14,507**	**$ 14,317**
General, administrative and other expenses—GAAP	$ 118,646	$ 121,210
Adjustment to general, administrative and other expenses[(3)]	(29,595)	(43,371)
General, Administrative and Other Expenses—Economic Income Basis—Non-GAAP	**$ 89,051**	**$ 77,839**

(1) Adjustment to exclude equity-based compensation, net of cash settled RSUs. When the number of RSUs to be settled in cash is discretionary at the time of the grant, then the fair value of RSUs that are settled in cash is included as an expense at the time of settlement. When the number of RSUs to be settled in cash is certain on the grant date, then the expense is recognized during the performance period to which the award relates. In addition, expenses related to incentive income profit-sharing arrangements are generally recognized at the same time the related incentive income revenue is recognized, as management reviews the total compensation expense related to these arrangements in relation to any incentive income earned from the relevant fund. For Economic income deferred cash compensation is expensed in full during the performance period to which the award relates to, rather than over the service period for GAAP as management views the compensation expense impact in relation to the performance period.

(2) Adjustment to exclude amounts related to non-cash interest expense accretion on debt. The 2020 Term Loan and the Debt Securities, which were issued in connection with the Recapitalization, were each recognized at a significant discount, as proceeds from each borrowing were allocated to warrant liabilities and the 2019 Preferred Units, respectively, resulting in non-cash accretion to par over time through interest expense for GAAP. The Debt Securities and the

2019 Preferred Units were fully redeemed in 2020. Management excludes this non-cash expense from Economic Income, as it does not consider it to be reflective of our economic borrowing costs.

(3) Adjustment to exclude depreciation, amortization, and losses on fixed assets, as management does not consider these items to be reflective of our operating performance. Impairment of right-of-use lease assets is excluded from Economic Income at the time the impairment is recognized for GAAP and the impact is then amortized over the lease term for Economic Income, as management evaluates impairment expenses over the life of the related lease asset and considers the impairment charge to be nonrecurring in nature. Additionally, rent expense is offset by subrental income as management evaluates rent expenses on a net basis. Further, recurring placement and related service fees are excluded, as management considers these fees a reduction in management fees, not an expense.

Distribution Holiday Economic Income Reconciliation

The table below presents the reconciliation of Distribution Holiday Economic Income to net income (loss) attributable to Class A Shareholders from October 1, 2018, to December 31, 2022.

	From October 1, 2018 to December 31, 2022 (dollars in thousands)
Net income attributable to Class A shareholders	$ 200,506
Change in redemption value of redeemable noncontrolling interests and Preferred Units	(15,690)
Net Income Allocated to Sculptor Capital Management, Inc.—GAAP	**184,816**
Equity-based compensation, net of RSUs settled in cash	331,065
Deferred cash compensation	(19,563)
Incentive income profit sharing	(8,625)
2020 Term Loan and Debt Securities non-cash discount accretion	21,005
Depreciation, amortization and net gains and losses on fixed assets	32,102
Changes in fair value of warrant liabilities	(6,116)
Changes in tax receivable agreement liability	16,064
Net losses on retirement of debt	41,584
Net losses on investments	9,466
Impairment of right-of-use asset	11,240
Other adjustments	3,845
Income taxes	128,993
Net loss allocated to noncontrolling interests	(85,324)
Net income attributable to redeemable noncontrolling interests	14,612
Less: Dividends paid on 2019 Preferred Units	(6,952)
Less: Dividends to Class A Shareholders declared with respect to such periods	(126,510)
Consolidated entities related items:	
Income of consolidated entities	(19,091)
Expenses of consolidated entities	6,579
Net gains of consolidated entities	(750)
Distribution Holiday Economic Income—Non-GAAP	**$ 528,440**

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our predominant exposure to market risk is related to our role as general partner or investment manager for the funds, and the sensitivities to movements in the fair value of their investments that may adversely affect our management fees and incentive income. Our risk management committee is responsible for monitoring and providing oversight over various risks that may arise in the course of our business including market risks, counterparty, geopolitical and operational risks, in addition to traditional portfolio risk management.

The quantitative information provided in this section was prepared using estimates and assumptions that management believes are reasonable to provide an indication of the directional impact that a hypothetical adverse movement in certain risks would have on net income attributable to Class A Shareholders. The actual impact of a hypothetical adverse movement in these risks could be materially different from the amounts shown below.

Management of Market Risk

Risk management is highly integrated with our investment process and the operations of our business. Our approach to investing and managing risk is based on (i) proactive risk management, (ii) preservation of capital, (iii) dynamic capital allocation and (iv) expertise across strategies and geographies. We constantly monitor risk and have instituted a formal and consistent process to disseminate information, conduct informed debate, and take proactive or responsive action across our portfolios. In addition to our formalized process, we conduct custom studies and optimizations for various groups on an as-needed, ad hoc basis such as bespoke hedge solutions, pre-trade what-if analysis, and portfolio rebalance alternatives. Our goal is to preserve capital during periods of market decline and generate competitive investment performance in rising markets. We use sophisticated risk tools and active portfolio management to govern exposures to market and other risk factors. We adhere strictly to each fund's mandate and provisions with respect to leverage. We are knowledgeable about the risks of fund leverage, respectful of its limits, and judicious in our application. We allocate to individual investments based on a thorough analysis of the risk/reward for each opportunity under consideration and the investment objectives for each of our funds. When managing our funds' exposure to market risks, we may from time to time use hedging strategies and various forms of derivative instruments to limit the funds' exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates, currency exchange rates and commodity prices.

Changes in Fair Value

Fair value of the financial assets and liabilities of our funds may fluctuate in response to changes in the value of investments, foreign currency exchange rates, commodity prices, and interest rates, among other factors. The fair value changes in the financial assets and liabilities of our funds may affect the amount of our AUM and may impact the amount of management fees and incentive income we may earn from the funds.

The amount of our AUM in our multi-strategy and opportunistic credit funds is generally based on net asset value (plus unfunded commitments in certain cases). A 10% change in the fair value of the net assets held by our funds as of December 31, 2022 and 2021, would have resulted in changes of approximately $1.5 billion and $1.7 billion, respectively, in AUM. AUM for our real estate funds and securitization vehicles is not based on net asset value.

Additionally, we carry the following financial instruments at fair value: risk retention investments in certain of our CLOs, investments in U.S. government obligations, investments of our consolidated entities, warrants issued by us and our consolidated entity, and notes payable of a consolidated entity. A hypothetical 10% change in the fair value of these instruments would have a corresponding impact on our earnings. Refer to Note 2 of our consolidated financial statements included in this annual report for additional details on how we report the changes in fair value of these instruments.

Impact on Management Fees

Management fees for our multi-strategy and opportunistic credit funds are generally based on the net asset value of those funds. Accordingly, management fees will generally change in proportion to changes in the fair value of investments held by these funds. Management fees for our real estate funds and securitization vehicles are not based on net asset value; therefore, management fees are not directly impacted by changes in the fair value of investments held by those funds.

A hypothetical 10% decline in the fair value of the net assets held by our funds would have resulted in a reduction of management fees by approximately $19.1 million in the year ended December 31, 2022 and $20.5 million in the year ended December 31, 2021.

Impact on Incentive Income

Incentive income for our funds is generally based on a percentage of profits generated by our funds over a commitment period, which is impacted by global market conditions and other factors. Major factors that influence the degree of impact include how the investments held by our funds are impacted by changes in the market and the extent to which any hurdle rates or high-water marks impact our ability to earn incentive income. Consequently, incentive income cannot be readily predicted or estimated.

A 10% change in the fair value of the net assets held by our funds as of the end of any year could significantly affect our incentive income. We do not earn incentive income on unrealized gains attributable to Special Investments and certain other investments, and therefore a change in the fair value of those investments would have no effect on incentive income until such investments are sold or otherwise realized.

Exchange Rate Risk

Changes in currency rates will impact the carrying value of financial instruments denominated in currencies other than the U.S. dollar. We hold certain cash and risk retention investments in the European CLOs as well as related financing (CLO Investments Loans and repurchase agreements) denominated in non-U.S. dollar currencies, which may be affected by movements in the rate of exchange between the U.S. dollar and foreign currencies. Additionally, a portion of our operating expenses and management fees are denominated in non-U.S. dollar currencies. We manage our exposure to exchange rate risks through our regular operating activities, wherein we may align foreign currency payments and receipts, and when appropriate, through the use of derivative financial instruments to hedge certain foreign currency exposure, although the impact of these were not material in 2022 and 2021.

We estimate that as of December 31, 2022 and 2021, a hypothetical 10% weakening or strengthening of the U.S. dollar against all foreign currency rates would not have a material direct impact on our revenues, net income attributable to Class A Shareholders or Economic Income. The impact on cash flows from financial instruments would be insignificant.

Our investment funds hold investments that are denominated in non-U.S. dollar currencies that may be affected by movement in the rate of exchange between the U.S. dollar and non-U.S. dollar currencies. The funds may seek to hedge resulting currency exposure through borrowings in foreign currencies or through the use of derivative financial instruments.

Interest Rate Risk

Borrowings under the 2020 Term Loan and our investments in CLOs accrue interest at variable rates. Interest rate changes may therefore affect the amount of our interest payments, future earnings and cash flows. We estimate that as of December 31, 2022 and 2021, a hypothetical one percentage increase or decrease in variable interest rates would not have a material direct impact on our annual interest income, interest expense, net income attributable to Class A Shareholders or Economic Income.

Our investment funds hold investments that may be affected by changes in interest rates. A material increase in interest rates would be expected to negatively affect valuation of investments that accrue interest at fixed rates. The actual impact would be dependent upon the average duration of fixed income holdings at the time and may be partially offset by the use of derivative financial instruments and higher interest income on variable rate securities, which would be expected to benefit as these securities would generate higher levels of current income. For funds that pay management fees based on net asset value, we estimate that our management fees would change proportionally with such increases or decreases in net asset value.

Credit Risk

Credit risk is the risk that counterparties or debt issuers may fail to fulfill their obligations or that the collateral value may become inadequate to cover our exposure. We manage credit risk by monitoring the credit exposure to and the creditworthiness of counterparties, requiring additional collateral where appropriate.

Item 8. Financial Statements and Supplementary Data

Our financial statements, the related notes thereto and the report of independent auditors are included in this annual report beginning on page F-1.

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

None.

Item 9A. Controls and Procedures

Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of December 31, 2022, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and were operating at a reasonable assurance level.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls.

The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Management assessed our internal control over financial reporting as of December 31, 2022. Management based its assessment on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Management's assessment included evaluation of elements such as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies and our overall control environment.

Based on our assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2022. We reviewed the results of management's assessment and re-assessment with the Audit Committee of our Board of Directors.

Our independent registered public accounting firm, Ernst & Young LLP, independently assessed the effectiveness of our internal control over financial reporting. Ernst & Young LLP has audited our financial statements included in this annual report and issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2022, which is set forth on the following page.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act, that occurred in the fourth quarter of 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Sculptor Capital Management, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Sculptor Capital Management, Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Sculptor Capital Management, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and our report dated March 3, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York
March 3, 2023

PART III

The information required to be disclosed in this Part III will be included in the definitive proxy statement for our 2023 annual meeting of shareholders, which we refer to as the "Proxy Statement," and is incorporated into this Part III by reference as indicated below.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included in our Proxy Statement and is incorporated herein by reference. We will file such Proxy Statement with the SEC pursuant to Regulation 14A within 120 days after our fiscal year ended December 31, 2022.

Pursuant to Item 401(b) of Regulation S-K, the information required under this Item 10 pertaining to our executive officers is reported in "Item 1. Business—Information About Our Executive Officers," included in this annual report.

We have adopted a Code of Business Conduct and Ethics applicable to all our directors, officers and employees. Our Code of Business Conduct and Ethics is posted in the "Investor Relations" section of our website (*www.sculptor.com*). We will provide printed copies of our code free of charge on written request to us at Sculptor Capital Management, Inc., 9 West 57th Street, New York, New York 10019, Attention: Office of the Secretary. We intend to disclose any amendments to, or waivers from, provisions of our code that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or any person performing in similar functions, on our website promptly following the date of such amendment or waiver.

Item 11. Executive Compensation

The information required by this item will be included in our Proxy Statement and is incorporated herein by reference. We will file such Proxy Statement with the SEC pursuant to Regulation 14A within 120 days after our fiscal year ended December 31, 2022.

The "Compensation Committee Report" contained in our Proxy Statement shall not be deemed "soliciting material" or "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except to the extent we specifically request that such information be treated as soliciting material or specifically incorporate such information by reference into a document filed under the Securities Act or the Exchange Act.

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

The information required by this item will be included in our Proxy Statement and is incorporated herein by reference. We will file such Proxy Statement with the SEC pursuant to Regulation 14A within 120 days after our fiscal year ended December 31, 2022.

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

The information required by this item will be included in our Proxy Statement and is incorporated herein by reference. We will file such Proxy Statement with the SEC pursuant to Regulation 14A within 120 days after our fiscal year ended December 31, 2022.

Item 14. Principal Accountant Fees and Services

The information required by this item will be included in our Proxy Statement and is incorporated herein by reference. We will file such Proxy Statement with the SEC pursuant to Regulation 14A within 120 days after our fiscal year ended December 31, 2022.

PART IV

Item 15. Exhibits and Financial Statement Schedules

1. The financial statements included in this annual report are listed on page F-1.
2. Financial statement schedules:

   None.
3. Exhibits included or incorporated by reference herein:

   See Exhibit Index on the following page.

Item 16. Form 10-K Summary

None.

Exhibit Index

Exhibit No.	Description
2.1**	Agreement and Plan of Merger, dated as of February 7, 2019, by and between OZ Management LP and Orion Merger Sub I LP, incorporated herein by reference to Exhibit 2.1 of our Current Report on Form 8-K, filed on February 11, 2019.
2.2**	Agreement and Plan of Merger, dated as of February 7, 2019, by and between OZ Advisors LP and Orion Merger Sub II LP, incorporated herein by reference to Exhibit 2.2 of our Current Report on Form 8-K, filed on February 11, 2019.
2.3**	Agreement and Plan of Merger, dated as of February 7, 2019, by and between OZ Advisors II LP and Orion Merger Sub III LP, incorporated herein by reference to Exhibit 2.3 of our Current Report on Form 8-K, filed on February 11, 2019.
2.4	Agreement and Plan of Merger, dated as of April 1, 2019, by and between Och-Ziff Holding Corporation and Och-Ziff Holding LLC, incorporated herein by reference to Exhibit 2.1 of our Current Report on Form 8-K, filed on April 2, 2019.
3.1	Restated Certificate of Incorporation of Sculptor Capital Management, Inc., dated as of November 5, 2019, incorporated herein by reference to Exhibit 3.1 of our Quarterly Report on Form 10-Q filed on November 7, 2019.
3.2	Amended and Restated By-Laws of Sculptor Capital Management, Inc., effective as of September 12, 2019, incorporated herein by reference to Exhibit 3.2 of our Current Report on Form 8-K, filed on August 30, 2019.
4.1	Specimen of Class A Specimen Share Certificate (included in Exhibit 3.2).
4.2	Class B Shareholders Agreement by and among Och-Ziff Capital Management Group LLC and the Class B Shareholders, dated as of November 13, 2007, incorporated herein by reference to Exhibit 4.2 of our Annual Report on Form 10-K for the year ended December 31, 2007, filed on March 26, 2008.
4.3	Registration Rights Agreement by and among Och-Ziff Capital Management Group LLC and DIC Sahir Limited, dated as of November 19, 2007, incorporated herein by reference to Exhibit 4.4 of our Annual Report on Form 10-K for the year ended December 31, 2007, filed on March 26, 2008.
4.4	Indenture, dated as of November 20, 2014, among Och-Ziff Finance Co. LLC, the Guarantors party thereto and Wilmington Trust, National Association, as trustee, incorporated herein by reference to Exhibit 4.1 of our Current Report on Form 8-K, filed on November 20, 2014.
4.5	First Supplemental Indenture, dated as of November 20, 2014, among Och-Ziff Finance Co. LLC, the Guarantors party thereto and Wilmington Trust, National Association, as trustee, incorporated herein by reference to Exhibit 4.2 of our Current Report on Form 8-K, filed on November 20, 2014.
4.6	Form of 4.500% Senior Note due 2019 (included in Exhibit 4.5 hereto).
4.7	Second Amended and Restated Registration Rights Agreement of Och-Ziff Capital Management Group LLC, dated as of February 7, 2019, by and among Och-Ziff Capital Management Group LLC and the Covered Persons, incorporated herein by reference to Exhibit 10.7 of our Current Report on Form 8-K, filed on February 11, 2019.
4.8	OZ Management LP Unit Designation of the Preferences and Relative, Participating, Optional, and Other Special Rights, Powers and Duties of Class A Cumulative Preferred Units, dated as of February 7, 2019, by and among OZ Management LP, Och-Ziff Holding Corporation and Och-Ziff Capital Management Group LLC, incorporated herein by reference to Exhibit 4.1 of our Current Report on Form 8-K, filed on February 11, 2019.
4.9	OZ Advisors LP Unit Designation of the Preferences and Relative, Participating, Optional, and Other Special Rights, Powers and Duties of Class A Cumulative Preferred Units, dated as of February 7, 2019, by and among OZ Advisors LP, Och-Ziff Holding Corporation and Och-Ziff Capital Management Group LLC, incorporated herein by reference to Exhibit 4.2 of our Current Report on Form 8-K, filed on February 11, 2019.

4.10.1	Amendment to OZ Advisors II LP Unit Designation of the Preferences and Relative, Participating, Optional, and Other Special Rights, Powers and Duties of Class A Cumulative Preferred Units, dated as of April 1, 2019, by and between Och-Ziff Capital Management Group LLC and Och-Ziff Holding LLC, incorporated herein by reference to Exhibit 4.1 of our Current Report on Form 8-K, filed on April 2, 2019.
4.11	Senior Subordinated Term Loan and Guaranty Agreement, dated as of February 7, 2019, by and among OZ Management LP, OZ Advisors LP, OZ Advisors II LP, as borrowers, the lenders party thereto and Wilmington Trust, N.A., as administrative agent, incorporated herein by reference to Exhibit 4.4 of our Current Report on Form 8-K, filed on February 11, 2019.
4.12	Description of Capital Stock Registered Under Section 12 of Exchange Act, incorporated by reference to Exhibit 4.12 of our Annual Report on Form 10-K/A, filed on February 25, 2020.
4.13	Form of Indenture, incorporated herein by reference to Exhibit 4.7 of our Registration Statement on Form S-3, filed on May 18, 2020 (File No. 333-238477).
4.14	Sculptor Capital Management, Inc. Warrant to Purchase Class A Common Stock, incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K, filed on November 13, 2020.
4.15	Sculptor Capital Management, Inc. Warrant to Purchase Class A Common Stock or Receive Cash Equivalent Amounts, incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K, filed on November 13, 2020.
10.1	Amended and Restated Tax Receivable Agreement by and among inter alia Och-Ziff Capital Management Group LLC, Oz Holding Corp., Oz Holding LLC, OZ Management LP, OZ Advisors LP, and OZ Advisors II LP, dated as of January 12, 2009, incorporated herein by reference to Exhibit 10.3 of our Annual Report on Form 10-K for the year ended December 31, 2008, filed on March 12, 2009.
10.1.1	Amendment to Tax Receivable Agreement, dated as of September 29, 2016, by and among inter alia Och-Ziff Capital Management Group LLC, Och-Ziff Holding Corp., Och-Ziff Holding LLC, OZ Management LP, OZ Advisors LP, and OZ Advisors II LP, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on September 29, 2016.
10.1.2	Amendment, dated as of February 7, 2019, to the First Amended and Restated Tax Receivable Agreement, dated as of January 12, 2009, by and among Och-Ziff Capital Management Group LLC, Och-Ziff Holding Corporation, Och-Ziff Holding LLC, OZ Management LP, OZ Advisors LP and OZ Advisors II LP, incorporated herein by reference to Exhibit 10.9 of our Current Report on Form 8-K, filed on February 11, 2019.
10.2+	Och-Ziff Capital Management Group LLC Amended and Restated 2007 Equity Incentive Plan, incorporated herein by reference to Exhibit 10.1 of our Registration Statement on Form S-8, filed on November 12, 2008 (File No. 333-155315).
10.3+	Form of Class A Restricted Share Unit Award Agreement Under the Och-Ziff Capital Management Group LLC 2013 Incentive Plan (for the Independent Directors), amended as of October 29, 2015, incorporated herein by reference to Exhibit 10.13 of our Annual Report on Form 10-K for the year ended December 31, 2015, filed on February 11, 2016.
10.4+	The Och-Ziff Capital Management Group LLC 2012 Partner Incentive Plan, approved as of August 1, 2012, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on August 2, 2012.
10.5+	The Och-Ziff Capital Management Group LLC 2013 Incentive Plan, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on May 8, 2013.
10.5.1+	Amendment to The Och-Ziff Capital Management LLC 2013 Incentive Plan, effective May 9, 2017, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed May 9, 2017.
10.5.2+	Second Amendment to Och-Ziff Capital Management Group LLC 2013 Incentive Plan, dated as of February 7, 2019, incorporated herein by reference to Exhibit 10.16 of our Current Report on Form 8-K, filed on February 11, 2019.
10.6	Credit and Guaranty Agreement, dated as of November 20, 2014, among OZ Management LP, as borrower, OZ Advisors LP, OZ Advisors II LP and Och-Ziff Finance Co. LLC, as guarantors, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Goldman Sachs Bank USA, as syndication agent, and J.P. Morgan Securities LLC and Goldman Sachs Bank USA, as joint lead arrangers and joint bookrunners, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on November 20, 2014.

10.6.1	Amendment No. 1 to Credit and Guaranty Agreement, dated as of December 29, 2015, among OZ Management LP, as borrower, OZ Advisors LP, OZ Advisors II LP and Och-Ziff Finance Co. LLC, as guarantors, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, incorporated herein by reference to Exhibit 10.18 of our Annual Report on Form 10-K for the year ended December 31, 2015, filed on February 11, 2016.
10.6.2	Amendment No. 2 to Credit and Guaranty Agreement, dated as of June 13, 2017, among OZ Management LP, as borrower, OZ Advisors LP, OZ Advisors II LP and Och-Ziff Finance Co. LLC, as guarantors, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, incorporated herein by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q, filed on August 2, 2017.
10.7	Securities Purchase Agreement, dated September 29, 2016, by and among OZ Management LP, OZ Advisors LP, OZ Advisors II LP and the Purchasers party thereto, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on September 29, 2016.
10.8	Plea Agreement, dated as of September 29, 2016, by and among OZ Africa Management GP, LLC, the U.S. Department of Justice and the U.S. Attorney's Office for the Eastern District of New York, incorporated herein by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q, filed on November 2, 2016.
10.9	Deferred Prosecution Agreement, dated as of September 29, 2016, by and among Och-Ziff Capital Management Group LLC, the U.S. Department of Justice and the U.S. Attorney's Office for the Eastern District of New York, incorporated herein by reference to Exhibit 10.4 of our Quarterly Report on Form 10-Q, filed on November 2, 2016.
10.9.1	Amendment to Deferred Prosecution Agreement, dated as of January 23, 2020, by and among Sculptor Capital Management, Inc., the U.S. Department of Justice and the U.S. Attorney's Office for the Eastern District of New York, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed January 23, 2020.
10.9.2	Second Amendment to the Deferred Prosecution Agreement, dated as of November 3, 2020, by and among Sculptor Capital Management, Inc., the U.S. Department of Justice and the U.S. Attorney's Office for the Eastern District of New York, incorporated herein by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q, filed on November 9, 2020.
10.10	Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Section 21C of the Securities Exchange Act of 1934 and Sections 203(e) and (k) of the Investment Advisers Act of 1940, dated as of September 29, 2016, between Och-Ziff Capital Management Group LLC, et. al and the U.S. Securities and Exchange Commission, incorporated herein by reference to Exhibit 10.5 of our Quarterly Report on Form 10-Q, filed on November 2, 2016.
10.11+	Partner Agreement between OZ Management LP and James Levin, dated as of November 10, 2010, incorporated herein by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.12+	Partner Agreement between OZ Advisors LP and James Levin, dated as of November 10, 2010, incorporated herein by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.13+	Partner Agreement between OZ Advisors II LP and James Levin, dated as of November 10, 2010, incorporated herein by reference to Exhibit 10.4 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.14+	Partner Agreement between OZ Management LP and James Levin, dated as of June 22, 2011, incorporated herein by reference to Exhibit 10.5 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.15+	Partner Agreement between OZ Advisors LP and James Levin, dated as of June 22, 2011, incorporated herein by reference to Exhibit 10.6 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.16+	Partner Agreement between OZ Advisors II LP and James Levin, dated as of June 22, 2011, incorporated herein by reference to Exhibit 10.7 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.17+	Partner Agreement between OZ Management LP and James Levin, dated as of December 13, 2011, incorporated herein by reference to Exhibit 10.8 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.18+	Partner Agreement between OZ Advisors LP and James Levin, dated as of December 13, 2011, incorporated herein by reference to Exhibit 10.9 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.19+	Partner Agreement between OZ Advisors II LP and James Levin, dated as of December 13, 2011, incorporated herein by reference to Exhibit 10.10 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.20+	Partner Agreement between OZ Management LP and James Levin, dated as of January 28, 2013, incorporated herein by reference to Exhibit 10.11 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.

10.21+	Partner Agreement between OZ Advisors LP and James Levin, dated as of January 28, 2013, incorporated herein by reference to Exhibit 10.12 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.22+	Partner Agreement between OZ Advisors II LP and James Levin, dated as of January 28, 2013, incorporated herein by reference to Exhibit 10.13 of our Quarterly Report on Form 10-Q, filed on May 2, 2014.
10.23+	Och-Ziff Deferred Cash Interest Plan, incorporated herein by reference to Exhibit 10.39 of our Annual Report on Form 10-K for the year ended December 31, 2016, filed on March 1, 2017.
10.24+	Partner Agreement between OZ Management LP and James Levin, dated as of February 14, 2017, incorporated herein by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.25+	Partner Agreement between OZ Advisors LP and James Levin, dated as of February 14, 2017, incorporated herein by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.26+	Partner Agreement between OZ Advisors II LP and James Levin, dated as of February 14, 2017, incorporated herein by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.27+	Class P Exchange Agreement by and among the Och-Ziff Capital Management Group LLC, Och-Ziff Corp, Och-Ziff Holding, OZ Management, OZ Advisors, OZ Advisors II, and the Och-Ziff Limited Partners, effective as of March 1, 2017, incorporated herein by reference to Exhibit 10.7 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.28+	Relinquishment Agreement among Och-Ziff Holding Corporation, Och-Ziff Holding LLC, Daniel S. Och, the Family Trust created under Article IV of the Daniel S. Och 2014 Descendants' Trust Agreement, the Family Trust created under Article III of the Jane C. Och 2011 Descendants' Trust Agreement and the Family Trust created under Article IV of the Och Children's Trust 2012 Agreement, effective as of March 1, 2017, incorporated herein by reference to Exhibit 10.8 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.29+	Partner Agreement between OZ Management LP and Wayne Cohen, dated as of November 10, 2010, incorporated herein by reference to Exhibit 10.9 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.30+	Partner Agreement between OZ Advisors LP and Wayne Cohen, dated as of November 10, 2010, incorporated herein by reference to Exhibit 10.10 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.31+	Partner Agreement between OZ Advisors II LP and Wayne Cohen, dated as of November 10, 2010, incorporated herein by reference to Exhibit 10.11 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.32+	Partner Agreement between OZ Management LP and Wayne Cohen, dated as of June 22, 2011, incorporated herein by reference to Exhibit 10.12 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.33+	Partner Agreement between OZ Advisors LP and Wayne Cohen, dated as of June 22, 2011, incorporated herein by reference to Exhibit 10.13 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.34+	Partner Agreement between OZ Advisors II LP and Wayne Cohen, dated as of June 22, 2011, incorporated herein by reference to Exhibit 10.14 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.35+	Partner Agreement between OZ Management LP and Wayne Cohen, dated as of December 13, 2011, incorporated herein by reference to Exhibit 10.15 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.36+	Partner Agreement between OZ Advisors LP and Wayne Cohen, dated as of December 13, 2011, incorporated herein by reference to Exhibit 10.16 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.37+	Partner Agreement between OZ Advisors II LP and Wayne Cohen, dated as of December 13, 2011, incorporated herein by reference to Exhibit 10.17 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.38+	Partner Agreement between OZ Management LP and Wayne Cohen, dated as of April 15, 2013, incorporated herein by reference to Exhibit 10.18 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.39+	Partner Agreement between OZ Advisors LP and Wayne Cohen, dated as of April 15, 2013, incorporated herein by reference to Exhibit 10.19 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.

10.40+	Partner Agreement between OZ Advisors II LP and Wayne Cohen, dated as of April 15, 2013, incorporated herein by reference to Exhibit 10.20 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.41+	Partner Agreement between OZ Management LP and Wayne Cohen, dated as of February 22, 2017, incorporated herein by reference to Exhibit 10.21 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.42+	Partner Agreement between OZ Advisors LP and Wayne Cohen, dated as of February 22, 2017, incorporated herein by reference to Exhibit 10.22 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.43+	Partner Agreement between OZ Advisors II LP and Wayne Cohen, dated as of February 22, 2017, incorporated herein by reference to Exhibit 10.23 of our Quarterly Report on Form 10-Q, filed on May 2, 2017.
10.44+	Employment Agreement between OZ Management LP and Robert Shafir, dated as of January 27, 2018, incorporated herein by reference of Exhibit 10.65 of our Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 23, 2018.
10.45+	Och-Ziff Deferred Cash Interest Plan for Employees, incorporated herein by reference to Exhibit 10.66 of our Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 23, 2018.
10.46+	Partner Agreement between OZ Management LP and James Levin, dated as of February 16, 2018 and effective January 1, 2018, incorporated herein by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q for the period ended March 31, 2018 filed on May 2, 2018.
10.47+	Partner Agreement between OZ Advisors LP and James Levin, dated as of February 16, 2018 and effective January 1, 2018, incorporated herein by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q for the period ended March 31, 2018 filed on May 2, 2018.
10.48+	Partner Agreement between OZ Advisor II LP and James Levin, dated as of February 16, 2018 and effective January 1, 2018, incorporated herein by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q for the period ended March 31, 2018 filed on May 2, 2018.
10.49+	Partner Agreement between OZ Management LP and Rob Shafir, dated as of March 6, 2018, incorporated herein by reference to Exhibit 10.4 of our Quarterly Report on Form 10-Q for the period ended March 31, 2018 filed on May 2, 2018.
10.50+	Partner Agreement between OZ Advisors LP and Rob Shafir, dated as of March 6, 2018, incorporated herein by reference to Exhibit 10.5 of our Quarterly Report on Form 10-Q for the period ended March 31, 2018 filed on May 2, 2018.
10.51+	Partner Agreement between OZ Advisors II LP and Rob Shafir, dated as of March 6, 2018, incorporated herein by reference to Exhibit 10.6 of our Quarterly Report on Form 10-Q for the period ended March 31, 2018 filed on May 2, 2018.
10.52+	Cancellation, Reallocation and Grant Agreement, dated as of March 28, 2018, incorporated herein by reference to Exhibit 10.7 of our Quarterly Report on Form 10-Q for the period ended March 31, 2018 filed on May 2, 2018.
10.53+	The 2018 Partner Incentive Pool, incorporated herein by reference Exhibit 10.1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2018 filed on August 2, 2018.
10.54+	Partner Agreement between OZ Management LP and Thomas Sipp, dated July 19, 2018 and effective May 3, 2018, incorporated herein by reference Exhibit 10.4 of our Quarterly Report on Form 10-Q for the period ended June 30, 2018 filed on August 2, 2018.
10.55+	Partner Agreement between OZ Advisors LP and Thomas Sipp, dated July 19, 2018, effective May 3, 2018, incorporated herein by reference Exhibit 10.5 of our Quarterly Report on Form 10-Q for the period ended June 30, 2018 filed on August 2, 2018.
10.56+	Partner Agreement between OZ Management Advisors II LP and Thomas Sipp, dated July 19, 2018, and effective May 3, 2018, incorporated herein by reference Exhibit 10.6 of our Quarterly Report on Form 10-Q for the period ended June 30, 2018 filed on August 2, 2018.
10.57+	First Amendment to the Omnibus Agreement Between Thomas Sipp and OZ Management LP, OZ Advisors LP and OZ Advisors II LP, dated July 10, 2019, incorporated herein by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q filed on August 6, 2019.

10.58+	CFO Sign-on RSU Agreement between OZ Management LP and Thomas Sipp, dated as of July 19, 2018, incorporated herein by reference Exhibit 10.7 of our Quarterly Report on Form 10-Q for the period ended June 30, 2018 filed on August 2, 2018.
10.59	Letter Agreement (including Term Sheet attached as Exhibit A), dated January 27, 2018, incorporated herein by reference Exhibit 10.1 of our Current Report on Form 8-K, filed on January 30, 2018.
10.60	Credit and Guaranty Agreement, dated as of April 10, 2018, among OZ Management LP, as borrower, OZ Advisors LP and OZ Advisors II LP, as guarantors, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on April 10, 2018.
10.60.1	Amendment No. 1, dated as of February 7, 2019, to the Credit and Guaranty Agreement, dated April 10, 2018, by and among OZ Management LP, as borrower, OZ Advisors LP and OZ Advisors II LP, as guarantors, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, incorporated herein by reference to Exhibit 10.8 of our Current Report on Form 8-K, filed on February 11, 2019.
10.61	Letter Agreement (including Term Sheet attached as Exhibit A), dated December 5, 2018, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on December 6, 2018.
10.61.1	Amendment to the Letter Agreement and Term Sheet, dated January 14, 2019, by and between Och-Ziff Capital Management Group LLC and Daniel S. Och, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on January 14, 2019.
10.61.2	Amendment No. 2 to the Letter Agreement and Term Sheet, dated January 31, 2019, by and between Och-Ziff Capital Management Group LLC and Daniel S. Och, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on February 1, 2019.
10.61.3	Amendment No. 3 to the Letter Agreement and Term Sheet, dated February 6, 2019, by and between Och-Ziff Capital Management Group LLC and Daniel S. Och, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on February 7, 2019.
10.62	Amended and Restated Agreement of Limited Partnership of OZ Management LP, dated as of February 7, 2019, by and among Och-Ziff Holding Corporation, the Limited Partners and Och-Ziff Capital Management Group LLC, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on February 11, 2019.
10.62.1	First Amendment to Amended and Restated Agreement of Limited Partnership of OZ Management LP, effective as of September 12, 2019, incorporated herein by reference to Exhibit 10.3 of our Current Report on Form 8-K, filed on August 30, 2019.
10.63	Amended and Restated Agreement of Limited Partnership of OZ Advisors LP, dated as of February 7, 2019, by and among Och-Ziff Holding Corporation, the Limited Partners and Och-Ziff Capital Management Group LLC, incorporated herein by reference to Exhibit 10.2 of our Current Report on Form 8-K, filed on February 11, 2019.
10.63.1	First Amendment to Amended and Restated Agreement of Limited Partnership of OZ Advisors LP, effective as of September 12, 2019, incorporated herein by reference to Exhibit 10.4 of our Current Report on Form 8-K, filed on August 30, 2019.
10.64	Amended and Restated Agreement of Limited Partnership of OZ Advisors II LP, dated as of February 7, 2019, by and among Och-Ziff Holding Corporation, the Limited Partners and Och-Ziff Capital Management Group LLC, incorporated herein by reference to Exhibit 10.3 of our Current Report on Form 8-K, filed on February 11, 2019.
10.64.1	First Amendment to Amended and Restated Agreement of Limited Partnership of OZ Advisors II LP, effective as of September 12, 2019, incorporated herein by reference to Exhibit 10.5 of our Current Report on Form 8-K, filed on August 30, 2019.
10.65+	Robert Shafir Distribution Holiday Agreement, dated as of February 7, 2019, by and between Robert Shafir and Och-Ziff Capital Management Group LLC, incorporated herein by reference to Exhibit 10.4 of our Current Report on Form 8-K, filed on February 11, 2019.
10.66+	Form of Independent Director Distribution Holiday Agreement, dated as of February 7, 2019, incorporated herein by reference to Exhibit 10.5 of our Current Report on Form 8-K, filed on February 11, 2019.
10.67	Amended and Restated Exchange Agreement, dated as of February 7, 2019, by and among Och-Ziff Capital Management Group LLC, Och-Ziff Holding Corporation, Och-Ziff Holding LLC, OZ Management LP, OZ Advisors LP, OZ Advisors II LP and the Och-Ziff Limited Partners and Class B Shareholders, incorporated herein by reference to Exhibit 10.6 of our Current Report on Form 8-K, filed on February 11, 2019.

10.68+	Governance Agreement, dated as of February 7, 2019, among Och-Ziff Capital Management Group LLC, Och-Ziff Holding Corporation, Och-Ziff Holding LLC, OZ Management LP, OZ Advisors LP, OZ Advisors II LP and Daniel S. Och, incorporated herein by reference to Exhibit 10.10 of our Current Report on Form 8-K, filed on February 11, 2019.
10.69	Form of Recapitalization Consent, incorporated herein by reference to Exhibit 10.11 of our Current Report on Form 8-K, filed on February 11, 2019.
10.70+	Omnibus Agreement, dated as of February 7, 2019, by and among Wayne Cohen, OZ Management LP, OZ Advisors LP and OZ Advisors II LP, incorporated herein by reference to Exhibit 10.12 of our Current Report on Form 8-K, filed on February 11, 2019.
10.71+	Omnibus Agreement, dated as of February 7, 2019, by and among James Levin, OZ Management LP, OZ Advisors LP and OZ Advisors II LP, incorporated herein by reference to Exhibit 10.13 of our Current Report on Form 8-K, filed on February 11, 2019.
10.72+	Omnibus Agreement, dated as of February 7, 2019, by and among David Levine, OZ Management LP, OZ Advisors LP and OZ Advisors II LP, incorporated herein by reference to Exhibit 10.14 of our Current Report on Form 8-K, filed on February 11, 2019.
10.73+	Omnibus Agreement, dated as of February 7, 2019, by and among Thomas Sipp, OZ Management LP, OZ Advisors LP and OZ Advisors II LP, incorporated herein by reference to Exhibit 10.15 of our Current Report on Form 8-K, filed on February 11, 2019.
10.74+	Form of Class E Common Unit Award Agreement, dated as of February 7, 2019, incorporated herein by reference to Exhibit 10.17 of our Current Report on Form 8-K, filed on February 11, 2019.
10.75	Form of Indemnification Agreement, incorporated herein by reference to Exhibit 10.7 of our Quarterly Report on Form 10-Q filed on November 7, 2019.
10.76	Amended and Restated Certificate of Incorporation of Och-Ziff Holding Corporation dated May 28, 2019, incorporated herein by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q filed on August 6, 2019.
10.76.1	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Och-Ziff Holding Corporation, effective as of September 12, 2019, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on August 30, 2019.
10.77	Second Amended and Restated By-Laws of Sculptor Capital Holding Corporation, effective as of September 12, 2019, incorporated herein by reference to Exhibit 10.2 of our Current Report on Form 8-K, filed on August 30, 2019.
10.78+	Amended and Restated Partner Agreement between OZ Management LP and David Levine, dated as of June 2, 2017, incorporated herein by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q, filed on May 7, 2020.
10.79+	Amended and Restated Partner Agreement between OZ Advisors LP and David Levine, dated as of June 2, 2017, incorporated herein by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q, filed on May 7, 2020.
10.80+	Amended and Restated Partner Agreement between OZ Advisors LP II and David Levine, dated as of June 2, 2017, incorporated herein by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q, filed on May 7, 2020.
10.81+	Partner Agreement Between Sculptor Capital LP and Thomas Sipp dated as of November 8, 2020
10.82+	Partner Agreement Between Sculptor Capital Advisors LP and Thomas Sipp dated as of November 8,2020
10.83+	Partner Agreement Between Sculptor Capital Advisors II LP and Thomas Sipp dated as of November 8,2020
10.84+	Partner Agreement Between Sculptor Capital LP and Dava Ritchea, effective January 11, 2021
10.85+	Partner Agreement Between Sculptor Capital Advisors LP and Dava Ritchea, effective January 11, 2021
10.86+	Partner Agreement Between Sculptor Capital Advisors II LP and Dava Ritchea, effective January 11, 2021
10.87+	Amendment to Partner Agreement, by and among James Levin, Sculptor Capital Management, Inc., Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP, dated as of June 9, 2020, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on June 10, 2020.

10.88	Settlement Agreement and Full and Final Release of All Claims, dated September 17, 2020, by and among OZ Africa Management GP, LLC and certain former shareholders of Africa Resources Ltd., incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on September 23, 2020.
10.89	Credit and Guaranty Agreement, dated as of September 25, 2020, among Sculptor Capital LP, as borrower, Sculptor Capital Advisors LP, Sculptor Capital Advisors II LP and the other guarantors party thereto from time to time, the lenders party thereto from time to time and Delaware Life Insurance Company, as administrative agent, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on September 25, 2020.
10.89.1*	First Amendment to Credit and Guaranty Agreement, dated as of December 20, 2022, among Sculptor Capital LP, as borrower, Sculptor Capital Advisors LP, Sculptor Capital Advisors II LP and the other guarantors party thereto from time to time, the lenders party thereto from time to time and Delaware Life Insurance Company, as administrative agent.
10.90	Board Representation Agreement, dated as of November 13, 2020 by and among the Sculptor Capital Management, Inc. and Delaware Life Insurance Company, incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on November 13, 2020.
10.91+	Second Amendment to Partner Agreement between each of Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP, and James Levin, dated January 29, 2021, incorporated herein by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q, filed on May 6, 2021.
10.92+	Amendment to Partner Agreement between each of Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP, and Robert Shafir, dated January 29, 2021, incorporated herein by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q, filed on May 6, 2021.
10.93+	Partner Agreement Between Sculptor Capital LP and Robert Shafir, dated March 26, 2021, incorporated herein by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q, filed on May 6, 2021.
10.94+	Partner Agreement Between Sculptor Capital Advisors LP and Robert Shafir, dated March 26, 2021, incorporated herein by reference to Exhibit 10.4 of our Quarterly Report on Form 10-Q, filed on May 6, 2021.
10.95+	Partner Agreement Between Sculptor Capital Advisors II LP and Robert Shafir, dated March 26, 2021, incorporated herein by reference to Exhibit 10.5 of our Quarterly Report on Form 10-Q, filed on May 6, 2021.
10.96	Letter Agreement amending Credit and Guarantee Agreement, dated June 21, 2021, incorporated herein by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q, filed on August 5, 2021.
10.97+	The 2021 Sculptor Deferred Cash Interest Plan for Employees and Directors, incorporated herein by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q, filed on August 5, 2021.
10.98	Class A Performance-Based Restricted Share Award Agreement between Sculptor Capital, LP, Sculptor Capital Advisors LP, and Sculptor Capital Advisors II LP and the Participant, dated December 17, 2021, incorporated herein by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed on December 21, 2021.
10.99	Form of Service-Based Restricted Share Awarded Agreement between Sculptor Capital, LP, Sculptor Advisors LP and Sculptor Capital Advisors II LP and the Participant, dated December 17, 2021, incorporated herein by reference to Exhibit 10.2 of our Current Report on Form 8-K, filed on December 21, 2021.
10.100	Form of Cash-Settled RSU Award Agreement between Sculptor Capital, LP, Sculptor Advisors LP, and Sculptor Capital Advisors II LP and the Participant, dated December 17, 2021, incorporated herein by reference to Exhibit 10.3 of our Current Report on Form 8-K, filed on December 21, 2021.
10.101	Form of Class P-4 Common Unit Award Agreement between Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP and the Participant, dated December 17, 2021, incorporated herein by reference to Exhibit 10.4 of our Current Report on Form 8-K, filed on December 21, 2021.
10.102+	Third Amendment to Partner Agreement between Each of Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP, and James Levin, dated December 17, 2021, incorporated herein by reference to Exhibit 10.102 of our Yearly Report on Form 10-K, filed on February 25, 2022
10.103+	Management Shareholder Value Creation Plan Performance-Based Restricted Share Award Agreement, dated December 17, 2021, incorporated herein by reference to Exhibit 10.103 of our Yearly Report on Form 10-K, filed on February 25, 2022
10.104+	Form of Class P-4 Common Unit Award Agreement between Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP and James Levin, dated December 17, 2021, incorporated herein by reference to Exhibit 10.104 of our Yearly Report on Form 10-K, filed on February 25, 2022

10.105+	Letter Agreement of Election of Class P Common Units between Each of Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP, and James Levin, dated December 17, 2021, incorporated herein by reference to Exhibit 10.105 of our Yearly Report on Form 10-K, filed on February 25, 2022
10.106+	Sculptor Capital Management, Inc. Clawback Policy dated December 17, 2021, incorporated herein by reference to Exhibit 10.106 of our Yearly Report on Form 10-K, filed on February 25, 2022
10.107+	Partner Agreement Between Sculptor Capital LP and Hap Pollard, dated December 15, 2021, incorporated herein by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q, filed on May 6, 2022
10.108+	Partner Agreement Between Sculptor Capital Advisors LP and Hap Pollard, dated December 15, 2021, incorporated herein by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q, filed on May 6, 2022
10.109+	Partner Agreement Between Sculptor Capital Advisors II LP and Hap Pollard, dated December 15, 2021, incorporated herein by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q, filed on May 6, 2022
10.110+	The Sculptor Capital Management, Inc. 2022 Incentive Plan, dated June 22, 2022, incorporated herein by reference to Exhibit 10.4 of our Quarterly Report on Form 10-Q, filed on August 5, 2022
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Ernst & Young LLP.
31.1*	Certificate of Chief Executive Officer pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934.
31.2*	Certificate of Chief Financial Officer pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934.
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following financial information from the Annual Report on Form 10-K for the year ended December 31, 2022, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Comprehensive Income (Loss); (iv) Consolidated Statements of Changes in Shareholders' Equity (Deficit); (v) Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.
104*	Cover Page Interactive Data File (formatted as iXBRL and contained in Exhibit 101)
*	Filed herewith
**	Furnished herewith
+	Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: March 3, 2023

SCULPTOR CAPITAL MANAGEMENT, INC.

By: /s/ Dava Ritchea
Dava Ritchea
Chief Financial Officer and Executive Managing Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ James S. Levin James S. Levin	Chief Executive Officer, Chief Investment Officer, Executive Managing Director and Director (Principal Executive Officer)	March 3, 2023
/s/ Dava Ritchea Dava Ritchea	Chief Financial Officer and Executive Managing Director (Principal Financial Officer)	March 3, 2023
/s/ Herbert A. Pollard Herbert A. Pollard	Chief Accounting Officer and Executive Managing Director (Principal Accounting Officer)	March 3, 2023
/s/ Wayne Cohen Wayne Cohen	Chief Operating Officer, Executive Managing Director and Director	March 3, 2023
/s/ Marcy Engel Marcy Engel	Director	March 3, 2023
/s/ Bharath Srikrishnan Bharath Srikrishnan	Director	March 3, 2023
/s/ Charmel Maynard Charmel Maynard	Director	March 3, 2023
/s/ David Bonanno David Bonanno	Director	March 3, 2023

SCULPTOR CAPITAL MANAGEMENT, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Sculptor Capital Management, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sculptor Capital Management, Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 3, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair value of investments that are held by the Funds managed by the Company and that are traded in inactive markets and/or are valued using unobservable inputs

Description of the matter

As described in Note 2 to the consolidated financial statements, management fees earned by the Company are primarily based on the net asset value of funds managed by the Company ("Funds"), while incentive income is based on the cumulative performance of those Funds. The net asset value and performance of the Funds is largely impacted by the fair value measurements of the assets and liabilities of the Funds. The Funds hold a variety of investments, certain of which are not publicly traded or that are otherwise illiquid. Significant judgment and estimation go into the assumptions (e.g., cash flows, implied yields, EBITDA multiples) that drive the fair value of such investments. The fair value of these investments may be estimated using a combination of observed transaction prices, prices from third parties (including independent pricing services and relevant broker quotes), models or other valuation methodologies based on pricing inputs that are neither directly nor indirectly market observable.

Auditing the fair value of investments that are held by the Funds and are traded in inactive markets and/or are valued using unobservable inputs is especially challenging because determining the fair value can be complex, highly judgmental, and involves inputs, estimates, and assumptions that are not directly or indirectly observable in the market. Also, applying audit procedures to address the estimation uncertainty involves a high degree of auditor judgment and may involve the use of internal valuation specialists.

How we addressed the matter in our audit

We obtained an understanding of the types of instruments and related characteristics that affect estimation uncertainty and evaluated the design and tested the operating effectiveness of management's controls over the Company's valuation process for the Funds' investments, including management's review controls over the significant inputs, estimates, and assumptions utilized in the fair value measurements.

Our audit procedures included, among others, evaluating on a sample basis, the valuation methodologies and significant inputs, estimates, and assumptions used by the Company in valuing the Funds' investments that trade in inactive markets and/or are valued using unobservable inputs, and testing on a sample basis, the mathematical accuracy of the Company's related valuation models.

For a sample of the Funds' investments, we determined whether the values developed internally by the Company were the same as the values recorded by the Funds.

For a sample of the Funds' investments, and with assistance from our internal valuation specialists, where applicable, we tested the Company's significant inputs, estimates and assumptions by comparing them to investee and relevant market information and/or independently developed a range of fair value estimates and compared our estimates to the Funds' valuations. For example, for certain selected investments and with the assistance of our internal valuation specialists, we independently obtained market spreads, default rates, prepayment rates, recovery rates and implied market yields from third-party sources and market data, where available and as applicable, to independently develop a range of fair value estimates to compare to the Funds' valuations.

We evaluated, for a sample of the Funds' investments, whether subsequent events and transactions (including subsequent sales of positions) corroborated or contradicted the Funds' year-end valuations.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2007.
New York, New York
March 3, 2023

SCULPTOR CAPITAL MANAGEMENT, INC.
PART I - FINANCIAL INFORMATION
CONSOLIDATED BALANCE SHEETS

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Assets		
Cash and cash equivalents	$ 258,863	$ 170,781
Restricted cash	7,895	7,289
Investments (includes assets measured at fair value of $231,929 and $424,910, including assets sold under agreements to repurchase of $157,107 and $157,721 as of December 31, 2022 and 2021, respectively)	299,059	583,622
Income and fees receivable	56,360	193,636
Due from related parties	32,846	28,037
Deferred income tax assets	257,939	241,759
Operating lease assets	75,861	85,735
Other assets, net	106,442	77,091
Assets of consolidated entities:		
Cash and cash equivalents	3	—
Restricted cash and cash equivalents	9,805	234,601
Investments of consolidated entities	544,554	—
Other assets of consolidated entities	2,579	5,304
Total Assets	**$ 1,652,206**	**$ 1,627,855**
Liabilities and Shareholders' Equity		
Liabilities		
Compensation payable	$ 127,209	$ 246,261
Unearned income and fees	53,869	62,800
Tax receivable agreement liability	190,245	195,752
Operating lease liabilities	92,045	104,753
Debt obligations	124,176	126,474
Warrant liabilities, at fair value	24,163	65,287
Securities sold under agreements to repurchase	166,632	156,448
Other liabilities	43,049	38,790
Liabilities of consolidated entities:		
Notes payable, at fair value	196,106	—
Warrant liabilities, at fair value	596	7,590
Other liabilities of consolidated entities	9,669	10,817
Total Liabilities	**1,027,759**	**1,014,972**
Commitments and Contingencies (Note 18)		
Redeemable Noncontrolling Interests of Consolidated Entities (Note 4)	**237,864**	**234,600**
Shareholders' Equity		
Class A Shares, par value $0.01 per share, 100,000,000 shares authorized; 26,729,608 and 25,668,987 shares issued and 23,707,228 and 25,668,987 shares outstanding as of December 31, 2022 and 2021, respectively	238	257
Class B Shares, par value $0.01 per share, 75,000,000 shares authorized; 33,569,188 and 33,613,023 shares issued and outstanding as of December 31, 2022 and 2021, respectively	336	336
Treasury stock, at cost; 3,022,380 and 0 as of December 31, 2022 and 2021, respectively	(32,495)	—
Additional paid-in capital	255,293	184,691
Accumulated deficit	(276,149)	(253,521)
Accumulated other comprehensive (loss) income	(119)	51
Shareholders' deficit attributable to Class A Shareholders	(52,896)	(68,186)
Shareholders' equity attributable to noncontrolling interests	439,479	446,469
Total Shareholders' Equity	**386,583**	**378,283**
Total Liabilities and Shareholders' Equity	**$ 1,652,206**	**$ 1,627,855**

See notes to consolidated financial statements.

SCULPTOR CAPITAL MANAGEMENT, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2022	**2021**	**2020**
		(dollars in thousands)	
Revenues			
Management fees	$ 278,374	$ 301,945	$ 270,753
Incentive income	123,434	312,432	616,959
Other revenues	14,014	7,351	9,218
Income of consolidated entities	3,180	4,340	90
Total Revenues	**419,002**	**626,068**	**897,020**
Expenses			
Compensation and benefits	321,319	411,463	409,228
Interest expense	15,521	15,586	21,100
General, administrative and other	118,646	121,210	232,187
Expenses of consolidated entities	2,753	2,823	53
Total Expenses	**458,239**	**551,082**	**662,568**
Other Loss			
Changes in fair value of warrant liabilities	41,124	(27,460)	(7,548)
Changes in tax receivable agreement liability	(11,266)	(9,238)	(2,554)
Net losses on retirement of debt	—	(30,198)	(5,011)
Net (losses) gains on investments	(33,664)	11,537	10,611
Net gains (losses) of consolidated entities	3,419	(481)	—
Total Other Loss	**(387)**	**(55,840)**	**(4,502)**
(Loss) Income Before Income Taxes	**(39,624)**	**19,146**	**229,950**
Income taxes	(6,968)	13,705	75,272
Consolidated Net (Loss) Income	**(32,656)**	**5,441**	**154,678**
Less: Net loss attributable to noncontrolling interests	23,912	11,316	22,956
Less: Net (income) loss attributable to redeemable noncontrolling interests	(7,466)	562	—
Net (Loss) Income Attributable to Sculptor Capital Management, Inc.	**(16,210)**	**17,319**	**177,634**
Change in redemption value of redeemable noncontrolling interests	4,202	(25,924)	(6,952)
Net (Loss) Income Attributable to Class A Shareholders	**$ (12,008)**	**$ (8,605)**	**$ 170,682**
(Loss) Earnings per Class A Share			
(Loss) Earnings per Class A Share - basic	$ (0.48)	$ (0.34)	$ 7.55
(Loss) Earnings per Class A Share - diluted	$ (1.77)	$ (0.56)	$ 3.00
Weighted-average Class A Shares outstanding - basic	25,213,554	24,951,871	22,597,829
Weighted-average Class A Shares outstanding - diluted	26,265,640	40,810,782	49,872,078

See notes to consolidated financial statements.

SCULPTOR CAPITAL MANAGEMENT, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Consolidated net (loss) income	$ (32,656)	$ 5,441	$ 154,678
Other Comprehensive (Loss) Income, Net of Tax			
Other comprehensive (loss) income - currency translation adjustment	(170)	(1,506)	1,809
Comprehensive (Loss) Income	**(32,826)**	**3,935**	**156,487**
Less: Comprehensive loss attributable to noncontrolling interests	23,912	12,141	21,879
Less: Comprehensive (income) loss attributable to redeemable noncontrolling interests	(7,466)	562	—
Comprehensive (Loss) Income Attributable to Sculptor Capital Management, Inc.	**$ (16,380)**	**$ 16,638**	**$ 178,366**

See notes to consolidated financial statements.

SCULPTOR CAPITAL MANAGEMENT, INC.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

	Sculptor Capital Management, Inc. Shareholders											
	Class A Shares	Class B Shares	Treasury Stock Shares	Class A Shares Par Value	Class B Shares Par Value	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock, at cost	Shareholders' Deficit Attributable to Class A Shareholders	Shareholders' Equity Attributable to Noncontrolling Interests	Total Shareholders' Equity
	(dollars in thousands, except share data)											
Balance at January 1, 2022	**25,668,987**	**33,613,023**	**—**	**$ 257**	**$ 336**	**$184,691**	**$ (253,521)**	**$ 51**	**$ —**	**$ (68,186)**	**$ 446,469**	**$ 378,283**
Equity-based compensation, net of taxes	1,060,621	(43,835)	—	11	—	66,222	—	—	—	66,233	8,212	74,445
Repurchase of Class A Shares	(3,022,380)	—	3,022,380	(30)	—	—	—	—	(32,495)	(32,525)	—	(32,525)
Dividend equivalents on Class A restricted share units	—	—	—	—	—	178	(178)	—	—	—	—	—
Change in redemption value of SPAC Class A Shares	—	—	—	—	—	4,202	—	—	—	4,202	—	4,202
Cash dividends declared on Class A Shares ($0.25 per share)	—	—	—	—	—	—	(6,240)	—	—	(6,240)	—	(6,240)
Consolidated net loss, excluding amounts attributable to redeemable noncontrolling interests	—	—	—	—	—	—	(16,210)	—	—	(16,210)	(23,912)	(40,122)
Currency translation adjustment	—	—	—	—	—	—	—	(170)	—	(170)	—	(170)
Capital contributions	—	—	—	—	—	—	—	—	—	—	16,648	16,648
Capital distributions	—	—	—	—	—	—	—	—	—	—	(7,938)	(7,938)
Balance at December 31, 2022	**23,707,228**	**33,569,188**	**3,022,380**	**$ 238**	**$ 336**	**$255,293**	**$ (276,149)**	**$ (119)**	**$(32,495)**	**$ (52,896)**	**$ 439,479**	**$ 386,583**
Balance at January 1, 2021	**22,903,571**	**32,824,538**	**—**	**$ 229**	**$ 328**	**$166,917**	**$ (178,674)**	**$ 732**	**$ —**	**$ (10,468)**	**$ 445,348**	**$ 434,880**
Equity-based compensation, net of taxes	2,451,569	2,134,059	—	25	21	39,697	—	—	—	39,743	16,768	56,511
Exchange of Group A Units for Class A Shares	313,847	(1,345,574)	—	3	(13)	(3,964)	—	—	—	(3,974)	(4,098)	(8,072)
Dividend equivalents on Class A restricted share units	—	—	—	—	—	7,965	(7,965)	—	—	—	—	—
Change in redemption value of SPAC Class A Shares	—	—	—	—	—	(25,924)	—	—	—	(25,924)	—	(25,924)
Cash dividends declared on Class A Shares ($3.47 per share)	—	—	—	—	—	—	(84,201)	—	—	(84,201)	—	(84,201)
Consolidated net income (loss), excluding amounts attributable to redeemable noncontrolling interests	—	—	—	—	—	—	17,319	—	—	17,319	(11,316)	6,003
Currency translation adjustment	—	—	—	—	—	—	—	(681)	—	(681)	(825)	(1,506)
Capital contributions	—	—	—	—	—	—	—	—	—	—	6,693	6,693
Capital distributions	—	—	—	—	—	—	—	—	—	—	(6,101)	(6,101)
Balance at December 31, 2021	**25,668,987**	**33,613,023**	**—**	**$ 257**	**$ 336**	**$184,691**	**$ (253,521)**	**$ 51**	**$ —**	**$ (68,186)**	**$ 446,469**	**$ 378,283**

SCULPTOR CAPITAL MANAGEMENT, INC.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT) — (continued)

	Sculptor Capital Management, Inc. Shareholders											
	Class A Shares	Class B Shares	Treasury Stock Shares	Class A Shares Par Value	Class B Shares Par Value	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock, at cost	Shareholders' Deficit Attributable to Class A Shareholders	Shareholders' Equity Attributable to Noncontrolling Interests	Total Shareholders' Equity
	(dollars in thousands, except share data)											
Balance at January 1, 2020	**21,284,945**	**29,208,952**	**—**	**$ 213**	**$ 292**	**$ 117,936**	**$ (343,759)**	**$ —**	**$ —**	**$ (225,318)**	**$ 440,779**	**$ 215,461**
Equity-based compensation, net of taxes	1,618,626	3,615,586	—	16	36	54,997	—	—	—	55,049	20,995	76,044
Dividend equivalents on Class A restricted share units	—	—	—	—	—	936	(936)	—	—	—	—	—
Change in redemption value of Preferred Units	—	—	—	—	—	(6,952)	—	—	—	(6,952)	—	(6,952)
Cash dividends declared on Class A Shares ($0.53 per share)	—	—	—	—	—	—	(11,613)	—	—	(11,613)	—	(11,613)
Consolidated net income (loss), excluding amounts attributable to redeemable noncontrolling interests	—	—	—	—	—	—	177,634	—	—	177,634	(22,956)	154,678
Currency translation adjustment	—	—	—	—	—	—	—	732	—	732	1,077	1,809
Capital contributions	—	—	—	—	—	—	—	—	—	—	10,878	10,878
Capital distributions	—	—	—	—	—	—	—	—	—	—	(5,425)	(5,425)
Balance at December 31, 2020	**22,903,571**	**32,824,538**	**—**	**$ 229**	**$ 328**	**$166,917**	**$ (178,674)**	**$ 732**	**$ —**	**$ (10,468)**	**$ 445,348**	**$ 434,880**

See notes to consolidated financial statements.

SCULPTOR CAPITAL MANAGEMENT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2022	**2021**	**2020**
		(dollars in thousands)	
Cash Flows from Operating Activities			
Consolidated net (loss) income	$ (32,656)	$ 5,441	$ 154,678
Adjustments to reconcile consolidated net (loss) income to net cash provided by (used in) operating activities:			
Amortization of equity-based compensation	88,040	62,989	80,420
Depreciation, amortization and net gains and losses on fixed assets	4,872	9,058	7,124
Changes in fair value of warrant liabilities	(41,124)	27,460	7,548
Net losses on retirement of debt	—	30,198	5,011
Deferred income taxes	(15,067)	5,414	69,456
Non-cash lease expense	19,063	32,050	21,398
Net losses (gains) on investments, net of dividends	37,837	55	(7,840)
Operating cash flows due to changes in:			
Income and fees receivable	137,002	345,865	(324,074)
Due from related parties	(5,048)	(13,896)	1,413
Other assets, net	(39,601)	5,787	(692)
Compensation payable	(126,635)	8,313	44,426
Unearned income and fees	(8,931)	920	771
Tax receivable agreement liability	(5,507)	2,018	(15,459)
Operating lease liabilities	(21,446)	(22,716)	(22,313)
Other liabilities	4,557	(9,966)	(13,444)
Consolidated entities related items:			
Net (gains) losses of consolidated entities	(1,971)	481	—
Purchases of investments	(599,907)	—	—
Proceeds from sale of investments	245,605	—	—
Other assets of consolidated entities	(1,085)	(5,786)	649
Other liabilities of consolidated entities	22,802	(6,955)	(389)
Net Cash (Used in) Provided by Operating Activities	**(339,200)**	**476,730**	**8,683**
Cash Flows from Investing Activities			
Purchases of fixed assets	(540)	(4,894)	(2,639)
Purchases of United States government obligations	(98,082)	(384,655)	(340,334)
Maturities and sales of United States government obligations	279,386	283,190	383,101
Investments in funds	(139,850)	(112,941)	(32,210)
Return of investments in funds	202,304	28,975	7,453
Consolidated entities related items:			
Purchases of United States government obligations by SPAC	(235,040)	—	—
Net Cash Provided by (Used in) Investing Activities	**8,178**	**(190,325)**	**15,371**

SCULPTOR CAPITAL MANAGEMENT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS — (continued)

	Year Ended December 31,		
	2022	2021	2020
		(dollars in thousands)	
Cash Flows from Financing Activities			
Amounts paid in exchange of Group A Units	—	(11,100)	—
Redemption of Preferred Units	—	—	(156,952)
Contributions from noncontrolling interests	16,648	6,693	10,878
Distributions to noncontrolling interests	(7,938)	(6,101)	(5,425)
Dividends on Class A Shares	(6,240)	(84,201)	(11,613)
Proceeds from debt obligations, net of issuance costs	6,954	9,112	311,773
Repayment of debt obligations, including prepayment costs	(10,740)	(249,731)	(245,036)
Proceeds from securities sold under agreements to repurchase, net of issuance costs	20,395	45,878	16,605
Purchases of treasury stock	(32,495)	—	—
Other, net	(6,584)	(4,992)	(2,940)
Consolidated entities related items:			
Proceeds from debt obligations of consolidated entities, net of issuance costs	215,733	234,600	—
Net Cash Provided by (Used in) Financing Activities	**195,733**	**(59,842)**	**(82,710)**
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(816)	(869)	194
Net change in cash and cash equivalents and restricted cash	(136,105)	225,694	(58,462)
Cash and cash equivalents and restricted cash, beginning of period	412,671	186,977	245,439
Cash and Cash Equivalents and Restricted Cash, End of Period	**$ 276,566**	**$ 412,671**	**$ 186,977**
Supplemental Disclosure of Cash Flow Information			
Cash paid during the period:			
Interest	$ 12,721	$ 13,722	$ 15,530
Income taxes	$ 8,125	$ 7,581	$ 5,280
Non-cash transactions:			
Assets related to initial consolidation of funds	$ 16,699	$ —	$ —
Liabilities related to initial consolidation of funds	$ 2,364	$ —	$ —
Assets related to deconsolidation of funds	$ 90,000	$ —	$ —
Liabilities related to deconsolidation of funds	$ 29,857	$ —	$ —
Reconciliation of cash and cash equivalents and restricted cash:			
Cash and cash equivalents	$ 258,863	$ 170,781	$ 183,815
Restricted cash	7,895	7,289	3,162
Cash and cash equivalents of consolidated entities	3	—	—
Restricted cash and cash equivalents of consolidated entities	9,805	234,601	—
Total Cash and Cash Equivalents and Restricted Cash	**$ 276,566**	**$ 412,671**	**$ 186,977**

See notes to consolidated financial statements.

1. ORGANIZATION

Sculptor Capital Management, Inc. (the "Registrant"), a Delaware corporation, together with its consolidated subsidiaries (collectively, the "Company" or "Sculptor Capital"), is a leading institutional alternative asset management firm with a global presence with offices in New York, London, Hong Kong and Shanghai. The Company provides asset management services and investment products across Credit, Real Estate, and Multi-Strategy. The Company serves its global client base through commingled funds, separate accounts and specialized products, as well as sponsoring a special purpose acquisition company ("SPAC") (collectively, the "funds"). Sculptor Capital's distinct investment process seeks to generate attractive and consistent risk-adjusted returns across market cycles through a combination of bottom-up fundamental analysis, a high degree of flexibility, a collaborative team and integrated risk management. The Company's capabilities span all major geographies and asset classes, including fundamental equities, corporate credit, real estate debt and equity, merger arbitrage and structured credit.

The Company manages multi-strategy funds, dedicated credit funds, including opportunistic credit funds and Institutional Credit Strategies products, real estate funds, and other alternative investment vehicles. Through Institutional Credit Strategies, the Company's asset management platform that invests in performing credits, the Company manages collateralized loan obligations ("CLOs"), aircraft securitization vehicles, collateralized bond obligations ("CBOs"), structured alternative investment solutions, commingled products and other customized solutions for clients.

The Company's primary sources of revenues are management fees, which are generally based on the amount of the Company's assets under management ("Assets Under Management" or "AUM"), as defined below, and incentive income, which is based on the investment performance of its funds. Accordingly, for any given period, the Company's revenues will be driven by the combination of Assets Under Management and the investment performance of the funds. AUM refers to the assets of the funds to which the Company provides investment management and advisory services. The Company's AUM are a function of the capital that is allocated to it by the investors in its funds and the investment performance of its funds.

The Company conducts its business and generates substantially all of its revenues primarily in the United States (the "U.S.") through one operating and reportable segment. The single reportable segment reflects how the Company's chief operating decision makers allocate resources, make operating decisions and assess financial performance on a consolidated basis under the Company's 'one-firm approach,' which includes operating collaboratively across business lines, with predominantly a single expense pool. The Company conducts its operations through Sculptor Capital LP, Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP (collectively, the "Sculptor Operating Partnerships" and collectively with their consolidated subsidiaries, the "Sculptor Operating Group"). The Registrant holds its interests in the Sculptor Operating Group indirectly through Sculptor Capital Holding Corporation ("Sculptor Corp"), a wholly owned subsidiary of the Registrant.

References to the Company's "executive managing directors" include the current executive managing directors of the Company, and, except where the context requires otherwise, also include certain former executive managing directors who are no longer active in the Company's business.

Company Structure

The Registrant is a holding company that, through Sculptor Corp, holds equity ownership interests in the Sculptor Operating Group. The Registrant had issued and outstanding the following share classes:

- **Class A Shares**—Class A Shares are publicly traded and entitle the holders thereof to one vote per share on matters submitted to a vote of shareholders. The holders of Class A Shares are entitled to any distributions declared on the Class A Shares by the Registrant's Board of Directors (other than RSAs, where entitlement to distributions may be subject to limitations and conditions).

- **Class B Shares**—Class B Shares are held by executive managing directors, as further discussed below. These shares are not publicly traded but rather entitle the executive managing directors to one vote per share on matters submitted to a vote of shareholders. These shares do not participate in the earnings of the Registrant, as the executive managing directors participate in the related economics of the Sculptor Operating Group through their direct ownership in the Sculptor Operating Group, subject to the Distribution Holiday discussed below.

The Company conducts its operations through the Sculptor Operating Group. The following is a list of the outstanding units of the Sculptor Operating Partnerships as of December 31, 2022:

- **Group A Units**—Group A Units are limited partner interests issued to certain executive managing directors. In connection with the Recapitalization, as defined below, the Sculptor Operating Partnerships initiated a distribution holiday (the "Distribution Holiday"). Holders of Group A Units do not receive distributions on such units during the Distribution Holiday. Each executive managing director may exchange his or her vested and booked-up (as defined below) Group A Units for an equal number of Class A Shares (or the cash equivalent thereof) over a period of two years in three equal installments commencing upon the final day of the Distribution Holiday and on each of the first and second anniversary thereof (or, for units that become vested and booked-up Group A Units after the final day of the Distribution Holiday, from the later of the date on which they would have been exchangeable in accordance with the foregoing and the date on which they become vested and booked-up Group A Units) (and thereafter such units will remain exchangeable), in each case, subject to certain restrictions. A "book-up" is achieved when sufficient appreciation has occurred to meet a prescribed capital account book-up target under the terms of the Sculptor Operating Partnership limited partnership agreements.

  Group A Unit grants are accounted for as equity-based compensation. See Note 13 for additional information. The Company completed a recapitalization in February 2019 ("Recapitalization"). See Note 3 for additional details. In connection with the Recapitalization, each Group A Unit outstanding on the Recapitalization date was recapitalized into 0.65 Group A Units and 0.35 Group A-1 Units.

- **Group A-1 Units**—Group A-1 Units are limited partner interests into which 0.35 of each Group A Unit was recapitalized in connection with the reallocation that was effectuated by the Recapitalization. The Group A-1 Units will be canceled at such time and to the extent that the Group E Units granted in connection with the Recapitalization vest and achieve a book-up. Group A-1 Units are not eligible to receive distributions at any time and do not participate in the net income (loss) of the Sculptor Operating Group. However, the holders of Group A-1 Units shall participate in any sale, change of control or other liquidity event that takes place prior to cancellation of the Group A-1 Units. In the Recapitalization, the holders of the 2016 Preferred Units, as defined below, forfeited an additional 749,813 Group A Units, which were recapitalized into Group A-1 Units.

- **Group B Units**—Sculptor Corp holds a general partner interest and Group B Units in each Sculptor Operating Partnership. Sculptor Corp owns all of the Group B Units, which represent equity interest in the Sculptor Operating Partnerships. Except during the Distribution Holiday as described above, the Group B Units are economically identical to the Group A Units held by executive managing directors but are not exchangeable for Class A Shares and are not subject to vesting, book-up, forfeiture or minimum retained ownership requirements.

- **Group E Units**—Group E Units are limited partner interests issued to certain executive managing directors that are only entitled to future profits and gains upon satisfaction of a certain performance condition. Each Group E Unit converts into a Group A Unit and becomes exchangeable for one Class A Share (or the cash equivalent thereof) to the extent there has been a sufficient amount of appreciation for a Group E Unit to achieve a book-up target and, subject to other conditions contained in the limited partnership agreements of the Sculptor Operating Partnerships, the Distribution Holiday has ended (or an earlier exchange date is established by the Exchange Committee, which consists of the Chief Executive Officer and the Chief Financial Officer of Sculptor Capital Management, Inc.). The Group E Units are entitled to share in residual assets upon liquidation, dissolution or winding up and become eligible to participate in any tag along right, in a change of control transaction or other

liquidity event only to the extent of their relative positive capital accounts (if any). Holders of Group E Units do not receive distributions during the Distribution Holiday. See Note 3 for additional details. Group E Unit grants are accounted for as equity-based compensation. See Note 13 for additional information.

- **Group P Units**—Group P Units are limited partner interests issued to certain executive managing directors that are only entitled to future profits and gains upon satisfaction of certain service and market conditions. Each Group P Unit becomes exchangeable for one Class A Share (or the cash equivalent thereof), in each case upon satisfaction of certain service and market conditions at such time and, with respect to exchanges, to the extent there has been sufficient appreciation for a Group P Unit to achieve a book-up target and, subject to other conditions contained in the limited partnership agreements of the Sculptor Operating Partnerships, the Distribution Holiday has ended (or an earlier exchange date is established by the Exchange Committee). The Group P Units are entitled to share in residual assets upon liquidation, dissolution or winding up and become eligible to participate in any tag along right, in a change of control transaction or other liquidity event only to the extent that certain market conditions are met and to the extent of their relative positive capital accounts (if any). The terms of the Group P Units may be varied for certain executive managing directors. See Note 13 for additional information.

- **Preferred Units**—The Preferred Units were non-voting preferred equity interests in the Sculptor Operating Partnerships. Preferred Units issued in 2016 and 2017 are collectively referred to as the "2016 Preferred Units." The 2016 Preferred Units were redeemed in full as a part of the Recapitalization. The Preferred Units issued in 2019 are referred to as the "2019 Preferred Units." The 2019 Preferred Units were redeemed in full at a 25% discount in the fourth quarter of 2020.

Executive managing directors hold a number of Class B Shares equal to the number of Group A Units, vested Group E Units, Group A-1 Units (to the extent the corresponding Class B Shares have not been canceled in connection with the vesting of certain Group E Units issued in connection with the Recapitalization, as further discussed in Note 3), and Group P Units held. Upon the exchange of a Group A Unit or Group P Unit for a Class A Share, the corresponding Class B Share is canceled and a Group B Unit is issued to Sculptor Corp. Class B Shares that relate to Group A-1 Units will be voted pro rata in accordance with the vote of the Class A Shares.

The following table presents the number of shares and units of the Company and the Sculptor Operating Partnerships, respectively, that were outstanding as of December 31, 2022:

	As of December 31, 2022
Sculptor Capital Management, Inc.	
Class A Shares	23,707,228
Class B Shares	33,569,188
Restricted Class A Shares ("RSAs")	5,204,770
Restricted Share Units ("RSUs")	2,453,809
Performance-based RSUs ("PSUs")	912,500
Warrants to purchase Class A Shares (Note 8)	4,338,015
Sculptor Operating Partnerships	
Group A Units	15,025,994
Group A-1 Units	9,244,477
Group B Units	23,707,228
Group E Units	13,014,158
Group P Units	5,348,572

The Company grants RSAs, RSUs and PSUs to its employees and executive managing directors as a form of compensation. These grants are accounted for as equity-based compensation. See Note 13 for additional information. In addition, the Company has 3,022,380 shares of treasury stock as of December 31, 2022.

Share Repurchase Program

In February 2022, the Company's Board of Directors authorized the Company to repurchase up to $100.0 million of its outstanding common stock. The Company records its treasury stock repurchases at cost on a trade date basis. As of December 31, 2022, the Company repurchased 3,022,380 Class A Shares at a cost of $32.5 million for an average price of $10.75 per share through open market purchase transactions. As of December 31, 2022, $67.5 million remained available for repurchase of the Company's common stock under the share repurchase program. All of the repurchased shares are classified as treasury stock in the Company's consolidated balance sheets.

The repurchase program has no expiration date. The Company may purchase shares on a discretionary basis from time to time through open market purchases, privately negotiated transactions or other means including through Rule 10b5-1 trading plans or through the use of other techniques such as accelerated share repurchases. The timing and amount of any transactions will be subject to the discretion of the Company based upon market conditions and other opportunities that the Company may have for the use or investment of its cash balances. The repurchase program does not require the purchase of any minimum number of shares and may be suspended, modified or discontinued at any time without prior notice.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") as set forth in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC"). All intercompany transactions and balances have been eliminated in consolidation. The notes are an integral part of the Company's consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements of the Company. The most critical of these estimates are related to (i) fair value measurements of the assets and liabilities of the funds, which impacts the Company's management fees and incentive income; (ii) the determination of whether to recognize incentive income; (iii) the determination of whether or not to consolidate a variable interest entity or a voting interest entity; (iv) the estimate of future taxable income, which impacts the carrying amount of the Company's deferred income tax assets; (v) fair value measurements of investments in CLOs and warrant liabilities; and valuation of non-cash compensation. While management believes that the estimates utilized in preparing the consolidated financial statements are reasonable and prudent, actual results could differ materially from those estimates.

Foreign Currency

The functional currency of substantially all of the Company's consolidated subsidiaries is the U.S. dollar, as their operations are considered extensions of the U.S. parent's operations. Monetary assets and liabilities denominated in foreign currencies are remeasured into U.S. dollars at the closing rates of exchange on the balance sheet date. Nonmonetary assets and liabilities denominated in foreign currencies are remeasured into U.S. dollars using the historical exchange rate. As a result, no transaction gains or losses are recognized for nonmonetary assets and liabilities. The profit or loss arising from foreign currency transactions are remeasured using the rate in effect on the date of any relevant transaction. Gains and losses on transactions denominated in foreign currencies due to changes in exchange rates are recorded within general, administrative and other. Unrealized gains and losses due to changes in exchange rates related to investments held in a currency other than an entity's functional currency are reported in net gains (losses) on investments in the consolidated statements of operations.

The Company has a subsidiary whose functional currency is the Euro, and the financial statements of such entity are translated into U.S. dollars using the exchange rates prevailing at the end of each reporting period, and the statement of operations of the entity is translated using the rate in effect on the date of any relevant transaction. Gains and losses arising from the translation of monetary assets and liabilities are recorded as a currency translation adjustment in the consolidated statements of comprehensive income (loss) and are included in accumulated other comprehensive income (loss) in the consolidated balance sheets.

Consolidation

The Company's multi-strategy funds, open-end opportunistic credit funds and certain other funds are generally organized using a "master-feeder" structure. Fund investors, including the Company's executive managing directors, employees and other related parties, to the extent they invest in a given fund, generally invest directly into the feeder funds. These feeder funds are typically limited partnerships or limited companies that hold direct or indirect interests in a master fund. The master fund, together with its subsidiaries, is the primary investment vehicle for its feeder funds. The Company generally collects its management fees and incentive income from the feeder funds or subsidiaries of the feeder funds ("intermediate funds"), and generally does not collect any management fees or incentive income directly from the master funds.

The Company also organizes certain funds (e.g., its real estate funds and closed-end opportunistic credit funds) without the use of a master-feeder structure. These are typically organized as limited partnerships, in which the Company is the general partner and collects management fees and incentive income directly from these entities; however, in the case of the real estate funds, the Company collects management fees directly from those funds' investors.

CLOs are collateralized financing vehicles that issue notes to investors and use those proceeds to acquire various types of credit-related investments that serve as collateral for the notes. Senior notes issued by these vehicles make periodic payments based on a stated interest rate, while the most subordinated notes have no stated interest rate but receive periodic payments from excess cash flows remaining after periodic payments have been made to the other notes and for fees and expenses due.

The Company generally directs the activities of its funds through its role as general partner, investment manager, or CLO collateral manager.

The Company first evaluates whether it holds a variable interest in an entity. Where the Company holds a variable interest in an entity, it is required to determine whether it should consolidate the entity. Fee arrangements are not considered variable interests when they are commensurate with the level of effort required to provide services and include only terms, conditions, or amounts that are customarily present in arrangements for similar services negotiated at arm's length, and where the Company does not hold other interests in the entity that would absorb more than an insignificant amount of the variability of the entity.

Where the Company does not have a variable interest in the entity, it will not consolidate the entity. Where the Company has a variable interest, it is required to determine whether the entity will be considered as a Variable Interest Entity ("VIE") or Voting Interest Entity ("VOE"), the classification of which will determine the analysis that the Company is required to perform when determining whether it should consolidate the entity.

The consolidated financial statements include the accounts of the Registrant and entities in which it, directly or indirectly, is determined to have a controlling financial interest under the following set of guidelines:

- ***VIEs—***The Company determines whether, if by design, an entity has any of the following characteristics: (i) equity investors who lack the characteristics of a controlling financial interest; (ii) the entity does not have sufficient equity at risk to finance its expected activities without additional subordinated financial support from other parties; or (iii) substantially all of the activities of the entity are performed on behalf of a party with disproportionately few voting rights. An entity with any one of these characteristics is a VIE. Partnerships, and similarly structured entities, will be considered as VIEs where a simple majority of third party investors with equity at risk are not able to exercise substantive kick-out or participating rights over the general partner.

- ***VOEs—***Where an entity does not have the characteristics of a VIE, it is a VOE.

The determination of whether a fund or an entity is a VIE or a VOE is based on the facts and circumstances for each individual fund or entity in accordance with the guidelines described below. Classification of such entities is reassessed where there is a substantive change in the governing documents or contractual arrangements of the entity, to the capital structure of the entity or in the activities of the entity. The Company continuously reassesses whether it should consolidate a VIE or VOE.

Funds that are VIEs

Funds that are VIEs are generally VIEs because fund investors are deemed to lack the characteristics of a controlling financial interest or the entity does not have sufficient equity at risk.

The party identified as the primary beneficiary of a VIE is required to consolidate the entity. A party is the primary beneficiary of a VIE where it has a controlling financial interest in the entity, which is defined as (i) the power to direct the activities of the entity that most significantly impact the entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the entity.

Where the Company holds a variable interest in an entity, it is required to determine whether it should consolidate the entity. Where the Company does not have a controlling financial interest, but is part of a related party group under common control that collectively has characteristics of a controlling financial interest, the Company may be required to determine which party within the related party group is more closely associated with the VIE and would therefore consolidate a VIE. This assessment would also be performed where power is shared within a related party group that collectively has characteristics of a controlling financial interest. For the purposes of determining whether it is the primary beneficiary of a fund that is a VIE, the Company considers its indirect economic interests in a VIE held through related parties that are under common control on a

proportionate basis, consistent with the way it would evaluate its indirect economic interests held through related parties that are not under common control.

The types of funds that are VIEs and not consolidated are generally (i) master funds and intermediate fund vehicles for the Company's multi-strategy funds, as well as opportunistic credit, real estate and certain other fund vehicles, as third party investors in these entities have not been granted substantive removal rights; and (ii) CLOs, as they lack sufficient equity at risk to finance their expected activities without additional subordinated financial support from other parties. The Company does not consolidate VIEs where it does not have a controlling financial interest.

Consolidation of Structured Alternative Investment Solution and Other Funds

In the first quarter of 2022, the Company consolidated a fund it manages as a result of an increase in the Company's investment in the vehicle, which resulted in the Company having a controlling financial interest in the VIE; the fund was subsequently deconsolidated in the first quarter of 2022 as the Company determined it was no longer the primary beneficiary as a result of the Company's redemption of its economic exposure to the fund. The Company recognized no gain or loss from consolidation and deconsolidation of the fund in the first quarter of 2022.

Additionally, in the first quarter of 2022, the Company closed on a $350.0 million structured alternative investment solution. The vehicle is a collateralized financing vehicle that issues senior and subordinated notes to investors and uses those proceeds to invest in a diversified portfolio of funds managed by the Company. Senior and mezzanine notes issued by the vehicle make periodic payments based on a stated interest rate, while the most subordinated notes have no stated interest rate but receive periodic payments from excess cash flows remaining after periodic payments have been made to the other notes and for fees and expenses due, as prescribed by the terms of the notes.

The structured alternative investment solution is a VIE since it lacks sufficient equity at risk to finance its expected activities without additional subordinated financial support from other parties, as it is financed through senior, mezzanine and subordinated notes. The Company consolidates the entity, as it has the power to direct the activities that most significantly impact the vehicle's economic performance, and the Company has the right to receive benefits or the obligation to absorb losses of the vehicle in the form of its retained interest that could potentially be significant to the vehicle. The Company invested approximately $127.8 million in the vehicle. The collateral assets of the consolidated entity are held solely to satisfy the obligations of the entity, and the investors in the consolidated vehicle have no recourse against the Company for any losses sustained by the entity.

For additional information related to the Company's VIEs see Note 6.

Funds and entities that are VOEs

Funds that are corporations, or similarly structured entities, that are not VIEs would be consolidated by the Company where the Company has a majority equity investment and has control over significant operating, financial and investing decisions of the entity. The Company will generally not consolidate partnerships, or similarly structured entities, that are not VIEs where a single investor or simple majority of third party investors with equity have the ability to exercise substantive kick-out or participating rights.

The types of funds that are VOEs and not consolidated by the Company are generally feeder funds of the Company's multi-strategy funds, as third party fund investors in these entities have been granted substantive removal rights.

Consolidation of SPAC

On December 13, 2021, the Company's first sponsored consolidated SPAC, Sculptor Acquisition Corporation I ("SAC I"), completed its initial public offering raising gross proceeds of $230.0 million, which included the underwriter's full

exercise of their overallotment option. Prior to the completion of a business combination, Sculptor Acquisition Sponsor I, LLC, the sponsor of SAC I, a subsidiary of the Company, owns the majority of the Class B ordinary shares outstanding of SAC I. The Company consolidates SAC I under the voting interest model and reflects the results of SAC I as a consolidated entity. The SPAC's Class A ordinary shareholders have redemption rights that are considered to be outside of the Company's control, and as a result, these shares are presented as redeemable noncontrolling interests on the consolidated balance sheets.

Including the results of the consolidated entities may significantly increase the reported amounts of the assets, liabilities, revenues, expenses and cash flows in the accompanying consolidated financial statements; however, the consolidated entity's results included herein have no direct effect on income attributable to Sculptor Capital Management, Inc. or shareholders' deficit attributable to Class A shareholders. Economic ownership interests of the investors in the consolidated SPAC are reflected as redeemable non-controlling interests on the consolidated balance sheets.

Allocations of Sculptor Operating Group Earnings and Capital

Prior to the Recapitalization, the attribution of net income (loss) of each Sculptor Operating Partnership was based on the relative ownership percentages of the Group A Units (noncontrolling interests) and the Group B Units (indirectly held by the Registrant). In applying the substantive profit-sharing arrangements in the Sculptor Operating Partnership limited partnership agreements to the Company's consolidated financial statements, for periods subsequent to the Recapitalization and for the duration of the Distribution Holiday, the Company will allocate net income of each Sculptor Operating Partnership in any fiscal year solely to the Group B Units and any net loss on a pro rata basis based on the relative ownership percentages of the Group A Units and Group B Units. To the extent a Sculptor Operating Partnership incurs a net loss in an interim period, any net income recognized in a subsequent interim period in the same fiscal year is allocated on a pro rata basis to the extent of previously allocated net loss. Conversely, to the extent a Sculptor Operating Partnership recognizes net income in an interim period, any net loss incurred in a subsequent interim period in the same fiscal year is allocated solely to the Group B Units to the extent of previously allocated net income.

As of December 31, 2022, Group P Units are not participating in the earnings of the Sculptor Operating Group, as certain service and market performance conditions, as described in Note 13, have not been met as of the reporting period end.

See Note 4 for additional information regarding the Company's interest in the Sculptor Operating Group.

Noncontrolling Interests

The Group A Units represent interests in the Sculptor Operating Group not held by the Company, and amounts attributable to these units are presented as noncontrolling interests in the consolidated balance sheets, and allocations to these interests are presented as net income (loss) attributable to noncontrolling interests in the consolidated statements of operations.

In 2021, the Company consolidated a SPAC which issued redeemable Class A Shares. Amounts relating to these interests in the consolidated entity are presented as redeemable noncontrolling interests in the consolidated balance sheets. Profits and losses attributable to these interests are presented as net income (loss) attributable to redeemable noncontrolling interests in the consolidated statements of operations. Redeemable noncontrolling interests also included Preferred Units up until their redemption in November 2020, as described below.

The redeemable noncontrolling interests related to the SPAC were initially recorded at their original issue price, net of offering costs and the initial fair value of separately traded warrants. At each balance sheet date, the carrying value of the redeemable interest is presented at the redemption amount. The Company recognizes changes in the redemption amount immediately as they occur and adjusts the carrying value of the security at the end of each reporting period through a charge against additional paid-in capital for the difference between the carrying value of the SPAC's Class A ordinary shares, adjusted for SPAC's earnings attributable to noncontrolling interest holders, and their redemption value. As of December 31, 2022, all 23,000,000 Class A ordinary shares of the SPAC were classified outside of permanent equity as the redemption is outside the Company's control. See Note 4 for additional information regarding noncontrolling interests.

Preferred Units

Up until their redemption in November 2020, the Company presented Preferred Units as redeemable noncontrolling interests, outside of permanent equity on the Company's consolidated balance sheet, as the redemption of the Preferred Units have been effected in a manner not solely in control of the Company. The Company recorded the proceeds from the issuance and sale net of transactions costs. As the redemption of the Preferred Units was outside of the control of the Company, the Company carried the Preferred Units at redemption value at each period end. The change in redemption value was treated as a reduction of the common equity holders' interests in the Sculptor Operating Group. The pro rata share of the change in redemption value that was allocable to the Registrant was treated as an adjustment to net income (loss) attributable to Class A Shareholders when calculating earnings (loss) per Class A Share.

Revenue Recognition

The Company provides asset management services to its customers, including certain administrative services related to the funds' operations, in exchange for management and incentive fees, which are included in the Company's agreements with its customers. The services provided in connection with the identified performance obligations are satisfied over time. The agreements are generally automatically renewed on an annual basis unless the agreements are terminated by the general partner or directors of the respective funds.

Management Fees

Management fees for the Company's multi-strategy funds typically range from 1.00% to 2.00% annually of fee-paying assets under management based on the net asset value of these funds. For the Company's opportunistic credit funds, management fees typically range from 0.75% to 2.25% annually based on the net asset value of these funds. Management fees for Institutional Credit Strategies, which primarily relate to CLOs, generally range from 0.25% to 0.50% annually based on the par value of the collateral and cash held in the CLOs. Management fees for the Company's real estate funds, exclusive of co-investment vehicles, generally range from 0.75% to 1.50% annually based on the amount of capital committed or invested during the investment period, and on the amount of invested capital after the investment period. Management fees are recognized over the period during which the related services are performed.

Management fees are generally calculated and paid to the Company on a quarterly basis in advance, based on the amount of Assets Under Management at the beginning of the quarter. Management fees are prorated for capital inflows and redemptions during the quarter. Accordingly, changes in the Company's management fee revenues from quarter to quarter are driven by changes in the quarterly opening balances of Assets Under Management, the relative magnitude and timing of inflows and redemptions during the respective quarter, as well as the impact of differing management fee rates charged on those inflows and redemptions.

The Company considers management fees to be a form of variable consideration, as the amount earned each quarter may depend on various contingencies, such as the value of Assets Under Management, capital inflows and outflows during the period, or changes in committed or invested capital. Management fees, however, are generally recognized at the end of each reporting period and are not subject to clawback and, therefore, the value of the management fees the Company is entitled to receive at the end of each quarter is generally no longer subject to the constraint.

A portion of the management fees the Company earns from its CLOs is subordinated to other obligations of the CLOs, including principal and interest on the notes issued by the CLOs. When certain overcollateralization tests are triggered, cash flows received on the underlying collateral in the CLOs that would have otherwise been distributed as subordinated management fees to the Company are redirected to pay principal and interest on the more senior obligations of the CLOs. In the event a CLO fails to satisfy one or more overcollateralization tests, the Company will stop recognizing management fees for the CLO until if and when the collateral tests are remedied and all fees are paid.

Incentive Income

The Company earns incentive income based on the cumulative performance of the funds over a commitment period. The Company recognizes incentive income when such amounts are probable of not significantly reversing.

Incentive income is considered variable consideration, the recognition of which is subject to constraint. Incentive income is no longer constrained when it is probable that a significant reversal will not occur. Determining the amount of incentive income to record is subject to qualitative and quantitative factors including, where a fund is in its life-cycle, whether the Company has received or is entitled to receive incentive income distributions and potential sales of fund investments. The Company continuously evaluates whether there are additional considerations that could potentially impact the recognition of incentive income. To the extent that distributions have been received, but for which the recognition of incentive income is not appropriate, the Company will recognize a liability for unearned incentive income.

Incentive income is typically equal to 20% of the realized and unrealized profits, net of management fees, attributable to each fund investor in the Company's multi-strategy funds, open-end opportunistic credit funds and certain other funds. Incentive income excludes unrealized gains and losses attributable to investments that the Company, as investment manager, believes lack a readily ascertainable market value, are illiquid or should be held until the resolution of a special event or circumstance ("Special Investments"). For the Company's closed-end opportunistic credit funds, real estate funds and certain other funds, incentive income is typically equal to 20% of the realized profits, net of management fees, attributable to each fund investor. For CLOs, incentive income is typically 20% of the excess cash flows available to the holders of the subordinated notes.

The Company's ability to earn incentive income from some of its funds may be impacted by hurdle rates, whereby the Company is not entitled to incentive income until the investment returns exceed an agreed upon benchmark. For a portion of these assets subject to hurdle rates, once the investment performance has exceeded the hurdle rate, the Company may receive a preferential "catch-up" allocation, equal to a full 20% of the net profits attributable to investors in these assets.

All of the Company's multi-strategy funds and open-end opportunistic credit funds are subject to a perpetual loss carry forward, or perpetual "high-water mark," meaning the Company will not be able to earn incentive income with respect to positive investment performance it generates for a fund investor in any year following negative investment performance until that loss is recouped, at which point a fund investor's investment surpasses the high-water mark. The Company earns incentive income on any profits, net of management fees, in excess of the high-water mark.

The commitment period for most of the Company's multi-strategy Assets Under Management is for a period of one year on a calendar-year basis with incentive income recognized annually on December 31. The Company may also recognize incentive income related to fund investor redemptions at other times during the year, and on Assets Under Management subject to commitment periods that are longer than one year where the commitment period expires during the year. The Company may also recognize incentive income for tax distributions that the Company is entitled to that cover estimated tax obligations of the Company related to the management of certain funds, as such distributions are not subject to clawback once distributed to the Company.

See Note 12 for additional information regarding the Company's revenues.

Other Revenues

Other revenues consist primarily of interest income on investments in CLOs and cash and cash equivalents and subrental income. Interest income is recognized on an effective yield basis. Subrental income is recognized on a straight-line basis over the lease term. For the years ended December 31, 2022, 2021, and 2020, the Company recognized $10.1 million, $4.8 million, and $7.0 million, respectively, of interest income.

Compensation and Benefits

Compensation and benefits is comprised of salaries, employee benefits, payroll taxes, and discretionary and guaranteed cash bonus expense. The Company generally recognizes compensation and benefits expenses over the related service period.

Bonus Compensation

On an annual basis, compensation and benefits comprise a significant portion of total expenses, with discretionary cash bonuses generally comprising a significant portion of total compensation and benefits. The Company accrues minimum annual discretionary cash bonus on a straight-line basis during the year. The total amount of discretionary cash bonuses ultimately recognized for the full year, which is determined in the fourth quarter of each year, could differ materially from the minimum amount accrued during the first three quarters of each year, as the total discretionary cash bonus is dependent upon a variety of factors, including fund performance for the year.

Equity-Based Compensation

Compensation expense related to equity-classified share-based payments with a service condition is based on the grant-date fair value and recognized on a straight-line basis over the requisite service period for awards with both cliff vesting and graded vesting. The Company accounts for forfeitures on share-based compensation arrangements as they occur. The Company recognizes all income tax effects of awards within consolidated net income (loss) when the awards vest or are settled.

Compensation expense related to equity-classified share-based payments with market or performance conditions is based on the estimated fair value of the awards at the date of grant, using graded vesting, which separately considers and recognizes compensation expense over the requisite service period for each tranche. For awards with post-vesting performance conditions, at each reporting date, compensation expense is updated to reflect the fair value per share at the grant date, using the most probable outcome related to the underlying performance conditions.

For liability-classified share-based payments, the Company recognizes compensation expense over the requisite service period and adjusts to the fair value as of the end of the reporting period.

See Note 13 for additional information on the Company's equity-based compensation plans.

Profit Sharing Arrangements

The Company also has profit-sharing arrangements whereby certain employees and executive managing directors are entitled to a share of incentive income distributed to the Company from its real estate funds. To the extent that the payments made by the Company to the employees and executive managing directors are probable and reasonably estimable, the Company accrues these payments as compensation expense, which may occur prior to the recognition of the related incentive income.

Deferred Cash Interests (DCIs)

DCIs are granted to certain employees and executive managing directors as a form of compensation. DCIs generally vest over a three year period, subject to an employee's or executive managing director's continued service. Upon vesting, the Company pays the employee or executive managing director an amount in cash equal to the notional investment in specified funds represented by the DCIs, as adjusted for fund performance over the service period. Except as otherwise provided in the relevant deferred cash interest plan or in an award agreement, in the event of a termination of the employee's or executive managing director's service, any portion of the DCIs that are unvested as of the date of termination will be forfeited. The Company recognizes the total notional investment as compensation expense, as adjusted for notional fund performance, over the related service period.

Income Taxes

Deferred income tax assets and liabilities resulting from temporary differences between the GAAP and tax bases of assets and liabilities are measured at the balance sheet date using enacted income tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse. The Company offsets deferred income tax assets and liabilities for presentation in its consolidated balance sheets when such assets and liabilities are within the same legal entity and related to the same taxing jurisdiction.

The realization of deferred income tax assets depends upon the existence of sufficient taxable income within the carryback or carryforward periods under the enacted tax law in the applicable tax jurisdiction. A valuation allowance is established when management determines, based on available information, that it is more likely than not that deferred income tax assets will not be realized. Significant judgment is required in determining whether a valuation allowance should be established, as well as the amount of such allowance.

The Company recognizes the income tax accounting effects of changes in tax law or rates (including retroactive changes) in the period of enactment. Future events such as changes in tax legislation could have an impact on the provision for income taxes and the effective income tax rate. Any such changes could significantly affect the amounts reported in the consolidated financial statements in the year these changes occur.

The Company records interest and penalties related to income taxes within income taxes in the consolidated statements of operations.

Comprehensive Income (Loss)

Comprehensive income consists of net income and other comprehensive income. The Company's other comprehensive income is comprised of foreign currency translation adjustments associated with the Company's Euro denominated subsidiary and related income tax effects. The Company would release income tax effects from accumulated other comprehensive income if and when the investment in the foreign entity is sold or liquidated.

Cash and Cash Equivalents and Restricted Cash

The Company considers highly-rated liquid investments that have an original maturity of three months or less from the date of purchase to be cash equivalents. Cash equivalents (excluding investments in U.S. government obligations, as discussed below) are recorded at amortized cost plus accrued interest. Interest income from cash and cash equivalents is recorded in other revenues in the consolidated statements of operations. As of December 31, 2022, excluding investments in U.S. government obligations, substantially all of the Company's cash and cash equivalents were held with one major financial institution, which exposes the Company to a certain degree of credit risk concentration.

Restricted cash represents the security deposit on the New York office lease, as well as amounts that are restricted as to usage due to regulatory reasons. Restricted cash of consolidated entities relates to amounts held by the Company's consolidated structured alternative investment solution which is restricted for use.

Investments

Investments in CLOs

The Company elected to measure its investments in CLOs at fair value through consolidated net income (loss). Changes in fair value of these investments are included within net (losses) gains on investments in the consolidated statements of operations. The Company accrues interest income on its investments in CLOs using the effective interest method.

Investments in Other Funds

The Company's equity investments in funds, where the Company exercises significant influence but for which the Company has not elected the fair value option, are accounted for under the equity method of accounting. The Company recognizes its share of earnings within net (losses) gains on investments in the consolidated statements of operations. The carrying amounts of equity method investments are recorded in investments in the consolidated balance sheets.

Investments in U.S. Government Obligations

The Company invests in U.S. government obligations to manage excess liquidity. These investments are carried at fair value, as the Company has elected the fair value option. Interest income on such securities is separately presented from the overall change in fair value and is recognized in other revenues in the consolidated statements of operations. Any remaining change in fair value of such securities is recognized in net (losses) gains on investments in the consolidated statements of operations. These investments are recorded in the consolidated balance sheet within cash and cash equivalents for investments with an original maturity from the date of purchase of three months or less, and within investments for those longer than three months. Interest income and changes in fair value of these investments were immaterial for the years ended December 31, 2022, 2021 and 2020.

As of December 31, 2022, $238.0 million of U.S. Treasury bills held by SAC I are restricted for use, and may only be used for purposes of completing an initial business combination or redemption of public shares as set forth in SAC I's trust agreement. These amounts are presented within investments of consolidated entities in the consolidated balance sheets.

Transfers of Financial Assets

Historically, the Company purchased loans in the open market and sold the loans at cost to CLOs it manages. The Company accounted for the transfers of these loans as sales upon meeting the following requirements: (i) the transferred assets were legally isolated from the Company; (ii) holders of the notes issued by the CLO (other than the Company) had the right to sell or pledge their notes; and (iii) the Company did not maintain effective control over the transferred loans. See Note 5 for additional information.

Leases

Right-of-use assets and liabilities related to operating leases are included within operating lease assets and operating lease liabilities, respectively, in the Company's consolidated balance sheets. Right-of-use assets and liabilities related to finance leases are included within other assets and other liabilities, respectively, in the Company's consolidated balance sheets.

The Company determines if an arrangement is a lease at inception. Right-of-use lease assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Right-of-use lease assets represent the Company's right to use a leased asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company does not recognize right-of-use lease assets and lease liabilities for leases with an initial term of one year or less.

As the Company's leases do not provide an implicit rate, the Company uses its estimated incremental borrowing rate based on information available at the lease commencement date in determining the present value of lease payments. The determination of an appropriate incremental borrowing rate requires judgment. The Company determines its incremental borrowing rate based on publicly available data for instruments with similar characteristics, including recently issued debt, as well as other factors.

The operating lease assets include any lease payments made and excludes lease incentives. Lease terms include options to extend or terminate when it is reasonably certain that the Company will exercise that option. In addition, the Company separates lease and non-lease components embedded within lease agreements, except for data center leases.

Lease expense for operating lease payments, which is comprised of amortization of right-of-use assets and interest accretion on lease liabilities, is generally recognized on a straight-line basis over the lease term and included within general, administrative and other expenses in the consolidated statements of operations. Amortization of right-of-use lease assets related to finance leases is included within general, administrative and other expenses and interest accretion on lease liabilities related to finance leases is included within interest expense.

Subrental income is recognized on a straight-line basis over the lease term and is included within other revenues in the consolidated statements of operations. Where the Company has entered into a sublease arrangement, the Company will evaluate the lease arrangement for impairment. To the extent an impairment of the right-of-use lease asset is recognized, the Company will recognize lease impairment and subsequently amortize the remaining lease asset on a straight-line basis over the remaining lease term within general, administrative and other expenses in the consolidated statements of operations.

Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation and amortization within other assets, net in the consolidated balance sheets. The Company evaluates fixed assets for impairment whenever events or changes in circumstances indicate that an asset's carrying value may not be fully recovered. Depreciation and amortization of fixed assets are calculated using the straight-line method over the following depreciable lives: the shorter of the related lease term or expected useful life for leasehold improvements and 3 years to 7 years for all other fixed assets.

Goodwill

Goodwill is included within other assets, net in the Company's consolidated balance sheets and relates to the Company's 2007 acquisition of a noncontrolling interest in its real estate business. The Company tests goodwill for impairment on an annual basis or more frequently if events or circumstances justify conducting an interim test.

Cloud Computing Costs

The Company entered into a certain cloud computing arrangement with a third party that provides the Company with an access to and use of certain software and services. The Company accounts for this arrangement as a service contract ("Hosting Arrangement"). The Company evaluates implementation costs for the Hosting Arrangement under the internal-use software framework. Costs related to preliminary project activities and post implementation activities are expensed as incurred, whereas costs incurred in the development stage are generally capitalized until the project is substantially complete and ready for its intended use. The Company reports the capitalized cloud computing costs in other assets, net in the consolidated balance sheets. The capitalized implementation costs will be amortized, once the project is ready for its intended use, over the expected term of the Hosting Arrangement, which includes consideration of the non-cancellable contractual term and reasonably certain renewals, and will be presented in the same line item in the consolidated statements of operations as the expense for fees for the associated Hosting Arrangement. The Company will report the amortized costs in the general, administrative and other in the consolidated statements of operations.

Debt Obligations

Debt obligations are carried at amortized cost and are reported net of any debt issuance costs, discounts and premiums. Debt issuance costs, discounts and premiums are amortized to interest expense over the life of the instrument using the effective interest method. Unamortized debt issuance costs, discounts and premiums are written off to net losses on retirement of debt in the consolidated statements of operations when the Company prepays borrowings prior to maturity.

Warrant Liabilities

Warrants of the Company are classified as liabilities due to the cash settlement feature in the event of a change in control specified in the warrant agreements. Warrants of the consolidated SPAC are classified as derivative liabilities as they are not

considered indexed to the SPAC's stock and due to their tender offer provisions outlined in the underlying agreement. Warrant liabilities are recognized at fair value, with changes in fair value included in other loss in the consolidated statements of operations.

Securities Sold Under Agreements to Repurchase

Securities sold under agreements to repurchase ("repurchase agreements") are accounted for as collateralized financing transactions. The Company provides securities to counterparties to collateralize amounts borrowed under repurchase agreements on terms that permit the counterparties to repledge or resell the securities to others. Securities transferred to counterparties under repurchase agreements are included within investments in the consolidated balance sheets. Cash received under a repurchase agreement is recognized as a liability within securities sold under agreements to repurchase in the consolidated balance sheets. Interest expense is recognized on an effective yield basis and is included within interest expense in the consolidated statements of operations. See Note 9 for additional information.

Policies of Consolidated Entities

For purposes of these consolidated financial statements, "consolidated entities" refers to funds, special purpose entities, investment vehicles and other similar structures which the Company is required to consolidate in accordance with GAAP. The funds are considered investment companies for GAAP purposes. Pursuant to specialized accounting guidance for investment companies and the retention of that guidance in the Company's consolidated financial statements, the investments held by the consolidated funds are reflected in the consolidated financial statements at their estimated fair values.

The policy applied by the Company is that a consolidated entity that is considered an investment company under GAAP will generally consolidate another investment company when it owns substantially all of the interest in that investment company.

In the first quarter of 2022, the Company closed on a $350.0 million structured alternative investment solution. The vehicle is a collateralized financing vehicle that issues senior and subordinated notes to investors and uses those proceeds to invest in a diversified portfolio of funds managed by the Company. Senior and mezzanine notes issued by the vehicle make periodic payments based on a stated interest rate, while the most subordinated notes have no stated interest rate but receive periodic payments from excess cash flows remaining after periodic payments have been made to the other notes and for fees and expenses due, as prescribed by the terms of the notes.

The Company measures the financial assets of the consolidated structured alternative investment solution, an investment company, at fair value using net asset value ("NAV") per share of the underlying funds. The Company may determine, based on its own due diligence and investment procedures, that NAV per share does not represent fair value. In such circumstances, the Company will estimate the fair value in good faith and in a manner that it reasonably chooses, in accordance with the requirements of GAAP. The terms of the investments in underlying funds generally provide for minimum holding or lock-up periods, as well as redemption restrictions. Refer to Note 5 for further disclosures of investments for which fair value is measured using NAV per share.

The Company has elected the fair value option for the financial liabilities of the structured alternative investment solution. The Company measures the financial liabilities of its consolidated entity based on the fair value of the financial assets of its consolidated entity, as the Company believes the fair value of the financial assets are more observable. The financial liabilities are measured as (i) the sum of the fair value of the consolidated fund assets less (ii) the sum of the fair value of any beneficial interests retained by the Company. As a result of this measurement alternative, there is no attribution of amounts to noncontrolling interest for consolidated structured alternative investment solution.

In 2021, the Company consolidated a SPAC. The SPAC accrues interest income on U.S. government obligations held in a trust account, and incurs certain operational expenses related to legal, insurance and deal research costs. The Class A shares issued by the consolidated SPAC are redeemable for cash by the public shareholders in the event the SPAC is unable to complete a business combination or a tender offer provision by a set date. Therefore, the investors' interests in the SPAC are classified

within redeemable noncontrolling interests in the consolidated balance sheets. Allocations of earnings to these shares are reflected within net income (loss) attributable to redeemable noncontrolling interests in the consolidated statements of operations. Additionally, the accretion of the redeemable noncontrolling interests to redemption value is recorded within change in redemption value of redeemable noncontrolling interests in the consolidated statements of operations. The SPAC also issued warrants which are described earlier in this note.

Income of Consolidated Entities

Income of consolidated entities consists of interest income, dividend income and other miscellaneous items. Interest income is recognized on an effective yield basis. The consolidated entities may place debt obligations, including bank debt and other participation interests, on non-accrual status and, when necessary, reduce current interest income by charging off any interest receivable when collection of all or a portion of such accrued interest has become doubtful. The balance of non-accrual investments as of December 31, 2022, and the impact of such investments for the year ended December 31, 2022 were not material. Dividend income is recorded on the ex-dividend date, net of withholding taxes, if applicable. Premiums and discounts were amortized and accreted, respectively, to income of consolidated entities in the consolidated statements of operations.

Expenses of Consolidated Entities

Expenses of consolidated entities consist of interest expense, general, administrative and other miscellaneous expenses. Interest expense is recognized on an effective yield basis.

Certain Assets and Liabilities of Consolidated Entities

Investments of consolidated entities are carried at fair value and include the consolidated entities' investments in securities, investment companies and other investments. Securities transactions are recorded on a trade-date basis. Realized gains and losses on sales of investments of the funds are determined on a specific identification basis and are included within net losses of consolidated entities in the consolidated statements of operations.

The fair value of investments held by the consolidated entities is based on observable market prices when available. Such values are generally based on the last reported sales price as of the reporting date. In the absence of readily ascertainable market values, the determination of the fair value of investments held by the consolidated funds may require significant judgment or estimation. For information regarding the valuation of these assets, see Note 5.

Assets of the consolidated structured alternative investment solution are presented within investments of consolidated entities, and liabilities due to third parties are presented within notes payable, at fair value within liabilities of consolidated entities in the consolidated balance sheets. Changes in the fair value of the vehicle's financial assets and liabilities and related interest and other income are presented within net gains (losses) of consolidated entities, and ongoing expenses of the vehicle are presented as expenses of consolidated entities in the consolidated statements of operations.

Also included within investments of consolidated entities are U.S. Treasury bills with original maturities of 90 days or more when purchased, which are held in a trust account by the Company's consolidated SPAC. These investments are restricted for use and may only be used for purposes of completing an initial business combination or redemption of public shares as set forth in the SPAC trust agreement.

Recently Adopted Accounting Pronouncements

No changes to GAAP that went into effect in the year ended December 31, 2022, had a material effect on the Company's consolidated financial statements.

Future Adoption of Accounting Pronouncements

No changes to GAAP that are not yet effective are expected to have a material effect on the Company's consolidated financial statements.

3. RECAPITALIZATION

On February 7, 2019, the Company completed the Recapitalization, which included a series of transactions that involved the reallocation of certain ownership interests in the Sculptor Operating Partnerships to existing members of senior management, the Distribution Holiday and various other related transactions.

As part of the Recapitalization in February 2019, (i) $200.0 million of the 2016 Preferred Units was restructured into an unsecured senior subordinated term loan (the "Debt Securities") and (ii) $200.0 million of the 2016 Preferred Units was restructured into 2019 Preferred Units. As a result of the Recapitalization, Preferred Units reported in redeemable noncontrolling interests in the Company's balance sheet decreased to a balance of $150.0 million, which represented the redemption value of the 2019 Preferred Units net of the negotiated prepayment discount available as of that date. The adjustment to the redemption value was taken as an adjustment to the net income (loss) allocable to Class A Shareholders. The restructuring of the 2016 Preferred Units into Debt Securities resulted in the Company initially recognizing the Debt Securities at fair value of $167.8 million net of discount and debt issuance costs, and the discounts and debt issuance costs were amortized through interest expense through the date the Debt Securities were repaid in November 2020.

Reallocation of Equity

In connection with the Recapitalization, holders of Group A Units collectively reallocated 35% of their Group A Units to existing members of senior management and for potential grants to new hires. The reallocation was effected by (i) recapitalizing such Group A Units into Group A-1 Units, and (ii) creating and making grants to existing members of senior management (and reserving for future grants to active managing directors and new hires) of Group E Units, which were treated as new grants of equity-based compensation. An equivalent number of Group A-1 Units will be canceled at such time and to the extent that Group E Units vest and achieve a book-up. Upon vesting, holders of Group E Units that were received in connection with the reallocation of Group A Units will be entitled to vote a corresponding number of Class B Shares previously allocated to Group A-1 Units. Until such time as the relevant Group E Units become vested, the Class B Shares corresponding to the Group A-1 Units will be voted pro rata in accordance with the vote of the Class A Shares. In connection with the Recapitalization, the holders of the 2016 Preferred Units forfeited an additional 749,813 Group A Units (which were recapitalized into Group A-1 Units). As a result of the reallocation of equity and related income tax effects of Recapitalization, the Company recorded $37.8 million to additional paid-in capital and a reduction of $39.1 million to noncontrolling interests in the year ended December 31, 2019.

Distribution Holiday

The Sculptor Operating Partnerships initiated the Distribution Holiday on the Group A Units, Group E Units and Group P Units and on certain RSUs that will terminate on the earlier of (x) 45 days after the last day of the first calendar quarter as of which the achievement of $600.0 million of Distribution Holiday Economic Income (as defined in the Sculptor Operating Partnerships' limited partnership agreements) is realized and (y) April 1, 2026.

During the Distribution Holiday, (i) the Sculptor Operating Partnerships shall only make distributions with respect to Group B Units, (ii) the performance thresholds of Group P Units, PSUs and RSAs shall be adjusted to take into account performance and distributions during such period, and (iii) RSUs will continue to receive dividend equivalents in respect of dividends or distributions paid on the Class A Shares. For certain executive managing directors, distributions on RSUs, as well as distributions counted in determining whether market performance conditions of Group P Units, RSAs, PSUs are met, are limited to an aggregate amount not to exceed $4.00 per Group P Unit, PSU, RSAs or RSU, as applicable, cumulatively during the

Distribution Holiday. Following the termination of the Distribution Holiday, Group A Units and Group E Units (whether vested or unvested) shall receive distributions even if such units have not been booked-up.

The Distribution Holiday was effective retroactively to October 1, 2018. As a result, in the year ended December 31, 2019, the Company recorded an increase of $37.8 million to additional paid-in capital and a reduction of $39.1 million to noncontrolling interests to reallocate a portion of pre-Recapitalization earnings and related income tax effects from noncontrolling interests to the Company's additional paid-in capital. Such adjustment was recorded within Recapitalization adjustment in the consolidated statement of shareholders' equity (deficit).

4. NONCONTROLLING INTERESTS

Noncontrolling interests represent ownership interests in the Company's subsidiaries held by parties other than the Company, and primarily relate to the Group A Units held by executive managing directors.

Prior to the Recapitalization, the attribution of net income (loss) of each Sculptor Operating Partnership was based on the relative ownership percentages of the Group A Units (noncontrolling interests) and the Group B Units (indirectly held by the Registrant). In applying the substantive profit-sharing arrangements in the Sculptor Operating Partnerships' limited partnership agreements to the Company's consolidated financial statements, for periods subsequent to the Recapitalization and for the duration of the Distribution Holiday, the Company will allocate net income of each Sculptor Operating Partnership in any fiscal year solely to the Group B Units and any net loss on a pro rata basis based on the relative ownership percentages of the Group A Units and Group B Units. To the extent a Sculptor Operating Partnership incurs a net loss in an interim period, any net income recognized in a subsequent interim period in the same fiscal year is allocated on a pro rata basis to the extent of previously allocated net loss. Conversely, to the extent a Sculptor Operating Partnership recognizes net income in an interim period, any net loss incurred in a subsequent interim period in the same fiscal year is allocated solely to the Group B Units to the extent of previously allocated net income.

Noncontrolling interests are presented as a separate component of shareholders' equity on the Company's consolidated balance sheets. The primary components of noncontrolling interests are separately presented in the Company's consolidated statements of changes in shareholders' equity (deficit) to distinguish the shareholders' equity (deficit) attributable to Class A shareholders and noncontrolling interest holders. Net income (loss) includes the net income (loss) attributable to the holders of noncontrolling interest on the Company's consolidated statements of operations.

Sculptor Operating Group Ownership

The Company's equity interest in the Sculptor Operating Group decreased to 45.8% as of December 31, 2022, from 47.8% as of December 31, 2021. Changes in the Company's interest in the Sculptor Operating Group have historically been, and in the future may be, driven by the following: (i) the exchange of Group A Units and Group P Units for Class A Shares, at which time the related Class B Shares are also canceled; (ii) vesting of RSAs; (iii) the issuance of Class A Shares under the Company's Amended and Restated 2007 Equity Incentive Plan, 2013 Incentive Plan and 2022 Incentive Plan related to the settlement of RSUs or PSUs; (iv) the forfeiture of Group A Units and participating Group P Units by a departing executive managing director; and (v) the repurchase of Class A Shares and Group A Units. The Company's interest in the Sculptor Operating Group is generally expected to continue to increase over time as additional Class A Shares are issued upon the exchange of Group A Units and Group P Units, as well as the settlement of vested RSUs, PSUs and RSAs. However, additional repurchases of Class A Shares under the Company's 2022 Share Repurchase Program may lead to a decrease of the Company's interest in the Sculptor Operating Group. Additionally, the Company's economic interest in the Sculptor Operating Group will decline when Group P Units begin to participate, as described in Note 13.

The table below sets forth the calculation of noncontrolling interests related to the Group A Units for each Sculptor Operating Partnership (rounding differences may occur). The blended participation percentages presented below take into account ownership changes throughout the periods presented.

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Sculptor Capital LP			
Net income (loss)	$ 28,586	$ (1,922)	$ (56,514)
Blended participation percentage	0 %	37 %	41 %
Net Loss Attributable to Group A Units	**$ —**	**$ (710)**	**$ (23,259)**
Sculptor Capital Advisors LP			
Net (loss) income	$ (17,436)	$ (36,803)	$ 155,967
Blended participation percentage	39 %	37 %	0 %
Net Loss Attributable to Group A Units	**$ (6,764)**	**$ (13,589)**	**$ —**
Sculptor Capital Advisors II LP			
Net (loss) income	$ (51,070)	$ 59,129	$ 128,295
Blended participation percentage	39 %	0 %	0 %
Net Loss Attributable to Group A Units	**$ (19,812)**	**$ —**	**$ —**
Total Sculptor Operating Group			
Net (loss) income	$ (39,920)	$ 20,404	$ 227,748
Blended participation percentage	67 %	-70 %	-10 %
Net Loss Attributable to Group A Units	**$ (26,576)**	**$ (14,299)**	**$ (23,259)**

The following table presents the components of the net loss attributable to noncontrolling interests:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Group A Units	$ (26,576)	$ (14,299)	$ (23,259)
Other	2,664	2,983	303
	$ (23,912)	**$ (11,316)**	**$ (22,956)**

The following table presents the components of the shareholders' equity attributable to noncontrolling interests:

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Group A Units	$ 412,941	$ 431,304
Other	26,538	15,165
	$ 439,479	**$ 446,469**

Redeemable noncontrolling interests

The Preferred Units (which were redeemed in the fourth quarter of 2020) were redeemable outside of the Company's control. These interests were classified within redeemable noncontrolling interests in the consolidated balance sheets. Additionally, in 2021 the Company consolidated the SPAC it sponsors. The Class A shares issued by the consolidated SPAC are redeemable for cash by the public shareholders in the event the SPAC is unable to complete a business combination or a tender offer provision by a set date. Therefore, the investors' interests in the SPAC are classified within redeemable noncontrolling interests in the consolidated balance sheets.

The following table presents the activity in redeemable noncontrolling interests for the years ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,		
	2022	2021	2020
	SPAC	SPAC	Preferred Units
	(dollars in thousands)		
Beginning balance	$ 234,600	$ —	$ 150,000
SPAC initial carrying value	—	209,238	—
Change in redemption value of Class A Shares of consolidated SPAC	(4,202)	25,924	—
Change in redemption value of Preferred Units	—	—	6,952
Redemption of 2019 Preferred Units, net of discount	—	—	(156,952)
Comprehensive income (loss)	7,466	(562)	—
Ending Balance	**$ 237,864**	**$ 234,600**	**$ —**

Exchange of Group A Units for Class A Shares and Cash

On November 3, 2021, the Company exchanged 993,512 Sculptor Operating Group A Units held by certain former executive managing directors for a combination of $11.1 million cash and 313,847 Class A Shares. The Company exchanged

397,404 Group A Units for 313,847 Class A Shares at an exchange ratio of 0.8 Class A Shares per Group A Unit and repurchased 596,108 Group A Units at a price per unit of $18.62, for an aggregate of $11.1 million. Following such exchange and repurchase, 993,512 Group A Units were canceled. In addition, pursuant to the terms of the exchange agreement by and among the Company and such former executive managing directors, 534,969 Group A-1 Units held by such former executive managing directors were canceled. 1,345,574 Class B Shares were also canceled.

As a result of the transaction, the Company recorded a decrease to paid-in capital of $4.0 million and a decrease to noncontrolling interests of $4.1 million. The Class A Share exchange also generated an increase to the tax receivable liability of $3.4 million. The exchange for Class A Shares and cash, also resulted in $6.5 million of additional deferred income tax assets for tax deductible goodwill, that is expected to be subsequently amortized, and result in future taxable deductions and cash savings to the Company. The net increase in the deferred income tax assets was recorded as an increase to paid-in capital.

5. INVESTMENTS AND FAIR VALUE DISCLOSURES

The following table presents the components of the Company's investments as reported in the consolidated balance sheets:

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
U.S. government obligations, at fair value	$ 24,782	$ 205,400
CLOs, at fair value	207,147	219,510
Equity method investments	67,130	158,712
Total Investments	**$ 299,059**	**$ 583,622**
Investments of Consolidated Entities	**$ 544,554**	**$ —**

The Company invests in U.S. government obligations to manage excess liquidity. CLOs, at fair value, consist of investments in notes of unconsolidated CLOs. These investments are carried at fair value under the irrevocable fair value option election at initial recognition. Changes in fair value are recorded within net (losses) gains on investments in the consolidated statements of operations. Interest income on these investments is accrued using the effective interest method and separately presented from the overall change in fair value and is recognized in other revenue in the consolidated statement of operations.

The Company's equity method investments include investments in funds, which are not consolidated, but in which the Company exerts significant influence, but not control. The Company has not elected the fair value option and accounts for such investments under the equity method. Under the equity method of accounting, the Company recognizes its share of the underlying earnings (losses) from equity method investments within net (losses) gains on investments in the consolidated statements of operations. The carrying amounts of equity method investments are recorded in investments in the consolidated balance sheets. Refer to Note 17 for details of the related party nature of such investments.

Investments of consolidated entities include both investments of the Company's consolidated SPAC, which consists of investments in U.S. Treasury bills held in a trust account and measured at fair value, as well as investments held by the Company's consolidated structured alternative investment solution. The investments of the consolidated structured alternative investment solution that the Company manages are generally measured at fair value using the NAV per share practical expedient. The Company may determine based on its own due diligence and investment procedures, that NAV per share does not represent fair value. In such circumstances, the Company will estimate the fair value in good faith and in a manner that it reasonably chooses in accordance with GAAP. The Company does not categorize investments where fair value is measured using the NAV practical expedient within the fair value hierarchy.

The following table summarizes the fair value of the investments of the structured alternative investment solution that are measured using the NAV practical expedient by strategy type and ability to redeem such investments as of December 31, 2022:

Fund Type[1]	Fair Value (as of December 31, 2022)	Redemption Frequency[2]	Redemption Notice Period[2]
	(dollars in thousands)		
Multi-strategy	68,891	Quarterly - Annually	30 days - 90 days
Credit	228,936	Monthly - Annually[3]	30 days - 90 days
Real estate	8,763	None[4]	N/A
Total	**$ 306,590**		

(1) The structured alternative investment solution invests in both open-ended and close-ended funds. The investments in each fund may represent investments in a particular tranche of such fund subject to different withdrawal rights.

(2) $148.8 million of investments are subject to an initial lock-up period of three years during which time no withdrawals or redemptions are allowed. Once the lock-up period ends, the investments are able to be redeemed with the frequency noted above.

(3) 23% of these investments are in closed-end funds which cannot be redeemed, as distributions will be received as the underlying assets are liquidated, which is expected to be approximately six years.

(4) 100% of these investments are in closed-end funds which cannot be redeemed, as distributions will be received as the underlying assets are liquidated, which is expected to be approximately seven to nine years.

As of December 31, 2022, the structured alternative investment solution had unfunded commitments of $90.1 million related to the investments presented in the table above.

See Note 2 for additional information regarding the investments of consolidated entities.

Fair Value Disclosures

Fair value represents the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date (i.e., an exit price). The Company and the funds it manages hold a variety of investments, certain of which are not publicly traded or that are otherwise illiquid. Significant judgement and estimation go into the assumptions that drive the fair value of these investments. The fair value of these investments may be estimated using a combination of observed transaction prices, prices from third parties (including independent pricing services and relevant broker quotes), models or other valuation methodologies based on pricing inputs that are neither directly nor indirectly market observable. Due to the inherent uncertainty of valuations of investments that are determined to be illiquid or do not have readily ascertainable fair values, the estimates of fair value may differ from the values ultimately realized, and those differences can be material.

GAAP establishes a hierarchical disclosure framework that prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type and the specific characteristics of the financial instrument, including existence and transparency of transactions between market participants. Financial instruments with readily available actively quoted prices or for which fair value can be measured from actively-quoted prices generally will have a higher degree of market price observability and lesser degree of judgment used in measuring fair value.

Financial instruments measured at fair value are classified and disclosed into one of the following categories based on the observability of inputs used in the determination of fair values:

- **Level I** – Quoted prices that are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments that would generally be included in this category are listed equities, U.S. government obligations and listed derivatives. The Company does not adjust the quoted price for these investments.

- **Level II** – Quotations received from dealers making a market for financial instruments ("broker quotes"), valuations obtained from independent third-party pricing services, the use of models or other valuation methodologies based on pricing inputs that are either directly or indirectly observable as of the reporting date. The types of financial instruments that would generally be included in this category are certain corporate bonds and loans, certain credit default swap contracts, certain bank debt securities, certain commercial real estate debt, less liquid equity securities, forward contracts and certain over the-counter ("OTC") derivatives where the fair value is based on observable inputs. These financial instruments exhibit higher levels of liquid market observability as compared to Level III financial instruments.
- **Level III** – Pricing inputs that are unobservable for the financial instruments and includes situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value of financial instruments in this category may require significant management judgment or estimation. The fair value of these financial instruments may be estimated using a combination of observed transaction prices, independent pricing services, relevant broker quotes, models or other valuation methodologies based on pricing inputs that are neither directly or indirectly market observable (e.g., cash flows, implied yields, EBITDA multiples). The types of financial instruments that would generally be included in this category include CLOs, certain warrant liabilities, certain credit default swap contracts, certain bank debt securities, certain OTC derivatives, asset-backed securities, collateralized debt obligations and investments in affiliated credit funds.

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

For financial instruments for which the Company uses independent pricing services for valuation, the Company performs analytical procedures and compares independent pricing service valuations to other vendors' pricing as applicable. The Company also performs due diligence reviews on independent pricing services on an annual basis and performs other due diligence procedures as may be deemed necessary.

Fair Value Measurements Categorized within the Fair Value Hierarchy

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis within the fair value hierarchy as of December 31, 2022:

	As of December 31, 2022				
	Level I	Level II	Level III	NAV	Total
	(dollars in thousands)				
Assets, at Fair Value					
Included within cash and cash equivalents:					
U.S. government obligations	$ 19,937	$ —	$ —	$ —	$ 19,937
Included within investments:					
U.S. government obligations	$ 24,782	$ —	$ —	$ —	$ 24,782
CLOs[1]	$ —	$ —	$ 207,147	$ —	$ 207,147
Included within investments of consolidated entities:					
U.S. government obligations	$ 237,964	$ —	$ —	$ —	$ 237,964
Investments in funds	—	—	—	306,590	306,590
Investments of Consolidated Entities	**$ 237,964**	**$ —**	**$ —**	**$ 306,590**	**$ 544,554**
Liabilities, at Fair Value					
Warrants	$ —	$ —	$ 24,163	$ —	$ 24,163
Liabilities of consolidated entities:					
Warrants	$ 596	$ —	$ —	$ —	$ 596
Notes payable	$ —	$ —	$ 196,106	$ —	$ 196,106

(1) As of December 31, 2022, investments in CLOs had contractual principal amounts of $212.0 million outstanding, which excludes the Company's investments in subordinated tranches of the notes, as these do not have contractual principal payments.

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis within the fair value hierarchy as of December 31, 2021:

	As of December 31, 2021			
	Level I	Level II	Level III	Total
	(dollars in thousands)			
Assets, at Fair Value				
Included within investments:				
U.S. government obligations	$ 205,400	$ —	$ —	$ 205,400
CLOs[(1)]	$ —	$ —	$ 219,510	$ 219,510
Included within restricted cash of consolidated entities:				
U.S. government obligations	$ 234,601	$ —	$ —	$ 234,601
Liabilities, at Fair Value				
Warrants	$ —	$ —	$ 65,287	$ 65,287
Liabilities of consolidated entities:				
Warrants	$ —	$ —	$ 7,590	$ 7,590

(1) As of December 31, 2021, investments in CLOs had contractual principal amounts of $205.9 million outstanding, which excludes the Company's investments in subordinated tranches of the notes, as these do not have contractual principal payments.

Reconciliation of Fair Value Measurements Categorized within Level III

Gains and losses on investments categorized within Level III, excluding those related to investments of consolidated entities and foreign currency translation adjustments, are recorded within net (losses) gains on investments in the consolidated statements of operations. Gains and losses related to foreign currency translation adjustments are recorded in the statements of comprehensive income (loss), and gains and losses related to investment of consolidated entities are recorded within net gains (losses) of consolidated entities. Amortization of premium, accretion of discount and foreign exchange gains and losses on non-U.S. dollar investments are also included within gains and losses in the tables below. Changes in fair value of warrant liabilities are included in other loss in the consolidated statements of operations. In the first quarter of 2022, the warrants of the consolidated SPAC began to trade publicly, and as such, were transferred from Level III to Level I. Changes in fair value of warrant liabilities and notes payable of the consolidated entities are included in net gains (losses) of consolidated entities in the consolidated statements of operations. The Company elected to measure its investments in CLOs, U.S. government obligations and notes payable of the consolidated fund at fair value through consolidated net (loss) income in order to simplify its accounting for these instruments.

The following tables summarizes the changes in the Company's Level III financial assets and liabilities for the periods presented:

	December 31, 2021	Transfers In	Transfers Out	Purchases / Issuances	Investment Sales / Settlements	Gains / (Losses) Included in Earnings	Gains / (Losses) Included in Other Comprehensive Income	December 31, 2022
				(dollars in thousands)				
Assets, at Fair Value								
Included within investments:								
CLOs	$ 219,510	$ —	$ —	$ 30,346	$ (13,021)	$ (18,335)	$ (11,353)	$ 207,147
Investments of consolidated entities:								
Bank Debt	$ —	$ 3,603 (1)	$ (30,962) (1)	$ 56,425	$ (27,405)	$ (1,661)	$ —	$ —
Liabilities, at Fair Value								
Warrants	$ 65,287	$ —	$ —	$ —	$ —	$ 41,124	$ —	$ 24,163
Liabilities of consolidated entities:								
Warrants	$ 7,590	$ —	$ (3,450) (2)	$ —	$ —	$ 4,140	$ —	$ —
Notes payable	$ —	$ —	$ —	$ 215,733	$ —	$ 19,627	$ —	$ 196,106

(1) Transfers into and out of Level III in bank debt include $2.3 million related to the consolidation (Transfers In) and $14.0 million related to the subsequent deconsolidation (Transfers Out) of a fund that the Company manages.
(2) Transfers out of Level III into Level I related to warrants of consolidated entities that became publicly traded with available quoted prices during the first quarter of 2022.

	December 31, 2020	Purchases / Issuances	Investment Sales / Settlements	Gains / (Losses) Included in Earnings	Gains / (Losses) Included in Other Comprehensive Income	December 31, 2021
			(dollars in thousands)			
Assets, at Fair Value						
Included within investments:						
CLOs	$ 205,510	$ 41,296	$ (16,460)	$ 1,019	$ (11,855)	$ 219,510
Liabilities, at Fair Value						
Warrants	$ 37,827	$ —	$ —	$ (27,460)	$ —	$ 65,287
Liabilities of consolidated entities:						
Warrants	$ —	$ 7,590	$ —	$ —	$ —	$ 7,590

The table below summarizes the net change in unrealized gains and (losses) on the Company's Level III financial instruments outstanding as of the reporting date:

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Assets, at Fair Value		
Included within investments:		
CLOs	$ (29,688)	$ (10,081)
Liabilities, at Fair Value		
Warrants	$ 41,124	$ (27,460)
Liabilities of consolidated entities:		
Notes payable	$ 19,627	$ —

Level III Valuation Techniques

Financial instruments classified within Level III of the fair value hierarchy are comprised of CLOs, warrant liabilities and warrants and notes payable of consolidated entities.

Investments in CLOs are valued using independent pricing services. The Company performs procedures over the values provided by the pricing services, as discussed above.

Warrant liabilities of the Company are valued by independent pricing services using a Black-Scholes option pricing model, for which the Company's Class A share price, warrant exercise price, risk free rate, volatility, dividend yield and term to expiry are the primary inputs to the valuation. The significant unobservable quantitative input used for the fair value measurement of the warrant liabilities of the Company, which are categorized as Level III under the fair value hierarchy, was volatility. The volatility used in the fair value measurement was 56.14% as of December 31, 2022.

The warrant liabilities of the consolidated SPAC are currently valued using quoted prices. Prior to being transferred to Level I, they were valued by independent pricing services using a Monte Carlo simulation model. As noted above, the warrant liabilities of the consolidated SPAC were transferred from Level III to Level I in the first quarter of 2022.

Notes payable of consolidated entities are valued using independent pricing services. The Company measures the financial liabilities of its consolidated entity based on the fair value of the financial assets of the consolidated entity, as the Company believes the fair value of the financial assets is more observable. Refer to Note 2 for additional valuation considerations of the notes payable of consolidated entities.

Financial Instruments Not Measured at Fair Value

As of December 31, 2022, the Company's debt obligations had a fair value of $102.6 million and a carrying value of $124.2 million. Management estimates that the carrying value of the Company's repurchase agreements approximated their fair value as of December 31, 2022. The fair value measurements for the Company's debt obligations and repurchase agreements are categorized as Level III within the fair value hierarchy. The fair value measurements for the Company's CLO Investments Loans (as defined in Note 8) and repurchase agreements were determined using independent pricing services. The fair value measurement for the Company's 2020 Term Loan (as defined in Note 8) was determined using a discounted cash flow model. Management estimates that the carrying value of the Company's other financial instruments approximated their fair values as of December 31, 2022.

Loans Sold to CLOs Managed by the Company

From time to time the Company may sell loans to CLOs managed by the Company. These loans are purchased by the Company in the open market and simultaneously sold for cash to the CLOs. The loans are accounted for as transfers of financial assets as they meet the criteria for derecognition under U.S. GAAP. No loans were sold in each of the years ended December 31, 2022 and 2021. The Company invests in senior secured and subordinated notes issued by certain CLOs to which it sold loans in the past. These investments represent retained interests to the Company and are in the form of a 5% vertical strip (i.e., 5% of each of the senior and subordinated tranches of notes issued by each CLO). The retained interests are reported within investments on the Company's consolidated balance sheet. As of December 31, 2022 and 2021, the Company's investments in these retained interests had a fair value of $78.6 million and $87.9 million, respectively.

The Company is subject to risks associated with the performance of the underlying collateral and the market yield of the assets. The Company's risk of loss from retained interest is limited to its investments in these interests. The Company receives quarterly payments of interest and principal, as applicable, on these retained interests. For the years ended December 31, 2022 and 2021, the Company received $3.5 million and $2.7 million, respectively, of interest and principal payments related to the retained interests.

The Company may from time to time refinance its investment in CLOs. If a refinanced CLO investment is considered substantially different from the original CLO investment, the refinancing is accounted for as a sale and a new refinanced CLO investment is recognized at fair value that is used to determine the amount of gain or loss on derecognition that is presented within net (losses) gains on investments in the consolidated statements of operations. If the refinancing is not considered substantially different from the original CLO investment, a new effective interest that equates the revised cash flows to the carrying amount of the original CLO investment is calculated and applied prospectively. Additionally in 2021, the Company refinanced a CLO resulting in a sale of investment of $4.0 million and a new purchase of investment in CLOs of $3.8 million. The Company did not recognize any gains or losses on the refinancing of the CLOs in 2021.

The Company uses independent pricing services to value its investments in the CLOs, including the retained interests, and therefore the only key assumption is the price provided by such service. A corresponding adverse change of 10% or 20% on price would have a corresponding impact on the fair value of the Company's investments in CLOs.

6. VARIABLE INTEREST ENTITIES

In the ordinary course of business, the Company sponsors the formation of entities that are considered VIEs. In accordance with GAAP consolidation guidance, the Company consolidates certain VIEs for which it is the primary beneficiary either directly or indirectly through a consolidated entity. See Note 2 for a discussion of entities that are VIEs and the evaluation of those entities for consolidation by the Company.

The table below presents the assets and liabilities of VIEs consolidated by the Company.

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Assets		
Assets of consolidated entities:		
Cash and cash equivalents of consolidated entities	$ 3	$ —
Restricted cash and cash equivalents of consolidated entities	9,805	—
Investments of consolidated entities, at fair value	306,590	—
Other assets of consolidated entities	2,016	4,339
Total Assets	**$ 318,414**	**$ 4,339**
Liabilities		
Liabilities of consolidated entities:		
Notes payable of consolidated entities	$ 196,106	$ —
Other liabilities of consolidated entities	1,601	2,603
Total Liabilities	**$ 197,707**	**$ 2,603**

The assets of consolidated variable interest entities may only be used to settle obligations of these entities and are not available to creditors of the Company. The investors in these consolidated entities have no recourse against the assets of the Company. There is no recourse to the Company for the consolidated VIEs' liabilities.

The Company's involvement with VIEs that are not consolidated is generally limited to providing asset management services and, in certain cases, insignificant investments in the VIEs. The maximum exposure to loss represents the potential loss of current investments or income and fees receivables from these entities, as well as the obligation to repay unearned revenues, primarily incentive income subject to clawback, in the event of any future fund losses, as well as unfunded commitments to certain funds that are VIEs, as discussed in Note 18. The Company does not provide, nor is it required to provide, any type of non-contractual financial or other support to its VIEs that are not consolidated other than its own capital commitments.

The table below presents the net assets of unconsolidated VIEs in which the Company has variable interests along with the maximum exposure to loss as a result of the Company's involvement with non-consolidated VIEs:

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Net assets of unconsolidated VIEs in which the Company has a variable interest	$ 12,738,164	$ 11,304,196
Maximum risk of loss as a result of the Company's involvement with VIEs:		
Unearned income and fees	53,869	62,800
Income and fees receivable	41,890	61,273
Investments	245,583	249,104
Investments of consolidated entities	237,699	—
Unfunded commitments[1]	182,797	60,474
Maximum Exposure to Loss	**$ 761,838**	**$ 433,651**

[1] Includes commitments from certain employees and executive managing directors in the amounts of $65.4 million and $46.3 million as of December 31, 2022 and 2021, respectively.

7. LEASES

The Company has non-cancelable operating leases for its headquarters in New York and its offices in London, Hong Kong, Shanghai, and various other locations and data centers. The Company does not have renewal options for any of its current leases. The Company also subleases a portion of its office space in London and New York through the end of the lease term. In addition, the Company has finance leases for computer hardware. As of December 31, 2022, the Company has pledged collateral related to its lease obligations of $6.2 million, which is included within restricted cash in the consolidated balance sheets.

In September 2021, the Company entered into a non-cancellable agreement to sublease a portion of its New York office space through the end of the original lease maturity in 2029. As a result of this agreement, the Company recognized an impairment loss on its right of use asset of $11.2 million and wrote off related leasehold improvements and fixed assets in the amount of $2.3 million. These losses were recorded in the general, administrative and other expenses within the consolidated statements of operations. The Company used a discounted cash flows method to value the right-of-use asset to determine the impairment amount.

The tables below represent components of lease expense and associated cash flows:

	Year Ended December 31,		
	2022	2021	2020
		(dollars in thousands)	
Lease Cost			
Operating lease cost	$ 18,612	$ 19,990	$ 20,593
Short-term lease cost	97	18	49
Finance lease cost - amortization of leased assets	409	795	728
Finance lease cost - imputed interest on lease liabilities	42	25	76
Less: Sublease income	(3,199)	(2,069)	(1,541)
Net Lease Cost	**$ 15,961**	**$ 18,759**	**$ 19,905**

	Year Ended December 31,		
	2022	2021	2020
		(dollars in thousands)	
Supplemental Lease Cash Flow Information			
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows for operating leases	$ 20,829	$ 21,950	$ 22,521
Operating cash flows for finance leases	$ 6	$ 1	$ 6
Finance cash flows for finance leases	$ 318	$ 865	$ 907
Right-of-use assets obtained in exchange for lease obligations			
Operating leases	$ 1,079	$ 2,893	$ 6
Finance leases	$ 1,016	$ —	$ 745

	December 31, 2022	December 31, 2021
Lease Term and Discount Rate		
Weighted average remaining lease term		
Operating leases	6.7 years	7.6 years
Finance leases	4.5 years	1.3 years
Weighted average discount rate		
Operating leases	7.8 %	7.8 %
Finance leases	7.9 %	6.3 %

	Operating Leases	Finance Leases
	(dollars in thousands)	
Maturity of Lease Liabilities - Contractual Payments to be Paid		
2023	$ 20,134	$ 228
2024	16,532	228
2025	14,329	228
2026	15,353	228
2027	17,675	228
Thereafter	35,015	—
Total Lease Payments	**119,038**	**1,140**
Imputed interest	(26,993)	(161)
Total Lease Liabilities - Contractual Payments to be Paid	**$ 92,045**	**$ 979**

	Operating Leases
	(dollars in thousands)
Sublease Rent - Contractual Payments to be Received	
2023	$ 3,046
2024	1,920
2025	1,920
2026	1,920
2027	1,960
Thereafter	4,160
Total Sublease Rent - Contractual Payments to be Received	**$ 14,926**

8. DEBT OBLIGATIONS AND WARRANTS

	2020 Term Loan	CLO Investments Loans	Total
		(dollars in thousands)	
Maturity of Debt Obligations			
2023	$ —	$ 2,285	$ 2,285
2024	—	—	—
2025	—	—	—
2026	—	—	—
2027	95,000	—	95,000
Thereafter	—	38,627	38,627
Total Payments	**95,000**	**40,912**	**135,912**
Unamortized discounts & deferred financing costs	(11,538)	(198)	(11,736)
Total Debt Obligations	**$ 83,462**	**$ 40,714**	**$ 124,176**

2020 Credit Agreement

On September 25, 2020, Sculptor Capital LP, as borrower, (the "Borrower"), and certain other subsidiaries of the Company, as guarantors, entered into a credit and guaranty agreement (the "2020 Credit Agreement"), consisting of (i) a senior secured term loan facility in an initial aggregate principal amount of $320.0 million (the "2020 Term Loan") and (ii) a senior secured revolving credit facility in an initial aggregate principal amount of $25.0 million (the "2020 Revolving Credit Facility"). The proceeds from the 2020 Term Loan were first allocated to the full fair value of the warrants issued in connection with the 2020 Credit Agreement (which establishes both a liability and a debt discount, as described below), and the residual proceeds, net of deferred offering costs and discounts, of $275.8 million was then recognized as the initial carrying value of the 2020 Term Loan.

Certain prepayments of the 2020 Term Loan are subject to a prepayment premium (the "Call Premium") equal to (a) prior to the second anniversary of the Closing Date, a customary "make-whole" premium equal to the present value of all required interest payments that would be due from the date of prepayment through and including the second anniversary of the Closing Date plus a premium of 3.0% of the principal amount of loans prepaid, (b) on or after the second anniversary of the Closing Date but prior to the third anniversary of the Closing Date, a premium of 3.0% of the principal amount of loans prepaid, (c) on or after the third anniversary of the Closing Date but prior to the fourth anniversary of the Closing Date, a premium of 2.0% of the principal amount of loans prepaid and (d) thereafter, 0%. On June 21, 2021, the Company entered into a letter agreement amending the 2020 Credit Agreement to increase the amount of voluntary prepayments for which the Call Premium shall not apply from $175.0 million to $225.0 million in exchange for an amendment fee of $1.75 million. As such, no Call Premium was due on the first $225.0 million prepaid by the Company. The amendment fee was recorded as an additional discount to the 2020 Term Loan in the second quarter of 2021. In 2021, the Company prepaid $224.4 million of the 2020 Term Loan, resulting in an outstanding balance of $95.0 million, which is due at maturity. The Company recognized a $30.2 million loss on this retirement of debt. As a result of the $175.0 million of aggregate prepayments made through March 31, 2021, the Company is no longer subject to the cash sweep or financial maintenance covenants, other than the covenant requiring $20.0 billion minimum fee-paying Assets Under Management described below.

The 2020 Term Loan and the 2020 Revolving Credit Facility mature on the seventh and sixth anniversary, respectively, of the initial funding of the 2020 Term Loan, which occurred on November 13, 2020 (the "Closing Date"). Proceeds from the 2020 Term Loan, together with cash on hand, were used to repay the Debt Securities and the 2018 Term Loan, as well as to redeem the 2019 Preferred Units in full.

Borrowings under the 2020 Credit Agreement bear interest at a per annum rate equal to, at the Company's option, the one, two, three or six-month London Inter-Bank Offered Rate ("LIBOR") (subject to a 0.75% floor) plus 6.25%, or a base rate (subject to a 1.75% floor) plus 5.25%. The Borrower is also required to pay an undrawn commitment fee at a rate per annum equal to 0.50% of the undrawn portion of the 2020 Revolving Credit Facility. On December 20, 2022, the Company provided notice to the lender that the Company was electing to convert the applicable interest rate from LIBOR to the one-month Secured Overnight Financing Rate ("SOFR"), effective as of the date of the notice. The Company expects no material changes in its results of operations, financial position or cash flows as a result of this change in the benchmark rate.

The 2020 Credit Agreement prohibits the total fee-paying Assets Under Management, subject to certain exclusions, of the Borrower, the guarantors and their consolidated subsidiaries as of the last day of any fiscal quarter to be less than $20.0 billion. The 2020 Credit Agreement contains customary events of default for a transaction of this type, after which obligations under the 2020 Credit Agreement may be declared immediately due and payable and sets forth certain types of bankruptcy or insolvency events of default involving the Borrower, the guarantors or any of the material subsidiaries of the foregoing after which the obligations under the 2020 Credit Agreement become automatically due and payable. The 2020 Credit Agreement also provided the counterparty the right to appoint an individual to a seat on the Company's Board of Directors.

Warrants

In connection with the 2020 Credit Agreement, the Company has issued and outstanding warrants to purchase 4,338,015 Class A Shares. The warrants have a 10-year term from the Closing Date and an initial exercise price per share equal to $11.93. The exercise price is subject to reduction by an amount equal to any dividends paid on Class A Shares. As a result, the exercise price was $8.21 per share as of December 31, 2022. The warrants provide for customary adjustments in the event of a stock split, stock dividend, recapitalization or similar event. In lieu of making a cash payment otherwise contemplated upon exercise, the holder may exercise the warrants in whole or in part to receive a net number of Class A Shares. In addition, one of the warrants provides that, upon exercise in whole or in part by the holder, the Company may decide in its sole discretion whether the holder's exercise of such warrant will be settled by delivery of Class A Shares (which shares may be reduced to a net number of Class A Shares in accordance with the procedure described in the preceding sentence) or by the Company's payment to the holder of an amount in cash equal to the Black-Scholes value as provided for in the applicable warrant agreement. If the Company undergoes a change of control prior to the expiration date, the holder will have the right to require the Company to repurchase any remaining portion of the warrants not yet exercised at their Black-Scholes value as provided for in the applicable agreement.

Warrants of the Consolidated SPAC

At the time of IPO in December 2021, Sculptor Acquisition Corporation I ("SAC I") issued 11.2 million warrants to the Company and 11.5 million warrants to third parties. The warrants have a 5-year term from the day of the SAC I IPO and an initial exercise price per share equal to $11.50. The warrants are subject to other customary terms common for instruments of this type. The Company eliminates the SPAC warrants it holds in consolidation. As of December 31, 2022, the warrants had a fair value of $596 thousand.

Notes Payable of a Consolidated Entity

In the first quarter of 2022, the Company launched a structured alternative investment solution that it consolidated, which issued notes in the aggregate principal amount of $350.0 million, of which approximately $128.0 million were acquired by the Company and eliminated in consolidation. The notes held by the Company consisted of $20.0 million of Class A, $20.0 million of Class C and $87.8 million of subordinated notes. Changes in the fair value of the notes payable of the structured alternative investment solution are presented within net gains (losses) of consolidated entities in the consolidated statements of operations. The fair value of the notes payable as of December 31, 2022, was $196.1 million. The notes payable mature in May 2037.

The table below summarizes material terms of the notes payable:

	Class A Notes	Class B Notes	Class C Notes	Subordinated Notes[1]
	(dollars in thousands)			
Type	Senior Secured	Senior Secured	Mezzanine Secured	Unsecured
Initial principal amount	$ 140,000	$ 70,000	$ 35,000	$ 105,000
Initial interest rate	4.25 %	6.00 %	6.75 %	N/A
Interest rate after step up and effective date[2]	6.25%; May 2028	8.00%; May 2029	9.50%; May 2025	N/A

(1) Subordinated notes do not have stated interest rates or principal entitlement but instead receive net proceeds from excess cash flows remaining after periodic payments have been made to more senior notes and after fees and expenses in accordance with the priority of payments.
(2) Interest rate after a one time step up in basis at the indicated effective date.

See Note 2 for accounting policies for the notes payables of the consolidated entities.

Credit Facility of a Consolidated Entity

In the first quarter of 2022, the structured alternative investment vehicle entered into a $52.5 million credit facility which expires March 18, 2025. The credit facility is capped at $20.0 million of the total borrowing capacity per quarter. The facility is subject to a SOFR reference rate, as defined in the agreement, plus 3.00%. The facility is also subject to an annual 1.15% unused commitment fee. As of December 31, 2022, the fund has not drawn on the facility. The credit facility agreement is subject to other customary terms common for instruments of this type. The creditors of the Company's consolidated entities have no recourse to the Company.

CLO Investments Loans

The Company entered into loans to finance portions of investments in certain CLOs (collectively, the "CLO Investments Loans"). In general, the Company will make interest payments on the loans at such time interest payments are received on its investments in the CLOs, and will make principal payments on the loans to the extent principal payments are received on its investments in the CLOs, with any remaining balance due upon maturity.

The loans are subject to customary events of default and covenants and also include terms that require the Company's continued involvement with the CLOs. In addition to customary events of default included in financing arrangements of this type, an event of default would also be triggered if there is an event of default at the CLO level. Prior to the relevant CLO's maturity date, this would include certain material covenant breaches, regulatory and insolvency events for the relevant CLO issuer, as well as a payment default, where the relevant CLO is unable to make interest payments on the senior, non-deferrable interest notes issued by the CLO. The CLO Investments Loans do not have any financial maintenance covenants and are secured by the related investments in CLOs with fair values of $40.0 million and $43.1 million as of December 31, 2022 and 2021, respectively.

Carrying amounts presented in the table below are net of discounts, if any, and unamortized deferred financing costs. The interest rates on the CLO Investments Loans are variable based on LIBOR or EURIBOR (subject to a floor of zero percent). The final maturity date for each CLO Investments Loan is the earlier of the contractual maturity date presented in the table below or the date at which the Company no longer holds a risk retention investment in the respective CLO. The timing of principal payments on CLO Investments Loans is contingent on principal payments made to the Company on the investments in CLOs and the CLO Investments Loans may amortize well in advance of their contractual maturity dates.

Initial Borrowing Date	Contractual Rate	Contractual Maturity Date	Carrying Value	
			December 31, 2022	December 31, 2021
			(dollars in thousands)	
June 7, 2017	LIBOR plus 1.48%	November 16, 2029	$ 16,835	$ 17,221
August 2, 2017	LIBOR plus 1.41%	January 21, 2030	21,594	21,589
October 21, 2021	EURIBOR plus 0.85%	August 29, 2023	—	5,892
January 19, 2022	EURIBOR plus 1.50%	December 15, 2023	2,285	—
			$ 40,714	**$ 44,702**

9. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

The Company has a €200.0 million master credit facility agreement (the "CLO Financing Facility") to finance portions of the risk retention investments in certain CLOs managed by the Company. Subject to the terms and conditions of the CLO Financing Facility, the Company and the counterparty may enter into repurchase agreements on such terms agreed upon by the parties. Each transaction entered into under the CLO Financing Facility will bear interest at a rate based on the weighted average effective interest rate of each class of securities that have been sold plus a spread to be agreed upon by the parties. As of December 31, 2022, €43.0 million of the CLO Financing Facility remained available.

Each transaction entered into under the CLO Financing Facility provides for payment netting and, in the case of a default or similar event with respect to the counterparty to the CLO Financing Facility, provides for netting across transactions. Generally, upon a counterparty default, the Company can terminate all transactions under the CLO Financing Facility and offset amounts it owes in respect of any one transaction against collateral it has received in respect of any other transactions under the CLO Financing Facility; provided, however, that in the case of certain defaults, the Company may only be able to terminate and offset solely with respect to the transaction affected by the default. During the term of a transaction entered into under the CLO Financing Facility, the Company will deliver cash or additional securities acceptable to the counterparty if the securities sold are in default. In addition to customary events of default included in financing arrangements of this type, an event of default would also be triggered if there is an event of default at the CLO level. Prior to the relevant CLO's maturity date, this would include certain material covenant breaches, regulatory and insolvency events for the relevant CLO issuer, as well as a payment default where the relevant CLO is unable to make interest payments on the senior, non-deferrable interest notes issued by the CLO. Upon termination of a transaction, the Company will repurchase the previously sold securities from the counterparty at a previously determined repurchase price. The CLO Financing Facility may be terminated at any time upon certain defaults or circumstances agreed upon by the parties.

The repurchase agreements may result in credit exposure in the event the counterparty to the transaction is unable to fulfill its contractual obligations. The Company minimizes the credit risk associated with these activities by monitoring counterparty credit exposure and collateral values. Other than margin requirements, the Company is not subject to additional terms or contingencies which would expose the Company to additional obligations based upon the performance of the securities pledged as collateral.

The table below presents securities sold under agreements to repurchase that are offset, if any, as well as securities transferred to the counterparty related to such transactions (capped so that the net amount presented will not be reduced below zero). No other material financial instruments were subject to master netting agreements or other similar agreements:

Securities Sold under Agreements to Repurchase	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Liabilities in the Consolidated Balance Sheet	Securities Transferred	Net Amount
			(dollars in thousands)		
As of December 31, 2022	$ 166,632	$ —	$ 166,632	$ 157,107	$ 9,525
As of December 31, 2021	$ 156,448	$ —	$ 156,448	$ 156,448	$ —

The securities sold under agreements to repurchase have a set scheduled maturity date that corresponds to the maturities of the securities sold under such transaction. The table below presents the remaining final contractual maturity of the securities sold to the counterparty under agreement to repurchase by class of collateral pledged:

	Investments in CLOs				
Securities Sold under Agreements to Repurchase	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater Than 90 Days	Total
			(dollars in thousands)		
As of December 31, 2022	$ —	$ —	$ —	$ 166,632	$ 166,632
As of December 31, 2021	$ —	$ —	$ —	$ 156,448	$ 156,448

10. OTHER ASSETS, NET

The following table presents the components of other assets, net as reported in the consolidated balance sheets:

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Fixed Assets:		
Leasehold improvements	$ 47,736	$ 47,797
Computer hardware and software	44,603	55,320
Furniture, fixtures and equipment	8,013	8,013
Accumulated depreciation and amortization	(79,390)	(83,371)
Fixed assets, net	20,962	27,759
Redemption receivable[1]	28,721	—
Goodwill	22,691	22,691
Prepaid expenses	16,698	17,095
Cloud computing costs	9,940	3,090
Other	7,430	6,456
Total Other Assets, Net	**$ 106,442**	**$ 77,091**

(1) Represents amounts receivable on a redeemed investment in a fund.

11. OTHER LIABILITIES

The following table presents the components of other liabilities as reported in the consolidated balance sheets:

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Accrued expenses	$ 20,925	$ 16,949
Uncertain tax positions	8,250	8,250
Due to funds[1]	3,854	3,017
Unused trade commissions	1,289	1,513
Other	8,731	9,061
Total Other Liabilities	**$ 43,049**	**$ 38,790**

(1) To the extent that a fee-paying fund is an investor in another fee-paying fund, the Company rebates a corresponding portion of the management fees charged in the investee fund. Due to funds amounts also reflect certain incentive income and management fee waivers.

12. REVENUES

The following table presents management fees and incentive income recognized as revenues for the years ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,					
	2022		2021		2020	
	Management Fees	Incentive Income	Management Fees	Incentive Income	Management Fees	Incentive Income
	(dollars in thousands)					
Multi-strategy funds	$ 144,027	$ 1,126	$ 154,310	$ 178,104	$ 130,297	$ 377,703
Credit						
Opportunistic credit funds	50,045	47,125	52,042	94,123	46,429	218,802
Institutional Credit Strategies	48,108	—	58,484	—	54,041	—
Real estate funds	36,194	75,183	37,109	40,205	39,978	19,574
Other	—	—	—	— 0	8	880
Total	**$ 278,374**	**$ 123,434**	**$ 301,945**	**$ 312,432**	**$ 270,753**	**$ 616,959**

The following table presents the composition of the Company's income and fees receivable as of December 31, 2022, 2021 and 2020:

	December 31, 2022	December 31, 2021	December 31, 2020
		(dollars in thousands)	
Management fees	$ 25,402	$ 25,520	$ 25,937
Incentive income	30,958	168,116	513,686
Income and Fees Receivable	**$ 56,360**	**$ 193,636**	**$ 539,623**

The Company recognizes management fees over the period in which the performance obligation is satisfied, and are generally recognized at the end of each reporting period. The Company records incentive income when it is probable that a significant reversal of income will not occur. The majority of management fees and incentive income receivable at each balance sheet date is generally collected during the following quarter.

The following table presents the Company's unearned income and fees for the years ended December 31, 2022, 2021 and 2020 :

	December 31, 2022	December 31, 2021	December 31, 2020
	(dollars in thousands)		
Management fees	$ 2	$ 84	$ 78
Incentive income	53,867	62,716	61,802
Unearned Income and Fees	**$ 53,869**	**$ 62,800**	**$ 61,880**

A liability for unearned incentive income is generally recognized when the Company receives incentive income distributions from its funds, primarily its real estate funds, whereby the distributions received have not yet met the recognition threshold of being probable that a significant reversal of cumulative revenue will not occur. A liability for unearned management fees is generally recognized when management fees are paid to the Company on a quarterly basis in advance, based on the amount of Assets Under Management at the beginning of the quarter. In the years ended December 31, 2022, 2021 and 2020 the Company recognized $60.1 million, $19.4 million, and $14.2 million, respectively, of the beginning balance of unearned incentive income for each respective year. The Company recognized all of the beginning balances of unearned management fees during the respective quarter.

For the year ended December 31, 2022, the Sculptor Master Fund generated $137.1 million of management fees, or 49% of the Company's consolidated management fees and Sculptor Real Estate Fund IV generated $29.5 million of management fees, or 11% of the Company's consolidated management fees.

13. EQUITY-BASED COMPENSATION EXPENSES

The Company grants equity-based compensation in the form of RSUs, RSAs, PSUs, Group A Units, Group E Units and Group P Units to its executive managing directors, employees and the independent members of the Board under the terms of the 2007 Equity Incentive Plan, the 2013 Incentive Plan and the 2022 Incentive Plan.

Equity based awards granted as compensation are measured based on the grant-date fair value of the award. Vested equity based awards that do not require future service are expensed immediately. Equity based awards that only require future service are expensed over the relevant service period. Equity based awards that are also subject to market performance conditions are expensed over the requisite service period, which is the longer of the explicit or derived service period.

The following table presents information regarding the impact of equity-based compensation grants on the Company's consolidated statements of operations:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Expense recorded within compensation and benefits	$ 88,041	$ 62,989	$ 80,420
Corresponding tax benefit	$ 9,813	$ 13,737	$ 9,090

The following tables present activity related to the Company's unvested equity awards for the year ended December 31, 2022:

	Equity-Classified RSUs		Liability-Classified RSUs		PSUs	
	Unvested RSUs	Weighted-Average Grant-Date Fair Value	Unvested RSUs	Weighted-Average Grant-Date Fair Value	Unvested PSUs	Weighted-Average Grant-Date Fair Value
December 31, 2021	**2,970,876**	**$ 20.71**	**365,373**	**$ 33.22**	**800,000**	**$ 11.25**
Granted	752,914	16.76	1,614,812	18.69	112,500	14.92
Vested	(1,386,685)	22.19	(231,713)	41.38	—	—
Canceled or forfeited	(186,652)	20.77	(5,914)	18.86	—	—
December 31, 2022	**2,150,453**	**$ 18.37**	**1,742,558**	**$ 18.72**	**912,500**	**$ 11.70**

	Group E Units		Group P Units	
	Unvested Group E Units	Weighted-Average Grant-Date Fair Value	Unvested Group P Units	Weighted-Average Grant-Date Fair Value
December 31, 2021	**3,144,134**	**$ 8.14**	**5,455,715**	**$ 12.96**
Granted	5,006	7.53	—	—
Vested	(2,885,794)	7.72	—	—
Canceled or forfeited	—	—	(107,143)	13.97
December 31, 2022	**263,346**	**$ 7.52**	**5,348,572**	**$ 12.94**

	Market-Based RSAs		Service-Based RSAs	
	Unvested Market-Based RSAs	Weighted-Average Grant-Date Fair Value	Unvested Service-Based RSAs	Weighted-Average Grant-Date Fair Value
December 31, 2021	**3,679,285**	**$ 15.13**	**—**	**$ —**
Granted	—	—	1,609,785	18.71
Canceled or forfeited	(80,357)	16.19	(3,943)	18.86
December 31, 2022	**3,598,928**	**$ 15.11**	**1,605,842**	**$ 18.71**

Restricted Share Units (RSUs)

The fair value of the RSUs granted by the Company is based on the grant-date fair value, which considers the public share price of the Company's Class A shares. An RSU entitles the holder to receive a Class A Share, or cash equal to the fair value of a Class A Share at the election of the Board, upon completion of the requisite service period. All of the RSUs granted to date accrue dividend equivalents equal to the dividend amounts paid on the Company's Class A Shares. To date, these dividend equivalents have been awarded in the form of additional RSUs that also accrue additional dividend equivalents. As a result,

dividend equivalents declared on equity-classified RSUs are recorded similar to a stock dividend, resulting in (i) increases in the Company's accumulated deficit and the accumulated deficit component of noncontrolling interests on the same pro rata basis as earnings of the Sculptor Operating Group are allocated and (ii) increases in the Company's additional paid-in capital and the paid-in capital component of noncontrolling interests on the same pro rata basis. No compensation expense is recognized related to these dividend equivalents as they are forfeitable and the delivery of dividend equivalents on outstanding RSUs is contingent upon the vesting of the underlying RSUs.

As a result of the Recapitalization, the Company modified certain RSUs provided to certain executive managing directors to cap the cumulative distributions that the RSUs would be entitled to receive during the Distribution Holiday. As the resulting fair value of the modified RSUs was lower than the original grant-date fair value, the Company continues to recognize the compensation expense that would have been previously recognized prior to the modification.

The weighted-average grant-date fair value of equity-classified RSUs granted was $16.76, $18.82, and $23.11 for the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022, total unrecognized compensation expense related to equity-classified RSUs totaled $16.0 million, with a weighted-average amortization period of 1.6 years.

The weighted-average grant-date fair value of liability-classified RSUs granted was $18.69, $18.62 and $23.15 for the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022, total unrecognized compensation expense related to liability-classified RSUs totaled $10.2 million, with a weighted-average amortization period of 1.9 years.

The estimated total grant-date fair value of the RSUs is charged to compensation expense on a straight line basis over the vesting period, which is generally annual vesting over 3 years, except grants to the Company's Board, which vest annually.

The following table presents information related to the settlement of RSUs:

	Year Ended December 31,		
	2022	2021	2020
		(dollars in thousands)	
Fair value of RSUs settled in Class A Shares	$ 19,716	$ 50,182	$ 28,202
Fair value of RSUs settled in cash	$ 3,243	$ 3,472	$ 2,107
Fair value of RSUs withheld to satisfy tax withholding obligations	$ 6,045	$ 2,550	$ 1,976
Number of RSUs withheld to satisfy tax withholding obligations	541,127	306,379	261,474

PSUs

In 2018, the Company began granting PSUs. A PSU entitles the holder to receive a Class A Share or cash equal to the fair value of a Class A Share at the election of the Board of Directors, upon completion of the requisite service period, as well as satisfying certain market performance conditions based on achievement of targeted total shareholder return on Class A Shares ("PSU Market Conditions"). PSUs do not begin to accrue dividend equivalents until the requisite service period has been completed and the PSU Market Conditions have been achieved.

In the year ended December 31, 2018, the Company granted 1,000,000 PSUs, with a weighted-average grant-date fair value of $11.82 per unit. The fair value was determined using the Monte-Carlo simulation valuation model, with the following assumptions: volatility of 35%, dividend rate of 10%, and risk-free discount rate of 2.6%. The requisite service period for these awards was estimated to be 3.1 years at the time of the grant. The Company used historical volatility in its estimate of the expected volatility. Compensation cost for these awards was recognized using an accelerated recognition method over the requisite service period for each tranche. As of December 31, 2022, all compensation expense related to these PSUs was recognized due to completion of the requisite service period being completed; however, only the first of the PSU Market Conditions, as defined below, was met, resulting in 20% of PSUs vesting, at which time they were converted into Class A shares.

The PSUs granted in 2018 generally vest subject to continued and uninterrupted service ("PSU Service Condition") until the third anniversary of the grant date and the meeting of a market performance threshold of the total shareholder return on Class A Shares of the Company ("PSU Market Conditions"). The PSU Market Conditions is defined as follows: 20% of PSUs vest if a total shareholder return of 25% is achieved; an additional 40% of PSUs vest if a total shareholder return of 50% is achieved; an additional 20% of PSUs vest if a total shareholder return of 75% is achieved; and the final 20% of PSUs vest if a total shareholder return of 125% is achieved. In each case, the PSU Market Conditions must be met for each threshold by the sixth anniversary of the grant date. If the PSU grant has not satisfied both the PSU Service Condition and the PSU Market Conditions by the sixth anniversary of the grant date, it will be forfeited and canceled immediately.

In 2022, the Company granted 112,500 PSUs ("2022 PSUs") to a certain executive managing director and cancelled an equal number of previously issued Group P Units and Market-Based RSAs, as defined below, that were forfeited, on substantially similar contractual terms. The transaction was accounted for as a modification. The cancellation of the previously issued Group P Units and Market-Based RSAs and the issuance of new 2022 PSUs resulted in no incremental fair value. Please see the "Group P Units" and "Restricted Class A Shares (RSAs)" sections below for additional details of the fair value inputs of the December 30, 2021 grants. The requisite service period for these awards was estimated to be between 2.5 years and 4.5 years, depending on tranche, at the time of the modification.

The 2022 PSUs will conditionally vest upon the applicable executive managing director satisfying a service condition (the "2022 PSU Service Condition") and certain market performance-based targets, expressed as percentages (the "2022 PSU Market Condition"). The 2022 PSU Service Condition is satisfied as to 100% of the 2022 PSUs vesting on January 1, 2024. The 2022 PSU Market Condition's achievement is dependent on the return provided to shareholders during a specified period, with performance thresholds ranging from 25% to 108% being achieved during a seven year performance period, in each case based on a reference price of $24.00 per Class A Share. If the 2022 PSU grant has not satisfied both the 2022 PSU Service Condition and the 2022 PSU Market Conditions by the seventh anniversary of December 17, 2021, it will be forfeited and canceled immediately. As of December 31, 2022, total unrecognized compensation expense related to the 2022 PSUs totaled $1.4 million, with a weighted-average amortization period of 3 years.

Group A Units

The Company recognizes compensation expense for Group A Units equal to the market value of the Company's Class A Shares at the date of grant, less a 5% discount for transfer restrictions that remain in place after vesting. The weighted-average grant-date fair value of Group A Units was $21.85 for the year ended December 31, 2017. There were no grants for the years ended December 31, 2022, 2021, and 2020. As of December 31, 2022, there were no unvested Group A Units outstanding.

Group E Units

As a part of the Recapitalization described in Note 3, the Company granted Group E Units. The Group E Units are not entitled to participate in distributions during the Distribution Holiday. The right of the Group E Units to participate in distributions is considered a performance condition that does not affect vesting. The Company is required to recognize compensation cost based on the grant-date fair value of Group E Units where the performance condition is probable of being met. The fair value of the Group E Units was calculated using the price of the Company's Class A Shares at the date of grant, adjusted to reflect that Group E Units are not entitled to participate in distributions during the Distribution Holiday and for post-vesting transfer restrictions. As of December 31, 2022, total unrecognized compensation expense related to Group E units totaled $743 thousand with a weighted-average amortization period of 2.1 years. Expense for the Group E Units is recognized on an accelerated basis (i.e., each tranche will be recognized over its respective service period), as the value of the award is dependent at least in part on a performance condition.

Group P Units

In March 2017, the Company granted 7,185,000 Group P Units ("2017 Incentive Award"), with a weighted-average grant-date fair value of $12.50 per unit. The fair value was determined using the Monte-Carlo simulation valuation model, with the

following assumptions: volatility of 36%, dividend rate of 10%, and risk-free discount rate of 2.2%. The Company used historical volatility in its estimate of the expected volatility. The requisite service period for these awards was estimated to be 3.7 years at the time of the grant. As of December 31, 2022, all compensation expense related to these units has been recognized due to completion of the requisite service period, however the Market Condition, as defined below, has not been met.

The 2017 Incentive Award will conditionally vest upon the applicable executive managing directors satisfying a service condition (the "Service Condition") and certain market performance-based targets, expressed as percentages (the "Market Condition"). The Market Condition's achievement is dependent on the return provided to shareholders during a specified period, which is defined as follows: 20% of Group P Units vest if a total shareholder return of 25% is achieved; an additional 40% of Group P Units vest if a total shareholder return of 50% is achieved; an additional 20% of Group P Units vest if a total shareholder return of 75% is achieved; and the final 20% of Group P Units vest if a total shareholder return of 125% is achieved.

In December 2021, the Company granted 4,905,715 Group P Units ("2021 Group P Unit Grant") to certain current executive managing directors. That grant included 905,714 Group P Units issued in exchange for previously issued Group P Units that were forfeited, in addition to 4,000,001 newly issued Group P Units.

The 905,714 Group P Units described above, along with 679,286 RSAs (discussed in the section below), were issued in exchange for the forfeiture of 2,820,000 previously issued Group P Units. This transaction was accounted for as a modification of previously issued Group P Units. The grant-date fair value of the cancelled Group P Units had previously already been fully expensed at the time of cancellation. The cancellation of the previously issued Group P Units and issuance of the new 2021 Group P Units and RSAs resulted in an incremental fair value of $17.0 million that is recognized as compensation expense on an accelerated basis over the modified requisite service period.

The Company granted the Group P Units discussed above on December 17, 2021 and December 30, 2021 with weighted-average grant date fair values of $12.75 and $13.97, respectively. The grant-date fair value of the newly issued Group P Units was determined using the Monte-Carlo simulation valuation model, with the following assumptions: volatility of 55%, dividend rate of 6.6%, and risk-free discount rate of 1.34% and 1.44% for the units granted on December 17, 2021 and December 30, 2021, respectively. The Company used historical volatility in its estimate of the expected volatility. The requisite service period for these awards was estimated to be between 3 and 5 years, depending on tranche, at the time of the grant. As of December 31, 2022, total unrecognized compensation expense related to the 4,000,001 Group P Units issued in 2021 totaled $46.3 million with a weighted-average amortization period of 3.0 years. The Market Condition, as defined above, has not been met.

The 2021 Group P Unit Grant of 4,905,715 Group P Units, inclusive of the 905,714 Group P Units exchanged for the forfeited Group P Units described above, will conditionally vest upon the applicable executive managing directors satisfying a service condition (the "Service Condition") and certain market performance-based targets, expressed as percentages (the "Market Condition"). The Service Condition is generally satisfied as to one-third of the Group P Units vesting on each of the third, fourth and fifth anniversaries of the grant date. The Market Condition's achievement is dependent on the return provided to shareholders during a specified period, which is defined as follows: 25% of P Units vest if a total shareholder return of 66% is achieved; an additional 25% of P Units vest if a total shareholder return of 80% is achieved; an additional 25% of P Units vest if a total shareholder return of 94% is achieved; and the final 25% of P Units vest if a total shareholder return of 108% is achieved, in each case based on a reference price of $24.00 per Class A Share. Achievement of the applicable Market Conditions earlier than estimated can materially affect the amount of equity-based compensation expense recognized by the Company in any given period.

The 2021 grant of Group P Units accrue dividend equivalents equal to the dividend amounts paid on the Company's Class A Shares. These dividend equivalents will be awarded in the form of additional Group P Units that also accrue additional dividend equivalents. No compensation expense is recognized related to these dividend equivalents. Delivery of dividend equivalents on outstanding Group P Units is contingent upon the vesting of the underlying Group P Units.

Executive managing directors will be entitled to receive distributions on the 2017 Incentive Award only after satisfaction of the Service Condition and the Market Condition, from which time the executive managing director will be entitled to receive the same distributions per unit on each Group P Unit as holder.

If a holder of a 2017 Incentive Award and 2021 Group P Unit Grant has not satisfied both the Service Condition and the applicable Market Condition by the sixth anniversary and seventh anniversary, respectively, of the grant date, such units will be forfeited and canceled immediately.

Upon satisfaction of the Service Condition and the Market Condition, Group P Units may be exchanged at the executive managing director's discretion for Class A Shares (or the cash value thereof, as determined by the Board of Directors) provided that sufficient Appreciation (as defined in the Sculptor Operating Partnerships' limited partnership agreements) has occurred for each Group P Unit to have become economically equivalent to a Group A Unit. Upon the exchange of a Group P Unit for a Class A Share (or the cash equivalent), the exchanging executive managing director will have a right to potential future payments owed to him or her under the tax receivable agreement.

Restricted Class A Shares (RSAs)

In 2021, the Company began granting RSAs. The RSAs granted in 2021 ("Market-Based RSAs") vest upon the applicable executive managing directors satisfying a service condition (the "RSAs Service Condition") and certain market performance-based targets, expressed as percentages (the "RSAs Market Condition"). The RSAs Service Condition is generally satisfied as to one-third of the RSAs vesting on each of the third, fourth and fifth anniversaries of the grant date. The RSAs Market Condition's achievement is dependent on the return provided to shareholders during a specified period, which is defined as follows: 33.3% of RSAs vest if a total shareholder return of 25% is achieved; an additional 33.3% of RSAs vest if a total shareholder return of 39% is achieved; and the final 33.4% of RSAs vest if a total shareholder return of 53% is achieved, in each case based on a reference price of $24.00 per Class A Share. If a Class A Restricted Share has not satisfied the RSAs Market Condition by the seventh anniversary of the grant date, it will be forfeited and canceled immediately.

The Market-Based RSAs granted in December 2021 are only entitled to dividends declared by the Company on Class A Shares upon satisfaction of an RSAs Market Condition. For RSAs that have satisfied an RSAs Market Condition, but have not yet achieved an RSAs Service Condition, these RSAs shall accrue dividend equivalents equal to the dividend amounts paid by the Company to Class A Shares. Upon satisfaction of both the RSAs Market Condition and RSAs Service Condition, these RSAs are entitled to dividends declared by the Company on Class A Shares.

The RSA grant in December 2021 discussed above included 3,679,285 RSAs, inclusive of the 679,286 RSAs exchanged for the forfeited Group P Units described above. The RSAs were granted on December 17, 2021 and December 30, 2021 with weighted-average grant date fair values of $14.84 and $16.19, respectively. The fair value was determined using the Monte-Carlo simulation valuation model, with the following assumptions: volatility of 55%, dividend rate of 6.6%, and risk-free discount rate of 1.34% and 1.44% for the units granted on December 17, 2021 and December 30, 2021, respectively. The Company used historical volatility in its estimate of the expected volatility. The requisite service period for these awards was estimated to be 3 to 5 years at the time of the grant. As of December 31, 2022, total unrecognized compensation expense related to Market-Based RSAs totaled $40.4 million with a weighted-average amortization period of 3.0 years.

In January 2022, the Company granted an additional 1,570,483 RSAs. These RSAs ("Service-Based RSAs") are subject to a service condition; however, unlike the Market-Based RSAs granted in 2021, they are not subject to a market condition. These Service-Based RSAs had a grant-date fair value of $18.93 per unit. The fair value was based on the Company's Class A Share price at the time of grant. The service period for these awards was 3 years at the time of the grant. As of December 31, 2022, total unrecognized compensation expense related to the Service-Based RSAs totaled $12.0 million with a weighted-average amortization period of 1.6 years.

14. INCOME TAXES

The Sculptor Operating Partnerships are partnerships and the Registrant is a corporation for U.S. federal income tax purposes. Generally all of the income the Registrant earns will be subject to corporate-level income taxes in the U.S. allowing the Company to realize a portion of its deferred tax assets on an accelerated basis as compared to under the Company's prior structure.

The amount of incentive income the Company earns in a given year, the resultant flow of revenues and expenses through the Company's legal entity structure, the effect that changes in the Class A Share price may have on the ultimate deduction the Company is able to take related to the settlement of RSUs, and any change in future enacted income tax rates may have a significant impact on the Company's income tax provision and effective income tax rate.

The following table presents the components of the Company's provision for income taxes:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Included within Income taxes on Statements of Operations			
Current:			
State and local income taxes	$ 3,270	$ 2,989	$ 943
Foreign income taxes	4,829	5,302	4,873
	8,099	8,291	5,816
Deferred:			
Federal income taxes	(4,203)	13,645	59,148
State and local income taxes	(8,529)	(8,272)	10,759
Foreign income taxes	(2,335)	41	(451)
	(15,067)	5,414	69,456
Total Provision for Income Taxes - Continuing Operations	**$ (6,968)**	**$ 13,705**	**$ 75,272**
Included within Other Comprehensive Income (Loss):			
Current:			
Foreign income taxes	—	(111)	617
	—	(111)	617
Deferred:			
Federal income taxes	(770)	(549)	657
State and local income taxes	(428)	(228)	156
	(1,198)	(777)	813
Total Provision for Income Taxes - Other Comprehensive Income	**$ (1,198)**	**$ (888)**	**$ 1,430**

The foreign income tax provision was calculated on $9.6 million, $27.3 million and $22.5 million of pre-tax income generated in foreign jurisdictions for the years ended December 31, 2022, 2021 and 2020, respectively.

Deferred income tax assets and liabilities represent the tax effects of the temporary differences between the GAAP bases and tax bases of the Company's assets and liabilities.

The following table presents the Company's deferred income tax assets and liabilities before the impact of offsetting deferred income tax assets and liabilities within the same legal entity and tax jurisdiction:

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Deferred Income Tax Assets:		
Net operating loss	$ 133,187	$ 105,665
Tax goodwill	86,964	117,143
Investments in partnerships	25,648	12,465
Tax credit carryforwards	8,598	9,964
Employee compensation	1,118	1,522
Other	11,319	4,307
	266,834	251,066
Valuation allowance	(4,760)	(6,178)
Total Deferred Income Tax Assets	**$ 262,074**	**$ 244,888**
Other	4,135	3,129
Total Deferred Income Tax Liabilities	**$ 4,135**	**$ 3,129**
Net Deferred Tax Asset	**$ 257,939**	**$ 241,759**

The majority of the Company's deferred income tax assets relate to tax goodwill in the U.S. that arose in connection with the Company's initial public offering and concurrent private Class A Share offering in 2007 (collectively, the "2007 Offerings"), as well as subsequent exchanges of Group A Units for Class A Shares, and net operating losses ("NOLs"). The tax goodwill deferred income tax assets are derived from goodwill recognized for tax purposes that are subsequently amortized and result in future taxable deductions and cash savings to the Company. The Company entered into a tax receivable agreement to pay a portion of these tax savings to the Company's executive managing directors and Ziff Investors Partnership, L.P. II and certain of its affiliates and control persons (the "Ziffs"). The tax goodwill amounts presented above include the increases that these tax receivable agreement payments will have on future tax goodwill. See Note 18 for additional information regarding the tax receivable agreement. The 2007 offering generated excess tax goodwill deductions resulting in NOLs. As the goodwill fully amortized in 2022, the Company expects to utilize the NOLs going forward.

The following table presents changes in the Company's deferred tax asset valuation allowance for the periods indicated:

	Year Ended December 31,		
	2022	2021	2020
		(dollars in thousands)	
Beginning balance	$ 6,178	$ 9,797	$ 11,083
Deductions	(1,418)	(3,619)	(1,286)
Ending Balance	**$ 4,760**	**$ 6,178**	**$ 9,797**

The Company has determined that it may not realize certain foreign income tax credits within the limited carryforward period available. Accordingly, a valuation allowance has been established for these items. For the periods presented above, additions relate to changes to the Company's forecasted realizability of existing foreign tax credits and deductions are a result of a reduction in available foreign income tax credits.

As of December 31, 2022, the Company had foreign tax credit carryforwards of approximately $8.4 million that, if not used, will expire between 2023 and 2026. As of December 31, 2022, the Company had $243.0 million of net operating losses available to offset future taxable income for federal income tax purposes that will expire between 2030 and 2037, and $251.1 million of net operating losses available to be carried forward without expiration. Additionally, $219.7 million of net operating losses are available to offset future taxable income for state income tax purposes and $215.9 million for local income tax purposes that will expire between 2035 and 2042.

The following is a reconciliation of the statutory U.S. federal income tax rate to the Company's effective income tax rate:

	Year Ended December 31,		
	2022	2021	2020
Statutory U.S. federal income tax rate	21.00 %	21.00 %	21.00 %
Income passed through to noncontrolling interests	-5.12 %	-2.88 %	-0.04 %
Nondeductible amortization of Partner Equity Units	-10.31 %	14.73 %	3.24 %
State and local income taxes	11.94 %	-23.13 %	4.13 %
RSU excess deferred income tax write-off	-1.88 %	-1.36 %	0.89 %
Foreign income taxes	-6.29 %	27.91 %	1.92 %
Return-to-estimate adjustment	5.04 %	-0.14 %	0.03 %
Nondeductible interest expense	— %	— %	0.70 %
Foreign tax credits and deductions	1.32 %	-5.86 %	-0.35 %
Change in fair value of warrants	21.20 %	30.12 %	0.69 %
Disallowed executive compensation	-20.85 %	11.88 %	0.39 %
Other, net	1.54 %	-0.69 %	0.13 %
Effective Income Tax Rate	**17.59 %**	**71.58 %**	**32.73 %**

The Company files income tax returns with the U.S. federal government and various state and local jurisdictions, as well as foreign jurisdictions. The income tax years under examination vary by jurisdiction. In general, the Company is not subject to U.S. federal, state and local, or foreign income tax examinations by tax authorities for years prior to 2019; however, certain subsidiaries are subject to income tax examinations starting in 2015 for state and local and 2007 for foreign jurisdictions.

The Company recognizes tax benefits for amounts that are "more likely than not" to be sustained upon examination by tax authorities. For uncertain tax positions in which the benefit to be realized does not meet the "more likely than not" threshold, the Company establishes a liability, which is included within other liabilities in the consolidated balance sheets. As of December 31, 2022, the Company's liability for unrecognized tax benefits was $8.3 million. There were no changes to the liability in the years ended December 31, 2022, 2021, or 2020. The Company did not accrue interest or penalties related to uncertain tax positions. As of December 31, 2022, the Company does not believe that there will be a significant change to the uncertain tax positions during the next 12 months. The amount of the Company's total unrecognized tax benefits that, if recognized, would affect its effective tax rate was $4.8 million as of December 31, 2022.

15. GENERAL, ADMINISTRATIVE AND OTHER

The following table presents the components of general, administrative and other expenses as reported in the consolidated statements of operations:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Professional services	$ 30,831	$ 17,792	$ 22,902
Occupancy and equipment	27,801	32,090	30,267
Information processing and communications	21,370	22,480	21,342
Recurring placement and related service fees	19,428	19,583	18,502
Insurance	8,920	9,027	8,525
Business development	3,371	1,425	2,120
Impairment of right-of-use asset[1]	—	11,240	—
Other expenses	6,925	7,573	9,162
	118,646	121,210	112,820
Legal provisions	—	—	119,367
Total General, Administrative and Other	**$ 118,646**	**$ 121,210**	**$ 232,187**

(1) See Note 7 for additional details on impairment of right-of-use asset.

16. (LOSS) EARNINGS PER CLASS A SHARE

Basic (loss) earnings per Class A Share is computed by dividing the net (loss) earnings attributable to Class A Shareholders by the weighted-average number of Class A Shares outstanding for the period.

For the years ended December 31, 2022, 2021 and 2020 the Company included 170,432, 165,300 and 394,332 RSUs respectively, that have vested but have not been settled in Class A Shares in the weighted-average Class A Shares outstanding used to calculate basic and diluted (loss) earnings per Class A Share.

When calculating dilutive (loss) earnings per Class A Share, the Company applies the treasury stock method to outstanding warrants, unvested RSUs and RSAs, which are only subject to a service condition. At the Sculptor Operating Group Level, the Company applies the if-converted method to vested Group A Units and vested Group E Units. For unvested Group A Units and unvested Group E Units, the Company applies the treasury stock method first to determine the number of incremental units that would be issuable and then applies the if-converted method to those resulting incremental units. The Company did not include unvested RSAs, Group P Units or PSUs subject to service and market conditions in the calculation of dilutive (loss) earnings per Class A Share, as the applicable market conditions had not yet been met as of the end of each reporting period presented below. The Company also did not include RSUs which will be settled in cash. The effect of dilutive securities on net (loss) earnings attributable to Class A Shareholders is presented net of tax.

The following tables present the computation of basic and diluted (loss) earnings per Class A Share:

Year Ended December 31, 2022	Net Loss Attributable to Class A Shareholders	Weighted- Average Class A Shares Outstanding	Loss Per Class A Share	Number of Antidilutive Units and Warrants Excluded from Diluted Calculation
	(dollars in thousands, except per share amounts)			
Basic	$ (12,008)	25,213,554	$ (0.48)	
Effect of dilutive securities:				
Group A Units	—	—		15,025,994
Group E Units	—	—		13,009,376
RSUs	—	—		2,555,483
Service-Based RSAs	—	—		1,456,519
Warrants	(34,499)	1,052,086		—
Diluted	$ (46,507)	26,265,640	$ (1.77)	

Year Ended December 31, 2021	Net Loss Attributable to Class A Shareholders	Weighted- Average Class A Shares Outstanding	Loss Per Class A Share	Number of Antidilutive Units and Warrants Excluded from Diluted Calculation
	(dollars in thousands, except per share amounts)			
Basic	$ (8,605)	24,951,871	$ (0.34)	
Effect of dilutive securities:				
Group A Units	(14,114)	15,858,911		—
Group E Units	—	—		13,010,066
RSUs	—	—		3,434,137
Warrants	—	—		4,338,015
Diluted	$ (22,719)	40,810,782	$ (0.56)	

Year Ended December 31, 2020	Net Income Attributable to Class A Shareholders	Weighted- Average Class A Shares Outstanding	Earnings Per Class A Share	Number of Antidilutive Units and Warrants Excluded from Diluted Calculation
	(dollars in thousands, except per share amounts)			
Basic	$ 170,682	22,597,829	$ 7.55	
Effect of dilutive securities:				
Group A Units	(20,850)	16,018,326		—
Group E Units	—	11,015,490		—
RSUs	—	240,433		—
Warrants	—	—		112,383
Diluted	$ 149,832	49,872,078	$ 3.00	

17. RELATED PARTY TRANSACTIONS

Due from Related Parties

Amounts due from related parties relate primarily to amounts due from the funds for expenses paid on their behalf. These amounts are reimbursed to the Company on an ongoing basis.

Certain Amounts Related to Tax Receivable Agreement Liability

Amounts due to related parties relate primarily to future payments owed to certain former executive managing directors under the tax receivable agreement, as discussed further in Note 18. The tax receivable agreement liability was $190.2 million as of December 31, 2022, and $72.2 million of the balance was due to related parties. The Company made payments totaling $16.9 million, $7.2 million and $18.2 million under the tax receivable agreement (inclusive of interest thereon) in the years ended December 31, 2022, 2021 and 2020, respectively, of which $7.4 million, $3.9 million and $8.1 million were paid to related parties.

Management Fees and Incentive Income Earned from Related Parties and Waived Fees

The Company earns substantially all of its management fees and incentive income from the funds, which are considered related parties as the Company manages the operations of and makes investment decisions for these funds.

As of December 31, 2022 and 2021, respectively, approximately $906.6 million and $910.5 million of the Company's Assets Under Management represented investments by the Company, its executive managing directors, employees and certain other related parties in the Company's funds. As of December 31, 2022 and 2021, approximately 43% and 51%, respectively, of these Assets Under Management were not charged management fees or incentive income.

The following table presents management fees and incentive income charged on investments held by the Company's executive managing directors, employees and certain other related parties:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Fees charged on investments held by related parties:			
Management fees	$ 4,610	$ 3,548	$ 4,200
Incentive income	$ 2,815	$ 3,410	$ 2,091

Commitment to Purchase Interest in BharCap Sponsor LLC.

In March 2021, the Company committed to acquire a non-controlling membership interest of BharCap Sponsor LLC, an entity managed by a member of the Company's Board of Directors, in the amount of $3.0 million out of which $55 thousand was funded and subsequently written-off. As of June 1, 2022, BharCap Acquisition Corp's registration statement filed with the SEC lapsed and the entity was liquidated. The Company will not be funding any additional amounts in connection with the foregoing commitment.

Investment in SPAC

In a private placement concurrent with the initial public offering of the SPAC the Company sponsors, SAC I sold warrants to Sculptor Acquisition Sponsor I, LLC, a subsidiary of the Company, for total gross proceeds of $11.2 million. Prior to the completion of a business combination, Sculptor Acquisition Sponsor I, LLC owns the majority of the Class B ordinary shares outstanding of SAC I, and consolidates SAC I under the voting interest model, and therefore the private placement warrants and Class B ordinary shares held by the Company are eliminated upon consolidation. Refer to Note 2 for additional details on the SPAC.

Investment in Structured Alternative Investment Solution

In the first quarter of 2022, the Company closed on a $350.0 million structured alternative investment solution, a collateralized financing vehicle consolidated by the Company. The Company invested approximately $127.8 million in the vehicle. Refer to Notes 2 and 5 for additional details on the structured alternative investment solution.

18. COMMITMENTS AND CONTINGENCIES

Tax Receivable Agreement

The purchase of Group A Units from current and former executive managing directors and the Ziffs with the proceeds from the 2007 Offerings, and subsequent taxable exchanges by them of Group A Units, Group E Units and Group P Units ("Partner Equity Units") for Class A Shares on a one-for-one basis (or, at the Company's option, a cash equivalent), resulted, and, in the case of future exchanges, are anticipated to result, in an increase in the tax basis of the assets of the Sculptor Operating Group that would not otherwise have been available. The Company anticipates that any such tax basis adjustment resulting from an exchange will be allocated principally to certain intangible assets of the Sculptor Operating Group, and the Company will derive its tax benefits principally through amortization of these intangibles over a 15-year period. Consequently, these tax basis adjustments will increase, for tax purposes, the Company's depreciation and amortization expenses and will therefore reduce the amount of tax that Sculptor Corp and any other future corporate taxpaying entities that acquire Group B Units in connection with an exchange, if any, would otherwise be required to pay in the future. Accordingly, pursuant to the tax receivable agreement, such corporate taxpaying entities (including Sculptor Capital Management, Inc. once it became treated as a corporate taxpayer following the Company's conversion from a partnership to a corporation for U.S. federal income tax purposes, effective April 1, 2019 (the "Corporate Classification Change"), have agreed to pay the executive managing directors and the Ziffs a percentage of the amount of cash savings, if any, in federal, state and local income taxes in the U.S. that these entities actually realize related to their units as a result of such increases in tax basis. For tax years prior to 2019, such percentage was 85% of such annual cash savings under the tax receivable agreement.

In connection with the Recapitalization, the Company amended the tax receivable agreement to provide that, conditioned on Sculptor Capital Management, Inc. electing to be classified as, or converting into, a corporation for U.S. tax purposes, (i) no amounts are due or payable with respect to the 2017 tax year, (ii) only partial payments equal to 85% of the excess of such cash savings that would otherwise be due over 85% of such cash savings determined assuming that taxable income equals Economic Income are due and payable in respect of the 2018 tax year and (iii) the percentage of cash savings required to be paid with respect to the 2019 tax year and thereafter, as well as with respect to cash savings from subsequent exchanges, is reduced to 75%.

In connection with the departure of certain former executive managing directors since the 2007 Offerings, the right to receive payments under the tax receivable agreement by those former executive managing directors was contributed to the Sculptor Operating Group. As a result, the Company expects to pay to the other executive managing directors and the Ziffs approximately 69% of the amount of cash savings, if any, in federal, state and local income taxes in the U.S. that the Company realizes as a result of such increases in tax basis with respect to future tax years. To the extent that the Company does not realize any cash savings, it would not be required to make corresponding payments under the tax receivable agreement.

The Company recorded its initial estimate of future payments under the tax receivable agreement as a decrease to additional paid-in capital and an increase in the tax receivable agreement liability in the consolidated financial statements. Subsequent adjustments to the liability for future payments under the tax receivable agreement related to changes in estimated future tax rates or state income tax apportionment are recognized through current period earnings in the consolidated statements of operations.

The estimate of the timing and the amount of future payments under the tax receivable agreement involves several assumptions that do not account for the significant uncertainties associated with these potential payments, including an assumption that Sculptor Corp will have sufficient taxable income in the relevant tax years to utilize the tax benefits that would give rise to an obligation to make payments. The actual timing and amount of any actual payments under the tax receivable

agreement will vary based upon these and a number of other factors. As of December 31, 2022, the estimated future payment under the tax receivable agreement was $190.2 million, which is recorded in the tax receivable agreement liability balance on the consolidated balance sheets.

The table below presents management's estimate as of December 31, 2022, of the maximum amounts that would be payable under the tax receivable agreement assuming that the Company will have sufficient taxable income each year to fully realize the expected tax savings. In light of the numerous factors affecting the Company's obligation to make such payments, the timing and amounts of any such actual payments may differ materially from those presented in the table. The impact of any net operating losses is included in the "Thereafter" amount in the table below.

	Potential Payments Under Tax Receivable Agreement
	(dollars in thousands)
2023	17,671
2024	18,010
2025	7,317
2026	41,922
2027	47,209
Thereafter	58,116
Total Payments	**$ 190,245**

Litigation

On August 24, 2022, a complaint under Section 220 of Delaware's general corporation law, which allows shareholders to inspect corporate books and records, was filed by Daniel S. Och, the founder and former Chief Executive Officer (the "Founder") of Och-Ziff Capital Management LLC and its consolidated subsidiaries ("Och-Ziff") and four former Och-Ziff executive managing directors. In April 2022, the Founder and these former executive managing directors made a demand to inspect books and records relating to alleged corporate governance concerns in connection with the promotion of James S. Levin to Chief Executive Officer, a new executive compensation plan approved by the Board of Directors in December 2021, and other matters related to the Board's exercise of its duties. Despite the voluntary production by the Company of extensive documentation in response to that demand, the Founder and the former executive managing directors filed the Section 220 complaint to compel additional production.

On November 18, 2022, the parties announced a settlement of the matter whereby the Founder and the former executive managing directors dismissed the Section 220 complaint with prejudice and in return, among other things, the Company agreed to produce certain additional books and records as well as to issue a press release announcing the formation of a special committee of the Board, as discussed in additional detail in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Recent Developments – Formation of Special Committee to Explore Potential Transactions.

From time to time, the Company is involved in litigation and claims incidental to the conduct of the Company's business. The Company is also subject to extensive scrutiny by regulatory agencies globally that have, or may in the future have, regulatory authority over the Company and its business activities.

The Company accrues a liability for legal proceedings only when those matters present loss contingencies that it believes are both probable and reasonably estimable. As of December 31, 2022, the Company does not have any potential liability related to any current legal proceeding or claim that would individually, or in the aggregate, materially affect its results of operations, financial position or cash flows.

Investment Commitments

The Company has unfunded capital commitments of $182.8 million to certain funds it manages, of which $90.1 million relates to commitments of the Company's consolidated structured alternative investment solution, which do not directly impact the cash flows related to Class A Shareholders. The remaining $92.7 million relates to commitments of the Company to unconsolidated funds. Approximately $65.4 million of the Company's commitments will be funded by contributions to the Company from certain employees and executive managing directors. The Company expects to fund these commitments over the approximately next six years. The Company has guaranteed these commitments in the event any executive managing director fails to fund any portion when called by the fund. The Company has historically not funded any of these commitments and does not expect to in the future, as these commitments are expected to be funded by the Company's executive managing directors individually.

Other Contingencies

In the normal course of business, the Company enters into contracts that provide a variety of general indemnifications. Such contracts include those with certain service providers, brokers and trading counterparties. Any exposure to the Company under these arrangements could involve future claims that may be made against the Company. Currently, no such claims exist or are expected to arise and, accordingly, the Company has not accrued any liability in connection with such indemnifications.

Additionally, the Company has agreements with certain of the funds it manages to reimburse certain expenses in excess of an agreed-upon cap. During the years ended December 31, 2022, 2021 and 2020 these amounts were not material.

19. SUBSEQUENT EVENTS

Dividend

On February 28, 2023, the Company announced a cash dividend of $0.20 per Class A Share. The dividend is payable on March 21, 2023, to holders of record as of the close of business on March 14, 2023.

Exhibit 10.89.1

FIRST AMENDMENT TO CREDIT AGREEMENT

This **FIRST AMENDMENT TO CREDIT AGREEMENT**, dated as of December 20, 2022 (this "Amendment"), is entered into in connection with the Credit and Guaranty Agreement, dated as of September 25, 2020 (as amended, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement", and as further amended by this Amendment, the "Amended Credit Agreement"), by and among Sculptor Capital LP, as borrower (the "Borrower"), Sculptor Capital Advisors LP and Sculptor Capital Advisors II LP, as a guarantors (the "Guarantor"), the lenders from time to time party thereto (the "Lenders"), and Delaware Life Insurance Company, as administrative agent (the "Administrative Agent"). Capitalized terms used and not otherwise defined herein have the meanings given to such terms in the Credit Agreement.

RECITALS

WHEREAS, certain loans or other extensions of credit under the Credit Agreement bear or are permitted to bear interest based on the Eurodollar Rate in accordance with the terms of the Credit Agreement;

WHEREAS, the Administrative Agent has elected (in consultation with the Borrower) to declare that an Early Opt-in Election has occurred in accordance with the Credit Agreement and that the Eurodollar Rate should be replaced with the applicable Benchmark Replacement for all purposes under the Credit Agreement and any Credit Document;

WHEREAS, the Administrative Agent has posted this Amendment to all Lenders and Lenders comprising the Requisite Lenders have consented to this Amendment; and

WHEREAS, the Administrative Agent, the Borrower and the Requisite Lenders agree that this Amendment shall become effective on the First Amendment Effective Date (as defined below).

NOW, THEREFORE, based upon the foregoing, the mutual premises and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, intending to be legally bound, agree as follows:

SECTION 1. AMENDMENT.

Subject to satisfaction of the conditions set forth in Section 4, as of the date hereof, (a) the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages of the Credit Agreement attached as Exhibit A hereto, (b) Exhibit A-1 to the Credit Agreement is hereby amended and restated in its entirety to read as set forth on Annex B attached hereto and (c) Exhibit A-2 to the Credit Agreement is hereby amended and restated in its entirety to read as set forth on Annex C attached hereto.

SECTION 2. CREDIT AGREEMENT IN FULL FORCE AND EFFECT AS AMENDED.

Except as specifically amended hereby, all provisions of the Credit Agreement will remain in full force and effect. After this Amendment becomes effective, all references to the Credit Agreement, and corresponding references thereto or therein such as "hereof," "herein" or words of similar effect referring to the Credit Agreement will mean the Credit Agreement as amended hereby. This Amendment does not constitute a novation of the Credit Agreement, but will constitute an amendment thereof. This Amendment will not, expressly or impliedly, waive, amend or supplement any provision of the Credit Agreement other than as expressly set forth herein.

SECTION 3. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants as of the date of this Amendment as follows:

(i) it is a limited partnership duly organized and validly existing and in good standing under the laws of the State of Delaware;

(ii) it has the power and authority to execute and deliver this Amendment and to perform its obligations under this Amendment and has taken all necessary action to authorize such execution, delivery and performance;

(iii) its execution and delivery of this Amendment and performance of this Amendment do not violate or conflict with any applicable provision of any law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, contractual restrictions binding on or affecting any of its assets or any provision of its organizational documents, in each case except to the extent any such violation or conflict would not reasonably be expected to have a Material Adverse Effect;

(iv) all material governmental and other consents that are required to have been obtained by it with respect to its execution and delivery of this Amendment or the performance, validity or enforceability of this Amendment have been obtained and are in full force and effect, and it has complied with all conditions of any such consents, in each case except to the extent such failure to obtain, failure to be in full force and effect or failure to comply with the conditions of any such consents would not reasonably be expected to have a Material Adverse Effect;

(v) this Amendment has been duly executed and delivered by it; and

(vi) this Amendment constitutes its legal, valid and binding agreement enforceable against it in accordance with its respective terms, except as enforceability may be limited by applicable insolvency, bankruptcy or other laws affecting creditors' rights generally, or general principles of equity, whether such enforceability is considered in a proceeding in equity or at law.

SECTION 4. CONDITIONS TO EFFECTIVENESS.

The Amendment shall become effective on the first date on which the following conditions have been satisfied or waived (the "First Amendment Effective Date"):

(i) Delivery to the Administrative Agent of duly executed signature pages to this Amendment by the Borrower, the Administrative Agent and the Lenders constituting the Requisite Lenders; and

(ii) Payment by or on behalf of the Borrower, to the extent invoices have been presented to the Borrower at least three (3) Business Days prior to the First Amendment Effective Date, of all reasonable and documented out of pocket expenses of the Administrative Agent (including fees, disbursements and other charges of Sullivan & Cromwell LLP) required to be reimbursed or paid under Section 10.02 of the Credit Agreement in connection with the preparation and execution of this Amendment.

SECTION 5. REAFFIRMATION.

The Credit Agreement, the Security Agreement and the other Credit Documents shall remain in full force and effect, are hereby ratified and confirmed in all respects, and shall constitute the legal, valid, binding and enforceable obligations of each of the Credit Parties to the extent party thereto. The Borrower hereby ratifies and reaffirms the Obligations and any and all security interests and Liens it has granted (or made) to secure the Secured Obligations (as defined in the Credit Documents). Each such Obligation, security interest and Lien is ratified and reaffirmed and shall remain and continue in full force and effect in accordance with its terms. Except as expressly set forth herein, this Amendment shall not be deemed to be an amendment to, modification of or consent to the departure from any provisions of the Credit Agreement or any other Credit Document or any right, power or remedy of Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other Credit Document, or any other document, instrument and/or agreement executed or delivered in connection therewith or of any Default or Event of Default under any of the foregoing, in each case, whether arising before or after the date hereof or as a result of performance hereunder or thereunder. All references to the Credit Agreement shall be deemed to mean the Credit Agreement as modified hereby. The parties hereto agree to be bound by the terms and conditions of the Credit Agreement and the Credit Documents as modified by this Amendment, as though such terms and conditions were set forth herein.

SECTION 6. EXISTING EURODOLLAR RATE LOANS.

Notwithstanding anything herein, the parties hereto hereby agree that (a) to the extent any Eurodollar Rate Loan is outstanding on the First Amendment Effective Date (such Eurodollar Rate Loans, the "Pre-Amendment Eurodollar Loans"), such Pre-Amendment Eurodollar Loans shall continue to bear interest at the Eurodollar Rate plus the Applicable Margin until the end of the current Interest Period or payment period applicable to such Pre-Amendment Eurodollar Loans, it being understood that such Pre-Amendment Eurodollar Loans shall remain subject to the terms of the Credit Agreement (for the avoidance of doubt, without giving effect to this Amendment) until the end of the applicable Interest Period, (b) in no event shall the Borrower be entitled to request any Loans that are Eurodollar Rate Loans after the First Amendment Effective Date (or submit a notice of conversion or continuation with respect to continuing any such Loans or requesting conversion of a Loan into a Eurodollar Rate Loan) and (c) at the end of the current applicable Interest Period or payment period, as applicable, each Pre-Amendment Eurodollar Rate Loan shall, unless otherwise instructed by the Borrower, be automatically converted to a SOFR Loan (as defined in the Amended Credit Agreement) with an Interest Period (as defined in the Amended Credit Agreement) of one month.

SECTION 7. MISCELLANEOUS.

(i) This Amendment may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and all of which when taken together will constitute one and the same agreement. Signature pages to this Amendment may be delivered by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered will have the same force and effect as an originally signed signature page. The words "executed," "signature," and words of like import shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(ii) The headings herein are for purposes of reference only and do not otherwise affect the meaning or interpretation of any provision hereof.

(iii) Whenever the context and construction so require, all words used in the singular number herein will be deemed to have been used in the plural, and vice versa, the masculine gender will include the feminine and neuter and the neuter will include the masculine and feminine.

(iv) This Amendment, the Credit Documents and any agreements or letters executed in connection herewith or therewith contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and thereof and constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof, superseding all prior oral or written understandings.

(v) THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT (WHETHER IN CONTRACT, TORT OR OTHERWISE) ARE TO BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(vi) The provisions of Sections 10.02, 10.03, 10.16 and 10.17 of the Credit Agreement are hereby incorporated by reference, *mutatis mutandis*.

[*Signature pages follow*]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers or representatives thereunto duly authorized, as of the date first above written.

SCULPTOR CAPITAL LP, as Borrower

By: /s/ Wayne Cohen
Name: Wayne Cohen
Title: President and Chief Operating Officer

[Signature Page to Amendment]

DELAWARE LIFE INSURANCE COMPANY, in its capacity as Administrative Agent

By: /s/ James F. Alban
Name: James F. Alban
Title: Authorized Signed

[Signature Page to Amendment]

EXHIBIT A

Conformed Credit Agreement

EXHIBIT B

Funding Notice

EXHIBIT C

Conversion/Continuation Notice

CREDIT AND GUARANTY AGREEMENT

dated as of September 25, 2020
among

SCULPTOR CAPITAL LP,
as Borrower,

SCULPTOR CAPITAL ADVISORS LP,
as a Guarantor,

SCULPTOR CAPITAL ADVISORS II LP,
as a Guarantor,

CERTAIN OTHER GUARANTORS PARTY HERETO FROM TIME TO TIME,
as Guarantors,

VARIOUS LENDERS,

and

DELAWARE LIFE INSURANCE COMPANY,
as Administrative Agent

$320,000,000 Senior Secured Term Loan Facility
$25,000,000 Revolving Credit Facility

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CREDIT AND GUARANTY AGREEMENT

This CREDIT AND GUARANTY AGREEMENT, dated as of September 25, 2020, is entered into by and among SCULPTOR CAPITAL LP, a Delaware limited partnership ("***Sculptor Capital***" or "***Borrower***"), as borrower, SCULPTOR CAPITAL ADVISORS LP, a Delaware limited partnership ("***Advisors***"), as a Guarantor, SCULPTOR CAPITAL ADVISORS II LP, a Delaware limited partnership ("***Advisors II***"), as a Guarantor, CERTAIN OTHER GUARANTORS PARTY HERETO FROM TIME TO TIME, the Lenders party hereto from time to time and DELAWARE LIFE INSURANCE COMPANY, as Administrative Agent (together with its permitted successors in such capacity, "***Administrative Agent***").

RECITALS:

WHEREAS, capitalized terms used in these Recitals and the preamble to this Agreement shall have the respective meanings set forth for such terms in Section 1.01 hereof;

WHEREAS, the Term Loan Lenders have agreed to extend a senior secured term loan facility to Borrower, in an initial aggregate principal amount not to exceed $320,000,000 and the Revolving Lenders have agreed to extend a senior secured revolving credit facility to Borrower, in an initial aggregate principal amount not to exceed $25,000,000, in accordance with terms and conditions hereof.

Article 1
DEFINITIONS AND INTERPRETATION

Section 1.01 ***Definitions***. The following terms used herein, including in the preamble, Recitals, Exhibits and Schedules hereto, shall have the following meanings:

"***Accrued PIK Interest***" means the payment-in-kind of interest in respect of the Loan by increasing and capitalizing such interest on the outstanding principal amount of the Loan pursuant to Section 2.05(e).

"***Adjusted Distributable Earnings***" means Distributable Earnings, calculated net of:

(A) the aggregate amount of Restricted Payments pursuant to Section 6.03(a), Section 6.03(d), Section 6.03(i), Section 6.03(k) and Section 6.03(m) in respect of such Fiscal Year, and

(B) so long as made during such Fiscal Year, or contractually committed during such Fiscal Year to be made within ninety (90) days from the last day of such Fiscal Year (or, in the case of (ii) below, 120 days from the last day of such Fiscal Year):

(i) the aggregate amount of all voluntary prepayments of the Term Loans pursuant to Section 2.10(a) (voluntary prepayments);

(ii) funding of new firm products and investments and expenses incurred in connection with any Sculptor Fund, platform arrangement, joint venture or other Affiliate of any Credit Party or Sculptor Subsidiary;

(iii) investments and expenses incurred in connection with securitization structures; AIS Investments or the acquisition of Risk Retention Interests and related permitted assets by Qualifying Risk Retention Subsidiaries;

(iv) funding of unfunded capital commitments;

(v) Annual Capital Expenditures; *provided* that the sum of the amount of Annual Capital Expenditures (excluding any expenditures related to the building, development, remodeling or refurbishment of office space) shall not exceed $15.0 million per Fiscal Year;

(vi) buybacks of units of the Credit Parties;

(vii) amounts of cash paid in connection with the normal course settlement of restricted stock units issued by the Issuer or the Credit Parties (subject to appropriate adjustment in the event of any equity dividend, equity split, combination of other similar recapitalization); *provided* that the amount of cash paid per restricted stock unit shall not exceed 55% of the value of such restricted stock unit;

(viii) regulatory capital reserves; and

(ix) the aggregate amount of all principal payments and purchases of Indebtedness of any Credit Party or any Sculptor Subsidiary (including (A) the principal component of payments in respect of Capital Leases and (B) Term Loans pursuant to Section 2.09(a), but excluding (x) Revolving Loans, except to the extent there is an equivalent permanent reduction in Revolving Commitments and (y) all other prepayments of Term Loans);

provided, that (x) any reductions pursuant to (A) and (B) of this definition (other than reductions resulting from voluntary prepayments of the Term Loans pursuant to Section 2.10(a)) shall reduce the amount of Adjusted Distributable Earnings for such fiscal year (but shall not result in a dollar-for-dollar reduction of the mandatory prepayment required pursuant to Section 2.10(d)(iv)) and (y) reductions resulting from voluntary prepayments of the Term Loans pursuant to Section 2.10(a) shall reduce on a dollar-for dollar basis the amount of the mandatory prepayment required pursuant to Section 2.10(d)(iv).

"***Adjusted Term SOFR***" means, for each SOFR Loan for any Interest Period, a per annum rate of interest equal to the sum of (a) Term SOFR and (b) the applicable SOFR Spread Adjustment.

"***Administrative Agent***" as defined in the preamble hereto.

"***Administrative Questionnaire***" means an Administrative Questionnaire in a form supplied by Administrative Agent.

"***Adverse Proceeding***" means any action, suit, proceeding, hearing, claim or dispute at law or in equity, in arbitration or before or by any Governmental Authority pending or, to the knowledge of any Credit Party, threatened in writing against the Borrower, Advisors, Advisors II any other Guarantor or any Sculptor Subsidiary, or any property of the Borrower, Advisors, Advisors II any other Guarantor or any Sculptor Subsidiary.

"***Advisors***" as defined in the preamble hereto.

"***Advisors II***" as defined in the preamble hereto.

"***Affected Lender***" as defined in Section 2.14(b).

"***Affected Loans***" as defined in Section 2.14(b).

"***Affiliate***" means, as applied to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with, that Person; *provided*, *however*, that no Lender shall be considered an Affiliate of the Issuer or any Credit Party and no Secured Party shall be an Affiliate of any Credit Party or of any Subsidiary of any Credit Party solely by reason of being a Lender or holder of Warrants or the shares underlying the Warrants upon exercise. For the purposes of this Agreement, "Control" (including, with correlative meanings, the terms "Controlling," "Controlled by" and "under common Control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

"***Africo Litigation***" means the pending claims for restitution in U.S. vs. Oz Africa Management GP, LLC, Cr No. 16-515 (NGG) (EDNY).

"***Africo Litigation Settlement***" means the entry of a judgment and commitment order (i.e., a final order) by the judge in the Africo Litigation for restitution.

"***Aggregate Amounts Due***" as defined in Section 2.13.

"***Aggregate Payments***" as defined in Section 7.02.

"***Agreement***" means this Credit and Guaranty Agreement, dated as of September 25, 2020, as it may be amended, restated, supplemented or otherwise modified from time to time.

"***AHYDO***" as defined in Section 2.10(d)(ix).

"***AIS Investment***" as defined in the definition of "Alternate Investment Subsidiary."

"***Alternate Base Rate***" means, for any day, a rate *per annum* equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) ~~the Eurodollar Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, *provided* that for the purpose of this definition, the Eurodollar Rate for any day shall be based on the Screen Rate (or if the Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day~~Term SOFR plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or ~~the Eurodollar Rate~~Term SOFR shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or ~~the Eurodollar Rate~~Term SOFR, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as so determined would be less than 1.75%, such rate shall be deemed to be 1.75% for the purposes of this Agreement.

"***Alternate Investment Subsidiary***" means a Sculptor Subsidiary (other than a Credit Party) that (i) is a special purpose vehicle formed for the purpose of making and holding and/or financing equity investments (other than investments in Risk Retention Interests) in Sculptor Funds or other investment vehicles (any such investment, an "***AIS Investment***") where a Credit Party or a Sculptor Subsidiary is directly or indirectly the general partner, manager, managing member, collateral manager, asset manager, investment manager, investment adviser or servicer, or otherwise has the power to direct or cause the direction, of the management of such Sculptor Fund or other investment vehicle, and (ii) is not engaged in any other material activities and does not have any other material assets other than as described above, activities and assets relating to purchasing, acquiring or retaining AIS Investments, any other businesses that have been entered into substantially related or ancillary to the businesses described in this definition, including, but not limited to, engaging third party advisors, marketing to and obtaining investors and prospective investors, and engaging in joint ventures with other investors.

"***Annual Capital Expenditures***" means, with respect to each Fiscal Year of the Issuer, the aggregate of all expenditures by the Issuer and its consolidated Subsidiaries for the acquisition of fixed or capital assets or additions to property, plants or equipment (including replacements, capitalized repairs and improvements during such period) that should be capitalized under GAAP on a consolidated balance sheet of the Issuer and its consolidated Subsidiaries. For the avoidance of doubt, Annual Capital Expenditures shall exclude real estate leases that may be capitalized for accounting purposes.

"***Anti-Corruption Laws***" means all laws, rules, and regulations of any jurisdiction applicable to Borrower, any other Credit Party or their respective Subsidiaries from time to time concerning or relating to bribery or corruption.

"***Applicable Margin***" means (i) from the Closing Date to the date two (2) Business Days immediately following the earlier to occur of any Pricing Step-Up Event, 6.25% in the case of ~~Eurodollar Rate~~SOFR Loans (or 5.25% in the case of Base Rate Loans) and (ii) thereafter, 8.25% in the case of ~~Eurodollar Rate~~SOFR Loans (or 7.25% in the case of Base Rate Loans); *provided* that (A) in no event the Applicable Margin shall exceed 8.25% in the case of ~~Eurodollar Rate~~SOFR Loans (or 7.25% in the case of Base Rate Loans) (other than in connection with default interest pursuant to Section 2.07) and (B) following the earlier to occur of any of (x) a Leverage Based Step-Down Event and (y) a Prepayment Based Step-Down Event, the Applicable Margin shall be 6.25% in the case of ~~Eurodollar Rate~~SOFR Loans (or 5.25% in the case of Base Rate Loans) *provided*, *further*, (1) in the case of clause (x), so long as no Prepayment Based Step-Up Condition has occurred and (2) in the case of clause (y), so long as no Leverage Based Step-Up Event has occurred; *provided*, *further* that upon the occurrence of a Fall-Away Trigger the Applicable Margin shall be 6.25% in the case of ~~Eurodollar Rate~~SOFR Loans (or 5.25% in the case of Base Rate Loans) and may not be increased due to a subsequent Leverage Based Step-Up Event; and *provided*, *further*, that following delivery of a Cash Sweep Notice to the Borrower, (1) the Applicable Margin then applicable pursuant to clauses (i) and (ii) of this definition shall be reduced by 0.75% and (2) if the aggregate principal amount of the Term Loans repaid pursuant to Sections 2.09(a), 2.10(a), 2.10(d)(iv) equals or exceeds $175,000,000, the then Applicable Margin shall be reduced by an additional 0.75%.

"***Approved Electronic Platform***" has the meaning assigned to it in Section 9.12(a).

"***Asset Sale***" means a sale, lease or sub-lease (as lessor or sublessor), sale and leaseback, assignment, conveyance, exclusive license (as licensor or sublicensor), transfer or other disposition to, or any exchange of property with, any Person (other than Borrower or any Guarantor), in one transaction or a series of transactions, of all or any part of any Credit Party's or any of the Sculptor Subsidiaries' businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, leased or licensed, or any issuances or sale of the Equity Interests of any Sculptor Subsidiary, other than (i) inventory (or other assets) sold, leased, licensed out or otherwise disposed, or exchanged for other property, in the ordinary course of business, (ii) sales, leases, licenses, exchanges, transfers, disposals or other dispositions of used, obsolete, worn out or surplus property no longer used or useful in the conduct of business or the dispositions of accounts receivable in connection with the collection or compromise thereof, (iii) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of the Credit Parties and the Sculptor Subsidiaries, taken as a whole, (iv) sales, leases, licenses, sublicenses, subleases, exchanges, transfers or other dispositions of property to any Credit Party or Sculptor Subsidiary permitted pursuant to Section 6.15; *provided* that any such transactions between or among any Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary (or any of their respective Sculptor Subsidiaries or Owned Entities other than a Sculptor Fund) and any Credit Party or any Non-SPVS shall not be made on terms that are substantially less favorable to such Credit Party or such Non-SPVS, as the case may be, than those that might be obtained in a comparable arms-length transaction at the time from a Person who is not an Affiliate of such Credit Party or Non-SPVS, (v) sales, leases, licenses, sublicenses, subleases, exchanges, transfers or other dispositions of other assets for consideration of less than $5,000,000 with respect to any transaction

or series of related transactions and less than $10,000,000 in the aggregate during any Fiscal Year, (vi) sales, transfers or dispositions of Cash Equivalents for fair market value, (vii) Involuntary Dispositions, (viii) the abandonment or other sale, transfer, disposal or disposition of Intellectual Property Rights that are, in the reasonable judgment of the Borrower, no longer economically practicable to maintain or useful in any material respect in the conduct of the business of the Issuer and its Subsidiaries taken as a whole, (ix) sales or other transfers or dispositions of Margin Stock, (x) issuances by the Borrower, Advisors, Advisors II and/or any New Advisor Guarantor to any Person other than a Credit Party or a Sculptor Subsidiary of its Equity Interests (including, for the avoidance of doubt, Sculptor Operating Group A-1 Units, and Sculptor Operating Group E Units), Class C Non-Equity Interests, Sculptor Operating Group D Units, Sculptor Operating Group P Units, Deferred Fund Interests, Preferred Units or PSIs, as applicable, including the exchange or conversion of any of the foregoing, whether for Class A Shares, other Equity Interests, or otherwise, in the case of any such exchange or conversion, pursuant to the exchange agreements or conversion agreements relating thereto, (xi) sales or other transfers or dispositions of securities in connection with repurchase agreements, (xii) the unwinding of, or settlements under, Interest Rate Agreements or Currency Agreements, (xiii) the substantially concurrent purchase and sale, transfer, disposition or exchange of non-cash assets for similar assets of substantially equivalent value, (xiv) Restricted Payments not prohibited under Section 6.03, (xv) investments (including in the form of Cash and Cash Equivalents), and sales, transfers or dispositions of investments that do not constitute a Line of Business Asset Sale, and (xvi) subject to Section 6.15, sales, leases, licenses, exchanges, transfers, disposals or other dispositions (other than a sale of all or substantially all assets of the Credit Parties and the Sculptor Subsidiaries, taken as a whole) that do not constitute a Line of Business Asset Sale.

"***Assignment Agreement***" means an Assignment and Assumption Agreement substantially in the form of Exhibit D, with such amendments or modifications as may be approved by Administrative Agent or any other form approved by the Administrative Agent.

"***Assignment Effective Date***" as defined in Section 10.06(b).

"***AUM***" means, as of any date, total fee-paying assets under management of the Credit Parties and their consolidated Subsidiaries as of such date, on a combined basis in accordance with GAAP, as adjusted to give pro forma effect to all pending binding subscriptions in effect on such date and all redemption requirements in effect on such date, but excluding any fee-paying assets if the fee charged on such assets is less than 0.07%.

"***Authorized Officer***" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, chief financial officer, treasurer, president or a vice president (or the equivalent thereof) of such Person or of such Person's general partner or equivalent.

"***Available Adjusted Distributable Earnings***" means, an amount, not less than zero, determined on a cumulative basis, equal to the amount of Adjusted Distributable Earnings for the Fiscal Year ending December 31, 2020 and each completed Fiscal Year thereafter that is not required prior to the applicable date to be applied to make mandatory prepayments of Term Loans pursuant to Section 2.10(d)(iv) (it being understood, for the avoidance of doubt that, solely for purposes of this definition Available Adjusted Distributable Earnings for any Fiscal Year shall be deemed to be zero until the payment required pursuant to Section 2.10(d)(iv) for such Fiscal Year has been made).

"***Available Tenor***" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 2.14(f).

"***Availability Period***" means the period from and including the Closing Date to but excluding the earlier of the Revolving Maturity Date and the Termination Date.

"***Bail-In Action***" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"***Bail-In Legislation***" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"***Bankruptcy Code***" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"***Bankruptcy Event***" means, with respect to any Person, such Person becomes the subject of a voluntary or involuntary bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment or has had any order for relief in such proceeding entered in respect thereof, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"***Base Rate Loan***" means a Loan bearing interest at a rate determined by reference to the Alternate Base Rate.

"***Base Rate Term SOFR Determination Day***" has the meaning specified in the definition of "Term SOFR".

"***Benchmark*** " means, initially, the Term SOFR Reference Rate; *provided* that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement~~" means the sum of:~~ to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.14(f).

"***Benchmark Replacement***" means, for any Available Tenor, the sum of (a) the alternate benchmark rate ~~(which may include Term SOFR)~~ that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate ~~of interest~~ as a replacement to the ~~Screen Rate for U.S. dollar~~ then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment (if any); provided that~~,~~ if the Benchmark Replacement as so determined would be less than ~~zero,~~ the SOFR Floor, such Benchmark Replacement will be deemed to be ~~zero~~ the SOFR Floor for the purposes of this Agreement and the other Credit Documents.

"***Benchmark Replacement Adjustment***" means, with respect to any replacement of the ~~Screen Rate~~ then-current Benchmark with an Unadjusted Benchmark Replacement ~~for each applicable Interest Period~~, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero)~~,~~ that has been selected by the Administrative Agent and the Borrower giving due consideration to (~~i~~a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of ~~the Screen Rate~~such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (~~ii~~b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of ~~the Screen Rate~~such Benchmark with the applicable Unadjusted Benchmark Replacement for ~~U.S. dollar~~Dollar-denominated syndicated credit facilities at such time.

~~"***Benchmark Replacement Conforming Changes***" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate", "Interest Period", the timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent reasonably decides (in consultation with the Borrower) may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent reasonably decides (in consultation with the Borrower) is reasonably necessary in connection with the administration of this Agreement).~~

"***Benchmark Replacement Date***" means the ~~earlier~~ earliest to occur of the following events with respect to the ~~Screen Rate (i~~then-current Benchmark:

(a) in the case of clause (~~i~~a) or (~~ii~~b) of the definition of "Benchmark Transition Event," the later of (~~a~~i) the date of the public statement or publication of information referenced therein and (~~b~~ii) the date on which the administrator of ~~the Screen Rate~~such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide ~~the Screen Rate; or~~ all Available Tenors of such Benchmark (or such component thereof); or

(~~ii~~b) in the case of clause (~~iii~~c) of the definition of "Benchmark Transition Event," the ~~date of the public~~ first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication ~~of information referenced therein~~ referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to the ~~Screen Rate, (i~~then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of ~~the Screen Rate~~such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide ~~the Screen Rate~~ all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~the Screen Rate;~~ any Available Tenor of such Benchmark (or such component thereof);

(~~ii~~b) a public statement or publication of information by the regulatory supervisor for the administrator of ~~the Screen Rate, the U.S.~~ such Benchmark (or the published component used in the calculation thereof), the Federal Reserve ~~System~~Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for ~~the Screen Rate~~such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for ~~the Screen Rate~~such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for ~~the screen Rate~~such Benchmark (or such component), which states that the administrator of ~~the Screen Rate~~such Benchmark (or such component) has ceased or will cease to provide ~~the Screen Rate~~all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~the Screen Rate: or~~ any Available Tenor of such Benchmark (or such component thereof); or

(~~iii~~c) a public statement or publication of information by the regulatory supervisor for the administrator of ~~the Screen Rate announcing that the Screen Rate is no longer~~such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Start Date**" means, (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the ninetieth (90th ~~day~~) day (or such other date selected by the Administrative Agent and the Borrower) prior to the expected date of such event as of such public statement or publication of information (as such expected date may be delayed pursuant to any subsequent public statement or event) (or if the expected date of such prospective event is fewer than ninety (90 ~~days~~) days (or such other date selected by the Administrative Agent and the Borrower) after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date jointly elected by the Administrative Agent and the Borrower and specified by the Administrative Agent ~~or the Requisite Lenders, as applicable,~~ by written notice to the Borrower~~, the Administrative Agent (in the case of such notice by the Requisite Lenders)~~ and the Lenders.

"***Benchmark Unavailability Period***" means, ~~if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Screen Rate and solely to the extent that the Screen Rate has not been replaced with a Benchmark Replacement~~with respect to any then current Benchmark, the period (if any) (a) beginning at the time that ~~such~~a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the ~~Screen Rate~~then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 2.14(f) and (~~y~~b) ending at the time that a Benchmark Replacement has replaced the ~~Screen Rate~~then-current Benchmark for all purposes hereunder ~~pursuant to~~and under any Credit Document in accordance with Section 2.14(f).

"***Conforming Changes***" means, with respect to the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that the Administrative Agent decides, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents).

"***Beneficiary***" means Administrative Agent and any Lender.

"***Beneficial Ownership Certification***" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"***Beneficial Ownership Regulation***" means 31 CFR § 1010.230.

"***Benefit Plan***" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan."

"***Board of Directors***" means with respect to (a) any corporation, the board of directors of the corporation, (b) a partnership, the board of directors of the general partner of the partnership, (c) a limited liability company, the managing member or members or any controlling committee or board of directors of such company or the sole member or the managing member thereof, and (d) any other Person, the board or committee of such Person serving a similar function.

"***Board of Governors***" means the Board of Governors of the United States Federal Reserve System, or any successor thereto.

"***Board Representation Agreement***" means that certain agreement between the Issuer and Delaware Life to be executed as of the Closing Date relating to the appointment of a director to the Board of the Issuer, substantially in the form attached hereto as Exhibit O.

"***Borrower***" as defined in the preamble hereto.

"***Business Day***" means (i) any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close and (ii) with respect to all notices, determinations, fundings and payments in connection with ~~the Eurodollar Rate~~Term SOFR or any ~~Eurodollar Rate~~SOFR Loans, the term "***Business Day***" shall mean any day which is a Business Day described in clause (i) and which is also a ~~day for trading by and between banks in Dollar deposits in the London interbank market~~U.S. Government Securities Business Day.

"***Call Premium***" means, subject to Section 2.08(c), in the case of (i) a voluntary prepayment of Term Loans under Section 2.10(a) (other than voluntary prepayments (x) of up to $175,000,000 of principal of Term Loans during the Par Prepayment Period or (y) up to $100,000,000 in accordance with the definitions of the Minimum Prepayment/Buyback Amount or the Minimum Term Loan Prepayment Amount, in each case, to the extent not financed with the proceeds of long-term third party Indebtedness), (ii) a repayment of the Term Loans related to a Change of Control, (iii) in the event of any mandatory prepayment of the Term Loans (other than pursuant to Section 2.10(d)(iv) or Section 8.02) or (iv) at any time the Obligations become due and payable prior to the Call Protection Termination Date following an acceleration pursuant to Article 8, by operation of law or otherwise, (a) if occurring prior to the second anniversary of the Closing Date, an amount equal to the Make-Whole Amount plus three percent (3%) of the principal amount of the Term Loans being so repaid or prepaid, (b) if occurring at any time on or after the second anniversary of the Closing Date and prior to the third anniversary of the Closing Date, a premium of 3.00% of the principal amount of the Term Loans so paid, purchased, prepaid or accelerated, (c) if occurring at any time on or after the third anniversary of the Closing Date and prior to the Call Protection Date, a premium of 2.00% of the principal amount of the Term Loans so paid, purchased, prepaid or accelerated and (d) if occurring on or after the Call Protection Termination Date, 0%.

"***Call Protection Termination Date***" has the meaning assigned thereto in Section 2.08(c).

"***Capital Lease***" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"***Capital Lease Obligations***" of any Person means, the obligations of such Person to pay rent or other amounts under any Capital Lease, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with the accounting principles used in the preparation of the Historical Financial Statements.

"***Cash***" means money, currency or a credit balance in any demand or deposit account, securities account or commodity account.

"***Cash Equivalents***" means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (b) time deposits and certificates of deposit denominated in a Permitted Currency of (i) any Lender, (ii) any domestic commercial bank of recognized standing having capital and surplus in excess of $500,000,000 as of the date of the acquisition thereof or (iii) any bank whose short term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof as of the date of the acquisition thereof (any such bank being an "***Approved Bank***"), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within six months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Lenders) or recognized securities dealer having capital and surplus in excess of $250,000,000 for direct obligations issued by or fully guaranteed by the United States and (e) investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least $500,000,000, as of the date of each respective transaction and the portfolios of which are limited to investments of the character described in the foregoing subdivisions (a) through (d).

"***Cash Sweep Notice***" means a written notice by the DLIC Lender prior to October 9, 2020 electing to (i) apply 100% of Adjusted Distributable Earnings to the mandatory prepayment of Term Loans pursuant to Section 2.10(d)(iv)(ii), (ii) reduce the then Applicable Margin applicable to the Term Loans as described in the definition of "Applicable Margin" and (iii) reduce the amount of Warrant Shares (as such term is defined in the Warrant) or Restricted Shares (as such term is defined in the Restricted Stock Agreement), as applicable, to a number representing, solely as a result of this definition, 6.5% of the fully diluted ownership of the Issuer as of the Closing Date.

"***Certificate re Non-Bank Status***" as defined in Section 2.16(f)(ii)(B)(3).

"***CFC***" means a controlled foreign corporation within the meaning of Section 957 of the Code.

"***Change of Control***" means, at any time, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, has become the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of 50% or more of the voting interests in the Equity Interests of the Issuer, Borrower, Advisors, Advisors II or any New Advisor Guarantor on a fully diluted basis or (ii) one or more Permitted Holders has become the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of 75% or more of the voting interests in the Equity Interests of the Issuer Borrower, Advisors, Advisors II or any New Advisor Guarantor on a fully diluted basis.

"***Class***" means when used in respect of any (i) Lenders, each of the following classes of Lenders: (a) Lenders having Term Loans and (b) Lenders having Revolving Exposure, (ii) Loans, each of the following classes of Loans: (a) Term Loans and (b) Revolving Loans, (iii) Commitment, each of the following classes of Commitments: (a) Term Loan Commitment and (b) Revolving Commitment.

"***Class A Common Units***" means the interests designated as "Class A Common Units" by each of the Borrower, Advisors and Advisors II.

"***Class A Shares***" means the Class A common stock of the Issuer.

"***Class C Non-Equity Interest***" means a non-equity interest in each of the Borrower, Advisors and Advisors II on which discretionary income allocations may be made to existing and future partners of the Borrower, Advisors and Advisors II and any comparable non-equity interest in any New Advisor Guarantor on which discretionary income allocation may be made to partners of any New Advisor Guarantor.

"***Closing Date***" means the date on which all conditions precedent in Section 3.02 are satisfied or have been waived.

"***Closing Date Certificate***" means a Closing Date Certificate substantially in the form of Exhibit F-2.

"***Code***" means the United States Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter.

"***Collateral***" means all the "Collateral" (or any equivalent term) as defined in any Collateral Document and all other Property of whatever kind and nature subject or purported to be subject from time to time to a Lien under any Collateral Document.

"***Collateral Documents***" means, collectively, the Security Agreement, each guarantee agreement, security agreement, intellectual property security agreement, pledge agreement or other similar agreement delivered to the Administrative Agent and the Lenders pursuant to this Agreement or any other Credit Document and each of the other agreements, instruments or documents executed by any Credit Party that creates or purports to create a Lien in favor of the Administrative Agent for the benefit of the Secured Parties.

"***Combined Economic Income***" means, for any period, an amount calculated on a combined basis for Credit Parties and the Sculptor Subsidiaries determined on the basis of economic income, in accordance with the methodology utilized by the Issuer to derive economic income in the Issuer's earnings press release for the Fiscal Quarter ended June 30, 2020 or such other period consented to by the Administrative Agent in writing, equal to (i) Economic Income (as defined in such earnings press release) for such period (for, avoidance of doubt, adjusted, without duplication, to eliminate any income or loss of the Issuer or any other direct or indirect equity holder of any Credit Party for such period to the extent such income or loss would not constitute income or loss of the Credit Parties and the Sculptor Subsidiaries on a combined basis in accordance with GAAP for such period) minus (ii) incentive income

for such period plus (iii) total bonus expense for such period minus (iv) 50% of the Minimum Bonus Expense for such period plus (v) the excess of (x) Pro Forma Incentive Income for such period minus (y) Pro Forma Incentive Compensation Expense for such period plus (vi) interest expenses for such period and excluding (vii) extraordinary, unusual or non-recurring gains or losses or income or expense or charge for such period; *provided* that the aggregate amount of any increase to Combined Economic Income for any period pursuant to this clause (vii) in respect of cash losses, expenses or charges shall not exceed (x) $50,000,000 for any four Fiscal Quarter period or (y) $150,000,000 during the term of this Agreement; *provided, further,* that legal provisions or settlements as well as professional services expenses related to the Africo Litigation, professional service expenses related to the SEC and U.S. Department of Justice settlement that occurred in September 2016 and the recapitalization that occurred in February 2019 and related strategic actions shall not be subject to such cap and *provided, further,* that Combined Economic Income shall exclude any income of any Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary or any of their respective Subsidiaries or Owned Entities except to the extent that cash is distributed by any such Person to a Credit Party or a Non-SPVS.

"***Combined Total Debt***" means, as at any date of determination, without duplication, the aggregate stated balance sheet amount of (a) all Indebtedness of Credit Parties and the Sculptor Subsidiaries of the type described in clauses (i), (ii), (iii), (v), (vi) (only to the extent the applicable letter of credit has been drawn and not reimbursed), and (vii) of the definition of Indebtedness (other than intercompany Indebtedness among any of the Credit Parties and Sculptor Subsidiaries) and (b) all Guarantees of Credit Parties and Sculptor Subsidiaries in respect of Indebtedness of the type described in clause (a) of this definition, each determined on a combined basis in accordance with GAAP; *provided*, *however*, that in any event "Combined Total Debt" shall exclude any Indebtedness of any Sculptor Fund that is consolidated into the Issuer or any Credit Party (but for the avoidance of doubt, shall include any Guarantee by any Credit Party or any Sculptor Subsidiary of any such Indebtedness of any Sculptor Fund described in clause (b) of this definition); *provided*, *further*, that in any event "Combined Total Debt" shall exclude any Indebtedness described in Sections 6.01(v) and 6.01(w) that is not recourse to the Borrower or any Non-SPVS (other than to the Equity Interests of a Qualified Risk Retention Subsidiary or Alternate Investment Subsidiary, as applicable, and their respective Subsidiaries and Owned Entities).

"***Combined Total Net Debt***" means, as at any date of determination, the excess of (i) Combined Total Debt as of such date minus (ii) Cash and Cash Equivalents.

"***Commitment***" means with respect to any Lender, such Lender's Term Loan Commitment, Revolving Commitment, and "***Commitments***" means, for each Class of Commitment, such commitments of all Lenders of such Class in the aggregate.

"***Commitment Fees***" as defined in Section 2.08.

"***Commitment Fee Rate***" means 0.50%.

"***Committed Cash***" means, as of the end of each Fiscal Year, the sum of all Cash and Cash Equivalents reserved by the Credit Parties and their Subsidiaries

(i) in respect of any incentive fees received in cash to the extent such fees are not recorded as income in the financial statements;

(ii) in respect of any management fees received in cash to the extent such fees are not recorded as income in the financial statements;

(iii) in respect of cumulative bonus accruals as reported in the financial statements for such year that are expected to be settled in cash in the following Fiscal Year;

(iv) in respect of any grant of deferred fund interests; provided that such grants are to be converted into fund interests in the following Fiscal Year;

(v) in respect of cumulative obligations under the Tax Receivable Agreement accrued for in Distributable Earnings that have not yet been distributed by the Credit Parties and their Subsidiaries;

(vi) reserved in respect of any accrued contingent liabilities determined in accordance with GAAP;

(vii) to satisfy any applicable then existing regulatory capital reserves or contractual requirement to deposit or hold back cash in reserve and that is entered into in the ordinary course of business;

(viii) in respect of any deferred rent;

(ix) in respect of investments in new products, investments and expenses incurred in connection with any Sculptor Fund, joint venture or other Affiliate of any Credit Party or Sculptor Subsidiary, investments and expenses incurred in connection with securitization structures, AIS Investments or the acquisition of Risk Retention Interests and related permitted assets by Qualifying Risk Retention Subsidiaries, and funding of unfunded capital commitments that were contractually committed during such Fiscal Year that will be paid within 120 days from the last day of such Fiscal Year, *provided* that Committed Cash shall be reduced in the following Fiscal Year by the amount of such funding not actually used for such purposes during the 120 day period following the last day of such Fiscal Year; and

(x) in respect of any dividends or distributions with respect to any Fiscal Year, with such amounts expected to be declared and paid during the following quarter.

"***Commodity Exchange Act***" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"***Communications***" has the meaning assigned to it in Section 9.12.

"***Compliance Certificate***" means a Compliance Certificate substantially in the form of Exhibit C.

"***Contractual Obligation***" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"***Contributing Guarantors***" as defined in Section 7.02.

"***Conversion/Contribution Date***" means the effective date of a continuation or conversion, as the case may be, as set forth in the applicable Conversion/Continuation Notice.

"***Conversion/Continuation Notice***" means a Conversion/Continuation Notice substantially in the form of Exhibit A-2.

"***Counterpart Agreement***" means a Counterpart Agreement substantially in the form of Exhibit G delivered by a Credit Party pursuant to Section 5.08.

"***Cost Sharing Arrangement***" means any cost sharing, cash contribution or offset arrangements (other than Expense Allocation Agreements) entered into by any Credit Party or Sculptor Subsidiary from time to time in respect of allocated costs and expenses of the Issuer or any Subsidiary of the Issuer (other than any Sculptor Fund or any Subsidiary thereof), *provided* that any expenses, fees, costs, cash contributions and other charges or amounts allocated to or payable or offset by any Credit Party or Sculptor Subsidiary pursuant to such arrangements shall be accounted for as expenses of such Credit Party or Sculptor Subsidiary.

"***Credit Date***" means the date of a Credit Extension, which shall be a Business Day.

"***Credit Document***" means (i) any of this Agreement, the Notes (if any), the Collateral Documents, each Counterpart Agreement and any subordination agreement entered into pursuant to this Agreement, including any amendments, supplements, consents, joinder or waivers to the foregoing, as the same may be amended, restated, supplemented or otherwise modified from time to time, and (ii) solely for purposes of Section 3.01, Article 7, Article 8 and Section 10.03 (including the defined terms used therein) (but not, for the avoidance of doubt, for purposes of Section 10.05), the Fee Letter.

"***Credit Extension***" means the making of a Loan.

"***Credit Party***" means Borrower and each Guarantor (including each New Advisor Guarantor).

"***Cumulative Credit***" means, at any date of determination, an amount, not less than zero in the aggregate (for the avoidance of doubt, the Cumulative Credit for any one Fiscal Year may be less than zero), determined on a cumulative basis equal to, without duplication,

(a) the amount of any capital contributions or other proceeds of issuances of Class A Shares or other Equity Interests (other than any amounts constituting a Specified Equity Contribution) received as cash equity by any Credit Party, during the period from and including the day immediately following the Closing Date through and including such time, *provided* that such contributions must be used to make Restricted Payments within eighteen (18) months of the receipt by any Credit Party, *plus*

(b) Available Adjusted Distributable Earnings, *minus*

(c) any amount of the Cumulative Credit used to make Restricted Payments pursuant to Section 6.3(l) after the Closing Date and prior to such time.

"***Currency Agreement***" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each of which is for the purpose of hedging the foreign currency risk associated with Borrower's and the Sculptor Subsidiaries' operations and not for speculative purposes.

"***Debt Rating***" means, as of any date of determination, the credit rating then assigned to the Borrower's long-term senior unsecured debt by one of the Rating Agencies. For purposes of the foregoing, if there are Debt Ratings by more than one Rating Agency, the highest of the ratings shall control. In the event that the Borrower shall have obtained a credit rating from any or all of the Rating Agencies and shall thereafter lose such rating or ratings (whether as a result of withdrawal, suspension, election to not obtain a rating, or otherwise) from such Rating Agencies and as a result does not have a credit rating from one or more of the Rating Agencies, the Borrower shall be deemed for the purposes hereof not to have a credit rating.

If the rating system of two or more of the Rating Agencies shall change, or if two or more of the Rating Agencies shall cease to be in the business of rating corporate obligors, the Borrower and the Administrative Agent shall negotiate in good faith to amend the definition of "Rating Downgrade" and "Rating Upgrade" to reflect such changed rating system or the unavailability of ratings from such Rating Agency and, pending the effectiveness of any such amendment, the provisions and definitions of this Agreement that are determined by reference to a Debt Rating shall be construed to disregard the rating from such Rating Agency.

"***Default***" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"***Defaulting Lender***" means any Lender that (a) has failed, within one Business Day of the date required to be funded or paid, to (i) fund any portion of its Loans, or (ii) pay over to any Lender Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Lender Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Lender Party, acting in good faith, to provide a certification in writing from an Authorized Officer of such Lender that it shall comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans under this Agreement, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Borrower's and such Lender Party's receipt of such certification in form and substance satisfactory to the Borrower, it and the Administrative Agent, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

"***Deferred Fund Interests***" means Deferred Cash Interests (as defined in the Organizational Documents of the Borrower, Advisors and Advisors II) awarded under the Och-Ziff Deferred Cash Interest Plan and comparable awards made under the Och-Ziff Deferred Cash Interest Plan for Employees or under an analogous plan.

"***Delaware Life***" means Delaware Life Insurance Company.

"***Designated Non-Cash Consideration***" means consideration received by a Credit Party or a Sculptor Subsidiary in connection with an Asset Sale pursuant to Section 6.05(h) that is designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of the valuation of such consideration (which amount will be reduced by the fair market value of the portion of such consideration converted to cash or Cash Equivalents at the time so converted).

*"**Distributable Earnings***" means, for any period, distributable earnings of the Credit Parties and the Sculptor Subsidiaries calculated in accordance with the methodology set forth in the Issuer's earnings press release for the Fiscal Quarter ended June 30, 2020 or such other period consented to by the Administrative Agent in writing.

"***Disqualified Equity Interests***" means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures or is mandatorily redeemable (other than solely for Equity Interests which are not otherwise Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (ii) is redeemable at the option of the holder thereof (other than solely for Equity Interests which are not otherwise Disqualified Equity Interests), in whole or in part, (iii) provides for the scheduled payments of dividends in cash, or (iv) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Term Loan Maturity Date. Notwithstanding anything to the contrary herein, the following shall not constitute Disqualified Equity Interests: Sculptor Operating Group A Units, Sculptor Operating Group A-1 Units, Sculptor Operating Group B Units, Class C Non-Equity Interests, Sculptor Operating Group D Units, Sculptor Operating Group E Units, Sculptor Operating Group P Units, PSIs, Deferred Fund Interests and Preferred Units.

"***DLIC Lender***" means Delaware Life and any of its Affiliates or Related Funds.

"***Dollars***" and the sign "***$***" mean the lawful money of the United States of America.

"***Domestic Subsidiary***" means a Sculptor Subsidiary (or for purposes of the definition of "New Sister Advisor", a direct or indirect Subsidiary of the Issuer or Sculptor Corp, other than Sculptor Corp, a Credit Party, a Subsidiary of a Credit Party, any Sculptor Fund or any Subsidiaries of any Sculptor Fund) organized under the laws of the United States, any state thereof or the District of Columbia.

"**Early Opt-in Election**" means the ~~occurrence of: (1) (i) a determination~~joint election by the Administrative Agent ~~or (ii) a notification by the Requisite Lenders to the Administrative Agent (with a copy to the Borrower) that the Requisite Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.14(f) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the Screen Rate,~~ and ~~(2) (i) the election by the Administrative Agent (in consultation with~~ the Borrower~~) or (ii) the election by the Requisite Lenders~~ to declare that an Early Opt-in Election has occurred ~~and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Requisite Lenders of written notice of such election to the Administrative Agent and the Borrower~~.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Effective Date***" means the date which all conditions precedent in Section 3.01 are satisfied or have been waived.

"***Effective Date Certificate***" means an Effective Date Certificate substantially in the form of Exhibit F-1.

"***Electronic Signature***" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

"***Eligible Assignee***" means, other than an Ineligible Institution, (i) any Lender, any Affiliate of any Lender and any Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), (ii) any commercial bank, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and which extends credit or buys loans, and (iii) any entity on a list provided to the Borrower prior to the Effective Date; *provided*, no Credit Party or Affiliate of a Credit Party shall be an Eligible Assignee.

"***Employee Benefit Plan***" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, a Credit Party, any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates.

"***Equity Interests***" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing; *provided* that Equity Interests shall not include convertible Indebtedness prior to conversion. Notwithstanding anything to the contrary herein, the following shall not constitute Equity Interests: Class C Non-Equity Interests, Sculptor Operating Group D Units, Deferred Fund Interests, and PSIs. The Preferred Units shall constitute Equity Interests for all purposes under this Agreement.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"***ERISA Affiliate***" means, as applied to any Person, (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member. Any former ERISA Affiliate of a Credit Party or any of the Sculptor Subsidiaries shall continue to be considered an ERISA Affiliate of such Credit Party or any such Sculptor Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of such Credit Party or such Sculptor Subsidiary and with respect to liabilities arising after such period for which such Credit Party or such Sculptor Subsidiary could be liable under the Code or ERISA.

"***ERISA Event***" means (i) a "reportable event" within the meaning of Section 4043 of ERISA or the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30-day notice to the PBGC has been waived by regulation); (ii) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Code) or the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by a Credit Party, any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability of a Credit Party,

any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which can be reasonably expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on a Credit Party, any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of a Credit Party, any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 or 4205 of ERISA) from any Multiemployer Plan, or the receipt by a Credit Party, any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or is in "endangered" or "critical" status, within the meaning of Section 432 of the Code or Section 305 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the occurrence of an act or omission which could give rise to the imposition on a Credit Party, any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Section 409, Section 502(c), (i) or (1), or Section 4071 of ERISA in respect of any Employee Benefit Plan; (ix) the assertion of a claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against a Credit Party, any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (x) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Code) to qualify for exemption from taxation under Section 501(a) of the Code; or (xi) the imposition of a Lien pursuant to Section 430(k) of the Code or Section 303(k) of ERISA or a violation of Section 436 of the Code.

"***EU Bail-In Legislation Schedule***" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

~~"***Eurodollar Rate***" means, with respect to any Eurodollar Rate Loan for any Interest Period, the Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, *provided* that in no event shall the Eurodollar Rate be less than 0.75% for the purposes of this Agreement.~~

~~"***Eurodollar Rate Loan***" means a Loan bearing interest at a rate determined by reference to the Eurodollar Rate.~~

"***Event of Default***" means each of the conditions or events set forth in Section 8.01.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"***Excluded Subsidiary***" means any Subsidiary of the Issuer that is (i) a captive insurance company, (ii) a not-for-profit subsidiary, (iii) an Immaterial Subsidiary, (iv) a Foreign Subsidiary, (v) a Domestic Subsidiary of a Foreign Subsidiary that is a CFC, (vi) a Domestic Subsidiary that has no material assets other than Equity Interests (or Equity Interests and Indebtedness) issued by Foreign Subsidiaries that are CFCs, (vii) a Sculptor Fund or any of their respective Subsidiaries, (viii) prohibited by applicable Law (including financial assistance, fraudulent conveyance, preference, capitalization or other similar laws and regulations), regulation or contractual provision, existing on the Closing Date (or, if later, on the date such Person became a New Advisor and not entered into in contemplation thereof) from Guaranteeing the Obligations, (ix) a Qualifying Risk Retention Subsidiary, or (x) an Alternate Investment Subsidiary.

"***Excluded Taxes***" means with respect to Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation hereunder or under any other Credit Document: (a) Taxes imposed on or measured by such recipient's overall net income or gross receipts (however denominated), and franchise taxes (i) imposed on it (in lieu of net income taxes), by any jurisdiction as a result of such recipient being organized in or having its principal office located in or, in the case of any Lender, its applicable lending office located in such jurisdiction or (ii) that are Other Connection Taxes; (b) any branch profits Taxes under Section 884(a) of the Code or any similar Tax imposed by any

other jurisdiction described in clause (a); (c) in the case of a Non-US Lender, any U.S. federal withholding Tax that is imposed on amounts payable to such Non-US Lender pursuant to a Law in effect at the time such Non-US Lender becomes a party hereto (or designates a new lending office) (other than pursuant to an assignment requested by the Borrower under Section 2.19(a)), except to the extent that such Non-US Lender (or its assignor, if any) was entitled, immediately prior to the designation of a new lending office (or assignment), to receive additional amounts from the Borrower or other Credit Party with respect to such withholding Tax pursuant to Section 2.16(b); (d) any Tax attributable to such Non-US Lender's failure to comply with Section 2.16(f); and (e) any Taxes imposed under FATCA.

"***Existing Credit Agreement***" means that certain Credit and Guaranty Agreement, dated as of April 10, 2018, among the Borrower, Advisors, Advisors II the other guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Goldman Sachs Bank USA, as syndication agent, the lenders party thereto from time to time and the other agents and arrangers named therein, as amended by that certain amendment dated February 7, 2019 (as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof).

"***Expense Allocation Agreement***" means one or more agreements entered into among the Issuer, Sculptor Corp, the Borrower, Advisors, Advisors II and any other Credit Party providing for the allocation of certain expenses as described in the Issuer's proxy statements from time to time, as the same may be amended, supplemented, modified or replaced from time to time; *provided* that any expenses, fees, costs and other charges allocated to or payable or offset by any Credit Party or Sculptor Subsidiary pursuant to such agreements shall be accounted for as expenses of such Credit Party or Sculptor Subsidiary.

"***Extension Fee***" has the meaning assigned to such term in the Fee Letter.

"***Fair Share Contribution Amount***" as defined in Section 7.02.

"***Fair Share***" as defined in Section 7.02.

"***FATCA***" means Sections 1471 through 1474 of the Code as in effect on the date of this Agreement (or any amended or successor provisions that are substantially comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to current Section 1471(b)(1) of the Code (or any amended or successor version described above), and any intergovernmental agreements (and any related laws, regulations or official administrative guidance) implementing the foregoing.

"***Fall-Away Trigger***" means the earlier to occur of (i) the aggregate principal amount of the Term Loans repaid pursuant to Sections 2.10(a), 2.10(d)(iv) and 2.09(a) equals or exceeds $175,000,000 and (ii) the receipt by the Borrower of a Debt Rating equal to or higher than BBB- by S&P or Fitch or Baa3 by Moody's; *provided* that in the case of clause (ii) above, the Fall-Away Trigger shall be effective as of the date on which S&P, Fitch or Moody's announces such Debt Rating, irrespective of when notice of such change shall have been furnished by Borrower to Administrative Agent and Lenders pursuant to Section 5.01 or otherwise.

"***Federal Funds Effective Rate***" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate, *provided* that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.

"***Federal Reserve Bank of New York's Website***" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org.

"***Federal Reserve Board***" means the Board of Governors of the Federal Reserve System of the United States of America.

"***Fee Letter***" means the fee letter, dated as of September 25, 2020, among the Credit Parties and Delaware Life, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"***Financial Covenant Period***" means each of (i) the period beginning on the Closing Date and ending on the date the Fall-Away Trigger shall have occurred and (ii) thereafter, any period beginning on the date of a Rating Downgrade and ending on the date of a subsequent Rating Upgrade or the occurrence of a Fall-Away Trigger under clause (i) of the definition thereof; *provided* that in the case of clause (ii) above, any Rating Downgrade and any Rating Upgrade shall be effective as of the date on which S&P, Fitch or Moody's announces the corresponding Debt Rating, irrespective of when notice of such change shall have been furnished by Borrower to Administrative Agent and Lenders pursuant to Section 5.01 or otherwise; *provided further* that in the case of the occurrence of a Fall-Away Trigger under clause (i) of the definition thereof a Rating Downgrade shall not operate to reinstate the Financial Covenant Period.

"***Financial Officer Certification***" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer or treasurer of Borrower (or of Borrower's general partner or equivalent) that (i) such financial statements have been prepared in accordance with GAAP consistently applied (subject to, in the case of financial statements delivered pursuant to Section 5.01(a), normal year-end audit adjustments and the absence of footnotes) and (ii) such financial statements fairly present, in all material respects, the financial condition of the Issuer and its consolidated Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"***Fiscal Quarter***" means a fiscal quarter of any Fiscal Year.

"***Fiscal Year***" means the fiscal year of the Credit Parties, the Issuer or Sculptor Corp, as the case may be, each ending on December 31 of each calendar year or such other date as is permitted pursuant to Section 6.09; *provided* that any Foreign Subsidiary may end its fiscal year on a date other than December 31 of each calendar year. For purposes of this Agreement and any other Credit Documents, references to "Fiscal Year" shall refer to the fiscal year of the Credit Parties unless the context requires otherwise or unless otherwise specified.

"***Fitch***" means Fitch Ratings, Inc., or any successor to its rating agency business.

"***Foreign Subsidiary***" means any direct or indirect Sculptor Subsidiary that is not a Domestic Subsidiary.

"***Free Cash Balance***" means, as of the end of each Fiscal Year, an amount equal to the difference between Total Cash and Committed Cash.

"***Funding Guarantors***" as defined in Section 7.02.

"***Funding Notice***" means a notice substantially in the form of Exhibit A-1.

"***GAAP***" means, subject to the limitations on the application thereof set forth in Section 1.02, United States generally accepted accounting principles in effect as of the date of determination thereof.

"***Governmental Authority***" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"***Governmental Authorization***" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"***Guarantee***" means, as to any Person, without duplication, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness by another Person (the "***primary obligor***") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or performance of such Indebtedness, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness of any other Person, whether or not such Indebtedness is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); *provided* that the term "Guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"***Guaranteed Obligations***" as defined in Section 7.01.

"***Guarantor***" means (i) Advisors, (ii) Advisors II and (ii) each New Advisor Guarantor.

"***Guaranty***" means the guaranty of each Guarantor set forth in Article 7.

"***Highest Lawful Rate***" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws now allow.

"***Historical Financial Statements***" means the audited financial statements of Issuer and its consolidated Subsidiaries for the Fiscal Year ended December 31, 2019 consisting of consolidated balance sheets and the related consolidated statements of operations, shareholders' equity and cash flows for such Fiscal Year.

"***Immaterial Subsidiary***" means any Sculptor Subsidiary that is not a Material Subsidiary.

~~"***Impacted Interest Period***" has the meaning assigned to it in the definition of "Eurodollar Rate."~~

"***Increased-Cost Lenders***" as defined in Section 2.19(a).

"***Indebtedness***," as applied to any Person, means, without duplication, (i) all indebtedness for borrowed money; (ii) that portion of Capital Lease Obligations that are properly classified as a liability on a balance sheet in conformity with the accounting principles used in the preparation of the Historical Financial Statements; (iii) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or similar instruments and drafts accepted representing extensions of credit, whether or not representing obligations for borrowed money; (iv) any obligation owed for all or any part of the deferred purchase price of property or services (other than (a) trade account payables, deferred revenues, liabilities associated with customer prepayments and deposits and any such obligations incurred under ERISA, and other similar accrued obligations (including transfer pricing), in each case incurred in the ordinary course of business, (b) purchase price adjustments, non-compete or consulting obligations or earn-out obligations payable in Equity Interests (other than Equity Interests of Sculptor Subsidiaries or their respective Subsidiaries), (c) any purchase price adjustments, non-compete or consulting obligations or earn-out obligation (other than to the extent covered under subclause (b) above) if not paid after becoming due and payable, and (d) obligations under employment agreements or with respect to compensation); (v) all indebtedness (excluding prepaid interest thereon) secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (vi) all reimbursement obligations arising under any letter of credit; (vii) Disqualified Equity Interests, (viii) net obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including any Interest Rate Agreement and Currency Agreement, whether entered into for hedging or speculative purposes; *provided*, in no event shall obligations under any Interest Rate Agreement and any Currency Agreement be deemed "Indebtedness" for purposes of calculating the Total Net Leverage Ratio; and (ix) all Guarantees of such Person in respect of any of the foregoing. Notwithstanding anything to the contrary herein, the following shall not constitute Indebtedness: Sculptor Operating Group A Units, Sculptor Operating Group A-1 Units, Sculptor Operating Group B Units, Class C Non-Equity Interests, Sculptor Operating Group D Units, Sculptor Operating Group E Units, Sculptor Operating Group P Units, Deferred Fund Interests, PSIs, Preferred Units and all obligations of any Credit Party or Sculptor Subsidiary arising under or with respect to any Expense Allocation Agreement and any Cost Sharing Arrangement.

The amount of Indebtedness of any Person for purposes of clause (v) above that is Indebtedness is non-recourse to the Credit Parties or their Subsidiaries and shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

"***Indemnified Liabilities***" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding or hearing commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of this Agreement, the other Credit Documents or the transactions contemplated hereby or thereby (including the execution and delivery of any Credit Document, the performance by the parties hereto or thereto, the Lenders' agreement to make Credit Extensions, or the use or intended use of the proceeds thereof, or any enforcement of any of the Credit

Documents (including any sale of, collection from, or upon the enforcement of the Guaranty)), any commitment letter, proposal letter or term sheet with any Person or any Contractual Obligation, arrangement or understanding with any broker, finder or consultant, in each case entered into by or on behalf of any Credit Party or any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation or proceeding is brought by any Credit Party, any Sculptor Subsidiary or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; *provided* that Indemnified Liabilities with respect to legal fees, disbursements and expenses shall be limited to the reasonable and documented out-of-pocket fees of one counsel for the Administrative Agent and one counsel for the Lenders and, if necessary, of a single firm of local counsel in each relevant jurisdiction for the Lenders and a single firm of local counsel in each relevant jurisdiction for the Lenders, and, in the case of an actual or reasonably perceived conflict of interest (where the Indemnitee affected by such conflict informs Borrower of such conflict and thereafter retains its own counsel with Borrower's prior written consent (not to be unreasonably withheld or delayed)), one additional counsel to each similarly affected group of Indemnitees and, if necessary, one additional local counsel in each relevant jurisdiction for such affected group of Indemnitees).

"***Indemnified Taxes***" means (a) all Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in clause (a), all Other Taxes.

"***Indemnitee***" as defined in Section 10.03(a).

"***Ineligible Institution***" means (a) a natural person, (b) a Defaulting Lender or its Lender Parent, or (c) a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; *provided* that, with respect to clause (c), such holding company, investment vehicle or trust shall not constitute an Ineligible Institution if it (x) has not been established for the primary purpose of acquiring any Loans or Commitments, (y) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (z) has assets greater than $25,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business.

"***Intellectual Property Rights***" means all rights anywhere in the world in or to: (a) trademarks, service marks, brand names, trade names, corporate names, company names, business names, fictitious names, certification marks, collective marks, d/b/a's, logos, symbols, trade dress, trade names, and other indicia of origin, all applications and registrations for the foregoing, and all goodwill associated therewith and symbolized thereby, including all renewals of the same; (b) patents, patent applications, registrations and invention disclosures, including divisionals, revisions, supplementary protection certificates, certificates of invention, continuations, continuations-in-part, renewals, extensions, substitutes, re-issues and re-examinations; (c) trade secrets, confidential or proprietary information, inventions, discoveries, ideas, improvements, know-how, data and databases, including processes, schematics, business methods, formulae, drawings, specifications, prototypes, models, designs, customer lists and supplier lists; (d) published and unpublished works of authorship, whether copyrightable or not (including software, website and mobile content, data, databases and other compilations of information), copyrights therein and thereto, Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), moral rights, and, with respect to any and all of the foregoing, registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (e) Internet domain names and URLs; and (f) all other intellectual property, industrial or proprietary rights.

"***Interest Payment Date***" means with respect to (i) any Loan that is a Base Rate Loan, each March 31, June 30, September 30 and December 31 of each year, commencing on the first such date to occur after the Closing Date and the final maturity date of such Loan; and (ii) any Loan that is a ~~Eurodollar Rate~~SOFR Loan, the last day of each Interest Period applicable to such Loan; *provided*, in the case of each Interest Period of longer than three months, "Interest Payment Date" shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period.

"***Interest Period***" means, in connection with a ~~Eurodollar Rate~~SOFR Loan, an interest period of one, ~~two,~~ three or six months (or with respect to the first Interest Period commencing on the Closing Date, any period of less than three months as may be agreed by the Administrative Agent and the Borrower), as selected by Borrower in the applicable Funding Notice or Conversion/Continuation Notice (i) initially, commencing on the Credit Date or Conversion/Continuation Date thereof, as the case may be; and (ii) thereafter, commencing on the day on which the immediately preceding Interest Period expires; *provided*, (a) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless no further Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding Business Day; (b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clauses (c) and (d), of this definition, end on the last Business Day of a calendar month; (c) no Interest Period with respect to any portion of the Term Loans shall extend beyond the Term Loan Maturity Date; and (d) no Interest Period with respect to any portion of the Revolving Loans shall extend beyond the Revolving Maturity Date.

"***Interest Rate Agreement***" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is for the purpose of hedging the interest rate exposure associated with Credit Parties' and the Sculptor Subsidiaries' operations and not for speculative purposes.

"***Interest Rate Determination Date***" means, with respect to any Interest Period, the date that is two Business Days prior to the first day of such Interest Period.

~~"***Interpolated Rate***" means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the Screen Rate for the longest period (for which the Screen Rate is available for Dollars) that is shorter than the Impacted Interest Period; and (b) the Screen Rate for the shortest period (for which that Screen Rate is available for Dollars) that exceeds the Impacted Interest Period, in each case, at such time.~~

"***Involuntary Disposition***" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of a Credit Party or any Sculptor Subsidiary.

"***Issuer***" means Sculptor Capital Management, Inc.

"***Joint Venture***" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; *provided*, in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

"***Laws***" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities.

"***Lender***" means each financial institution listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto pursuant to an Assignment Agreement.

"***Lender Parent***" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"***Lender Party***" means the Administrative Agent and any Lender.

"***Leverage Based Step-Up Event***" means, prior to the occurrence of the Fall-Away Trigger, and commencing on the first full Fiscal Quarter following the Closing Date, the delivery of a Compliance Certificate to the Administrative Agent pursuant to Section 5.01(c) with the financial statements delivered pursuant to Section 5.01(a) or (b) (as applicable) certifying that the Total Net Leverage Ratio exceeds 3.00:1.00; *provided* that (x) if at any time a Compliance Certificate is not delivered when due in accordance herewith, then, without limiting any remedies the Administrative Agent and Lenders may have as a result of the Default or Event of Default (including any additional default interest pursuant to Section 2.07) arising from such non-delivery, the Applicable Margin shall be 8.25% as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered and (y) the determination of the Applicable Margin based on a Leverage Based Step-Up Event for any period shall be subject to the provisions of Section 1.02(c).

"***Leverage Based Step-Down Event***" means, following the occurrence of a Leverage Based Step-Up Event, the delivery of a Compliance Certificate to the Administrative Agent pursuant to Section 5.01(c) with the financial statements delivered pursuant to Section 5.01(a) or (b) (as applicable) certifying that the Total Net Leverage Ratio does not exceed 3.00:1.00.

"***Lien***" means (i) any lien, mortgage, pledge, assignment, security interest, charge, license or encumbrance of any kind (including any conditional sale or other title retention agreement) and any preferential arrangement in the nature of a security interest having the practical effect of any of the foregoing and (ii) in the case of Equity Interests or other securities, any purchase option, call or similar right of a third party with respect to such Equity Interests or other securities.

"***Line of Business Asset Sale***" means an Asset Sale of Property constituting, collectively, a line of business or business unit of any Credit Party or Sculptor Subsidiary or Equity Interests of a New Advisor Subsidiary or Sculptor Subsidiary that receives advisory fee income, in one transaction or a series of related transactions.

"***Loan***" means a loan made by a Lender to the Borrower pursuant to this Agreement.

"***Margin Stock***" as defined in Regulation U of the Board of Governors as in effect from time to time.

"***Make-Whole Amount***" means with respect to any Term Loan on any date of payment, the present value of all required interest payments that would be due on such Term Loan from the date of prepayment through and including the second anniversary of the Closing Date (excluding accrued but unpaid interest) at a rate equal to ~~the Eurodollar Rate~~Adjusted Term SOFR for an Interest Period of three months in effect on the third Business Day prior to such prepayment *plus* the Applicable Margin in effect as of the date of such prepayment, computed using a discount rate equal to the Treasury Rate as of such date plus 0.50%.

"***Material Adverse Effect***" means a material adverse effect on and/or material adverse change with respect to (i) the operations, business, properties, liabilities (actual or contingent) or financial condition of the Credit Parties and the Sculptor Subsidiaries taken as a whole; (ii) the ability of any Credit Party to fully and timely perform its payment Obligations hereunder; or (iii) the legality, validity, binding effect or enforceability against a Credit Party of a Credit Document to which it is a party.

"***Material Subsidiary***" means any Sculptor Subsidiary or group of Sculptor Subsidiaries that, individually or in the aggregate, at any time of determination, have or account for (a) assets with a value equal to or greater than 5% of the total value of the aggregate assets of all Credit Parties and Sculptor Subsidiaries, taken as a whole, as at the last day of the Fiscal Quarter ending prior to the date of

determination and for which financial statements required to be delivered under Section 5.01(a) or Section 5.01(b) have been delivered (or, prior to the date that financial statements are delivered under Section 5.01, financial statements delivered under Section 3.01), or (b) Combined Economic Income of equal to or greater than 5% of the Combined Economic Income of all of the Credit Parties and the Sculptor Subsidiaries, taken as a whole, for the most recent four consecutive Fiscal Quarter period of the Credit Parties ending prior to the date of determination and for which financial statements required to be delivered under Section 5.01(a) or Section 5.01(b) have been delivered (or, prior to the date that financial statements are delivered under Section 5.01, financial statements delivered under Section 3.01).

"***Minimum Bonus Expense***" means, for any period, the actual bonus expense of the Credit Parties and the Sculptor Subsidiaries on a combined basis in accordance with the methodology utilized by the Issuer to derive economic income in the Issuer's earnings press release for the Fiscal Quarter ended June 30, 2020 or such other period consented to by the Administrative Agent in writing, for Fiscal Quarters 1 through 3 plus Fiscal Quarter 4 (Fiscal Quarter 4 to be calculated as the average of Fiscal Quarters 1 through 3 from the respective Fiscal Year).

"***Minimum Liquidity Amount***" means (i) from the Closing Date until the date on which the Minimum Term Loan Prepayment Amount is equal to or exceeds $100,000,000, an amount equal to $100,000,000 and (ii) thereafter, an amount equal to $50,000,000.

"***Minimum Prepayment/Buyback Amount***" means (a) the aggregate principal amount of Term Loans repaid pursuant to Sections 2.09(a), 2.10(a) and 2.10(d)(iv) *plus* (b) any payments made by the Issuer or any Credit Party to buy back units of the Credit Parties since the Closing Date in an amount not exceeding $50,000,000 in the aggregate.

"***Minimum Term Loan Prepayment Amount***" means the aggregate principal amount of Term Loans repaid pursuant to Section 2.09, Section 2.10(a) and Section 2.10(d)(iv).

"***Moody's***" means Moody's Investors Service, Inc.

"***Multiemployer Plan***" means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) of ERISA.

"***NAIC***" means The National Association of Insurance Commissioners, and any successor thereto.

"***Net Cash Proceeds***" means (a) with respect to any Line of Business Asset Sale, an amount equal to (i) the sum of Cash and Cash Equivalents received in connection with such Line of Business Asset Sale (including any Cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note or installment receivable, purchase price adjustment or earn-out or otherwise, but only as and when so received) by any Credit Party or Sculptor Subsidiary, less (ii) the sum of (A) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness that is secured by the Property and that is subject to mandatory prepayment in connection with such Line of Business Asset Sale and that is repaid in connection with such Line of Business Asset Sale (other than Indebtedness under the Credit Documents), (B) the out-of-pocket expenses (including attorneys' fees, investment banking fees, accounting fees and other professional and transactional fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other expenses and brokerage, consultant and other commissions and fees) actually incurred by the Borrower or such Credit Party or such Sculptor Subsidiary in connection with such Line of Business Asset Sale, (C) Taxes paid or reasonably estimated to be actually payable in connection therewith and the amount of any increased distribution reasonably expected to be made pursuant to Section 6.03(a) as a result of such Line of Business

Asset Sale, (D) any reasonable reserve for adjustment in accordance with GAAP in respect of (x) the sale price of such Property and (y) any liabilities associated with such Property and retained by such Credit Party or such Subsidiary after such sale, transfer, lease or disposition, including penalties and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction (*provided*, that, to the extent and at the time any such amounts are released from such reserves, such amounts shall constitute Net Cash Proceeds) and (E) the Borrower's reasonable estimate of payments required to be made with respect to unassumed liabilities relating to the Property involved within one year of such Line of Business Asset Sale; *provided* that "Net Cash Proceeds" shall include any Cash or Cash Equivalents received upon the sale, transfer, lease or disposition of any non-Cash consideration received within 180 days of such Line of Business Asset Sale by such Credit Party or such Sculptor Subsidiary in any such Line of Business Asset Sale (but only as and when so received); and (b) with respect to the incurrence or issuance of any Indebtedness by a Credit Party or Sculptor Subsidiary, an amount equal to (i) the sum of the Cash received by any Credit Party or Sculptor Subsidiary in connection with such incurrence or issuance less (ii) the attorneys' fees, investment banking fees, accountants' fees, underwriting or other discounts, upfront fees, commissions, costs and other fees, transfer and similar taxes and other out-of-pocket expenses actually incurred by such Credit Party or such Sculptor Subsidiary in connection with such incurrence or issuance.

"***New Advisor***" means any New Sister Advisor and any New Subsidiary Advisor.

"***New Advisor Guarantor***" means a New Advisor that has satisfied the requirements in Section 5.08(a).

"***New Advisor Subsidiary***" means any Subsidiary of any New Advisor that is not a New Advisor Guarantor, other than a Sculptor Fund or any of its Subsidiaries.

"***New Sister Advisor***" means any direct or indirect Domestic Subsidiary of Issuer or Sculptor Corp (other than the Borrower, Advisors, or Advisors II or any of their respective Subsidiaries) that is not an Excluded Subsidiary, that is formed or acquired after the Closing Date and is a sister company of the Borrower, Advisors and Advisors II, and of which 100% of the shares of Voting Stock of such Subsidiary is at the time directly or indirectly owned, or the management of which is otherwise 100% directly or indirectly controlled, by (or of which the general partner or equivalent is) any or all of Issuer and Sculptor Corp, and such Subsidiary is an Investment Adviser (as defined in the U.S. Investment Advisers Act of 1940) and files (and continues to file) a Form ADV with the SEC or is a Relying Adviser (as defined therein) under the Borrower's most recently filed Form ADV.

"***New Subsidiary Advisor***" means any direct or indirect Domestic Subsidiary that is not an Excluded Subsidiary of the Borrower, Advisors or Advisors II, that is formed or acquired after the Closing Date and of which 100% of the shares of Voting Stock of such Subsidiary is at the time directly or indirectly owned, or the management of which is otherwise 100% directly or indirectly controlled, by (or of which the general partner or equivalent is) any or all of Borrower, Advisors, and Advisors II, and such Subsidiary is an Investment Adviser (as defined in the U.S. Investment Advisers Act of 1940) and files (and continues to file) a Form ADV with the SEC or is a Relying Adviser (as defined therein) under the Borrower's most recently filed Form ADV.

"***Non-SPVS***" means any Sculptor Subsidiary that is not (i) a Qualifying Risk Retention Subsidiary or an Alternate Investment Subsidiary, (ii) a Subsidiary of any Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary, or (iii) an Owned Entity of any Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary.

"***Non-US Lender***" as defined in Section 2.16(f)(ii)(B).

"***Note***" means a Term Loan Note or a Revolving Loan Note.

"***Notice***" means a Funding Notice or a Conversion/Continuation Notice.

"***NYFRB***" means the Federal Reserve Bank of New York.

"***NYFRB Rate***" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided*, *further*, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"***Obligations***" means all obligations of every nature of each Credit Party, whether direct or indirect, absolute or contingent, primary or secondary, fixed or otherwise, including obligations now or hereafter from time to time owed to Administrative Agent, the Lenders, or any of them, under any Credit Document, whether for principal, Call Premium, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Credit Party, would have accrued on any Obligation, whether or not a claim is allowed against such Credit Party for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

"***Obligee Guarantor***" as defined in Section 7.07.

"***Organizational Documents***" means (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization or certificate of formation, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "***Organizational Document***" shall only be to a document of a type customarily certified by such governmental official.

"***Other Connection Taxes***" means, with respect to Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation hereunder or under any other Credit Document, Taxes imposed as a result of a present or former connection between such party and the jurisdiction imposing such Taxes (other than connections arising solely from such party having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document).

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except for any such Taxes that are Other Connection Taxes imposed with respect to an assignment, grant of a participation, designation of a new office for receiving payments by or on account of Borrower or other transfer (other than an assignment made pursuant to Section 2.17).

"***Overnight Bank Funding Rate***" means, for any day, the rate comprised of both overnight federal funds and overnight ~~Eurodollar borrowings~~eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"***Owned Entity***" of a Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary means a Person of which any shares of the Voting Stock of such Person are beneficially owned, directly or indirectly through one or more intermediaries, by such Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary.

"***Par Prepayment Period***" means the period beginning on the Closing Date and ending on March 31, 2022.

"***Participant Register***" as defined in Section 10.06(g)(i).

"***PATRIOT Act***" as defined in Section 3.01(i).

"***PBGC***" means the Pension Benefit Guaranty Corporation or any successor thereto.

"***Pension Plan***" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA.

"***Perfection Certificate***" means the Perfection Certificate substantially in the form of Exhibit J, delivered to the Administrative Agent on the Closing Date, as the same shall be supplemented from time to time by a Perfection Certificate Supplement or otherwise.

"***Perfection Certificate Supplement***" means a supplement to the Perfection Certificate containing any information not included in the Perfection Certificate delivered to the Administrative Agent on the Effective Date (or in any previously delivered Perfection Certificate Supplement).

"***Periodic Term SOFR Determination Day***" has the meaning specified in the definition of "Term SOFR".

"***Permitted Currency***" means Japanese Yen, Euro, Hong Kong Dollar, Swiss Franc, and UK Sterling.

"***Permitted Holders***" means (i) the Issuer and each of its consolidated Subsidiaries, (ii) any other individual who is an executive managing director of the general partner of the Borrower or the equivalent officer positions and has been appointed as such in the ordinary course of business as of any date of determination ("***EMDs***"), (iii) the spouse (including a surviving spouse) and immediate family members of any Person specified in clause (ii), (iv) the estate and lawful heirs of any Person specified in clauses (ii) and (iii), and (v) the beneficial trusts, family partnerships, foundations, family limited liability companies or other vehicles established for estate planning or charitable purposes of any of the foregoing; *provided* that the investment decisions relating to any Equity Interests of the Issuer, Borrower, Advisors, Advisors, II or any New Advisor Guarantor held by such trusts or other entities are controlled directly by one or more of the persons specified in the foregoing clauses (i) through (v).

"***Permitted Liens***" means, at any time, Liens in respect of Property of any Credit Party or any of their respective Subsidiaries permitted to exist at such time pursuant to the terms of Section 6.02.

"***Person***" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"***Plan Asset Regulations***" means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"***Post-Recap Class A Units***" means the Class A Common Units that were outstanding on the Recapitalization Date.

"***Prime Rate***" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"***Preferred Debt Securities***" means the Indebtedness of the Borrower, Advisors and Advisors II under the Preferred Debt Securities Documents.

"***Preferred Debt Securities Credit Agreement***" means the Senior Subordinated Term Loan and Guaranty Agreement, dated April 10, 2018 , by and among the Borrower, Advisors and Advisors II, certain other guarantors party thereto from time to time, the lenders party thereto from time to time, and Wilmington Trust, National Association, as administrative agent, as in effect on the Effective Date

"***Preferred Debt Securities Documents***" means:

(i) the Preferred Debt Securities Credit Agreement and each other agreement, promissory note or other document or instrument as in effect on the Effective Date, entered into to give effect to the terms of the "Debt Securities" as defined and described in the Recapitalization Agreement; and

(ii) each agreement, promissory note or other document or instrument as in effect on the Effective Date (including any joinder or amendment to, or restatement or extension of, any agreement, promissory note, document or instrument described in clause (i) above), in each case under this clause (ii) entered into in connection with the conversion of Preferred Units into Preferred Debt Securities in accordance with the terms of the Preferred Units Documents.

"***Preferred Units***" means the preferred units of the Borrower, Advisors and Advisors II, in each case having the terms set forth in the applicable Preferred Units Documents.

"***Preferred Units Documents***" means collectively:

(i) the Unit Designation of the preferences and relative, participating, optional and other special rights, powers and duties of the Class A Cumulative Preferred Units of Sculptor Capital dated as of February 7, 2019;

(ii) the Unit Designation of the preferences and relative, participating, optional and other special rights, powers and duties of the Class A Cumulative Preferred Units of Advisors dated as of February 7, 2019; and

(iii) the Unit Designation of the preferences and relative, participating, optional and other special rights, powers and duties of the Class A Cumulative Preferred Units of Advisors II dated as of February 7, 2019,

in each case as in effect on the Effective Date.

"***Prepayment Based Step-Down Event***" means each of (i) prior to March 31, 2022, the Minimum Prepayment/Buyback Amount is equal to or greater than $100,000,000 and (ii) on or after March 31, 2022, the Minimum Term Loan Prepayment Amount is equal to or greater than $100,000,000.

"***Prepayment Based Step-Up Event***" means each of (i) the Minimum Prepayment/Buyback Amount as of May 15, 2021 is less than $100,000,000 and (ii) the Minimum Term Loan Prepayment Amount as of March 31, 2022 is less than $100,000,000.

"***Pricing Step-Up Event***" means a Prepayment Based Step-Up Event or a Leverage Based Step-Up Event.

"***Principal Office***" means such Person's "Principal Office" as provided for in Section 10.01(a), or such other office or office of a third party or sub-agent, as appropriate, as such Person may from time to time designate in writing to Borrower, Administrative Agent and each Lender.

"***Proceed Payments***" has the meaning assigned to it in Section 2.10(d)(iv).

"***Pro Forma Basis***" means, subject to and in accordance with the pro forma measurement principals set forth in Section 1.03, as of any date, with respect to any determination of any financial covenant, Total Net Leverage Ratio or any other test or condition hereunder that is required to be calculated on a Pro Forma Basis shall give effect to any Subject Transaction as through such event occurred as of the first day of the applicable period of measurement with respect to any test, ratio or covenant for which such calculation is being made.

"***Pro Forma Incentive Compensation Expense***" means, for any period, the excess, if positive, of (i) product of (x) Pro Forma Incentive Income for such period multiplied by (y) a fraction, the numerator of which is total bonus expense on a combined economic income basis for the three year period ending on the last day of such period and the denominator of which is total incentive income on a combined economic income basis for such three year period, minus (ii) 50% of 50% of the Minimum Bonus Expense for such period.

"***Pro Forma Incentive Income***" means, for any period, 50% of the incentive income that would have been earned by the Credit Parties and the Sculptor Subsidiaries for such period on a combined basis on an economic income basis if:

(a) in the case of any Sculptor Fund that provides investors a right to require periodic redemptions:

(i) AUM throughout such period attributable to such Sculptor Fund had been the AUM for such Sculptor Fund as of the last day of such period;

(ii) subject to subclause (iii) below, the gross return for such Sculptor Fund for such period had been equal to the average gross return (taking into account both positive and negative returns) for such Sculptor Fund during each of the three immediately preceding consecutive four Fiscal Quarter periods ending on the last day of such period (or, if less than three consecutive four Fiscal Quarter periods have occurred since the inception of such Sculptor Fund, such average for each such consecutive four Fiscal Quarter period since inception of such Sculptor Fund);

(iii) the gross return for such period for any such Sculptor Fund that was valued 10% or more below such Sculptor Fund's high water mark since inception as of the last day of such period, was 0%; and

(b) in the case of any other Sculptor Fund, such Sculptor Fund had earned incentive income equal to its crystalized incentive income for such period.

"***Pro Rata Share***" means (i) with respect to all payments, computations and other matters relating to the Term Loan of any Class of any Lender, the percentage obtained by dividing (a) the principal amount of the Term Loans of such Class of that Lender by (b) the aggregate principal amount of the Term Loans of such Class of all Lenders; (ii) with respect to all payments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Lender, the percentage obtained by dividing (a) the Revolving Exposure of that Lender by (b) the aggregate Revolving Exposure of all Lenders.

"***Property***" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Equity Interests.

"***PSI***" means a profit sharing interest in the Borrower, Advisors or Advisors II, and any comparable interest designated as a profit sharing interest for any New Advisor Guarantor the distributions with respect to which are treated as compensation expense in accordance with the methodology utilized by the Issuer to derive economic income in the Issuer's earnings press release for such period.

"***PTE***" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"***Public-Sider***" means a Lender whose public-side employees and representatives do not wish to receive material non-public information (within the meaning of United States federal securities laws) with respect to the Borrower, its Affiliates and any of their respective securities and may be engaged in investment and other market related activities with respect to the Borrower's or its Affiliates' securities or loans.

"***Qualifying Risk Retention Subsidiary***" means a Sculptor Subsidiary (other than a Credit Party) that (i) manages or sponsors or has been established to manage or sponsor one or more collateralized loan obligation funds or similar investment entities or other securitizations (each of which constitutes a Sculptor Fund) (each such Sculptor Fund, an "***Sculptor CLO***") or (ii) that is an Affiliate of a Person described in clause (i) that, in either case, purchases or otherwise acquires and/or retains securities, obligations or other interests or finances the purchase, acquisition and/or retention of such obligations or other interests in such Sculptor CLO for the purpose of, among other things, satisfying (including on a prospective basis) the requirements of any risk retention laws, rules, regulations, guidelines, technical standards or guidance of any Governmental Authority or supranational union, authority, commission, board, bureau, court, agency or instrumentality or any Person acting under the authority of any of the foregoing (including, without limitation, (x) European Union directives or regulations on risk retention requirements and any related enabling or secondary legislation, regulation, technical standards or official

guidance adopted or published by the European Union and/or its Member States and (y) U.S. federal agency rules implementing Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) in relation to such Sculptor Subsidiary, such Sculptor CLO or any investor or prospective investor in such Sculptor CLO, including in circumstances where the applicability of such requirements may be uncertain (such securities, obligations or other interests being "***Risk Retention Interests***," and such laws, rules, regulations, guidelines, technical standards or guidance, being "***Applicable Risk Retention Rules***"); *provided*, *however*, that the sole lines of business conducted by such Sculptor Subsidiary shall be (I) managing one or more Sculptor CLOs and/or purchasing, acquiring, retaining or financing Risk Retention Interests in such Sculptor CLOs, and (II) any other businesses that have been entered into substantially related or ancillary to the businesses set forth in clause (I) above, including, but not limited to, engaging third party advisors, marketing to and obtaining investors and prospective investors, and engaging in joint ventures with other investors.

"***Rating Agencies***" means Fitch, S&P and Moody's, collectively, and Rating Agency means either Fitch, S&P or Moody's.

"***Rating Downgrade***" means (i) the receipt by the Borrower of a Debt Rating equal to or less than BB+ by S&P or Fitch or Ba1 by Moody's or (ii) the absence of Debt Rating.

"***Rating Upgrade***" means the receipt by the Borrower of a Debt Rating equal to or greater than BBB- by S&P or Fitch or Baa3 by Moody's.

"***Recapitalization Agreement***" means the letter agreement (together with all exhibits and annexes attached thereto), dated December 5, 2018, among the Issuer, Daniel S. Och, Sculptor Capital, Advisors, Advisors II, Sculptor Corp and Sculptor Holding LLC filed by the Issuer with the SEC on December 6, 2018 (as amended, restated or supplemented from time to time on such terms (taken as a whole) as are not materially adverse to the Lenders).

"***Recapitalization Date***" means February 7, 2019.

"***Reconciliation Statement***" as defined in Section 5.01(d)(ii)(i).

"***Refinancing***" means (i) the termination of all commitments under the Existing Credit Agreement and the repayment of all loans, interest, fees and other amounts due thereunder, (ii) termination of all commitments under the Preferred Debt Securities Credit Agreement and the repayment of all loans, interest, fees and other amounts due thereunder and (iii) the redemption of all outstanding Preferred Units pursuant to the applicable provisions of the Preferred Units Documents.

"***Register***" as defined in Section 2.04(b).

"***Regulation D***" means Regulation D of the Board of Governors, as in effect from time to time.

"***Related Fund***" means, with respect to any Lender that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"***Related Parties***" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"***Relevant Four Fiscal Quarter Period***" as defined in Section 8.02(a).

"***Relevant Governmental Body***" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"***Replacement Lender***" as defined in Section 2.19(a).

"***Requisite Class Lenders***" (i) with respect to the Revolving Commitments and Revolving Loans, the Requisite Revolving Lenders and (ii) with respect to any Class of Term Loans, one or more Lenders holding a majority in aggregate principal amount of the Term Loans of such Class.

"***Requisite Lenders***" means, subject to Section 2.19(b)(ii), at any time, one or more Lenders that are not Defaulting Lenders having or holding Revolving Exposure and Term Loans representing in the aggregate more than 50% of the aggregate Revolving Exposure and Term Loans of all Lenders that are not Defaulting Lenders at such time; *provided* that the DLIC Lender shall be a Requisite Lender to the extent that the DLIC Lender holds at least forty (40%) of the aggregate Revolving Exposure and Term Loans of all Lenders that are not Defaulting Lenders at such time.

"***Requisite Revolving Lenders***" means, subject to Section 2.19(b)(ii), at any time, one or more Lenders that are not Defaulting Lenders having or holding Revolving Exposure representing in the aggregate more than 50% of the aggregate Revolving Exposure of all Lenders that are not Defaulting Lenders at such time; *provided* that the DLIC Lender shall be a Requisite Lender to the extent that the DLIC Lender holds at least forty (40%) of the aggregate Revolving Exposure of all Lenders that are not Defaulting Lenders at such time.

"***Restricted Junior Payment***" means any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness.

"***Restricted Payment***" means (i) any dividend or other distribution, direct or indirect, on account of any Equity Interests of any Credit Party or Sculptor Subsidiary now or hereafter outstanding; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Equity Interests of any Credit Party or Sculptor Subsidiary now or hereafter outstanding; and (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire Equity Interests of any Credit Party or Sculptor Subsidiary now or hereafter outstanding.

"***Restricted Stock Purchase Agreement***" means that certain Restricted Stock Purchase Agreement, dated as of the Closing Date, providing for the purchase of 7.5% (or solely as a result of the definition of Cash Sweep Notice, 6.5%) of the fully diluted ownership of the Issuer as of the Closing Date, in substantially in the form of Exhibit N-2.

"***Revolving Commitment***" means the commitment of a Lender to make or otherwise fund a Revolving Loan pursuant to Section 2.01(a)(ii), expressed as an amount representing the maximum principal amount of such Lender's Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.10(b) and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to an Assignment Agreement. The initial amount of each Lender's Revolving Commitment, if any, is set forth on Appendix A or in the applicable Assignment Agreement pursuant to which such Lender shall have assumed its Revolving Commitment, as the case may be, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Revolving Commitments as of the Effective Date is $25,000,000.

"***Revolving Exposure***" means, with respect to any Lender, as of any date of determination, (i) prior to the termination of the Revolving Commitments, that Lender's Revolving Commitment; and (ii) after the termination of the Revolving Commitments, the outstanding principal amount of the Revolving Loans of such Lender.

"***Revolving Lender***" means a Lender with Revolving Exposure.

"***Revolving Loan Note***" means a promissory note substantially in the form of Exhibit B-2, as it may be amended, restated, supplemented or otherwise modified from time to time.

"***Revolving Loans***" means Loans made pursuant to Section 2.01(a)(ii), or Replacement Revolving Loans, as the context requires.

"***Revolving Maturity Date***" means the earlier of (i) the sixth anniversary of the Closing Date and (ii) the date that all Revolving Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

"***Risk Retention Interests***" as defined in the definition of "Qualifying Risk Retention Subsidiary."

"***S&P***" means Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, or any successor to its rating agency business.

"***Sanctioned Country***" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the Crimea Region of Ukraine, Cuba, Iran, North Korea, Syria and Venezuela).

"***Sanctioned Person***" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority, (b) any Government of, or Person operating, organized or resident in, a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) to the extent that conducting transactions with such Persons is prohibited for any party hereto or any Person participating in the Loans (whether as Lender, Borrower or otherwise) under the laws of the United States, the United Nations Security Council, the European Union, and any European Union member state or the United Kingdom.

"***Sanctions***" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

~~"***Screen Rate***" means, subject to the implementation of a Benchmark Replacement in accordance with Section 2.14(f), for each Interest Period, (a) the rate per annum as published by ICE Benchmark Administration Limited (or any applicable successor quoting service) for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, determined as of approximately 11:00 A.M., London time, two (2) Business Days prior to the first day in such Interest Period, or (b) in the event the rate referenced in the preceding clause (a) is not published or service shall cease to be available, the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate on such other page or other service which displays an average settlement rate for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, determined as of approximately 11:00 a.m., London time, two (2) Business Days prior to the first day in such Interest Period, or (c) in the event the rates referenced in the preceding clauses (a) and (b) are not available, the rate per annum equal to the quotation rate (or the arithmetic mean of rates) offered to first class banks in the London interbank market for deposits (for delivery on the first day of the relevant Interest Period) in Dollars of amounts in same day funds comparable to the principal amount of the applicable Loans selected by the Administrative Agent, for which the rate referenced in the preceding clause (a) is then being determined with maturities comparable to such Interest Period as of approximately 11:00 a.m., London time, two (2) Business Days prior to the first day in such Interest Period.~~

~~Notwithstanding the foregoing, unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 2.14(f), in the event that a Benchmark Replacement with respect to the Screen Rate shall be deemed to be references to such Benchmark Replacement.~~

"***Sculptor Capital***" as defined in the preamble hereto.

"***Sculptor Corp***" means Sculptor Capital Holding Corporation, a Delaware corporation.

"***Sculptor Fund***" means (a) each multi-strategy fund, credit fund, equity fund, hedge fund, real estate fund, collateralized loan obligation, collateralized bond obligation, managed accounts, investment fund, real estate investment trust, business development company, private equity fund, registered investment company, open- or closed-end fund, investment trust, undertaking for collective investment in transferable securities, any other investment vehicle, in each case that primarily makes investments similar to those made by investment funds and whose primary purpose is not to operate as a funding or financing vehicle for the Issuer, a Credit Party or a Sculptor Subsidiary, and (b) any subsidiary or portfolio company of any of the foregoing set forth in clause (a), in each case of clauses (a) and (b), managed (or for which investment advisory or other asset management services are provided), directly or indirectly, by a Credit Party or any of their respective Subsidiaries or Affiliates or any of its or their investment advisors.

"***Sculptor Operating Group***" shall have the meaning ascribed thereto from time to time in the public filings made by the Issuer with the SEC

"***Sculptor Operating Group A Unit***" means a Class A operating group unit in the Borrower, Advisors or Advisors II and any comparable unit designated as a Class A operating group unit for any New Advisor Guarantor, including units designated as such in connection with the Specified Transactions.

"***Sculptor Operating Group A-1 Unit***" means (i) a Class A-1 operating group unit in the Borrower, Advisors or Advisors II, and any comparable unit designated as a Class A-1 operating group unit for any New Advisor Guarantor or (ii) an operating group unit on terms substantially consistent with the terms of the "Class A-1 Units" as defined and described in the Recapitalization Agreement or on such other terms (taken as a whole) as are not materially adverse to the Lenders, including, in the case of clauses (i) and (ii), units designated as such in connection with the Specified Transactions.

"***Sculptor Operating Group B Unit***" means a Class B operating group unit in the Borrower, Advisors or Advisors II, and any comparable unit designated as a Class B operating group unit for any New Advisor Guarantor, including units designated as such in connection with the Specified Transactions.

"***Sculptor Operating Group D Unit***" means a Class D operating group unit in the Borrower, Advisors or Advisors II, and any comparable unit designated as a Class D operating group unit for any New Advisor Guarantor, including units designated as such in connection with the Specified Transactions.

"***Sculptor Operating Group E Unit***" means (i) a Class E operating group unit in the Borrower, Advisors or Advisors II, and any comparable unit designated as a Class E operating group unit for any New Advisor Guarantor or (ii) an operating group unit on terms substantially consistent with the terms of the "Class E Units" as defined and described in the Recapitalization Agreement or on such other terms (taken as a whole) as are not materially adverse to the Lenders, including, in the case of clauses (i) and (ii), units designated as such in connection with the Specified Transactions.

"***Sculptor Operating Group P Unit***" means a Class P operating group unit in the Borrower, Advisors or Advisors II, and any comparable unit designated as a Class P operating group unit for any New Advisor Guarantor, including units designated as such in connection with the Specified Transactions.

"***Sculptor Subsidiary***" means any Subsidiary of a Credit Party (whether or not such Subsidiary is also a Credit Party itself) other than a Sculptor Fund or any of its Subsidiaries.

"***SEC***" means the Securities and Exchange Commission.

"***Secured Obligations***" as defined in the Security Agreement.

"***Secured Parties***" means, collectively, the Administrative Agent, the Lenders, any Affiliate of a Lender or the Administrative Agent to which Obligations are owed, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Article 9.

"***Securities***" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"***Securities Act***" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"***Security Agreement***" means the Pledge and Security Agreement to be executed by the Credit Parties and the Administrative Agent as of the Closing Date, substantially in the form of Exhibit K, together with each security agreement supplement executed and delivered pursuant to Section 5.08, in each case as amended, restated, supplemented or otherwise modified from time to time.

"***SOFR***" means~~, with respect~~ a rate equal to ~~any day means~~ the secured overnight financing rate ~~published for such day~~as administered by the SOFR Administrator.

"***SOFR Administrator***" means the Federal Reserve Bank of New York~~, as the administrator of the benchmark~~ (or a successor administrator~~) on the Federal Reserve Bank of New York's Website~~ of the secured overnight financing rate).

"***SOFR Floor***" means a rate of interest equal to 0.75% per annum.

"***SOFR Loan***" shall mean a Loan bearing interest at a rate based on Term SOFR, other than pursuant to clause (c) of the definition of "**Alternate Base Rate**."

"***SOFR Spread Adjustment***" means (i) with respect to interest calculated with respect to any SOFR Loan with a one-month Interest Period, a rate equal to 0.05% (5 basis points) and (ii) with respect to interest calculated with respect to any SOFR Loan with a three-month or six-month Interest Period, a rate equal to 0.10% (10 basis points).

"***Solvent***" means, with respect to the Credit Parties and the Sculptor Subsidiaries on a combined basis, that as of the date of determination, both (i) (a) the sum of the Credit Parties' and the Sculptor Subsidiaries' debts and liabilities (including subordinate and contingent liabilities) does not exceed the present fair saleable value of the Credit Parties' and the Sculptor Subsidiaries' present assets; (b) the Credit Parties' and the Sculptor Subsidiaries' capital is not unreasonably small in relation to their business as contemplated on the Closing Date or with respect to any transaction contemplated to be undertaken after the Closing Date; and (c) such Persons have not incurred and do not intend to incur, or believe (nor should they reasonably believe) that they will incur, debts beyond their ability to pay such debts and liabilities (including subordinate and contingent liabilities) as they become due (whether at maturity or otherwise); and (ii) such Persons are "solvent" within the meaning given that term and similar terms under the Bankruptcy Code and other applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under FASB Accounting Standards Codification Topic 450-20).

"***Specified Equity Contribution***" as defined in Section 8.02(a).

"***Specified Transactions***" means each of the transactions described in the Recapitalization Agreement, including all transactions reasonably necessary or advisable to give effect to such transactions.

"***Subject Quarter***" as defined in Section 8.02(b).

"***Subject Transaction***" as defined in Section 1.03.

"***Subordinated Indebtedness***" means any Indebtedness of a Credit Party that is expressly subordinated in right of payment to the Obligations of such Credit Party under the Credit Documents.

"***Subsequent Periods***" as defined in Section 8.02(b).

"***Subsidiary***" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, all references to Subsidiaries in this Agreement shall refer to a subsidiary of a Credit Party.

"***Tax***" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, including any interest, additions to tax or penalties applicable thereto.

"***Tax Receivable Agreement***" means the First Amended and Restated Tax Receivable Agreement, dated as of January 12, 2009, by and among the Issuer, certain subsidiaries of the Issuer from time to time party thereto, and the current and former limited partners of the Credit Parties, including as such agreement may be amended, restated, or replaced in connection with the Specified Transactions.

"***Temporary Replacement Rate***" means for any day, a rate per annum equal to (a) the highest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus 0.5% (which if negative, shall be deemed to be 0.00%) and (iii) 1.50%, plus (b) the Applicable Margin.

"***Term Loan Commitment***" means the commitment of a Lender to make or otherwise fund an Term Loan pursuant to Section 2.01(a)(i), expressed as an amount representing the maximum principal amount of the Term Loans to be made by such Lender pursuant to Section 2.01(a)(i). The amount of each Lender's Term Loan Commitment, if any, is set forth on Appendix A or in the applicable Assignment Agreement, subject to reduction pursuant to the terms and conditions hereof. The aggregate amount of the Term Loan Commitments as of the Effective Date is $320,000,000.

"***Term Loan Lender***" means a Lender with a Term Loan Commitment or an outstanding Term Loan.

"***Term Loan Maturity Date***" means the earlier of (i) the seventh anniversary of the Closing Date and (ii) the date that all Term Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

"***Term Loan Note***" means a promissory note substantially in the form of Exhibit B-1, as it may be amended, restated, supplemented or otherwise modified from time to time.

"***Term Loan***" means a Loan made pursuant to Section 2.01(a)(i).

"***Term SOFR***" means:

(a) for any calculation with respect to a Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "***Periodic Term SOFR Determination Day***") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; and

(b) for any calculation with respect to an Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "**Base Rate Term SOFR Determination Day**") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided* however that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day;

provided, that if Term SOFR determined as provided above (including pursuant to the proviso above) shall ever be less than the SOFR Floor, then Term SOFR shall be deemed to be the SOFR Floor.

"***Term SOFR Administrator***" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion in consultation with the Borrower).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR. ~~that has been selected or recommended by the Relevant Governmental Body.~~

"***Terminated Lender***" as defined in Section 2.19(a).

"***Termination Date***" means the earlier to occur of (i) the date the Revolving Commitments are permanently reduced to zero pursuant to Section 2.10(b), and (ii) the date of termination of the Revolving Commitments pursuant to Section 8.01.

"***Total Cash***" means, as of the end of each Fiscal Year, the sum of all Unrestricted Cash and Cash Equivalents of the Credit Parties and their Subsidiaries plus management fee receivables, incentive income receivables and other revenue receivables of the Credit Parties and their Subsidiaries less accrued expenses of the Credit Parties and their Subsidiaries.

"***Total Net Leverage Ratio***" means as of the last day of any Fiscal Quarter, the ratio of (i) Combined Total Net Debt as of such day to (ii) Combined Economic Income for the four-Fiscal Quarter period ending on such day.

"***Treasury Rate***" means, as of any prepayment date, the yield to maturity as of such prepayment date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two (2) Business Days prior to the prepayment date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the prepayment date to the second anniversary of the Closing Date; *provided*, *however*, that if the period from the prepayment date to the second anniversary of the Closing Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"***Type***" when used in reference to any Loan, refers to whether the rate of interest on such Loan is determined by reference to ~~the Eurodollar~~Term SOFR (other than pursuant to clause (c) of the definition of "**Alternate Base Rate**") or the Alternate Base Rate.

"***UCC***" or "***Uniform Commercial Code***" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"***Unadjusted Benchmark Replacement***" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"Unrestricted Cash and Cash Equivalents" means all Cash and Cash Equivalents not restricted as described in SEC Regulation S-X Rule 7-03(a)(2) (whether or not such Cash and Cash Equivalents would be classified as "cash and cash equivalents" on a combined balance sheet of the Credit Parties and their Subsidiaries in accordance with GAAP).

"***U.S. Government Securities Business Day***" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"***U.S. Lender***" as defined in Section 2.16(f)(ii)(A).

"***Voting Stock***" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"***Warrant***" means that certain Warrant, dated as of the Closing Date, evidenced by an instrument substantially in the form of Exhibit N-1, as amended, replaced or otherwise modified pursuant to the terms hereof representing 7.5% (or solely as a result of the definition of Cash Sweep Notice, 6.5%) of the fully diluted ownership of the Issuer as of the Closing Date.

"***Weighted Average Life to Maturity***" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding aggregate principal amount of such Indebtedness into (b) the sum of the total of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required payment of principal including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"***Write-Down and Conversion Powers***" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02 ***Accounting Terms***.

(a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if Borrower notifies Administrative Agent that Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if Administrative Agent notifies Borrower that the Requisite Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Financial statements and other information required to be delivered by Borrower to Administrative Agent pursuant to Sections 5.01(a) and 5.01(b) shall be prepared in accordance with GAAP consistently applied (subject to, in the case of financial statements delivered pursuant to Sections 5.01(a), normal year-end audit adjustments and the absence of footnotes) (and delivered together with the reconciliation statements provided for in Section 5.01(d), if applicable). Subject to the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts, definitions, covenants and ratios referred to herein shall be made without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of Borrower, any other Credit Party or any Sculptor Subsidiary thereof at "fair value," as defined therein.

(b) [Reserved].

(c) If, as a result of any restatement of or other adjustment to the financial statements of the Issuer or for any other reason, the Borrower or the Lenders determine at any time while this Agreement is in effect that (i) the Total Net Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Total Net Leverage Ratio would have resulted in higher interest, margin and fees for such period, the Borrower shall be obligated to pay to the Administrative Agent for the account of the Lenders within five (5) Business Days of demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Credit Party under the Bankruptcy Code or other laws relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, automatically and without further action by the Administrative Agent or any Lender) an amount equal to the excess of the amount of interest, margin and fees that should have been paid for such period over the amount of interest, margin and fees actually paid for such period. This Section 1.02(c) shall not limit the rights of the Administrative Agent or any Lender, as the case may be, under any other provision of this Agreement.

Section 1.03 ***Subject Transactions***. With respect to any period during which an acquisition or asset sale (including any Line of Business Asset Sale) has been consummated, or a Restricted Payment, or the incurrence, retirement or repayment of Indebtedness has occurred (each, a "***Subject Transaction***"), for purposes of determining the Total Net Leverage Ratio, Combined Total Debt, Combined Total Net Debt, and Combined Economic Income shall be calculated with respect to such period on a pro forma basis (including pro forma adjustments arising out of events which are directly attributable to a specific Subject Transaction, are reasonable, identifiable and supportable and are expected to be realized during such period, in each case determined in good faith by or under the direction of the chief financial officer or treasurer of Borrower (or of Borrower's general partner or equivalent), which would include cost savings resulting from head count reduction, closure of facilities and similar restructuring charges in which actions have already been taken, or will be taken in the next nine (9) months, which pro forma adjustments shall be certified by the chief financial officer or treasurer of Borrower (or of Borrower's general partner or equivalent)) using the historical audited financial statements of any business so acquired or to be acquired or sold or to be sold and the consolidated financial statements of Credit Parties and the Subsidiaries which shall be reformulated as if such Subject Transaction, and any Indebtedness incurred or repaid in connection therewith, had been consummated or incurred or repaid at the beginning of such period (and assuming that such Indebtedness bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding Loans incurred during such period). Any such pro forma cost savings adjustments shall not exceed 20% of the Combined Economic Income of the Credit Parties and their Subsidiaries, on a consolidated basis, for such period (calculated after giving effect to such adjustment).

Section 1.04 ***Interpretation, etc.*** Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The terms "lease" and "license" shall include "sub-lease" and "sub-license," as applicable. The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The words "herein," hereof," "hereto," and "hereunder" and similar words refer to this Agreement as a whole and not to any particular Article, Section, subsection or clause of in this Agreement. Any definition of or reference to any agreement, instrument or other document (including any Organizational Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Credit Document). Any reference herein to any Person shall be construed to include such Person's successors and permitted assigns. Any reference to any law shall include all statutory and regulatory provisions consolidating, amending replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

Section 1.05 ***Divisions.*** For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.06 ***Rates.*** The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, in each case except as expressly set forth in this Agreement, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as the Term SOFR Reference Rate, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions unrelated to this Agreement and the other Credit Documents that affect the calculation of the Term SOFR Reference Rate, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Article 2
LOANS

Section 2.01 ***Loans***.

(a) *Commitments*.

(i) *Term Loans.* Subject to the terms and conditions hereof, each Term Loan Lender severally agrees to make Term Loans in Dollars to Borrower in one borrowing on the Closing Date in a principal amount equal to its Term Loan Commitment. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed. Subject to Section 2.10, all amounts owed hereunder with respect to the Term Loans shall be paid in full no later than the Term Loan Maturity Date. Each Term Loan Lender's Term Loan Commitment shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Term Loan Lender's Term Loan Commitment on such date.

(ii) *Revolving Loans.* Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make, during the Availability Period, Revolving Loans in Dollars to Borrower from time to time in an aggregate amount that shall not result in (i) such Revolving Lender's Revolving Exposure exceeding such Revolving Lender's Revolving Commitment or (ii) the total Revolving Exposure of all Revolving Lenders exceeding the total Revolving Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. All amounts owed hereunder with respect to the Revolving Loans shall be paid in full no later than the Revolving Maturity Date. Each Revolving Lender's Revolving Commitment shall terminate immediately and without further action on the earlier of the Revolving Maturity Date and the Termination Date.

(b) *Borrowing Mechanics for Term Loans*.

(i) Subject to Section 3.03, Borrower shall deliver to Administrative Agent a fully executed and irrevocable Funding Notice no later than 12:00 noon (New York City time), three Business Days (or such shorter period as the Administrative Agent may agree in its sole discretion) prior to the Closing Date in the case of ~~Eurodollar Rate~~SOFR Loans and no later than 12:00 noon (New York City time), on the Closing Date in the case of Base Rate Loans. Promptly upon receipt by Administrative Agent of such Funding Notice, Administrative Agent shall notify each Term Loan Lender of the proposed borrowing.

(ii) Each Term Loan Lender shall make its Term Loan available to Administrative Agent not later than 12:00 noon (New York City time) on the Closing Date, by wire transfer of same day funds in Dollars, at the Principal Office designated by Administrative Agent. Upon satisfaction or waiver of the conditions precedent specified herein, Administrative Agent shall make the proceeds of the Term Loans available to Borrower on the Closing Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Term Loans received by Administrative Agent from Term Loan Lenders to be credited to the account of Borrower designated by Borrower in the Funding Notice or to such other account as may be designated in writing to Administrative Agent by Borrower.

(c) *Borrowing Mechanics for Revolving Loans*.

(i) Subject to Section 3.03, Borrower shall deliver to Administrative Agent a fully executed and irrevocable Funding Notice no later than 12:00 noon (New York City time), three Business Days prior to the applicable Credit Date in the case of ~~Eurodollar Rate~~SOFR Loans and no later than 12:00 noon (New York City time), on the proposed Credit Date in the case of Base Rate Loans. Promptly upon receipt by Administrative Agent of such Funding Notice, Administrative Agent shall notify each Revolving Lender of the proposed borrowing. Borrower shall request, and the Revolving Lenders shall make, no more than four borrowings per calendar month, excluding all conversions and continuations pursuant to Section 2.06.

(ii) Each Revolving Lender shall make its Revolving Loan available to Administrative Agent not later than (A) in the case of Base Rate Loans, 2:00 p.m. (New York City time) on the applicable Credit Date and (B) in the case of ~~Eurodollar Rate~~SOFR Loans, 12:00 noon (New York City time) on the applicable Credit Date, by wire transfer of same day funds in Dollars, at the Principal Office designated by Administrative Agent. Upon satisfaction or waiver of the conditions precedent specified herein, Administrative Agent shall make the proceeds of the Revolving Loans available to Borrower on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Revolving Loans received by Administrative Agent from Revolving Lenders to be credited to the account of Borrower designated by Borrower in the applicable Funding Notice or to such other account as may be designated in writing to Administrative Agent by Borrower.

(iii) Each borrowing of Revolving Loans shall be in an aggregate amount of $1,000,000 or a whole multiple of $500,000 in excess thereof (or such lesser amount equal to the remaining amount available under the total Revolving Commitments or as Administrative Agent may otherwise agree).

Section 2.02 ***Pro Rata Shares; Availability of Funds***.

(a) *Pro Rata Shares*. All Loans of each Class shall be made by Lenders simultaneously and proportionately to their respective Pro Rata Shares for such Class, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Term Loan Commitment or any Revolving Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder.

(b) *Availability of Funds*. Unless Administrative Agent shall have been notified by any Lender prior to the applicable Credit Date that such Lender does not intend to make available to Administrative Agent the amount of such Lender's Loan requested on such Credit Date, Administrative Agent may assume that such Lender has made such amount available to Administrative Agent on such Credit Date and Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to Borrower a corresponding amount on such Credit Date. If such corresponding amount is not in fact made available to Administrative Agent by such Lender, Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon, for each day from such Credit Date until the date such amount is paid to Administrative Agent, at the rate equal to the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender does not pay such corresponding amount forthwith upon Administrative Agent's demand therefor, Administrative Agent shall promptly notify Borrower and Borrower shall immediately pay such corresponding amount to Administrative Agent together with interest thereon, for each day from the Credit Date until the date such amount is paid to Administrative Agent, at the rate payable hereunder for Base Rate Loans for such Class of Loans. Nothing in this Section 2.02(b) shall be deemed to relieve any Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that Borrower may have against any Lender as a result of any default by such Lender hereunder.

Section 2.03 ***Use of Proceeds***. The proceeds of the Loans shall be used by the Credit Parties and the Sculptor Subsidiaries to consummate the Refinancing and for working capital and general corporate purposes. No part of the proceeds of any Loans will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of any provision of Regulation T, Regulation U or Regulation X of the Board of Governors. Following the application of the proceeds of each borrowing hereunder, not more than 25% of the value of the assets of the Credit Parties and their respective Sculptor Subsidiaries on a consolidated basis will be Margin Stock.

Section 2.04 ***Evidence of Debt; Register; Lenders' Books and Records; Notes***.

(a) *Lenders' Evidence of Debt*. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of Borrower to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on Borrower, absent manifest error; *provided*, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitments or Borrower's Obligations in respect of any applicable Loans; and *provided further*, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) *Register*. Administrative Agent (or its agent or sub-agent appointed by it), acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a register for the recordation of the names and addresses of Lenders and the Commitments and Loans (and related interest amounts) of each Lender from time to time (the "***Register***"). The Register shall be available for inspection by Borrower or any Lender (with respect to any entry relating to such Lender's Loans) at any reasonable time and from time to time upon reasonable prior notice. Administrative Agent shall record, or shall cause to be recorded, in the Register the Commitments and the Loans in accordance with the provisions of Section 10.06, and each repayment or prepayment in respect of the principal amount of the Loans, and any such recordation shall be conclusive and binding on Borrower and each Lender, absent manifest error; *provided*, failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitments or Borrower's Obligations in respect of any Loan. Borrower hereby designates Delaware Life to serve as Borrower's non-fiduciary agent solely for purposes of maintaining the Register as provided in this Section 2.04, and Borrower hereby agrees that, to the extent Delaware Life serves in such capacity, Delaware Life and its officers, directors, employees, agents, sub-agents and affiliates acting

in such capacity shall constitute "Indemnitees." The parties intend that any interest in or with respect to the Loans under this Agreement be treated as being issued and maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2), and 881(c)(2) of the Code and any regulations thereunder (and any successor provisions), including without limitation under United States Treasury Regulations Section 5f.103-1(c) and Proposed Regulations Section 1.163-5 (and any successor provisions), and the provisions of this Agreement shall be construed in a manner that gives effect to such intent.

(c) *Notes*. If so requested by any Lender by written notice to Borrower (with a copy to Administrative Agent) at least two Business Days prior to the Closing Date, or at any time thereafter, Borrower shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 10.06) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after Borrower's receipt of such notice) a Note or Notes to evidence such Lender's Loan.

Section 2.05 ***Interest on Loans***.

(a) Except as otherwise set forth herein, each Class of Loan shall bear interest on the unpaid principal amount thereof (including any Accrued PIK Interest) from the date made through repayment (whether by acceleration or otherwise) thereof as follows:

(i) In the case of a Base Rate Loan, at the Alternate Base Rate plus the Applicable Margin for such Class of Loans; or

(ii) In the case of a ~~Eurodollar Rate Loans, at the Eurodollar Rate~~SOFR Loan, at Adjusted Term SOFR plus the Applicable Margin for such Class of Loan.

(b) Subject to Section 2.14, the basis for determining the rate of interest with respect to any Loan and the Interest Period with respect to any ~~Eurodollar Rate~~SOFR Loan, shall be selected by Borrower and notified to Administrative Agent and Lenders pursuant to the applicable Funding Notice or Conversion/Continuation Notice, as the case may be. If on any day a Loan is outstanding with respect to which a Funding Notice or Conversion/Continuation Notice has not been delivered to Administrative Agent in accordance with the terms hereof specifying the applicable basis for determining the rate of interest, then for that day such Loan shall be a ~~Eurodollar Rate~~SOFR Loan with an Interest Period of one (1) month.

(c) In connection with ~~Eurodollar Rate~~SOFR Loans there shall be no more than ten (10) Interest Periods outstanding at any time. So long as no Default or Event of Default shall have occurred and be continuing, in the event Borrower fails to specify between a Base Rate Loan or a ~~Eurodollar Rate~~SOFR Loan in the applicable Funding Notice or Conversion/Continuation Notice, such Loan (if outstanding as a Base Rate Loan) will be automatically converted into a ~~Eurodollar Rate~~SOFR Loan on the date designated for such borrowing or such conversion or continuation in such Funding Notice or Conversion/Continuation Notice (or if outstanding as a ~~Eurodollar Rate~~SOFR Loan will remain as, or (if not then outstanding) will be made as) a ~~Eurodollar Rate~~SOFR Loan with an Interest Period of one (1) month. In the event Borrower fails to specify an Interest Period for any ~~Eurodollar Rate~~SOFR Loan in the applicable Funding Notice or Conversion/Continuation Notice, Borrower shall be deemed to have selected an Interest Period of one (1) month. On each Interest Rate Determination Date, Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the ~~Eurodollar Rate~~SOFR Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Borrower and each Lender.

(d) Interest payable pursuant to Section 2.05(a) shall be computed (i) in the case of Base Rate Loans that are subject to the Alternate Base Rate based on the Prime Rate, on the basis of a 365 or 366 day year, as the case may be, and (ii) in the case of other Loans (including the ~~Eurodollar Rate~~SOFR Loans), on the basis of a 360-day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan or the last Interest Payment Date or, with respect to a Base Rate Loan being converted from a ~~Eurodollar Rate~~SOFR Loan, the date of conversion of such ~~Eurodollar Rate~~SOFR Loan to such Base Rate Loan, as the case may be, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being converted to a ~~Eurodollar Rate~~SOFR Loan, the date of conversion of such Base Rate Loan to such ~~Eurodollar Rate~~SOFR Loan, as the case may be, shall be excluded; *provided*, if a Loan is repaid on the same day on which it is made, one day's interest shall be paid on that Loan.

(e) The Borrower may pay an amount of interest on the outstanding principal amount of Term Loans corresponding to 200 basis points of the Applicable Margin then applicable pursuant to Section 2.05(a) in kind (in lieu of payment in cash) on each applicable Interest Payment Date, by irrevocable written election of the Borrower to the Administrative Agent at least three (3) Business Days prior to such Interest Payment Date. The aggregate outstanding principal amount of the Term Loan shall be automatically increased and capitalized on such Interest Payment Date by the amount of such interest paid in kind in accordance with this Section 2.05(e). For the avoidance of doubt, the portion of the interest payable pursuant to Section 2.05(a) not paid in kind shall be paid in cash.

(f) Except as otherwise set forth herein, interest on each Loan shall accrue on a daily basis and shall be payable in arrears (i) on each Interest Payment Date with respect to interest accrued on and to each such payment date; (ii) upon any prepayment of that Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) at maturity of the Loans, including final maturity of the Loans and, in the case of the Revolving Loans, termination of the Revolving Commitments; *provided*, *however*, with respect to any voluntary prepayment of a Base Rate Loan, accrued and unpaid interest shall instead by payable on the applicable Interest Payment Date.

Section 2.06 ***Conversion/Continuation***.

(a) Subject to Section 2.14 and so long as no Default or Event of Default shall have occurred and then be continuing, Borrower shall have the option:

(i) to convert at any time all or any part of any Loan equal to $1,000,000 and integral multiples of $500,000 in excess of that amount from one Type to another Type; *provided*, a ~~Eurodollar Rate~~SOFR Loan may only be converted on the expiration of the Interest Period applicable to such ~~Eurodollar Rate~~SOFR Loan unless Borrower shall pay all amounts due under Section 2.14 in connection with any such conversion; or

(ii) upon the expiration of any Interest Period applicable to any ~~Eurodollar Rate~~SOFR Loan, to continue all or any portion of such Loan equal to $1,000,000 and integral multiples of $500,000 in excess of that amount as a ~~Eurodollar Rate~~SOFR Loan.

(b) Borrower shall deliver a Conversion/Continuation Notice to Administrative Agent no later than 12:00 noon (New York City time) on the proposed conversion date (in the case of a conversion to a Base Rate Loan) and at least three Business Days in advance of the proposed conversion/continuation date (in the case of a conversion to, or a continuation of, a ~~Eurodollar Rate~~SOFR Loan). Except as otherwise provided herein, a Conversion/Continuation Notice for conversion to, or continuation of, any ~~Eurodollar Rate~~SOFR Loans (or telephonic notice in lieu thereof to be confirmed in writing) shall be irrevocable on and after the related Interest Rate Determination Date, and Borrower shall be bound to effect a conversion or continuation in accordance therewith. Any conversion/continuation date shall be a Business Day.

Section 2.07 ***Default Interest***. Upon the occurrence and during the continuance of an Event of Default under Section 8.01(a), (f) or (g), any overdue amounts shall thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) payable on demand at a rate that is 2% per annum in excess of the interest rate otherwise payable hereunder with respect to the applicable Loans; *provided*, in the case of ~~Eurodollar Rate~~SOFR Loans of any Class of Loans, upon the expiration of the Interest Period in effect at the time any such increase in interest rate is effective such ~~Eurodollar Rate~~SOFR Loans shall thereupon become Base Rate Loans of such Class of Loans and shall thereafter bear interest payable upon demand at a rate which is 2% per annum in excess of the interest rate otherwise payable in respect of such Class of Loans hereunder for Base Rate Loans. Payment or acceptance of the increased rates of interest provided for in this Section 2.07 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

Section 2.08 ***Fees***.

(a) Borrower agrees to pay to Revolving Lenders commitment fees ("***Commitment Fees***") in an amount computed on a daily basis equal to (1) the daily difference between (A) the total Revolving Commitments then in effect and (B) the aggregate principal amount of all outstanding Revolving Loans, times (2) the Commitment Fee Rate . All Commitment Fees referred to in this Section 2.08 (a) shall accrue during the Availability Period and be paid to Administrative Agent at its Principal Office and, upon receipt, Administrative Agent shall promptly distribute to each Revolving Lender its Pro Rata Share thereof, and (b) shall be calculated on the basis of a 360-day year and the actual number of days elapsed and shall be payable quarterly in arrears on the last Business Day of each Fiscal Quarter of the Borrower following the date hereof.

(b) The Borrower agrees to pay to the Administrative Agent such fees as set forth in the Fee Letter.

(c) *Call Premium*. In the event that, prior to the fourth anniversary of the Closing Date (the "***Call Protection Termination Date***"), the Borrower makes any mandatory prepayment of the Term Loans (other than pursuant to Section 2.09(a), Sections 2.10(d)(ii), 2.10(d)(iii), 2.10(d)(iv) or Section 8.02) or voluntary prepayment of the Term Loans under Section 2.10(a) (other than voluntary prepayments (x) of up to $175,000,000 of principal of Term Loans during the Par Prepayment Period or (y) up to $100,000,000 in accordance with the definitions of the Minimum Prepayment/Buyback Amount or the Minimum Term Loan Prepayment Amount, in each case, to the extent not financed with the proceeds of long-term third party Indebtedness), the Borrower shall pay to the Administrative Agent, for the ratable account of each of the applicable Lenders, with respect to the aggregate principal amount subject to such prepayment, the Call Premium. In addition, notwithstanding anything to the contrary contained in this Agreement, the Call Premium shall also automatically be due and payable at any time the Obligations become due and payable prior to the Call Protection Termination Date in accordance with the terms hereof as though such Indebtedness was voluntarily prepaid and shall constitute part of the Obligations, whether due to acceleration pursuant to the terms of this Agreement, by operation of law or otherwise. The Call Premium shall constitute part of the Obligations in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits, losses and other damages as a result of early prepayment, acceleration or termination. Any Call Premium payable pursuant to this Agreement shall be presumed to be the liquidated damages sustained by each Lender as a result of the early termination, acceleration or prepayment and each Credit Party agrees that such premium is reasonable under the circumstances currently existing. The Call Premium shall also be payable in the event the Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means following the commencement of any Insolvency Proceeding of any Credit Party or otherwise as a result of

the Administrative Agent's exercise of its remedies pursuant to Section 8.01 hereof. THE CREDIT PARTIES EXPRESSLY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE CALL PREMIUM IN CONNECTION WITH ANY ACCELERATION, IN EACH CASE, TO THE MAXIMUM EXTENT SUCH WAIVER IS PERMITTED UNDER APPLICABLE LAW. The Credit Parties expressly agree that (i) the Call Premium is reasonable and is the product of an arm's-length transaction between sophisticated business people, ably represented by counsel, (ii) any Call Premium required to be paid hereunder shall be payable notwithstanding the then prevailing market rates at the time payment is made, (iii) there has been a course of conduct between the Lenders and the Credit Parties giving specific consideration in this transaction for such agreement to pay the Call Premium, (iv) the Credit Parties shall be estopped hereafter from claiming differently than as agreed to in this Section 2.08(c), (v) their agreement to pay the Call Premium is a material inducement to the Lenders to make the Loans, and (vi) the Call Premium represents a good faith, reasonable estimate and calculation of the lost profits, losses or other damages of the Lenders and that it would be impractical and extremely difficult to ascertain the actual amount of damages to the Lenders or profits lost by the Lenders as a result of such event.

Section 2.09 ***Scheduled Payments***.

(a) Subject to adjustment pursuant to paragraph (c) of this Section, the Borrower shall repay Term Loans on the last day of each March, June, September and December (commencing on the first quarter end following the Closing Date), in quarterly installments each equal to 0.1875% of the aggregate initial principal amount of the Term Loans on the Closing Date; *provided* that (i) if any such date is not a Business Day, such payment shall be due on the next Business Day and (ii) such payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.10(d) or Section 2.11, as applicable

(b) To the extent not previously paid, all Term Loans shall be due and payable on the Term Loan Maturity Date.

(c) Repayments of Term Loans shall be accompanied by accrued and unpaid interest on the amount repaid.

(d) Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the applicable Term Loan Lenders the outstanding principal amount of the Term Loans on the Term Loan Maturity Date.

(e) Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the applicable Revolving Lenders the outstanding principal amount of the Revolving Loans on the Revolving Maturity Date.

Section 2.10 ***Voluntary and Mandatory Prepayments; Reduction of Revolving Commitment***.

(a) *Voluntary Prepayment*. Subject to Section 2.10(c) and Section 2.14(c), at any time and from time to time:

(i) with respect to Base Rate Loans, Borrower may prepay any such Loans of any Class on any Business Day in whole or in part in an aggregate minimum amount of $1,000,000 and integral multiples of $500,000 in excess of that amount, or, if less, the entire principal amount of such Loan then outstanding; and

(ii) with respect to ~~Eurodollar Rate~~SOFR Loans, Borrower may prepay any such Loans of any Class on any Business Day in whole or in part in an aggregate minimum amount of $1,000,000 and integral multiples of $500,000 in excess of that amount, or, if less, the entire principal amount of such Loan then outstanding. All such prepayments under this clause (a) shall be made:

(A) upon prior written or telephonic notice in the case of Base Rate Loans delivered to Administrative Agent no later than the time required below on the proposed prepayment date, which shall be a Business Day; and (B) upon not less than three Business Days' prior written or telephonic notice in the case of ~~Eurodollar Rate~~SOFR Loans; in each case given to Administrative Agent by 12:00 noon (New York City time) on the date required and, if given by telephone, promptly confirmed in writing to Administrative Agent (and Administrative Agent shall promptly transmit such telephonic or original notice for the Loans by facsimile or telephone to each Lender). Upon the giving of any such notice, the principal amount of the Loans of the applicable Class specified in such notice and the Call Premium (if applicable) shall become due and payable on the prepayment date specified therein; *provided* that Borrower may condition such notice on the occurrence of a specified asset sale, acquisition, refinancing or other event and, if such event shall not have occurred, Borrower may rescind such notice and the principal amount of the Loans specified in such notice shall not become due and payable on such prepayment date. Any such voluntary prepayment shall be applied as specified in Section 2.11(a).

(b) *Voluntary Revolving Commitment Reductions*.

(i) Borrower may, in its sole discretion, upon not less than two Business Days' (or such shorter period as is acceptable to Administrative Agent) prior written or telephonic notice promptly confirmed by delivery of written notice thereof to Administrative Agent, at any time and from time to time terminate in whole or permanently reduce in part, without premium or penalty, if applicable, the Revolving Commitments; *provided* that any such partial reduction of the Revolving Commitments shall be in an aggregate minimum amount of $250,000.

(ii) Borrower's notice to Administrative Agent shall designate the date (which shall be a Business Day) of such termination or reduction and the amount of any partial reduction, and, unless revoked by prior written notice by the Borrower to Administrative Agent, such termination or reduction of the Revolving Commitments shall be effective on the date specified in Borrower's notice and shall reduce the Revolving Commitment of each Revolving Lender proportionately to its Pro Rata Share thereof.

(c) *[Reserved]*.

(d) *Mandatory Prepayments*.

(i) If the Administrative Agent notifies the Borrower at any time that the aggregate Revolving Exposure at such time exceeds the Revolving Commitments then in effect, then, within one Business Day after receipt of such notice, the Borrower shall prepay Revolving Loans in an aggregate amount equal to such excess.

(ii) Subject to clause (viii) below, (A) if any Credit Party or any Sculptor Subsidiary receives any Net Cash Proceeds from any Line of Business Asset Sale, the Borrower shall apply an amount equal to 100% of such Net Cash Proceeds to prepay Term Loans in accordance with Section 2.10(d)(vi) on or prior to the date which is ten (10) Business Days after the date of the realization or receipt of such Net Cash Proceeds; *provided* that no such prepayment shall be required pursuant to this Section 2.10(d)(ii)(A) with respect to such Net Cash Proceeds, that the Borrower shall reinvest in accordance with Section 2.10(d)(ii)(B); and

(B) With respect to any Net Cash Proceeds realized or received with respect to any Line of Business Asset Sale by any Credit Party or any Sculptor Subsidiary, at the option of the Borrower, such Credit Party or Sculptor Subsidiary may reinvest all or any portion of such Net Cash Proceeds in assets used or useful in the business of the Credit Parties and their respective Subsidiaries (and, if the assets disposed of were fee generating assets, such acquired assets shall be fee generating assets) within (x) twelve (12) months following receipt of such Net Cash Proceeds or (y) if a Credit Party or Sculptor Subsidiary enters into a legally binding commitment to reinvest such Net Cash Proceeds within twelve (12) months following receipt thereof, within six (6) months following the last day of such twelve (12) month period; *provided* that any such Net Cash Proceeds that are not so reinvested within the applicable time period set forth above shall be applied as set forth in Section 2.10(d)(ii)(A) within five (5) Business Days after the end of the applicable time period set forth above.

(iii) Subject to clause (viii) below, if any Credit Party or Sculptor Subsidiary incurs or issues any Indebtedness not expressly permitted to be incurred or issued pursuant to Section 6.01 (without prejudice to the restrictions therein), the Borrower shall apply an amount equal to 100% of the respective Net Cash Proceeds received by such Credit Party or Sculptor Subsidiary therefrom to prepay the Term Loans in accordance with Section 2.10(d)(vii) on or prior to the date which is five (5) Business Days after the receipt of such Net Cash Proceeds.

(iv) On or prior to the ninety-fifth (95th) day after the end of each Fiscal Year after the Closing Date (*provided*, with respect to the Fiscal Year ending December 31, 2020, solely with respect to Adjusted Distributable Earnings for the period from the Closing Date to December 31, 2020), the Borrower shall deliver to the Administrative Agent, for distribution to the Lenders then holding Term Loans, an amount equal to (A)(i) so long as a Cash Sweep Notice has been delivered to the Borrower, (a) 100% of Adjusted Distributable Earnings plus up to $150,000,000 in net proceeds received directly or indirectly by the Credit Parties or any of their Subsidiaries under any key man life insurance policies ("***Proceed Payments***"), so long as an aggregate amount not exceeding $175,000,000 of the Term Loans has been repaid and (b) 0% of Adjusted Distributable Earnings, so long as an aggregate amount equal to or exceeding $175,000,000 of the Term Loans has been repaid and (ii) so long as a Cash Sweep Notice has not been delivered to the Borrower, (a) 100% of Adjusted Distributable Earnings plus any Proceed Payments, so long as an aggregate amount not exceeding $100,000,000 of the Term Loans has been repaid, (b) 25% of Adjusted Distributable Earnings plus any Proceed Payments, so long as an aggregate amount in excess of $100,000,000 but not exceeding $150,000,000 of the Term Loans has been repaid and (c) 0% of Adjusted Distributable Earnings plus any Proceed Payments, so long as an aggregate amount equal to or exceeding $150,000,000 of the Term Loans has been repaid ($175,000,000 in the case of any Proceed Payments), *minus* (B) at the option of the Borrower the aggregate principal amount of any Term Loans prepaid pursuant to Section 2.10(a) during such applicable Fiscal Year, or contractually committed during such Fiscal Year to be made within ninety (90) days from the last day of such Fiscal Year; *provided* that for any Fiscal Year in which Free Cash Balance would be less than $75,000,000 after giving pro forma effect to the mandatory repayment required pursuant to this Section 2.10(d)(iv), no such mandatory prepayment shall be required; *provided*, *further*, that in such event the Borrower may elect in its sole discretion to make a prepayment in the amount that would have otherwise been required pursuant to this Section 2.10(d)(iv).

(v) The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to clauses (ii) through (v) of this Section 2.10(d) at least three (3) Business Days prior to the date of such prepayment (or such shorter period as the Administrative Agent may agree in its discretion). Each such notice shall specify the date and amount of such prepayment. The Administrative Agent shall promptly notify each Term Loan Lender of the contents

of the Borrower's prepayment notice and of such Term Loan Lender's Pro Rata Share of the prepayment. Each Term Lender may reject all or a portion of its Pro Rata Share of any mandatory prepayment (such declined amounts, the "***Declined Proceeds***") of Term Loans required to be made pursuant to clauses (ii) or (iii) of this Section 2.10(d) by providing written notice (each, a "***Rejection Notice***") to the Administrative Agent and the Borrower no later than 5:00 p.m. (New York time) one Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. Any Declined Proceeds shall be retained by the Borrower and used for any purpose not otherwise prohibited by this Agreement.

(vi) Each prepayment of Term Loans pursuant to this Section 2.10(d) shall be applied pro rata to each Class of Term Loans (on a pro rata basis to the Term Loans of the Term Loan Lenders with such Class of Term Loans), except that prepayments pursuant to Section 2.10(d)(iii) may be applied to the Class or Classes of Term Loans selected by the Borrower and shall, in each case, be further applied to such Class of Term Loans, *first* in forward order of maturity to the scheduled remaining installments of principal of the Term Loans occurring in the next twelve months following the date of such prepayment pursuant to Section 2.09(a) and *second* ratably to the scheduled remaining installments of principal of such Class of Term Loans required pursuant to Section 2.09(a).

(vii) Any prepayment of Term Loans pursuant to this Section 2.10(d) shall be accompanied by accrued and unpaid interest to the extent required by Section 2.12, Call Premium to the extent required by Section 2.08(c) and shall be subject to Section 2.14.

(viii) Notwithstanding anything to the contrary in this Agreement, (A) to the extent that any or all of the Net Cash Proceeds received by a Foreign Subsidiary or any Excluded Subsidiary under clause (v) of such definition (any of the foregoing, a "***Non-Repatriating Subsidiary***") is prohibited or delayed by any requirement of law from being repatriated to the Credit Parties, an amount equal to the portion of such Net Cash Proceeds so affected will not be required to be applied to repay Term Loans at the times provided under this clause (d), as the case may be, but only so long, as the applicable requirement of law will not permit repatriation to the Credit Parties, and once a repatriation of any of such affected Net Cash Proceeds are permitted under the applicable requirement of law, an amount equal to such Net Cash Proceeds (to the extent not reinvested in the business of such Non-Repatriating Subsidiary) will be promptly (and in any event not later than ten (10) Business Days after such repatriation is permitted) applied (net of any taxes that would be payable or reserved against if such amounts were actually repatriated whether or not they are repatriated) to the repayment of the Term Loans, and (B) to the extent that Borrower has determined in good faith that repatriation of any of or all the Net Cash Proceeds of a Non-Repatriating Subsidiary could have a material adverse tax consequence with respect to such Net Cash Proceeds, an amount equal to the Net Cash Proceeds so affected will not be required to be applied to repay Term Loans at the times provided under this clause (d). For the avoidance of doubt, nothing in this Agreement, including this Section 2.01, shall be construed to require any Non-Repatriating Subsidiary to repatriate cash.

(ix) AHYDO Savings Payments. Notwithstanding anything to the contrary herein, it is intended that the Loans will not be treated as "applicable high yield discount obligations" ("***AHYDO***") within the meaning of Section 163(i)(1) of the Code and the provisions contained herein shall be construed so that the Loans are not treated as AHYDO. Accordingly, starting on the fifth (5^{th}) anniversary of the Loans (or any portion thereof) and prior to the end of each accrual period (as defined in Section 1272(a)(5)) thereafter, Borrower shall pay such amounts of accrued and unpaid interest or original issue discount (as determined for U.S. federal income tax purposes) on the Loans as necessary to ensure that the Loans are not treated as having "significant original issue discount" within the meaning of Section 163(i)(1) of the Code. The computations and determinations made by Borrower under this provision shall be binding upon each Lender.

Section 2.11 ***Application of Prepayments/Reductions***.

(a) *Application of Voluntary Prepayments of Loans*. Any prepayment of any Loan pursuant to Section 2.10(a) shall be applied as specified by Borrower in the applicable notice of prepayment, and in the event Borrower fails to specify the Loans to which any such prepayment shall be applied, shall be applied to prepay any outstanding Loans on a pro rata basis; *provided* that any prepayment of Term Loans of any Class pursuant to Section 2.10(a) shall be applied to reduce the scheduled remaining installments of principal of the Term Loans of such Class in such manner as Borrower may elect, and absent such election, in forward order of maturity. Any prepayment of any Loans of any Class pursuant to this clause (a) shall be applied to the Loan of such Class of each Lender on a pro rata basis in accordance with their respective Pro Rata Shares.

(b) *Application of Prepayments of Loans to Base Rate Loans and ~~Eurodollar Rate~~SOFR Loans*. Considering each Class of Loans being prepaid separately, any prepayment thereof shall be applied first to Base Rate Loans to the full extent thereof before application to ~~Eurodollar Rate~~SOFR Loans, in each case, in a manner which minimizes the amount of any payments required to be made by Borrower pursuant to Section 2.14(c).

Section 2.12 ***General Provisions Regarding Payments***.

(a) All payments by Borrower of principal, interest, fees and other Obligations shall be made in Dollars in same day funds, without defense, set-off or counterclaim, free of any restriction or condition, and delivered to Administrative Agent not later than 2:00 p.m. (New York City time) on the date due at the Principal Office designated by Administrative Agent for the account of Lenders; for purposes of computing interest and fees, funds received by Administrative Agent after that time on such due date shall, at the option of the Administrative Agent, be deemed to have been paid by Borrower on the next succeeding Business Day.

(b) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued and unpaid interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal. If at any time insufficient funds are received by and available to Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, and (ii) second, to pay principal then due hereunder, each in the manner set forth in this Section 2.12.

(c) Administrative Agent (or its agent or sub-agent appointed by it) shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due thereto, including all fees payable with respect thereto, to the extent received by Administrative Agent.

(d) Notwithstanding the foregoing provisions hereof, if (A) any Conversion/Continuation Notice is withdrawn as to any Affected Lender, (B) any Affected Lender makes Base Rate Loans in lieu of its Pro Rata Share of any ~~Eurodollar Rate~~SOFR Loans, or (C) any Lender becomes a Defaulting Lender pursuant to clause (i) or (ii) of the definition thereof, Administrative Agent shall give effect thereto in apportioning payments received thereafter.

(e) Subject to the proviso set forth in the definition of "Interest Period," whenever any payment to be made hereunder with respect to any Loan shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder or of the Commitment Fees hereunder.

(f) Administrative Agent shall deem any payment by or on behalf of Borrower hereunder that is not made in same day funds prior to 2:00 p.m. (New York City time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 8.01(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the rate determined pursuant to Section 2.07 from the date such amount was due and payable until the date such amount is paid in full.

(g) If an Event of Default shall have occurred and not otherwise been waived, and the maturity of the Obligations shall have been accelerated pursuant to Section 8.01, all payments or proceeds received by Administrative Agent hereunder in respect of any of the Obligations, including in respect of any sale, any collection from, or other realization upon all or any part of the Collateral, shall be applied as follows:

first, to the payment of all amounts for which Administrative Agent and the Lenders are entitled to reimbursement or indemnification hereunder and all advances made by Administrative Agent hereunder for the account of the Borrower or any Guarantor, and to the payment of all costs and expenses paid or incurred by Administrative Agent in connection with the exercise of any right or remedy hereunder, all in accordance with the terms hereof;

second, to the extent of any excess of such proceeds, to the payment of all other Obligations for the ratable benefit of the Secured Parties; and

third, to the extent of any excess of such payments or proceeds, to the payment to or upon the order of whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 2.13 ***Ratable Sharing***. Except as provided in Sections 2.10(d) and as otherwise permitted by this Agreement, Lenders hereby agree among themselves that, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Credit Documents (collectively, the "***Aggregate Amounts Due***" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; *provided*, if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such

purchasing Lender ratably to the extent of such recovery, but without interest. Borrower expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, set-off or counterclaim with respect to any and all monies owing by Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder. The provisions of this Section 2.13 shall not be construed to apply to (a) any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement or (b) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Loans or other Obligations owed to it.

Section 2.14 ***Making or Maintaining ~~Eurodollar Rate~~SOFR Loans***.

(a) *Inability to Determine Applicable Interest Rate*. Subject to Section 2.14(f), if, on or prior to the first day of any Interest Period for any Loan, the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that Term SOFR cannot be determined pursuant to the definition thereof, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, any obligation of the Lenders to make or maintain SOFR Loans, and any right of the Borrower to continue SOFR Loans, shall be suspended (to the extent of the affected SOFR Loans or affected Interest Periods) until the Administrative Agent revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Loans bearing interest at a rate determined by reference to the Temporary Replacement Rate in the amount specified therein and (ii) any outstanding affected SOFR Loans will be deemed to have been converted into Loans bearing interest at a rate determined by reference to the Temporary Replacement Rate at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 2.14(c).

~~In the event that on any Interest Rate Determination Date for any Interest Period with respect to any Eurodollar Rate Loans,~~

~~(A) Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), that adequate and reasonable means do not exist for ascertaining the Eurodollar Rate, as applicable (including, without limitation, because the Screen Rate is not available or published on a current basis), for such Interest Period; or~~

~~(B) the Administrative Agent is advised by the Requisite Lenders that the Eurodollar Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans for such Interest Period;~~

~~then Administrative Agent shall on such date give notice (by facsimile or by telephone confirmed in writing) to Borrower and each Lender of such determination, whereupon (x) no Loans may be made as or converted to Eurodollar Rate Loans, and the Loans shall be made as or converted to Base Rate Loans on the first day of the Interest Period immediately following such Interest Rate Determination Date, in each case until such time as Administrative Agent notifies Borrower and Lenders that the circumstances giving rise to such notice no longer exist, and (y) any Funding Notice or Conversion/Continuation Notice given by Borrower with respect to the Loans in respect of which such determination was made shall be deemed to be rescinded by Borrower.~~

~~If at any time the Administrative Agent determines (which determination shall be final and conclusive and binding upon all parties hereto) that (A) the circumstances set forth in clause (a)(i)(A) have arisen and such circumstances are unlikely to be temporary or (B) the circumstances set forth in clause (a)(i)(A) have not arisen but the supervisor for the administrator of the Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the Screen Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the Eurodollar Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (provided such other changes shall not include any amendment to the definition of "Applicable Margin"), provided that, if such alternate rate of interest shall be less than 0.00%, such rate shall be deemed to be 0.00% for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.05, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Requisite Class Lenders of each Class stating that such Requisite Class Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (a)(ii) (but, in the case of the circumstances described in clause (B) of the first sentence of this Section 2.14(a)(ii), only to the extent the Screen Rate for such Interest Period is not available or published at such time on a current basis), (x) no Loans may be made as or converted to Eurodollar Rate Loans, and the Loans shall be made as or converted to Base Rate Loans on the first day of the Interest Period immediately following an Interest Rate Determination Date, and (y) any Funding Notice or Conversion/Continuation Notice given by Borrower with respect to the Loans in respect of which such determination was made shall be deemed to be rescinded by Borrower.~~

(b) *Illegality or Impracticability of ~~Eurodollar Rate~~SOFR Loans*. In the event that on any date any Lender shall have determined (which determination shall be final and conclusive and binding upon all parties hereto absent manifest error but shall be made only after consultation with Borrower and Administrative Agent) that the making, maintaining or continuation of its ~~Eurodollar Rate~~SOFR Loans (i) has become unlawful as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) has become impracticable, as a result of contingencies occurring after the Closing Date which materially and adversely affect the London interbank market or the position of such Lender in that market, then, and in any such event, such Lender shall be an "***Affected Lender***" and it shall on that day give notice (by email, facsimile or by telephone confirmed in writing) to Borrower and Administrative Agent of such determination (which notice Administrative Agent shall promptly transmit to each other Lender). If Administrative Agent receives a notice from (x) any Lender pursuant to clause (i) of the preceding sentence or (y) Lenders constituting Requisite Lenders pursuant to clause (ii) of the preceding sentence, then (1) the obligation of the Lenders (or, in the case of any notice pursuant to clause (i) of the preceding sentence, such Affected Lender) to make Loans as, or to convert Loans to, ~~Eurodollar Rate~~SOFR Loans shall be suspended until such notice shall be withdrawn by the Affected Lender, (2) to the extent such determination by the Affected Lender relates to a ~~Eurodollar Rate~~SOFR Loan then being requested by Borrower pursuant to the Funding Notice or a Conversion/Continuation Notice, the Lenders (or in the case of any notice pursuant to clause (i) of the preceding sentence, such Affected Lender) shall make such Loan as (or continue such Loan as or convert such Loan to, as the case may be) a Base Rate Loan, (3) the Lenders' (or in the case of any notice pursuant to clause (i) of the preceding sentence, such Affected Lender's) obligation to maintain their respective outstanding ~~Eurodollar Rate~~SOFR Loans (the "***Affected Loans***") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law and (4) the

Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a ~~Eurodollar Rate~~SOFR Loan then being requested by Borrower pursuant to the Funding Notice or a Conversion/Continuation Notice, Borrower shall have the option, subject to the provisions of Section 2.14(c), to rescind the Funding Notice or Conversion/Continuation Notice as to all Lenders by giving notice (by email, facsimile or by telephone confirmed in writing) to Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above (which notice of rescission Administrative Agent shall promptly transmit to each other Lender). Except as provided in the immediately preceding sentence, nothing in this Section 2.14(b) shall affect the obligation of any Lender other than an Affected Lender to make or maintain Loans as, or to convert Loans to, ~~Eurodollar Rate~~SOFR Loans in accordance with the terms hereof.

(c) *Compensation for Breakage or Non-Commencement of Interest Periods*. Borrower shall compensate each Lender, upon written request by such Lender (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid or payable by such Lender to Lenders of funds borrowed by it to make or carry its ~~Eurodollar Rate~~SOFR Loans and any loss, expense or liability sustained by such Lender in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits (including, without duplication, any loss of the Applicable Margin on the relevant Loans)) which such Lender may sustain: (i) if for any reason (other than a default by such Lender) a borrowing of any ~~Eurodollar Rate~~SOFR Loan does not occur on a date specified therefor in a Funding Notice or a telephonic request for borrowing, or a conversion to or continuation of any ~~Eurodollar Rate~~SOFR Loan does not occur on a date specified therefor in a Conversion/Continuation Notice or a telephonic request for conversion or continuation; (ii) if any prepayment or other principal payment of, or any conversion of, any of its ~~Eurodollar Rate~~SOFR Loans occurs on a date prior to the last day of an Interest Period applicable to that Loan; or (iii) if any prepayment of any of its ~~Eurodollar Rate~~SOFR Loans is not made on any date specified in a notice of prepayment given by Borrower. A certificate of such Lender setting forth in reasonable detail the calculation of the amount or amounts payable under this Section 2.14(c) shall be delivered to Borrower and shall be conclusive absent manifest error, and such amount or amounts shall be payable within ten (10) days after Borrower's receipt of such certificate.

(d) *Booking of ~~Eurodollar Rate~~SOFR Loans*. Subject to Section 2.17, any Lender may make, carry or transfer ~~Eurodollar Rate~~SOFR Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

(e) *Assumptions Concerning Funding of ~~Eurodollar Rate~~SOFR Loans*. Calculation of all amounts payable to a Lender under this Section 2.14 and under Section 2.15 shall be made as though such Lender had actually funded each of its relevant ~~Eurodollar Rate~~SOFR Loans through the purchase of a ~~Eurodollar~~ deposit bearing interest at ~~the Eurodollar Rate~~Term SOFR in an amount equal to the amount of such ~~Eurodollar Rate~~SOFR Loan and having a maturity comparable to the relevant Interest Period ~~and through the transfer of such Eurodollar deposit from an offshore office of such Lender to a domestic office of such Lender in the United States of America~~; *provided*, *however*, each Lender may fund each of its ~~Eurodollar Rate~~SOFR Loans in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 2.14 and under Section 2.15.

(f) *~~Effect of~~ Benchmark ~~Transition Event~~Replacement Setting*.

(i) *Benchmark Replacement*. Notwithstanding anything to the contrary herein or in any other Credit Document, ~~upon~~following the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may, without further action or consent of any other party to this Agreement or any other Credit Document, amend this Agreement to replace the ~~Screen Rate~~then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted notice of such proposed

amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such ~~amendment~~Benchmark Replacement from Lenders comprising the Requisite Lenders~~, provided that, with respect to any proposed amendment containing a rate based on Term SOFR, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Requisite Lenders accept such amendment. No replacement of the Screen Rate~~. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.14(f)(i) will occur prior to the applicable Benchmark Transition Start Date.

(ii) *Benchmark Replacement Conforming Changes*. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent ~~(in consultation with the Borrower)~~ will have the right to make ~~Benchmark Replacement~~ Conforming Changes (subject to the consent rights of the Borrower set forth in such definition) from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any Credit Document.

(iii) *Notices; Standards for Decisions and Determinations*. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) ~~any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii)~~ the implementation of any Benchmark Replacement~~, (iii~~ or any Early Opt-in Election and (ii) the effectiveness of any ~~Benchmark Replacement Conforming Changes and (iv~~Conforming Changes. The Administrative Agent will promptly notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.14(f)(iv) and (y) the commencement and/or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent ~~or the Lenders~~ pursuant to this Section 2.14(f), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party ~~hereto~~to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 2.14(f) or the defined terms used in this Section 2.14(f).

(iv) *Unavailability of Tenor of Benchmark.* Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion in consultation with the Borrower or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement), (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor and (C) if a new tenor for such Benchmark is displayed on a screen or other information service selected by the Administrative Agent in its reasonable discretion in consultation with the Borrower, then the Administrative Agent may, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to add such new tenor.

(v) ~~(iv)~~ *Benchmark Unavailability Period*. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for ~~a Borrowing~~an Advance of, conversion to or continuation of ~~Eurodollar Rate~~SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ~~Base Rate~~ Loans bearing interest at the Temporary Replacement Rate. During ~~any~~a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ~~Alternate Base Rate based on the Eurodollar Rate~~the Temporary Replacement Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the ~~Alternate Base~~Temporary Replacement Rate.

Section 2.15 ***Increased Costs; Capital Adequacy***.

(a) *Compensation For Increased Costs and Taxes*. Subject to the provisions of Section 2.16 (which shall be controlling with respect to the matters covered thereby), in the event that any Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or governmental authority, in each case that becomes effective after the Closing Date, or compliance by such Lender with any guideline, request or directive issued or made after the Closing Date by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law): (i) subjects such Lender (or its applicable lending office) to any additional Tax (other than any Tax indemnifiable under Section 2.16(b) or any Excluded Tax) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Lender (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender; or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting such Lender (or its applicable lending office) or its obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by such Lender (or its applicable lending office) with respect thereto; then, in any such case, Borrower shall promptly pay to such Lender, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall determine) as may be necessary to compensate such Lender on an after-tax basis for any such increased cost or reduction in amounts received or receivable hereunder. Such Lender shall deliver to Borrower (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.15(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) of the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be changes in law made after the Closing Date regardless of the date enacted, adopted or issued. Notwithstanding any other provision of this Section 2.15(a), no Lender shall demand compensation pursuant to this Section 2.15(a) if such demand is inconsistent with such Lender's treatment of other borrowers which, as a credit matter, are similarly situated to Borrower and which are subject to similar provisions.

(b) *Capital Adequacy and Liquidity Adjustment*. In the event that any Lender shall have determined that the adoption, effectiveness, phase-in or applicability after the Closing Date of any law, rule or regulation (or any provision thereof) regarding capital adequacy or liquidity requirements, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or its applicable lending office) with any guideline, request or directive regarding capital adequacy or liquidity requirements (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has had the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of, or with reference to, such Lender's Loans or Revolving Commitments or participations therein or other obligations hereunder with respect to the Loans to a level below that which such Lender or such controlling corporation could have achieved but for such adoption, effectiveness, phase-in, applicability, change or compliance (taking into consideration the policies of such Lender or such controlling corporation with regard to capital adequacy or liquidity requirements), then from time to time, within 15 days after receipt by Borrower from such Lender of the statement referred to in the next sentence, Borrower shall pay to such Lender such additional amount or amounts as shall compensate such Lender or such controlling corporation on an after-tax basis for such reduction. Such Lender shall deliver to Borrower (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender under this Section 2.15(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) of the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be changes in law made after the Closing Date regardless of the date enacted, adopted or issued. Notwithstanding any other provision of this Section 2.15(b), no Lender shall demand compensation pursuant to this Section 2.15(b) if such demand is inconsistent with such Lender's treatment of other borrowers which, as a credit matter, are similarly situated to Borrower and which are subject to similar provisions.

(c) Notwithstanding anything in this Section 2.15 to the contrary, Borrower shall not be required to compensate a Lender pursuant to this Section 2.15 for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies Borrower of the change in law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; *provided further* that if the change in law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.16 ***Taxes; Withholding***.

(a) *Payments to Be Free and Clear*. All sums payable by any Credit Party hereunder and under the other Credit Documents shall (except to the extent required by Law) be paid free and clear of, and without any deduction or withholding on account of, any Tax.

(b) *Withholding of Taxes*. If any Credit Party, Administrative Agent or any other Person is required by Law to make any deduction or withholding on account of any Tax with respect to any sum paid or payable by any Credit Party to Administrative Agent or any Lender under any of the Credit Documents: (i) Borrower shall notify Administrative Agent of any such requirement or any change in any such requirement as soon as Borrower becomes aware of it; (ii) the applicable withholding agent shall make such deductions and withholdings and shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law; and (iii) if such Tax is an Indemnified Tax, the sum payable by the relevant Credit Party in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after that deduction, withholding or payment is made, the Lender (or, in the case of payments made to Administrative Agent for its own account, Administrative Agent) receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made.

(c) *Payment of Other Taxes by the Credit Parties*. Without limiting, and without duplication of, the provisions of subsections (a) and (b) above, the Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) *Evidence of Payments*. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Credit Party to a Governmental Authority, the Borrower shall deliver to Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment or other evidence of such payment reasonably satisfactory to Administrative Agent.

(e) *Indemnification by the Borrower*. The Borrower shall indemnify Administrative Agent and each Lender for any Indemnified Taxes paid or payable by Administrative Agent or such Lender (including Indemnified Taxes imposed on or attributable to amounts payable under this Section 2.16) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; *provided* that if Borrower reasonably believes that such Taxes were not correctly or legally asserted, the Administrative Agent or such Lender, as applicable, will use reasonable efforts to cooperate with Borrower to obtain a refund of such Taxes (which shall be repaid to Borrower) so long as such efforts would not, in the sole determination of the Administrative Agent or such Lender, result in any additional out-of-pocket costs or expenses not reimbursed by such Credit Party or be otherwise materially disadvantageous to the Administrative Agent or such Lender, as applicable. The indemnity under this Section 2.16(e) shall be paid within 10 days after Administrative Agent or Lender as the case may be delivers to the Borrower a certificate stating the amount of any such Tax so paid or payable. Any Lender who delivers such a certificate to the Borrower shall deliver a copy thereof to Administrative Agent. The certificate delivered to the Borrower shall be conclusive of the amount so paid or payable absent manifest error.

(f) *Evidence of Exemption From U.S. Withholding Tax*.

(i) Any Lender that is entitled to an exemption from, or reduction of, withholding Tax with respect to payments made under this Agreement or any other Credit Document shall deliver to Borrower and Administrative Agent, at the time or times reasonably requested by Borrower or Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower or Administrative Agent as shall permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by Borrower or Administrative Agent as shall enable Borrower or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such

completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Each Lender agrees that if any documentation it previously delivered pursuant to this Section 2.16(f) expires or becomes obsolete or inaccurate in any respect, it shall promptly update such documentation or promptly notify Borrower and Administrative Agent in writing of its legal ineligibility to do so. Notwithstanding any other provision of this Section 2.16, a Lender shall not be required to deliver any documentation pursuant to this Section 2.16(f) that such Lender is not legally eligible to deliver.

(ii) Without limiting the generality of the foregoing:

(A) Each Lender that is a United States person (as such term is defined in Section 7701(a)(30) of the Code) for United States federal income tax purposes (a "***U.S. Lender***") shall deliver to Administrative Agent and Borrower on or prior to the date on which it becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent) two original copies of IRS Form W-9 (or any successor form), properly completed and duly executed by such Lender, certifying that such U.S. Lender is entitled to an exemption from United States backup withholding tax.

(B) Each Lender that is not a United States Person (as such term is defined in Section 7701(a)(30) of the Code) for U.S. federal income tax purposes (a "***Non-US Lender***") shall deliver to Administrative Agent and Borrower, on or prior to the date on which it becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), two of whichever of the following is applicable:

1. in the case of a Non-US Lender claiming the benefits of an income tax treaty to which the United States is a party, executed originals of IRS Form W-8BEN or W-8BEN-E;

2. executed originals of IRS Form W-8ECI;

3. in the case of a Non-US Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E to the effect that such Non-US Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10-percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the Code or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and that no payments in connection with any Credit Document are effectively connected with a U.S. trade or business (a "***Certificate re Non-Bank Status***") and (y) executed originals of IRS Form W-8BEN or W-8BEN-E; or

4. to the extent a Non-US Lender is not the beneficial owner (for example, where the Lender is a partnership, or is a Participant holding a participation granted by a participating Lender), executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a Certificate re Non-Bank Status, IRS Form W-9 and/or another certification document from each beneficial owner, as applicable; *provided* that if the Non-US Lender is a partnership (and not a participating Lender) and one or more direct or indirect partners of such Non-US Lender are claiming the portfolio interest exemption, such Non-US Lender may provide a Certificate re Non-Bank Status on behalf of each such direct or indirect partner;

(C) any Non-US Lender shall, to the extent it is legally eligible to do so, deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-US Lender becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable Law as a basis for claiming exemption from, or a reduction in, U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit Borrower or Administrative Agent to determine the withholding or deduction required to be made; and

(D) If a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Administrative Agent, at the time or times prescribed by Law and at such time or times reasonably requested by Borrower or Administrative Agent, such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower as may be necessary for Borrower and Administrative Agent to comply with its obligations under FATCA, to determine whether such Lender has or has not complied with its obligations under FATCA and to determine the amount, if any, to deduct and withhold from such payment.

On or before the date the Administrative Agent becomes a party to this Agreement, the Administrative Agent shall provide to Borrower, two duly-signed, properly completed copies of the documentation prescribed in clause (i) or (ii) below, as applicable (together with all required attachments thereto): (i) IRS Form W-9 or any successor thereto, or (ii) (A) IRS Form W-8ECI or any successor thereto, and (B) with respect to payments received on account of any Lender, a U.S. branch withholding certificate on IRS Form W-8IMY or any successor thereto evidencing its agreement with the Borrower to be treated as a U.S. Person for U.S. federal withholding purposes. At any time thereafter, the Administrative Agent shall provide updated documentation previously provided (or a successor form thereto) when any documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of Borrower.

Each Lender hereby authorizes Administrative Agent to deliver to the Credit Parties and to any successor Administrative Agent any documentation provided by such Lender to Administrative Agent pursuant to this Section 2.16(f).

(g) *Treatment of Certain Refunds*. If Administrative Agent or any Lender determines in its sole discretion exercised in good faith that it has received a refund of any Taxes with respect to which any Credit Party has paid additional amounts pursuant to this Section 2.16 from the Governmental Authority to which such Tax was paid, it shall pay to such Credit Party an amount equal to such refund (but only to the extent of additional amounts paid by such Credit Party with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that each Credit Party, upon the request of Administrative Agent or such Lender, shall repay the amount paid over to such Credit Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Administrative Agent or such Lender in the event Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.16(g), in no event shall Administrative Agent or any Lender be required to pay any amount to any indemnifying party pursuant to this Section 2.16(g) the payment of which would place such Administrative Agent or Lender in a less favorable net after-Tax position than such Administrative Agent or Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted or withheld and the additional amounts in respect of such Tax had never been paid. This paragraph shall not be construed to require Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Credit Party or Sculptor Subsidiary.

(h) *Allocation and Tax Treatment*. The parties hereto agree to allocate the consideration paid by the Lenders between this Agreement and the Warrant in the reasonable discretion of the Borrower in accordance with GAAP. The parties intend to report any original issue discount in accordance with Treasury Regulations Section 1.1271-2(b)(1).

(i) *Survival*. Each party's obligations under this Section 2.16 shall survive any assignment of rights by or replacement of any Lender or Administrative Agent, and the repayment, satisfaction or discharge of all other obligations under this Agreement.

Section 2.17 ***Obligation to Mitigate***. Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Loans becomes aware of the occurrence of an event or the existence of a condition that would cause such Lender to become an Affected Lender or that would entitle such Lender to receive payments under Section 2.14, 2.15 or 2.16 it shall, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Revolving Commitments or Credit Extensions, including any Affected Loans, through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the circumstances which would cause such Lender to be an Affected Lender would cease to exist or the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.14, 2.15 or 2.16 would be materially reduced and if, as determined by such Lender in its sole discretion, the making, issuing, funding or maintaining of such Revolving Commitments or Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Revolving Commitments or Loans or the interests of such Lender; *provided*, such Lender shall not be obligated to utilize such other office pursuant to this Section 2.17 unless Borrower agrees to pay all incremental expenses incurred by such Lender as a result of utilizing such other office as described in this Section 2.17(a) and (b) above. A certificate as to the amount of any such expenses payable by Borrower pursuant to this Section 2.17 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to Borrower (with a copy to Administrative Agent) shall be conclusive absent manifest error.

Section 2.18 [*Reserved*].

Section 2.19 ***Removal or Replacement of a Lender***.

(a) Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender (an "***Increased-Cost Lender***") shall give notice to Borrower that such Lender is an Affected Lender or that such Lender is entitled to receive payments under Section 2.14, 2.15 or 2.16, (ii) the circumstances which have caused such Lender to be an Affected Lender or which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five Business Days after Borrower's request for such withdrawal; or (b) any Lender becomes a Defaulting Lender, then, with respect to each such Increased-Cost Lender or Defaulting Lender (the "***Terminated Lender***"), Borrower may by giving written notice to Administrative Agent and any Terminated Lender of its election to do so, elect to cause, at its sole expense and effort, such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Loans and its Revolving Commitments, if any, in full to one or more Eligible Assignees (each a "***Replacement Lender***") in accordance with the provisions of Section 10.06 and Borrower shall pay any fees payable thereunder in connection with such assignment; *provided*, (1) on the date of such assignment, the Replacement Lender shall pay to Terminated Lender an amount equal to the principal of, and all accrued and unpaid interest on,

all outstanding Loans of the Terminated Lender, and (2) on the date of such assignment, Borrower shall pay any amounts payable to such Terminated Lender pursuant to Section 2.14(c), 2.15 or 2.16; or otherwise as if it were a prepayment. Upon the prepayment of all amounts owing to any Terminated Lender and the termination of such Terminated Lender's Revolving Commitments, if any, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; *provided*, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender. Each Lender agrees that if Borrower exercises its option hereunder to cause an assignment by such Lender as a Terminated Lender, such Lender shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effectuate such assignment in accordance with Section 10.06. In the event that a Lender does not comply with the requirements of the immediately preceding sentence within one Business Day after receipt of such notice, each Lender hereby authorizes and directs Administrative Agent to execute and deliver such documentation as may be required to give effect to an assignment in accordance with Section 10.06 on behalf of a Terminated Lender and any such documentation so executed by Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 10.06.

(b) Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(i) Commitment Fees pursuant to Section 2.08 shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender; and

(ii) The Commitments and Loans of such Defaulting Lender shall not be included for any purpose in determining whether all Lenders, the Requisite Class Lenders, or the Requisite Lenders, or the Requisite Revolving Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.05), *provided* that this clause (b)(ii) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of (i) all Lenders or (ii) each Lender affected thereby (and such Defaulting Lender, if affected thereby).

(iii) In the event that the Administrative Agent and the Borrower agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Pro Rata Share, whereupon such Lender shall cease to be a Defaulting Lender; provided that no adjustments shall be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and provided further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender shall constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

Section 2.20 ***Tranching***. This Agreement and the other Credit Documents may be amended by the Administrative Agent, subject to the prior consent of the Borrower (such consent not to be unreasonably withheld or delayed) to permit the tranching of all or a portion of the outstanding Commitments, Term Loans and/or Revolving Commitments (and any relating Revolving Loans) of any Class with replacement tranches of commitments, term loans and revolving commitments denominated in Dollars; *provided* that the economic terms of the replacement tranches are, in the aggregate, identical to those of the then existing Commitments, Term Loans and/or Revolving Commitments. The Borrower shall promptly provide all reasonable cooperation requested by the Administrative Agent to effect such tranching and the Lenders shall bear any costs arising out of such tranching incurred by the Administrative Agent.

Article 3
CONDITIONS PRECEDENT

Section 3.01 ***Conditions Precedent to Effectiveness***. This Agreement shall become effective upon the satisfaction of the following conditions precedent:

(a) *Credit Documents*. Administrative Agent shall have received executed counterparts of this Agreement and the Fee Letter, in each case from each applicable Credit Party and each Lender party thereto (which in the case of this clause (a), may include electronic transmission of a signed signature page of any such agreement or document), including a duly completed Perfection Certificate signed by the Borrower and each initial Guarantor.

(b) *Organizational Documents; Incumbency*. Administrative Agent shall have received (i) a copy of each Organizational Document of each Credit Party (provided that only redacted copies or forms of any amendments, joinders or supplements to such documents shall be required to be delivered under this clause (b) (and certain other documents, such as confidential separation and similar agreements, shall not be required to be delivered) so long as the unredacted versions of such definitive documents do not otherwise amend, supplement or modify the Organizational Documents of any Credit Party in a manner materially adverse to the Lenders), and, to the extent applicable, certified as of a recent date by the appropriate governmental official; (ii) signature and incumbency certificates of the officers of such Person (or officers of such Person's general partner or equivalent) executing the Credit Documents to which it is a party; (iii) to the extent applicable, resolutions of the Board of Directors or similar governing body of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party, certified as of the Effective Date by its secretary or an Authorized Officer (or officers of such Person's general partner or equivalent) as being in full force and effect without modification or amendment; and (iv) a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation, each dated a recent date prior to the Effective Date.

(c) *Representations and Warranties*. As of the Effective Date, the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects (or, in the case of any representation or warranty that is qualified by materiality, in all respects) on and as of the Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (or, in the case of any representation or warranty that is qualified by materiality, in all respects) on and as of such earlier date.

(d) *Events of Default; Default*. No event shall have occurred and be continuing or would result from the consummation of the transactions and borrowing contemplated hereby that would constitute an Event of Default or a Default.

(e) *Effective Date Certificate*. Borrower shall have delivered to Administrative Agent an originally executed Effective Date Certificate, together with all attachments thereto.

(f) *PATRIOT Act*. Administrative Agent and the Lenders shall have received all documentation and other information about the Credit Parties reasonably requested in writing by Administrative Agent and required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "***PATRIOT Act***").

(g) *Beneficial Ownership Certificate*. Borrower shall have delivered to Administrative Agent a Beneficial Ownership Certification in relation to the Borrower, to the extent requested in writing by Administrative Agent or any Lender.

(h) *Financial Calculations*. The Credit Parties shall have delivered calculations of Combined Economic Income for the most recently ended Fiscal Quarter in the form attached to Annex A to the Compliance Certificate.

Section 3.02 ***Conditions Precedent to Borrowing***. The obligation of each Lender to make the Term Loans and other Credit Extensions hereunder is subject to the satisfaction, or waiver in accordance with Section 10.05, of the following conditions on or before the date thereof:

(a) *Credit Documents*. Administrative Agent shall have received executed counterparts of the Board Representation Agreement, any Notes (to the extent requested reasonably in advance of the Closing Date), the Perfection Certificate Supplement (to the extent there are any changes to the Perfection Certificate delivered as of the Effective Date) and the Security Agreement, in each case from each applicable Credit Party and each Lender party thereto (which in the case of this clause (a), may include electronic transmission of a signed signature page of any such agreement or document), including the following documents:

(i) Uniform Commercial Code financing statements naming each Credit Party as debtor and the Administrative Agent as secured party in appropriate form for filing in the jurisdiction of incorporation or formation of each such Credit Party;

(ii) certificates representing all certificated Equity Interests owned directly by any Credit Party to the extent pledged (and required to be delivered) under the Security Agreement together with stock powers executed in blank, except as contemplated by Schedule 5.09(a);

(iii) all notes, chattel paper and instruments owned by any Credit Party to the extent pledged (and required to be delivered) pursuant to the Security Agreement duly endorsed in blank or with appropriate instruments of transfer, except as contemplated by Schedule 5.09(a);

(iv) short form security agreements in appropriate form for filing with the United States Patent & Trademark Office and the United States Copyright Office, as appropriate, with respect to the Intellectual Property Rights of the Credit Parties registered with such offices and listed in the Perfection Certificate and constituting Collateral;

(v) copies of Lien, judgment, copyright, patent and trademark searches in each jurisdiction reasonably requested by the Administrative Agent with respect to each Credit Party; and

(vi) certificates of insurance related thereto, naming the Administrative Agent, on behalf of the Lenders, as an additional insured or loss payee, as the case may be, under any general liability, umbrella liability and property insurance policies maintained with respect to the assets and properties of the Credit Parties that constitute Collateral, in each case to the extent required pursuant to Section 5.05(b) and except as contemplated by Schedule 5.09(a).

(b) *Africo Litigation Settlement*. The Africo Litigation Settlement shall have been completed within ninety days from the Effective Date; *provided* that so long as no later than ninety (90) days from the Effective Date the Borrower shall have paid or caused to be paid the Extension Fee on the terms of the Fee Letter, such term shall be extended to 180 days from the Effective Date;

(c) *Issuance of Warrant or Restricted Stock*. If the prior written consent of the holders of a majority of the outstanding Class A Common Units, the holders of a majority of the outstanding Post-Recap Class A Units and the holders of a majority of the outstanding Sculptor Operation Group E Units under each of (i) the Amended and Restated Agreement of Limited Partnership of Oz Management LP dated February 7, 2019, (ii) the Amended and Restated Agreement of Limited Partnership of Oz Advisors LP dated February 7, 2019 and (iii) the Amended and Restated Agreement of Limited Partnership of Oz Advisors II LP, dated as of February 7, 2019 is obtained prior to the Closing Date (the "***Warrant Consent***"), Administrative Agent shall have received executed counterparts of the Warrant from the Issuer (which may include electronic transmission of a signed signature page of any such agreement); provided that if the Warrant Consent is not obtained prior to the Closing Date then, in lieu of the Warrant, Administrative Agent shall have received the Class A Shares issuable pursuant to, and subject to the conditions set forth in, the Restricted Stock Purchase Agreement.

(d) *Representations and Warranties*. As of the Closing Date, the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects (or, in the case of any representation or warranty that is qualified by materiality, in all respects) on and as of the Closing Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (or, in the case of any representation or warranty that is qualified by materiality, in all respects) on and as of such earlier date;

(e) *Solvency Certificate*. Administrative Agent shall have received a certificate dated as of the Closing Date and signed by the chief executive officer or chief financial officer of the Borrower (or officers of such Person's general partner or equivalent) attesting that the Credit Parties and the Sculptor Subsidiaries, on a consolidated basis are, and upon the occurrence of any Obligation by any Credit Party on the Closing Date will be, Solvent, substantially in the form of Exhibit M;

(f) *Opinion of Counsel*. Administrative Agent and its counsel shall have received a copy of the favorable written opinion of Ropes & Gray LLP, counsel for Credit Parties, dated as of the Closing Date in form and substance reasonably satisfactory to Administrative Agent (and each Credit Party hereby instructs such counsel to deliver such opinions to Administrative Agent and Lenders).

(g) *Closing Date Certificate*. Borrower shall have delivered to Administrative Agent an originally executed Closing Date Certificate, together with all attachments thereto.

(h) *Refinancing*. The Refinancing shall have been, or substantially concurrently with the funding of the Term Loans on the Closing Date, shall be, consummated, and in connection therewith all guarantees and liens shall have been released.

(i) *Material Adverse Effect*. Since the Effective Date, no event shall have occurred which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(j) *Payment of Fees and Expenses*. (A) The expenses of Administrative Agent and the Lenders (including the reasonable, documented out-of-pocket fees and expenses of their attorneys) arising in connection with the transactions contemplated by the Credit Documents for which invoices have been presented to Borrower at least one Business Day prior to the Closing Date and (B) each Lender shall have received for its own account the upfront fees set forth in the Fee Letter.

(k) *Minimum Liquidity*. After giving effect to the funding of the Loans on the Closing Date, the Refinancing and the Africo Litigation Settlement, the sum of (i) cash or Cash Equivalents, (ii) the amount by which (A) the aggregate Revolving Loan Commitment exceeds (B) the aggregate outstanding principal balance of Revolving Loans, and (iii) management fee receivables, incentive receivables and other revenue receivables of the Credit Parties and their Subsidiaries on a pro forma basis as of June 30, 2020 shall not be less than $200,000,000.

(l) *Conditions to All Loans*. The conditions precedent in Section 3.03 shall have been satisfied or waived in accordance with Section 10.05.

Section 3.03 ***Further Conditions to All Loans***.

(a) *Conditions Precedent*. The obligation of each Lender to make any Loan on any Credit Date on or after the Closing Date is subject to the satisfaction, or waiver in accordance with Section 10.05, of the following conditions precedent:

(i) Administrative Agent shall have received a fully executed notice (or telephonic notice) in accordance with Section 2.01(c) and Section 3.04;

(ii) as of such Credit Date, the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects (or, in the case of any representation or warranty that is qualified by materiality, in all respects) on and as of such Credit Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (or, in the case of any representation or warranty that is qualified by materiality, in all respects) on and as of such earlier date; and

(iii) as of such Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default.

Section 3.04 ***Notices***. Any Notice shall be executed by an Authorized Officer in a writing delivered to Administrative Agent. In lieu of delivering a Notice, Borrower may give Administrative Agent telephonic notice by the required time of any proposed borrowing, conversion/continuation; *provided* each such notice shall be promptly confirmed in writing. Neither Administrative Agent nor any Lender shall incur any liability to Borrower in acting upon any telephonic notice referred to above that Administrative Agent believes in good faith to have been given by a duly authorized officer or other person authorized on behalf of Borrower or for otherwise acting in good faith.

Article 4
REPRESENTATIONS AND WARRANTIES

In order to induce Lenders to enter into this Agreement and to make the Credit Extensions to be made thereby, the Credit Parties each represent and warrant to each Lender, on the Effective Date and on the Closing Date, that the following statements are true and correct (it being understood and agreed that the representations and warranties made on the Closing Date are deemed to be made concurrently with the consummation of the transactions contemplated by the Credit Documents):

Section 4.01 ***Organization; Requisite Power and Authority; Qualification***. Each of the Credit Parties and the Sculptor Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization (or, only where applicable, the equivalent status in such jurisdiction of organization), except (other than with respect to any Credit Party) as would not reasonably be expected to have a Material Adverse Effect, (b) has all requisite power and authority and all governmental licenses, authorizations, permits, consents and approvals to own and operate its properties, to carry on its business, except as would not reasonably be expected to have a Material Adverse Effect, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing would not be reasonably expected to have a Material Adverse Effect.

Section 4.02 ***Equity Interests and Ownership***. The Equity Interests of each Credit Party and each of their Sculptor Subsidiaries have been duly and validly authorized and issued, and in the case of entities that are organized as corporations, are fully paid and non-assessable, and in the case of entities that are organized as limited liability companies, no Credit Party or Sculptor Subsidiary is liable to such entity to make any additional capital contributions with respect to its equity interest in such entity (except as otherwise required by the Delaware Limited Liability Company Act), and, in the case of entities organized as partnerships, all of the interests in each such entity have been duly and validly created. All Equity Interests of Sculptor Subsidiaries of any Credit Party are owned directly or indirectly by one or more Credit Parties, free and clear of any lien, charge, encumbrance, security interest, or other claim of any third party other than Permitted Liens.

Section 4.03 ***Due Authorization***. Each of the Credit Parties has all requisite power and authority to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary action on the part of each Credit Party that is a party thereto.

Section 4.04 ***No Conflict***. The execution, delivery and performance by each of the Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and shall not (a) violate (i) any provision of any law or any governmental rule or regulation applicable to such Credit Party or any Sculptor Subsidiary, (ii) any of the Organizational Documents of such Credit Party, (iii) any of the Organizational Documents of any Sculptor Subsidiary, or (iv) any order, judgment or decree of any court or other agency of government binding such Credit Party or any Sculptor Subsidiary, in each case of clauses (i), (iii) and (iv), except to the extent such violation would not reasonably be expected to have a Material Adverse Effect; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material Contractual Obligation of such Credit Party except to the extent such conflict, breach or default would not reasonably be expected to have a Material Adverse Effect; (c) conflict with or result in or require the creation or imposition of any Lien upon any of the properties or assets of such Credit Party that would not be permitted hereunder; or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any material Contractual Obligation of any Credit Party or any of their respective Sculptor Subsidiaries, except for such approvals or consents which have been duly obtained, taken, given or made and are in full force and effect and except for any such approvals or consents the failure of which to obtain shall not have a Material Adverse Effect.

Section 4.05 ***Governmental Consents***. The execution, delivery and performance by each of the Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and shall not require any registration with, consent or approval of, exemption from, or notice to, or other action to, with or by, any Governmental Authority except (a) registrations, consents, approvals, notices and other actions which have been duly obtained, taken, given or made and are in full force and effect prior to the Closing Date, (b) those registrations, consents, approvals, notices and other actions, the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect and (c) filings necessary to perfect or maintain the perfection of the Liens on the Collateral granted by the Credit Parties in favor of the Administrative Agent, for the benefit of the Secured Parties.

Section 4.06 ***Binding Obligation***. Each Credit Document has been duly executed and delivered by each of the Credit Parties that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability (whether enforcement is sought by proceedings in equity or at law).

Section 4.07 ***Historical Financial Statements***. The Historical Financial Statements fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments. As of the Effective Date and the Closing Date, none of the Credit Parties nor any of the Sculptor Subsidiaries has any contingent liability or liability for taxes, long-term lease or unusual forward or long-term commitment that is not reflected in the Historical Financial Statements or the notes thereto other than (a) the liabilities reflected on Schedule 4.07, (b) obligations arising under this Agreement and the other Credit Documents, and (c) liabilities incurred in the ordinary course of business that, either individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect.

Section 4.08 ***No Material Adverse Effect***(a) . Since December 31, 2019, no Material Adverse Effect has occurred.

Section 4.09 ***Adverse Proceedings, etc.*** There are no Adverse Proceedings, individually or in the aggregate, that would reasonably be expected to have a Material Adverse Effect. None of the Credit Parties nor any Sculptor Subsidiary, to such Credit Party's knowledge, is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that would reasonably be expected to have a Material Adverse Effect.

Section 4.10 ***Payment of Taxes***. Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect (i) all Tax returns and reports of any Credit Party or Sculptor Subsidiary required to be filed by any of them have been timely filed, and (ii) all Taxes due and payable by any Credit Party and all assessments, fees and other governmental charges upon any Credit Party or Sculptor Subsidiary and upon their respective properties, assets, income and businesses which are due and payable (including in their capacity as a withholding agent) have been timely paid, other than those which are being contested by such Credit Party or Sculptor Subsidiary in good faith and by appropriate proceedings; *provided*, adequate reserves have been made thereof in conformity with GAAP.

Section 4.11 ***Properties***. Each of the Credit Parties and the Sculptor Subsidiaries has (i) good title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), (iii) valid licensed rights in (in the case of licensed interests in Intellectual Property Rights), and (iv) good title to (in the case of all other personal property), all of its respective properties and assets necessary in the ordinary conduct of its business, in each case except (x) for assets disposed of since the date of the most recent financial statements delivered pursuant to Section 5.01 in the ordinary course of business or as otherwise permitted under Section 6.05 or (y) where the failure to have such title, rights or other interest would not reasonably be expected to have a Material Adverse Effect. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens except for minor defects in title that do not materially interfere with any Credit Party's or any Sculptor Subsidiary's ability to conduct its business or to utilize such assets for their intended purposes.

Section 4.12 ***No Defaults***. No Default or Event of Default exists or would result from the incurring of any Obligations by any Credit Party or the grant or perfection of the Administrative Agent's Liens on the Collateral. None of the Credit Parties nor any of the Sculptor Subsidiaries is in default under any of its material Contractual Obligations that would reasonably be expected to have a Material Adverse Effect.

Section 4.13 ***Investment Company Act***. None of the Credit Parties is subject to regulation under the Investment Company Act of 1940. None of the Credit Parties is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

Section 4.14 ***Use of Proceeds; Anti-Corruption Laws***. The Credit Parties and the Sculptor Subsidiaries shall use the proceeds of the Loans solely for purposes and in the manner permitted under Section 2.03. The Borrower shall not request any Loan, and the Credit Parties and the Sculptor Subsidiaries shall not use, and shall procure representations that their respective Sculptor Subsidiaries and respective directors, officers, employees and agents shall not use, the proceeds of any Loan (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent it would result in a violation of any Sanctions applicable to and by any party hereto, or (C) in any other manner that would result in the violation of any Sanctions applicable to and by any party hereto.

Section 4.15 ***Employee Benefit Plans***. In each case, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) each of the Credit Parties and the Sculptor Subsidiaries and each of their respective ERISA Affiliates are in compliance with all applicable provisions and requirements of ERISA and the Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan, (ii) each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service indicating that such Employee Benefit Plan is so qualified and nothing has occurred subsequent to the issuance of such determination letter which would cause such Employee Benefit Plan to lose its qualified status, or such Employee Benefit Plan is entitled to reliance on the opinion letter issued to the prototype sponsor by the Internal Revenue Service, (iii) no liability to the PBGC (other than required premium payments due but not delinquent), the Internal Revenue Service, any Employee Benefit Plan or any trust established under Title IV of ERISA has been or is expected to be incurred by the Credit Parties or any of the Sculptor Subsidiaries or any of their ERISA Affiliates, (iv) no ERISA Event has occurred or is reasonably expected to occur, (v) except to the extent required under Section 4980B of the Code or similar state laws, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of the Credit Parties or any of the Sculptor Subsidiaries or any of their respective ERISA Affiliates, (vi) the present value of the aggregate benefit liabilities under

each Pension Plan sponsored, maintained or contributed to by any Credit Party or Sculptor Subsidiary or any of their ERISA Affiliates, (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Pension Plan), did not exceed the aggregate current value of the assets of such Pension Plan, and (vii) each of the Credit Parties or any of the Sculptor Subsidiaries and each of their respective ERISA Affiliates has complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and is not in "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan.

Section 4.16 ***Compliance with Statutes, etc.*** Each of the Credit Parties and the Sculptor Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property, except in such instances in which (a) such statute, regulation, order or restriction is being contested in good faith by appropriate proceedings diligently conducted or (b) non-compliance therewith, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 4.17 ***Disclosure***. As of the Effective Date and the Closing Date, as applicable, no reports, certificates or written statements (other than information of a general economic or general industry nature) furnished to Administrative Agent or any Lender by or on behalf of any Credit Party or Sculptor Subsidiary for use in connection with the transactions contemplated hereby (in each case, as modified or supplemented by other information so furnished on or prior to the Closing Date), when taken as a whole, contains any material misstatement of fact or omits to state a material fact (known to the Borrower, Advisors, Advisors II or any New Advisor Guarantor, in the case of any document not furnished by any of them) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made; *provided* that, with respect to any projections and pro forma financial information contained in such materials, the Credit Parties represent only that such information is based upon good faith estimates and assumptions believed by the Borrower, Advisors, Advisors II or any New Advisor Guarantor to be reasonable at the time made, it being recognized by Lenders that such projections as to future events and pro forma financial information are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

Section 4.18 ***Anti-Corruption Laws and Sanctions***. Each of the Credit Parties and the Sculptor Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by such Credit Party or Sculptor Subsidiary (as the case may be), and their respective directors, officers, employees and agents with Anti-Corruption Laws, the PATRIOT Act and applicable Sanctions, and each of the Credit Parties and the Sculptor Subsidiaries and their respective officers and, to the knowledge of any of the Credit Parties and the Sculptor Subsidiaries, their respective employees and directors and agents, are in compliance with Anti-Corruption Laws, the PATRIOT Act and applicable Sanctions in all material respects. None of (a) any Credit Parties or any Sculptor Subsidiaries or any of their respective directors or officers or, or (b) to the knowledge of any of the Credit Parties and the Sculptor Subsidiaries, any of their respective employees or agents that shall act in any capacity in connection with or benefit from the credit facilities established hereby, is a Sanctioned Person.

Section 4.19 ***Security Interests***. Except as a result of any act or omission by the Administrative Agent or any Secured Party (unless arising out of any breach of the Credit Documents by any Credit Party) or as otherwise contemplated hereby or under any other Credit Document, the provisions of each Collateral Document, upon execution and delivery thereof by the parties thereto, are effective to create legal and valid Liens on all the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties; and upon the proper filing of UCC financing statements, upon the taking of possession or control by the Administrative Agent of the Collateral with respect to which a security interest may be

perfected by possession or control (which possession or control shall be given to the Administrative Agent to the extent possession or control by the Administrative Agent is required by this Agreement or the Collateral Documents), such Liens in favor of the Administrative Agent for the benefit of the Secured Parties constitute perfected first priority Liens on the Collateral (subject to Permitted Liens) to the extent perfection can be obtained by the filing of UCC financing statements, possession or control, securing the Obligations, enforceable against the applicable Credit Party.

Section 4.20 ***Solvency***. As of the Closing Date, immediately following the making of Loans and after giving effect to the application of the proceeds of such Loans made on the Closing Date, the Credit Parties and the Sculptor Subsidiaries, on a consolidated basis are and, upon the incurrence of any Obligation by any Credit Party on such date, shall be Solvent.

Section 4.21 ***Intellectual Property; Licenses, etc.*** The Credit Parties and the Sculptor Subsidiaries own, license or possess the right to use, all Intellectual Property that is reasonably necessary for the operation of their businesses as currently conducted, except to the extent such lack of ownership, license, or possession of the right to use, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Borrower, no use by the Credit Parties of any Intellectual Property in the operation of their businesses as currently conducted infringes upon any Intellectual Property Rights or other proprietary rights held by any Person, except for such infringements, individually or in the aggregate, which would not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the Intellectual Property Rights owned by any Credit Party or any Sculptor Subsidiary is pending or, to the knowledge of the Borrower, threatened in writing against any Credit Party or any Sculptor Subsidiary, which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Article 5
AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations (other than contingent or indemnification obligations to which no claim has been asserted or that are not then due and payable), each Credit Party shall perform, and shall cause each of the Sculptor Subsidiaries to perform, all covenants in this Article 5.

Section 5.01 ***Financial Statements and Other Reports***. Borrower shall deliver to Administrative Agent, for further distribution to the Lenders:

(a) *Quarterly Financial Statements*. Within 45 days after the end of the first three Fiscal Quarters, (i) the consolidated balance sheet of Issuer and its consolidated Subsidiaries as at the end of such Fiscal Quarter and the related consolidated statements of operations and cash flows of Issuer and its consolidated Subsidiaries for such Fiscal Quarter and for the period from the beginning of the current Fiscal Year to the end of such Fiscal Quarter, and (ii) a Financial Officer Certification with respect to such consolidated financial statements; *provided* that, so long as Issuer is subject to the reporting requirements of the Exchange Act, the filing of Issuer's report on Form 10-Q for such fiscal quarter shall satisfy the requirements of this clause (i) of this Section 5.01(a), so long as such Form 10-Q is concurrently furnished (which may be by a link to a website containing such document sent by automated electronic notification) to Administrative Agent substantially upon filing thereof;

(b) *Annual Financial Statements*. Within 90 days after the end of each Fiscal Year, commencing with the Fiscal Year in which the Closing Date occurs, (i) the consolidated balance sheet of Issuer and its consolidated Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of operations, shareholders' equity and cash flows of Issuer and its consolidated Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, in reasonable detail, (ii) a Financial Officer Certification with respect to such consolidated financial statements; and (iii) with respect to such consolidated financial statements a report thereon of independent certified public accountants of recognized national standing selected by Issuer, and reasonably satisfactory to Administrative Agent, which report shall be unqualified and without emphasis of matter as to going concern and scope of audit (other than qualifications and exceptions related to an impending maturity date of any Indebtedness under this Agreement within 12 months of the date of such report, and any prospective breach of any financial covenant), and shall state that such consolidated financial statements fairly present, in all material respects, the financial position of Issuer as at the dates indicated and the results of its operations and its cash flows for the periods indicated; *provided* that, so long as Issuer is subject to the reporting requirements of the Exchange Act, the filing of Issuer's report on Form 10-K for such fiscal year shall satisfy the requirements of clause (i) of this Section 5.01(b), so long as such Form 10-K is concurrently furnished (which may be by a link to a website containing such document sent by automated electronic notification) to Administrative Agent substantially upon filing thereof;

(c) *Compliance Certificate and Perfection Certificate*. (i) No later than five days after the earlier of (i) delivery of financial statements pursuant to Sections 5.01(a) and 5.01(b) and (ii) the date on which the financial statements shall have been delivered pursuant to Sections 5.01(a) and 5.01(b), a completed Compliance Certificate duly executed by the chief financial officer of Sculptor Corp and (ii) concurrently with any delivery of the Compliance Certificate in respect of financial statements under clause (a) above (except for the Compliance Certificate relating to the financial statements to be delivered pursuant to Section 5.01(a) for the Fiscal Quarter ending on March 31, 2018), a Perfection Certificate Supplement or a certificate of an Authorized Officer of the Borrower stating that there has been no change in the information set forth in the last Perfection Certificate or Perfection Certificate Supplement, as the case may be, most recently delivered to the Administrative Agent;

(d) *Statements of Reconciliation*.

(i) If, as a result of any change in accounting principles and policies from those used in the preparation of financial statements of the Issuer, the consolidated financial statements of Issuer delivered pursuant to Section 5.01(a) or 5.01(b) shall differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subdivisions had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation with respect to "Economic Income" that would have otherwise been presented in the financial statements in form and substance satisfactory to Administrative Agent.

(ii) In addition, (i) concurrently with the delivery of the financial statements referred to in clause (a) and (b) above, a written reconciliation of such financial statements showing adjustments between combined financial statements for the Credit Parties and Sculptor Subsidiaries, taken as a whole, and the consolidated financial statements for the Issuer and its consolidated Subsidiaries, substantially in the form of Exhibit I or otherwise in form and substance reasonably acceptable to Administrative Agent and in any event sufficient to permit the calculation of the financial measurements under Article 6 (a "***Reconciliation Statement***") and (ii) solely in the event that Combined Total Net Debt as of the date of the most recent balance sheet included in such financial statements was greater than $0, within 20 Business Days of the delivery of the financial statements in clause (b) above, a Reconciliation Statement, together with agreed-upon procedures from the accounting firm that performed the audit of such financial statements.

(e) *Notice of Default*. Promptly upon any officer of the Issuer, Borrower, Advisors, Advisors II or any New Advisor Guarantor obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or (ii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a certificate of its Authorized Officer specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action Borrower has taken, is taking and proposes to take with respect thereto;

(f) *Public Filings*. Promptly after the same become publicly available, notice of the filing of all annual, regular, periodic and special reports, proxy or financial statements, and registration statements (including any prospectus, prospectus supplement, pricing supplement or similar document) filed by the Issuer or any of its Sculptor Subsidiaries with the SEC, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Issuer to its shareholders generally, as the case may be; *provided* that the documents and notices required to be delivered pursuant to this clause (f) shall be deemed to have been furnished by the Borrower to the Administrative Agent (and by the Administrative Agent to the Lenders) on the date on which such documents are publicly available as posted on the SEC's Electronic Data Gathering, Analysis and Retrieval system (EDGAR);

(g) *Rating Changes*. Promptly after any of the Rating Agencies shall have announced a change in the Debt Rating, written notice of such rating change;

(h) *Notice of Litigation*. Promptly upon any officer of the Issuer, Borrower, Advisors, Advisors II or any New Advisor Guarantor obtaining knowledge of (i) any Adverse Proceeding not previously disclosed in writing by Borrower to Lenders, or (ii) any development in any Adverse Proceeding that, in the case of either clause (i) or (ii), would reasonably be expected to have a Material Adverse Effect, written notice thereof;

(i) *Information Regarding Collateral*. Written notice within 60 days after any change (i) in any Credit Party's corporate name, (ii) in any Credit Party's identity or corporate structure, or (iii) in any Credit Party's jurisdiction of organization, and, upon the reasonable request of the Administrative Agent, Borrower shall take all actions reasonably necessary to perfect or continue to perfect the Administrative Agent's security interest in all the Collateral as contemplated in the Collateral Documents following such change; and

(j) *Other Notices*. The Credit Parties shall notify promptly the Administrative Agent of the incurrence of any Indebtedness for which a mandatory prepayment is required pursuant to Section 2.10(d) or the provisions of any Credit Document; and

(k) *Other Information*. Such other information and data with respect to Credit Parties or any of the Sculptor Subsidiaries as from time to time may be reasonably requested by Administrative Agent or any Lender; and

(l) In addition to the method of delivery described in the provisos to Section 5.01(a) and (b), Documents required to be delivered pursuant to Section 5.01(a), (b) or (d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which

such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether made available by the Administrative Agent); *provided* that, to the extent not delivered pursuant to the proviso to Section 5.01(a) or (b), the Borrower shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

The Borrower represents and warrants that each of the Credit Parties, the Issuer, and their respective Controlled Sculptor Subsidiaries, in each case, if any (collectively with the Borrower, the "***Relevant Entities***"), either (i) has no SEC registered or unregistered, publicly traded securities outstanding, or (ii) files its financial statements with the SEC (or is consolidated in financial statements that are filed with the SEC) and/or makes its financial statements available to potential holders of its securities, and, accordingly, the Borrower hereby (i) authorizes the Administrative Agent to make the financial statements to be provided under Sections 5.01(a) and (b) above, along with the Credit Documents, available to Public-Siders and (ii) agrees that at the time such financial statements are provided hereunder, they shall already have been made available to holders of any such securities. The Borrower shall not request that any other material be posted to Public-Siders without expressly representing and warranting to the Administrative Agent in writing that such other materials do not constitute material non-public information within the meaning of the U.S. federal securities laws or that the Relevant Entities have no outstanding SEC registered or unregistered, publicly traded securities. Notwithstanding anything herein to the contrary, in no event shall the Borrower request that the Administrative Agent make available to Public-Siders budgets or any certificates, reports or calculations with respect to the Borrower's compliance with the covenants contained herein.

Section 5.02 ***Existence***. Except as otherwise permitted under Section 6.05, each Credit Party shall, and shall cause each of the Sculptor Subsidiaries to, at all times (a) preserve and keep in full force and effect its legal existence under the laws of its jurisdiction of formation, organization or incorporation and (b) take all reasonable action to maintain all rights (including Intellectual Property Rights) and franchises, licenses and permits material to its business, in the case of clauses (a) (in the case of any Sculptor Subsidiary that is not a Credit Party) and (b) except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 5.03 ***Payment of Taxes***. Each Credit Party shall, and shall cause each of the Sculptor Subsidiaries to, pay all Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon; *provided*, no such Tax need be paid (i) if it is being contested in good faith by appropriate proceedings diligently conducted, so long as adequate reserves have been made therefor in conformity with GAAP or (ii) to the extent the failure to pay such Tax, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 5.04 ***Maintenance of Properties***. Each Credit Party shall, and shall cause each of the Sculptor Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties necessary in the operation of the business of Credit Parties and the Sculptor Subsidiaries, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect, and from time to time shall make or cause to be made all appropriate repairs, renewals and replacements thereof, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 5.05 ***Insurance***. (a) Each Credit Party shall maintain or cause to be maintained, with financially sound and reputable insurers at all times, such insurance with respect to their business and properties as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons, except where failure to maintain such insurance would not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower shall, and shall cause each of the other Credit Parties to name the Administrative Agent as loss payee, as its interest may appear, and/or additional insured with respect to any general and umbrella liability insurance providing liability coverage or coverage in respect of any Collateral, and use its commercially reasonable efforts to cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Administrative Agent, that it shall give the Administrative Agent prior written notice before any such policy or policies shall be canceled.

Section 5.06 ***Books and Records; Inspections***. Except as would not reasonably be expected to have a Material Adverse Effect, each Credit Party shall, and shall cause each of the Sculptor Subsidiaries to, keep proper books of record and accounts in which full, true and correct entries shall be made of all material financial transactions and matters involving its assets and business. Each Credit Party shall, and shall cause each of the Sculptor Subsidiaries to, permit any authorized representatives designated by any Lender to visit and inspect any of the properties of any Credit Party and any of the Sculptor Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers (*provided* that an Authorized Officer of Issuer or any Credit Party shall be present during such discussions), all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested in advance; *provided* that absent any Event of Default the Borrower shall not be required to pay the expenses related thereto more frequently than once each Fiscal Year; and *provided further* that during the existence of an Event of Default Administrative Agent (or any of its representatives) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice. Notwithstanding anything to the contrary in this Section 5.06, none of the Credit Parties nor any of the Sculptor Subsidiaries shall be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (iii) is subject to attorney-client privilege or constitutes attorney work product; *provided* that the Borrower shall use commercially reasonable efforts to notify the Administrative Agent if information is being withheld pursuant to this sentence to the extent such notice would not itself be prohibited by law or binding agreement, or reasonably be likely to compromise such attorney-client privilege or the privilege afforded to attorney work product.

Section 5.07 ***Compliance with Laws***. Each Credit Party shall comply, and shall cause each of the Sculptor Subsidiaries to comply, with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority, except in such instances in which (a) such requirement of law, rule, regulation or order is being contested in good faith by appropriate proceedings diligently conducted

or (b) noncompliance would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each Credit Party and Sculptor Subsidiary shall maintain in effect and enforce policies and procedures designed to ensure compliance by each Credit Party and Sculptor Subsidiary, and their respective directors, officers, employees and agents with Anti-Corruption Laws, the PATRIOT Act and applicable Sanctions.

Section 5.08 ***Additional Security and Guarantees***.

(a) In the event that, after the Closing Date, any Affiliate of a Credit Party becomes a New Advisor (including as a result of ceasing to be an Excluded Subsidiary), the Borrower shall, within thirty (30) days after (i) such New Advisor is formed or acquired, or, (ii) if such Person became a New Advisor in any Fiscal Quarter for any other reason, the date that financial statements are required to be delivered under Section 5.01(a) or (b) for such Fiscal Quarter (or, in the case of clauses (i) and (ii), such longer period as may be reasonably acceptable to the Administrative Agent):

(A) cause any such New Advisor to deliver a Perfection Certificate Supplement to the Administrative Agent, together with any possessory Collateral required to be delivered pursuant to the Security Agreement;

(B) deliver all certificated Equity Interests of such New Advisor held by any Credit Party that are Collateral and required to be delivered pursuant to the Collateral Documents to the Administrative Agent together with appropriately completed stock powers or other instruments of transfer executed in blank by a duly authorized officer of such Credit Party and all intercompany notes owing to such New Advisor to any Credit Party that are Collateral and required to be delivered pursuant to the Collateral Documents together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Credit Party;

(C) cause each such New Advisor to execute a Counterpart Agreement and a supplement to the Security Agreement and take all actions reasonably requested by the Administrative Agent in order to cause the Lien created by the Security Agreement to be duly perfected to the extent required by such agreement or this Agreement in accordance with all applicable requirements of Law, including the filing of financing statements in the jurisdiction of organization of such New Advisor; and

(D) if reasonably requested by the Administrative Agent, deliver a customary opinion of counsel to the Borrower with respect to the guarantee and security provided by such New Advisor.

(b) Notwithstanding the foregoing, the Borrower and the other Credit Parties shall not be required to comply with the provisions of this Section 5.08 to the extent that the cost (including as a result of adverse tax consequences) of providing any Guaranty or obtaining the Liens, or perfection thereof, required by this Section are, in the reasonable discretion of the Administrative Agent and the Borrower, excessive in relation to the value to be afforded to the Lenders thereby.

Section 5.09 ***Further Assurances***.

(a) To the extent not completed on or prior to the Closing Date, the Borrower shall satisfy the requirements set forth on Schedule 5.09(a) on or prior to the dates set forth on such schedule (or such later dates as shall be reasonably acceptable to the Administrative Agent).

(b) At any time or from time to time upon the reasonable request of Administrative Agent, each Credit Party shall, at its expense (if due to Credit Party error in the case of clause (i)), promptly (i) use commercially reasonable efforts to correct any mutually identified material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments (including, without limitation, any such action reasonably requested by the Administrative Agent in connection with the delivery by the Borrower of any Perfection Certificate Supplement) as the Administrative Agent may reasonably request from time to time in order to (A) carry out more effectively the purposes of this Agreement, the Collateral Documents and the other Credit Documents, (B) to subject to the Liens created by any of the Collateral Documents any of the properties, rights or interests covered by any of the Collateral Documents, (C) to perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and the Liens intended to be created thereby (subject to the qualifications set forth in any of the Credit Documents) and (D) to better assure, convey, grant, assign, transfer, preserve, protect and confirm to the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Credit Document. In furtherance and not in limitation of the foregoing, each Credit Party shall take such actions as Administrative Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors.

Article 6
NEGATIVE COVENANTS

Each Credit Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations (other than contingent or indemnification obligations to which no claim has been asserted or that are not then due and payable), such Credit Party shall perform, and shall cause each of the Sculptor Subsidiaries to perform, all covenants in this Article 6.

Section 6.01 ***Indebtedness***. No Credit Party shall, nor shall it permit any of the Sculptor Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(a) Indebtedness created hereunder and under the other Credit Documents;

(b) Indebtedness existing on the Effective Date and listed on Schedule 6.01;

(c) [Reserved];

(d) Indebtedness of (i) any Credit Party to any other Credit Party or any Sculptor Subsidiary, and (ii) any Sculptor Subsidiary to any Credit Party or any other Sculptor Subsidiary; *provided* that any Indebtedness owed by any Credit Party to any Sculptor Subsidiary that is not a Credit Party incurred pursuant to this clause (d) shall be subordinated in right of payment to the payment in full of the Obligations (other than contingent or indemnification obligations to which no claim has been asserted or that are not then due and payable) pursuant to terms substantially in the form of Exhibit H (or such other subordination terms as may be mutually agreed between Borrower and Administrative Agent);

(e) current liabilities of the Credit Parties or the Sculptor Subsidiaries incurred in the ordinary course of business but not incurred through (i) the borrowing of money or (ii) the obtaining of credit except for credit on an open account basis customarily extended and in fact extended in connection with normal purchases of goods and services;

(f) Indebtedness in respect of taxes, assessments, governmental charges or levies and claims for labor, materials and supplies to the extent that payment therefor shall not at the time be required to be made in accordance with the provisions of Section 5.03;

(g) Indebtedness in respect of judgments or awards only to the extent, for the period and for an amount not resulting in a Default;

(h) endorsements for collection, deposit or negotiation and warranties of products or services, in each case incurred in the ordinary course of business;

(i) Indebtedness in the form of either a direct obligation of a Credit Party or Sculptor Subsidiary or in the form of a guaranty by a Credit Party or Sculptor Subsidiary, in each case, with respect to the obligation to refund or repay management, incentive or promote fees previously received from a Sculptor Fund;

(j) Indebtedness incurred by a Credit Party or Sculptor Subsidiary arising from agreements providing for indemnification, earn-outs, adjustment of purchase price or similar obligations, or from guaranties or letters of credit, surety bonds or performance bonds securing the performance of such Credit Party or Sculptor Subsidiary, as applicable, pursuant to such agreements, in connection with permitted acquisitions or permitted dispositions of any business or assets of a Credit Party or Sculptor Subsidiary;

(k) Indebtedness which may be deemed to exist pursuant to any guaranties, performance, surety, statutory, appeal or similar obligations incurred in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(l) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with margin accounts, deposit accounts and cash management services, including, but not limited to (i) credit cards (including, without limitation, "commercial credit cards" and purchasing cards), (ii) stored value cards, and (iii) depository, cash management and treasury services and other similar services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services), in each case in the ordinary course of business;

(m) guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of a Credit Party or Sculptor Subsidiary, as applicable;

(n) Indebtedness of any Person that becomes a Sculptor Subsidiary after the Closing Date, and extensions, renewals, refinancings, refundings and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof except by an amount equal to unpaid accrued interest, premium thereon and any original issue discount pursuant to the terms thereof, plus other reasonable amounts paid, and fees and expenses reasonably incurred in connection with such extension, renewal, replacement, refunding or refinancing; *provided* that (i) such Indebtedness exists at the time such Person becomes a Sculptor Subsidiary and is not created in contemplation of or in connection with such Person becoming a Sculptor Subsidiary; and (ii) such Person becoming a Sculptor Subsidiary is permitted under this Agreement;

(o) Indebtedness of any Credit Party or Sculptor Subsidiary incurred to finance the acquisition, construction, development or improvement of any fixed or capital assets, including Capital Lease Obligations in an aggregate principal amount not to exceed at any time $35,000,000, and extensions, renewals, refinancings, refundings and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof except by an amount equal to unpaid accrued interest, premium thereon and any original issue discount pursuant to the terms thereof, plus other reasonable amounts paid, and fees and expenses reasonably incurred in connection with such extension, renewal, replacement, refunding or refinancing; *provided* that such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction, development or improvement;

(p) subject to the conditions set forth in subclauses (x) and (y) of this Section 6.01(p), other unsecured, *pari passu* or junior Indebtedness in an aggregate principal amount not to exceed at any time $75,000,000; *provided* that (x) prior to the occurrence of the Fall-Away Trigger, such Indebtedness shall not be secured on a *pari passu* basis with the Obligations and (y) following the occurrence of the Fall-Away Trigger, the amount of Indebtedness under this Section 6.01(p) that is secured on a *pari passu* or junior basis with the Obligations shall (A) not exceed $25,000,000 in the aggregate, (B) be subject to an intercreditor agreement on terms acceptable to the Administrative Agent and the Requisite Lenders in their reasonable discretion, (C) not have any obligors that are not the Borrower or Guarantors or be secured by Collateral that does not secure the Loans and (D) not have a Weighted Average Life to Maturity or maturity date earlier than the Weighted Average Life to Maturity and maturity date of the Term Loans;

(q) security deposits and obligations under letters of credit and letters of guaranty supporting leases and other obligations of any Credit Party or any Sculptor Subsidiary, in each case entered into in the ordinary course of business;

(r) Indebtedness of the Credit Parties or any Sculptor Subsidiaries in the nature of any contingent obligations of any Credit Party or any Sculptor Subsidiary (i) to issue, make or apply the proceeds of any capital calls in its capacity as the general partner, manager, managing member (or the equivalent of any of the foregoing) of any Sculptor Fund or any of their respective Subsidiaries, either now existing or newly created, to or in respect of any Indebtedness of such Persons or (ii) in respect of a pledge of such Credit Party's or such Sculptor Subsidiary's Equity Interests in any Sculptor Fund or any of their respective Subsidiaries for the purpose of securing Indebtedness of such Sculptor Fund or any of their respective Subsidiaries, either now existing or newly created;

(s) obligations in respect of any Interest Rate Agreement or Currency Agreement entered into in the ordinary course of business and not for speculative purposes, and obligations to repurchase securities under customary repurchase agreements, *provided* that the securities subject to such repurchase agreements shall have a value no less than the amount that would be customary and prudent to support such repurchase obligations;

(t) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business;

(u) Indebtedness owed to (including obligations in respect of letters of credit or bank guaranties and similar instruments for the benefit of) any Person providing workers' compensation, health, disability or other employee benefits (whether to current or former officers, employees, directors, managers, partners, managing members, principals and other personnel (or to current or former officers, employees, directors, managers, partners, managing members, principals and other personnel of such Person's general partner or equivalent)) or property, casualty or liability insurance or self-insurance in respect of such items, or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims, health, disability or other employee benefits (whether current or former) or property, casualty or liability insurance, in each case in the ordinary course of business;

(v) (i) Indebtedness of Qualifying Risk Retention Subsidiaries incurred to finance the purchase or holding of Risk Retention Interests (including, without limitation, any guarantees made by any Qualifying Risk Retention Subsidiary) and (ii) to the extent constituting Indebtedness, the pledge of any Equity Interests in any Qualifying Risk Retention Subsidiary or Sculptor Fund to secure Indebtedness permitted under clause (v)(i);

(w) (i) Indebtedness of Alternate Investment Subsidiaries that is non-recourse to the Credit Parties (other than the pledge of any Equity Interests of Alternate Investment Subsidiaries) incurred to finance the purchase or holding of AIS Investments (including, without limitation, any guarantees made by any Alternate Investment Subsidiary), and (ii) to the extent constituting Indebtedness, the pledge of any Equity Interests in any Alternate Investment Subsidiary, Sculptor Fund or other investment vehicle to secure Indebtedness permitted under clause (w)(i);

(x) other unsecured or junior lien Indebtedness by any Credit Party or any Sculptor Subsidiary if after giving pro forma effect to the incurrence thereof, the Total Net Leverage Ratio would not exceed (x) prior to the occurrence of the Fall-Away Trigger, 2.00:1.00 and (y) following the occurrence of the Fall-Away Trigger, 2.50:1.00; *provided* that any such Indebtedness that is secured on a junior basis with the Obligations shall (A) be subject to an intercreditor agreement on terms acceptable to the Administrative Agent and the Requisite Lenders in their reasonable discretion, (B) not have any obligors that are not the Borrower or Guarantors or be secured by Collateral that does not secure the Loans and (C) not have a Weighted Average Life to Maturity or maturity date earlier than the Weighted Average Life to Maturity and maturity date of the Term Loans; and

(y) (i) guaranties by any Credit Party, or guaranties by any Sculptor Subsidiary of Indebtedness of any other Sculptor Subsidiary that is not a Credit Party, in each case with respect to Indebtedness permitted under clauses (a) through (x) of this Section 6.01 (but excluding clauses (n) and (o)), and (ii) extensions, renewals, refinancings, refundings and replacements of Indebtedness permitted under clauses (b) through (y) (other than the Existing Credit Agreement) that, unless such an increase would otherwise be permitted by such clause, do not increase the outstanding principal amount thereof except by an amount equal to unpaid accrued interest, any premium thereon pursuant to the terms thereof, plus other customary fees and expenses reasonably incurred in connection with such extension, renewal, replacement, refunding or refinancing; *provided further* that any such extensions, renewals, refinancings, refundings and replacements shall reduce the basket permitted by any such clause by the full amount incurred under this clause (y).

Section 6.02 ***Liens***. No Credit Party shall, nor shall it permit any of the Sculptor Subsidiaries to create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of any Credit Party or any of the Sculptor Subsidiaries, whether now owned or hereafter acquired, or any income, profits or royalties therefrom, except:

(a) any Lien existing on any property or asset prior to the acquisition thereof (including by merger or consolidation) by any Credit Party or any Sculptor Subsidiary or existing on any property or asset of any Person that becomes a Credit Party or a Sculptor Subsidiary after the Closing Date prior to the time such Person becomes a Credit Party or a Sculptor Subsidiary; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition

or such Person becoming a Credit Party or a Sculptor Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Credit Parties or their respective Sculptor Subsidiaries (other than accessions and additions thereto and proceeds and products thereof), (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Credit Party or a Sculptor Subsidiary, as the case may be, or obligations in respect of any extensions, renewals, refinancings, refundings and replacements thereof that do not increase the outstanding principal amount thereof except by an amount equal to unpaid accrued interest, any premium thereon pursuant to the terms thereof, plus other customary fees and expenses reasonably incurred in connection with such extension, renewal, replacement, refunding or refinancing amount thereof, and (iv) acquisition of such property or assets or such Person becoming a Credit Party or a Sculptor Subsidiary, as the case may be, is permitted under this Agreement;

(b) Liens for Taxes, assessments or governmental charges or levies not yet due or which are being contested in good faith by appropriate proceedings diligently conducted in accordance with Section 5.03;

(c) statutory Liens of landlords, banks and other financial institutions (and rights of set-off and similar rights), of carriers, warehousemen, mechanics, repairmen, workmen, suppliers and materialmen, other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business (other than any such Lien imposed pursuant to Section 401(a)(29) or 430(k) of the Code or by ERISA), and deposits securing letters of credit supporting such obligations, in each case (i) for amounts not yet overdue or (ii) for amounts that are overdue, are unfiled and no other action has been taken to enforce the same or (in the case of any such amounts overdue for a period in excess of five days) are being contested in good faith by appropriate proceedings, so long as such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made for any such contested amounts;

(d) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), and deposits securing letters of credit supporting such obligations;

(e) easements, rights-of-way, restrictions, encroachments, and other similar encumbrances and minor defects or irregularities in title, in each case which, either individually or in the aggregate, do not interfere in any material respect with the ordinary conduct of the business of any Credit Party or any of the Sculptor Subsidiaries;

(f) any interest or title of a lessor or sublessor under any lease of real estate permitted hereunder and purported Liens evidenced by the filing of any precautionary UCC financing statement relating solely to such lease;

(g) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 8.01(h);

(h) Liens solely on any cash earnest money deposits made by any Credit Party or any of the Sculptor Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(i) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(k) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(l) Liens existing on the Effective Date and listed on Schedule 6.02;

(m) non-exclusive outbound licenses of patents, copyrights, trademarks and other Intellectual Property Rights granted by any Credit Party or any of the Sculptor Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of, or materially detracting from the value of, the business of any Credit Party or such Sculptor Subsidiary;

(n) Liens on property, plant and equipment of any Credit Party or any Sculptor Subsidiary acquired, constructed, developed or improved (or Liens created for the purpose of securing Indebtedness permitted by clause (o) of Section 6.01 to finance Capital Leases and the acquisition, construction, development or improvement of such assets); *provided* that (i) such Liens secure Indebtedness permitted by clause (o) of Section 6.01, (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction, development or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such property, plant and equipment and (iv) such Liens shall not apply to any other property or assets of the Credit Parties or the Sculptor Subsidiaries (other than (x) any replacements, additions, accessions and improvements thereto and proceeds and products thereof, or (y) pursuant to customary cross-collateralization provisions with respect to other property of a Credit Party or Sculptor Subsidiary that also secures Indebtedness owed to the same financing party or its Affiliates pursuant to this Section 6.02(n) or Section 6.02(a));

(o) Liens granted by any Credit Party or any Sculptor Subsidiary that is the general partner, manager, managing member (or the equivalent of any of the foregoing) of any Sculptor Fund in the ordinary course of business or consistent with past or industry practices (i) securing Indebtedness of such Sculptor Fund or any of their respective Subsidiaries on the right of such general partner, manager, managing member (or the equivalent of any of the foregoing) to issue or make capital calls in its capacity as general partner, manager, managing member (or the equivalent of any of the foregoing) of such Sculptor Fund or such Subsidiary or (ii) on the Equity Interests of any Sculptor Fund or any of their respective Subsidiaries to secure Indebtedness of such Sculptor Fund or any of their respective Subsidiaries (or a permitted guaranty thereof);

(p) [Reserved];

(q) Liens and deposits (i) securing obligations in respect of letters of credit or bank guarantees permitted pursuant to Section 6.01 or (ii) securing payments of obligations that are not Indebtedness under leases entered into in the ordinary course of business;

(r) Liens deemed to exist in connection with repurchase agreements (and Liens created on securities that are the subject of such repurchase agreements to secure the payment and performance of the obligations under such agreements and any custodial fees in connection therewith) and reasonable customary initial deposits and margin deposits and similar Liens attaching to deposit accounts, securities accounts, commodity accounts or other brokerage accounts maintained in the ordinary course of business and not for speculative purposes;

(s) Liens that are contractual rights of set-off (i) relating to pooled deposit or sweep accounts of any Credit Party or Sculptor Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Credit Parties and Sculptor Subsidiaries or (ii) relating to purchase orders and other agreements entered into with customers of any Credit Party or Sculptor Subsidiary in the ordinary course of business;

(t) Liens on cash, Cash Equivalents, deposit accounts, securities accounts, trust accounts, trusts, escrow arrangements, and other funding arrangements, in each case in connection with the defeasance (whether by covenant or legal defeasance), satisfaction and discharge or redemption of Indebtedness; *provided* that (i) such defeasance or satisfaction and discharge is not otherwise prohibited hereunder, and (ii) the amount of cash or Cash Equivalents subject to such Liens does not exceed the amount that is necessary to complete such defeasance, satisfaction and discharge, or redemption;

(u) Liens on Equity Interests of any joint venture (i) securing obligations of such joint venture or (ii) pursuant to the relevant joint venture agreement or arrangement;

(v) (i) Liens that are deemed to exist by virtue of any Interest Rate Agreement or Currency Agreement entered into with financial institutions in connection with bona fide hedging activities in the ordinary course of business and not for speculative purposes, or (ii) pledges and deposits, whether in cash or securities, securing obligations in respect of Interest Rate Agreement or Currency Agreement entered into with financial institutions in connection with bona fide hedging activities in the ordinary course of business and not for speculative purposes, and the following cash management services: (i) credit cards (including, without limitation, "commercial credit cards" and purchasing cards), (i) stored value cards, and (iii) depository, cash management, and treasury services and other similar services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services), in each case in the ordinary course of business;

(w) Liens on (i) insurance policies and the proceeds thereof or (ii) pledges and deposits made in the ordinary course of business in compliance with requirements of any provider of insurance, in each case securing Indebtedness permitted under Section 6.01(t);

(x) [Reserved];

(y) Liens on (i) any assets or rights of any Qualifying Risk Retention Subsidiary and (ii) any Equity Interests of any Qualifying Risk Retention Subsidiary, in each case securing Indebtedness permitted under Section 6.01(v);

(z) Liens on (i) any assets or rights of any Alternate Investment Subsidiary and (ii) any Equity Interests of any Alternate Investment Subsidiary, in each case securing Indebtedness permitted under Section 6.01(w);

(aa) subject to the conditions set forth in subclauses (x) and (y) of this Section 6.02(aa), Liens not otherwise permitted by this Section 6.02 securing *pari passu* or junior Lien Indebtedness under Section 6.01(p) and other *pari passu* or junior Lien obligations of the Credit Parties or the Sculptor Subsidiaries in an aggregate amount not to exceed $75,000,000 at any time outstanding; *provided* that (x) prior to the occurrence of the Fall-Away Trigger, such Liens shall not secure Indebtedness on a *pari passu* basis with the Obligations and (y) following the occurrence of the Fall-Away Trigger, Liens permitted by this Section 6.02(aa) securing Indebtedness on a *pari passu* or junior basis with the Obligations shall (A) not exceed $25,000,000, (B) be subject to an intercreditor agreement on terms acceptable to the Administrative Agent and the Requisite Lenders in their reasonable discretion, (C) not have any obligors that are not the Borrower or Guarantors, be secured by Collateral that does not secure the Loans and (D) not have a Weighted Average Life to Maturity or maturity date earlier than the Weighted Average Life to Maturity and maturity date of the Term Loans;

(bb) Liens not otherwise permitted by this Section 6.02 securing junior Lien Indebtedness and other junior Lien obligations of the Credit Parties or the Sculptor Subsidiaries if after giving pro forma effect to the incurrence of Indebtedness secured by such Liens, the Total Net Leverage Ratio would not exceed (x) prior to the occurrence of the Fall-Away Trigger, 2.00:1.00 and (y) following the occurrence of the Fall-Away Trigger, 2.50:1.00, calculated with respect to such period on a pro forma basis; *provided* that any such Indebtedness shall (A) be subject to an intercreditor agreement on terms acceptable to the Administrative Agent and the Requisite Lenders in their reasonable discretion, (B) not have any obligors that are not the Borrower or Guarantors or be secured by Collateral that does not secure the Loans and (C) not have a Weighted Average Life to Maturity or maturity date earlier than the Weighted Average Life to Maturity and maturity date of the Term Loans; and

(cc) Liens pursuant to any Credit Document.

Section 6.03 ***Restricted Payments***. No Credit Party shall, nor shall it permit any of the Sculptor Subsidiaries to, directly or indirectly, declare, order, pay, make or set apart (for a sinking or other similar fund), or agree to declare, order, pay, or make or set apart (for a sinking or other similar fund for), any sum for any Restricted Payment; *provided* that:

(a) (I) (1) for any taxable period ending after December 31, 2016 for which any Credit Party is treated as a pass-through entity for U.S. federal and/or applicable state income tax purposes, such Credit Party may make Restricted Payments in the form of distributions for the payment of federal. state and/or local income taxes, as applicable, that would be owed (including estimated taxes) as determined by the Borrrower, Advisors, Advisors II or any New Advisor Guarantor in their reasonable discretion (which may be determined without regard to any benefits or detriments arising from any adjustments under Section 743 of the Code) by a Person in respect of such taxable period as a result of its direct or indirect ownership of such Credit Party; provided that, with respect to each such Credit Party, the aggregate amount of such distributions that may be made under this Section 6.03(a)(1) by such Credit Party for a taxable period shall not exceed the product of (i) the highest combined marginal income tax rate applicable to any direct or indirect owner of such Credit Party with respect to such taxable income for such period, as determined by the Borrrower, Advisors, Advisors II or any New Advisor Guarantor in their reasonable discretion and (ii) such Credit Party's taxable income (or such Credit Party's good faith estimate thereof at the time of such distribution) for such taxable period (determined, (a) for any taxable period with respect to which any such Credit Party was a disregarded entity, as if such entity were a partnership, and (b) without regard to any benefits or detriments arising from any adjustments under Section 743 of the Code), and (2) for any taxable period ending on or prior to December 31, 2016, for which any Credit Party is treated as a pass-through entity for U.S. federal and/or applicable state income tax purposes, such Credit Party may make Restricted Payments in the form of distributions for the payment of taxes in an amount equal to the federal and/or state income taxes, as applicable, that would be owed

(including estimated taxes) as determined by the Borrower, Advisors, Advisors II or any New Advisor Guarantor in their reasonable discretion by a Person in respect of such taxable period as a result of its direct or indirect ownership of such Credit Party (using the same methodology and subject to the same limitations contained in Section 6.03(a)(1)) to the extent the foregoing taxes are attributable to an audit adjustment made after the Closing Date by the Internal Revenue Service (and/or any applicable state or local taxing authority) and (II) any Credit Party can make distributions to fund Tax Receivable Agreement payments;

(b) any Credit Party or Sculptor Subsidiary may make Restricted Payments (i) payable solely in the Equity Interests of such Person (including, for the avoidance of doubt, Sculptor Operating Group A-1 Units, and Sculptor Operating Group E Units); (ii) in the form of Class A Shares, Class C Non-Equity Interests, Sculptor Operating Group D Units, or Sculptor Operating Group P Units; (iii) to any Credit Party; (iv) to any Sculptor Subsidiary if such Restricted Payment is made by a Sculptor Subsidiary that is not a Credit Party; and (v) by any Subsidiary in the form of a distribution in respect of any class of its Equity Interests to the holders of such Equity Interests on a pro rata basis.

(c) any Credit Party or Sculptor Subsidiary may make dividends or distributions on its Equity Interests within ninety (90) days of the date of the declaration thereof (or the declaration of a corresponding dividend by the Issuer), so long as such dividend or distribution would have been permitted under another provision of this Section 6.03 if paid on the date of the declaration thereof (or the date that the Issuer declared a corresponding dividend or distribution); *provided* that capacity under such other provision shall be deemed to be reduced by the amount of such dividend or distribution as of the date of such declaration;

(d) prior to the occurrence of the Fall-Away Trigger, any Credit Party or Sculptor Subsidiary may make Restricted Payments in an aggregate amount not to exceed (x) prior to the occurrence of the Fall-Away Trigger, $50,000,000 and (y) following the occurrence of the Fall-Away Trigger, $100,000,000, during the term of this Agreement;

(e) any Credit Party and any Sculptor Subsidiary may make dividends or distributions to pay customary salary, bonus and other benefits payable to, and make indemnity payments on behalf of, current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of the Issuer, Sculptor Corp, any Credit Party or Sculptor Subsidiary (or current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of such Person's general partner or equivalent), to the extent that such dividends or distributions are treated as expenses of such Credit Party or Sculptor Subsidiary, as the case may be, for purposes of the financial statements of the Issuer and its consolidated Subsidiaries, the Reconciliation Statements and the calculation of Combined Economic Income;

(f) any Credit Party and any Sculptor Subsidiary may make Restricted Payments made pursuant to and in accordance with any stock option plans or other benefit plans or agreements for current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of the Issuer, Sculptor Corp, any Credit Party or any Sculptor Subsidiary (or current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of such Person's general partner or equivalent), in each case, to the extent that such Restricted Payments are treated as compensation expenses in accordance with the methodology utilized by the Issuer to derive economic income in the Issuer's earnings press release for such period.

(g) any Credit Party and any Sculptor Subsidiary may make Restricted Payments to pay management, advisory, consulting or termination fees, indemnities, or other fees to any managers, partners, managing members, principals, consultants, independent contractors or other advisors of the Issuer, Sculptor Corp, any Credit Party or any Sculptor Subsidiary in accordance with any management or similar agreements;

(h) any Credit Party and any Sculptor Subsidiary may repurchase equity interests upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such equity interests represent a portion of the exercise, conversion or exchange price thereof;

(i) repurchases of equity interests or other Restricted Payments by any Credit Party and any Sculptor Subsidiary deemed to occur upon the exchange, or withholding of all or a portion of the equity interests granted or awarded to, or exchanged by, a current or former director, officer, employee, manager, partner, or managing member of the Issuer, Sculptor Corp, or such Person (or current or former director, officer, employee, manager, partner, or managing member of such Person's general partner or equivalent), or consultant or advisor or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing), in each case to pay for the taxes payable by such Person upon such grant or award or exchange (or upon the vesting thereof);

(j) any Credit Party or Sculptor Subsidiary may make Restricted Payments to fund payments under any Expense Allocation Agreement or any Cost Sharing Arrangement;

(k) any Credit Party and any Sculptor Subsidiary may make Restricted Payments directly or indirectly to the Issuer or another Credit Party to fund dividends declared by the Issuer on the Class A Shares in an aggregate amount per year not exceeding thirty percent (30%) of Distributable Earnings for the preceding Fiscal Year;

(l) so long as no Event of Default shall have occurred and be continuing, any Credit Party or Sculptor Subsidiary may make Restricted Payments with Adjusted Distributable Earnings in an aggregate amount not to exceed the amount available under Cumulative Credit; and

(m) so long as no Event of Default shall have occurred and be continuing and following the occurrence of the Fall-Away Trigger, any Credit Party or Sculptor Subsidiary may make Restricted Payments so long as after giving pro forma effect to such Restricted Payments, the Total Net Leverage Ratio would not exceed 2.50:1.00.

Section 6.04 ***Restrictions on Sculptor Subsidiary Distributions***. Except as provided herein, or in the other Credit Documents in effect as of the Closing Date, no Credit Party shall, nor shall it permit any Sculptor Subsidiary to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Sculptor Subsidiary to (a) pay dividends or make any other distributions on any of such Sculptor Subsidiary's Equity Interests owned by any Credit Party or any Sculptor Subsidiary, (b) repay or prepay any Indebtedness owed by such Sculptor Subsidiary to any Credit Party or any Sculptor Subsidiary, (c) make loans or advances to any Credit Party or any Sculptor Subsidiary, or (d) transfer, lease or license any of its material property or assets to any Credit Party, in each case other than restrictions, prohibitions or conditions (i) on the transfer of limited liability company, partnership, or other equity interests, (ii) with respect to the assignment of interests in management agreements, advisory agreements, sub-advisory and similar agreements, (iii) by reason of customary provisions restricting assignments, subletting, leases, licenses or other transfers contained in leases, licenses, joint venture agreements, asset sale agreements, purchase agreements and similar agreements entered into in the ordinary course of business, (iv) that are or were created by virtue of or in

connection with any transfer of, agreement to transfer or option or right with respect to any property, assets or Equity Interest not otherwise prohibited under this Agreement, (v) described on Schedule 6.04, and any amendments, restatements, supplements, extensions, replacements, refundings or refinancings of the items listed therein that do not expand the scope of such restrictions, prohibitions or conditions, (vi) that arise in connection with an asset sale solely to the extent relating to the assets being disposed of, (vii) that are customary restrictions on assignment or transfer of any agreement entered into in the ordinary course of business, (viii) on cash or other deposits, or maintaining a minimum net worth or assets under management, in each case imposed by customers under contracts entered into in the ordinary course of business, (ix) that arise by operation of applicable requirements of law, (x) that are binding on a Credit Party or a Sculptor Subsidiary at the time such Credit Party or Sculptor Subsidiary first becomes a Sculptor Subsidiary of the Issuer, so long as the agreement containing such restrictions was not entered into in contemplation of such Person becoming a Sculptor Subsidiary of the Issuer and amendments, restatements, supplements, extensions replacements, refundings or refinancings of such agreements so long as such amendments, restatements, supplements, extensions, refinancings, refundings or replacements are not materially more restrictive on such Person than the restrictions in such agreement at the time such Person becomes a Sculptor Subsidiary of the Issuer, (xi) that arise under any document, agreement or other arrangement pertaining to other Indebtedness of a Credit Party or Sculptor Subsidiary that is permitted under this Agreement so long as such restrictions, prohibitions or conditions are not, in the Borrower's good faith judgment, materially more restrictive or burdensome in respect of the foregoing activities than the Credit Documents (*provided* that such restrictions would not adversely affect the exercise of rights or remedies of the Administrative Agent or the Lenders hereunder or under any other Credit Document, or restrict any Credit Party from performing its obligations under the Credit Documents), (xii) of the type set forth in clause (d) above that arise under any document, agreement or other arrangement pertaining to secured Indebtedness of a Credit Party or Sculptor Subsidiary that is permitted under this Agreement, so long as such restrictions, prohibitions or conditions relate only to the asset or assets subject to the Lien securing such Indebtedness, (xiii) that arise under any Organizational Documents in connection with the Specified Transactions, the Preferred Units Documents, or the Preferred Debt Securities Documents, (xiv) that arise under agreements governing Indebtedness or Capital Lease Obligations permitted by Section 6.01(o) (in the case of agreements permitted by such Section, any prohibition or limitation shall only be effective against the assets financed thereby), (xv) that arise under the Expense Allocation Agreement or any Cost Sharing Arrangement, (xvi) of the type set forth in clause (d) above that arise under agreements in respect of Indebtedness or Liens permitted under Section 6.01(r) and Section 6.02(n), so long as such restrictions, prohibitions or conditions relate only to the asset or assets subject to such Lien, (xvii) that arise under agreements with Sculptor Funds providing for the adjustment, clawback or holdback of incentive compensation, (xviii) that arise under documents or agreements in respect of Indebtedness permitted under Section 6.01(v), or any amendments, restatements, supplements, renewals, extensions, replacements, refundings or refinancings of the foregoing, and, (A) in the case of Section 6.01(v)(i), to the extent that such restrictions, prohibitions and conditions do not apply to any Credit Parties or any Sculptor Subsidiaries of a Credit Party other than Qualifying Risk Retention Subsidiaries, and Subsidiaries and Owned Entities thereof and (B) in the case of Section 6.01(v)(ii), of the type set forth in clause (d) above to the extent such restrictions, prohibitions and conditions relate only to the asset or assets subject to the Lien permitted under clause (ii) of Section 6.02(y), and (xix) that arise under documents or agreements in respect of Indebtedness permitted under Section 6.01(w), or any amendments, restatements, supplements, renewals, extensions, replacements, refundings or refinancings of the foregoing, and, (A) in the case of Section 6.01(w)(i), to the extent that such restrictions, prohibitions and conditions do not apply to any Credit Parties or any Sculptor Subsidiaries of a Credit Party other than Alternate Investment Subsidiaries, and Subsidiaries and Owned Entities thereof and (B) in the case of Section 6.01(w)(ii), of the type set forth in clause (d) above to the extent such restrictions, prohibitions and conditions relate only to the asset or assets subject to the Lien permitted under clause (ii) of Section 6.02(z).

Section 6.05 ***Fundamental Changes; Disposition of Assets***. No Credit Party shall, nor shall it permit any Sculptor Subsidiary to, consummate any merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or license, exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever (including, for the avoidance of doubt, any Asset Sale) outside of the ordinary course of business, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, leased or licensed, except:

(a) any Credit Party (other than the Borrower) may be merged with or into another Credit Party, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to a Credit Party;

(b) any Credit Party (other than the Borrower) and any Sculptor Subsidiary may convey, transfer or otherwise dispose of Equity Interests in the Issuer delivered pursuant to the terms of restricted share units issued by such Credit Party or Sculptor Subsidiary;

(c) any Credit Party may be merged, wound up, dissolved, or consolidated with or into, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to any other Person (including the Issuer or any Subsidiary of the Issuer) except for any Qualified Risk Retention Subsidiary or Alternate Investment Subsidiary or any Sculptor Subsidiary or Owned Entity thereof other than a Sculptor Fund; *provided* that such Credit Party is the surviving entity;

(d) any Sculptor Subsidiary that is not a Credit Party may be merged, wound up, dissolved, or consolidated with or into, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to any other Sculptor Subsidiary that is not a Credit Party or any other Person or Subsidiary (other than a Credit Party); *provided* that a Sculptor Subsidiary is the surviving entity or the surviving entity becomes a Sculptor Subsidiary (and if the transferring Subsidiary was a wholly-owned Subsidiary of a Credit Party, a wholly-owned Subsidiary of a Credit Party) upon consummation of such merger or consolidation; *provided*, *further*, that any Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary (or any Sculptor Subsidiary or Owned Entity thereof other than a Sculptor Fund) shall not be merged or consolidated with or into any Non-SPVS;

(e) any Credit Party can be merged, wound up, dissolved, or consolidated with or into, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to any of Issuer, Sculptor Corp, any New Advisor that is not a New Advisor Guarantor, or any New Advisor Subsidiary; *provided* that, in the case of a merger or consolidation of a Credit Party with or into any such Person, (i) such Credit Party is the surviving entity or (ii) other than in the case of the Borrower, the surviving Person or the acquiring Person agrees to assume, and expressly assumes, all of the obligations of such Credit Party hereunder and under the other Credit Documents pursuant to an agreement in form and substance reasonably satisfactory to the Requisite Lenders, and such surviving Person or acquiring Person shall be organized and existing under the laws of the United States or any state thereof or the District of Columbia;

(f) any Credit Party or any Sculptor Subsidiary may enter into mergers and consolidations solely to effect asset acquisitions; *provided* that (i) if any Credit Party is party to such transaction, (x) such Credit Party shall be the continuing or surviving entity or (y) other than in the case of the Borrower, the surviving Person or the acquiring Person shall agree to assume, and shall expressly assume, all of the obligations of such Credit Party hereunder and under the other Credit Documents pursuant to an agreement in form and substance reasonably satisfactory to the Requisite Lenders, and such surviving Person or acquiring Person shall be organized and existing under the laws of the United States or any state thereof or the District of Columbia, (ii) if any Sculptor Subsidiary is a party to such transaction, (x) such Sculptor Subsidiary shall be the continuing or surviving entity or (y) the surviving entity shall become a Sculptor Subsidiary upon consummation of such merger or consolidation, in the case of clauses (x) and (y) unless a Credit Party is also a party to such transaction, in which case clause (i) shall apply, and (iii) such asset acquisitions and other transactions effected by such merger or consolidation are otherwise permitted under the Credit Documents without giving effect to this clause (f);

(g) sales, leases, subleases, licenses, sublicenses, exchanges, transfers or other dispositions of assets that do not constitute Asset Sales;

(h) Asset Sales (other than a sale of all or substantially all assets of the Credit Parties and the Sculptor Subsidiaries, taken as a whole) so long as (i) no Event of Default has occurred and is continuing, or would result therefrom, determined as of the date that the definitive agreement for such Asset Sale is entered into, (ii) the Borrower is in pro forma compliance with the financial covenants set forth in Section 6.10 as of the last day of the Fiscal Quarter most recently ended prior to such date for which financial statements have been delivered pursuant to Section 5.01 or 3.01, (iii) the consideration received for such sale of assets shall be in an amount equal to the fair market value thereof (determined in good faith by the Borrower), and (iv) at least 75% of such consideration is paid in Cash and Cash Equivalents, *provided* that the following shall be deemed to be Cash: (x) any liabilities that are assumed or paid by the transferee with respect to the applicable Asset Sale, (y) any securities received by the Credit Parties or any Sculptor Subsidiary from such transferee that are converted by a Credit Party or Sculptor Subsidiary into Cash or Cash Equivalents (to the extent of the Cash or Cash Equivalents so received) within 180 days following the closing of the applicable Asset Sale, and (z) any Designated Non-Cash Consideration received by the Credit Parties or the Sculptor Subsidiaries in respect of such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 6.05(h) that is at that time outstanding, not in excess of $5,000,000 at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured on the date a legally binding commitment for such Asset Sale (or, if later, for the payment of such item) was entered into and without giving effect to subsequent changes in value;

(i) (i) any Sculptor Subsidiary that is not a Credit Party may dissolve, liquidate or wind up its affairs at any time, and (ii) any Credit Party and any Sculptor Subsidiary may surrender or fail to maintain its rights, franchises, licenses and permits material to its business, provided that, in the cases of clauses (i) and (ii), such dissolution, liquidation, winding up, surrender or failure, as applicable, would not reasonably be expected to have a Material Adverse Effect;

(j) [Reserved]; and

(k) any Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary may convey, sell, lease or license, exchange, transfer or otherwise dispose of any of its assets to the extent constituting realization of Liens permitted under Section 6.02(y) or (z); *provided*, that any such transactions from such Qualifying Risk Retention Subsidiary or Alternate Investment Subsidiary to any Credit Party or any Non-SPVS shall not be made on terms that are substantially less favorable to such Credit Party or such Non-SPVS, as the case may be, than those that might be obtained in a comparable arms-length transaction at the time from a Person who is not an Affiliate of such Credit Party or Non-SPVS.

It is understood and agreed that this Section 6.05 shall not prohibit any change in ownership of a Credit Party (other than any Credit Party that is also a Sculptor Subsidiary) that does not cause a Change of Control as long as such Person or the surviving or acquiring Person remains (or becomes) a Credit Party. Notwithstanding anything to the contrary in this Agreement, this Section 6.05 shall not prohibit a Credit Party or any Sculptor Subsidiary from changing its jurisdiction of organization (so long as such change results in such Person being organized and existing under the laws of the United States or any state thereof or the District of Columbia), its organizational name, its identity or organizational structure or its type or form. Notwithstanding the foregoing, the Borrower may not be (i) merged, consolidated or amalgamated into any Person unless the Borrower is the surviving Person and (ii) dissolved, liquidated or wound up.

Section 6.06 ***Transactions with Shareholders and Affiliates***. No Credit Party shall, nor shall it permit any Sculptor Subsidiary to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of a Credit Party, on terms that are substantially less favorable to such Credit Party or such Sculptor Subsidiary, as the case may be, than those that might be obtained in a comparable arms-length transaction at the time from a Person who is not an Affiliate; *provided*, the foregoing restriction shall not apply to (a) any transaction between or among any Credit Parties and any Sculptor Subsidiaries; (b) compensation (including the granting of Equity Interests and other bonuses), reimbursement and other compensation and reimbursement arrangements (including, but not limited to any retirement, health, stock option or other benefit plan), and other fees paid to, and insurance provided to or for, current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of Credit Parties, the Sculptor Subsidiaries and their respective Affiliates (or current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of such Person's general partner or equivalent) entered into in the ordinary course of business; (c) advances to current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of Credit Parties, the Sculptor Subsidiaries and their respective Affiliates (or current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of such Person's general partner or equivalent) for personal expenses; (d) use of corporate aircraft or other vehicles for personal use; (e) advances of working capital to any Credit Party, (f) transfers of cash and assets to any Credit Party; (g) intercompany transactions expressly permitted by Section 6.01, Section 6.03 or Section 6.05; (h) transactions with any Sculptor Fund owned, maintained or managed, directly or indirectly, by any Credit Party or any Subsidiary in the ordinary course of business; (i) investments in any Sculptor Fund, joint venture or other Affiliate of any Credit Party or Sculptor Subsidiary without the payment of fees, expenses or other charges related thereto; (j) payments to current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of any Credit Party, any Sculptor Subsidiary, any New Advisor Subsidiary, or any New Advisor that is not a New Advisor Guarantor (or current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of such Person's general partner or equivalent) in respect of the indemnification of such Persons in such respective capacities from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements, as the case may be, pursuant to the organizational documents or other corporate action of such Credit Party, Sculptor Subsidiary, New Advisor Subsidiary, or New Advisor that is not a New Advisor Guarantor (or such Person's general partner or equivalent), as applicable, or pursuant to applicable Law; (k) payments of management, advisory, consulting or termination fees, indemnities, or other fees or profit sharing arrangements to any current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors (including any Credit Party or any

Subsidiary acting in such capacity) of any Credit Party, any Sculptor Subsidiary, any New Advisor that is not a New Advisor Guarantor, or any New Advisor Subsidiary (or current or former officers, employees, directors, managers, partners, managing members, principals, advisors, consultants or independent contractors of such Person's general partner or equivalent) in accordance with any management or similar agreements; (l) any transaction between any Qualifying Risk Retention Subsidiary and any Sculptor CLO (as defined in the definition of Qualifying Risk Retention Subsidiary) in the ordinary course of business; (m) any transaction between any Alternate Investment Subsidiary and any AIS Investment, Sculptor Fund or other investment vehicle in the ordinary course of business; and (n) transactions permitted pursuant to Section 6.03, subject to Section 6.08.

Section 6.07 ***Conduct of Business***. From and after the Closing Date, no Credit Party shall, nor shall it permit any Sculptor Subsidiary to, engage in any material line of business substantially different from (i) the asset management, investment management and financial services business or any business ancillary, complementary or reasonably related thereto and reasonable extensions thereof, (ii) the business currently conducted by the Credit Parties and their Sculptor Subsidiaries on the Closing Date, and (iii) such other lines of business as may be consented to by Requisite Lenders.

Section 6.08 ***Amendments or Waivers of Organizational Documents and Certain Agreements***. No Credit Party shall nor shall it permit any Sculptor Subsidiary to, (i) amend, modify or waive any of its Organizational Documents, any Expense Allocation Agreement or any Cost Sharing Arrangement in a manner (taken as a whole) materially adverse to the Lenders without obtaining the prior written consent of the Requisite Lenders, (ii) enter into any Expense Allocation Agreement that is different from the Expense Allocation Agreement described in the Issuer's proxy statement filed with the SEC on March 27, 2017 in a manner materially adverse to the Lenders without obtaining the prior written consent of the Requisite Lenders or (iii) enter into any Cost Sharing Arrangement that is materially adverse to the Lenders without obtaining the prior written consent of the Requisite Lenders.

Section 6.09 ***Fiscal Year***. Without the prior written consent of Administrative Agent, no Credit Party shall, in each case solely if the fiscal year-end of such Person is December 31 at the time of the proposed change, change its fiscal year-end from December 31 unless such change in fiscal year-end is required by any decree, order, statute, rule or governmental regulation applicable to such Credit Party, or to qualify for any exemption therefrom.

Section 6.10 ***Financial Covenants***.

(a) *Assets Under Management*. The Borrower shall not permit the AUM of the Credit Parties and their consolidated Subsidiaries as reported on the Compliance Certificate and Reconciliation Statement, as of the last day of any Fiscal Quarter to be less than $20,000,000,000.

(b) *Total Net Leverage Ratio*. Subject to Section 8.02(b), beginning with the first full Fiscal Quarter ended after the Closing Date and with respect to each such subsequent Fiscal Quarter during the Financial Covenant Period, the Borrower shall not permit the Total Net Leverage Ratio as of the last day of any Fiscal Quarter to exceed 4.50 to 1.00.

(c) *Minimum Liquidity*. During the Financial Covenant Period, the Credit Parties shall not permit, as of the last day of two consecutive fiscal quarters, the sum of (i) cash or Cash Equivalents, (ii) the amount by which (A) the aggregate Revolving Loan Commitment exceeds (B) the aggregate outstanding principal balance of Revolving Loans, and (iii) management fee receivables, incentive receivables and other revenue receivables of the Credit Parties and their Subsidiaries to be less than the Minimum Liquidity Amount.

Section 6.11 ***Jurisdiction of Formation***. No Credit Party shall change its state of formation to any jurisdiction outside of the United States (including without limitation through merger, consolidation, reorganization or any other manner).

Section 6.12 ***Holding Company Limitations***. The Credit Parties shall not permit the Issuer or Sculptor Corp to act as an investment adviser or to provide any investment advisory services other than through a Credit Party or a Sculptor Subsidiary or to directly engage in any new lines of business resulting in revenues to the Issuer or Sculptor Corp (other than revenue derived from the Credit Parties and their Subsidiaries) in excess of $2,000,000 in any four Fiscal Quarter period; *provided* that, upon the consummation of a transaction pursuant to Section 6.05(e) where the Issuer or Sculptor Corp is the surviving entity, such Person shall cease to be subject to the terms of this Section 6.12.

Section 6.13 ***Restricted Junior Payments***. No Credit Party shall, nor shall it permit any of its Sculptor Subsidiaries through any manner or means or through any other Person to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Junior Payment except that the Credit Parties and the Sculptor Subsidiaries may make regularly scheduled payments of interest, and payments of any other amounts, in each case in respect of any Subordinated Indebtedness in accordance with the terms of, and only to the extent permitted by, and subject to any subordination provisions contained in, the indenture or other agreement pursuant to which such Indebtedness was issued; provided that payments of any amounts in respect of intercompany Indebtedness among any of the Credit Parties and Sculptor Subsidiaries may be made at any time that an Event of Default is not continuing (and prior to the time that the Administrative Agent delivers written notice to stop such payments to such Credit Party or Sculptor Subsidiary, which notice shall only be effective during the period that such Event of Default is continuing)Sculptor.

Section 6.14 ***Exceptions to No Further Negative Pledges***. Except with respect to (a) specific property encumbered to secure payment of particular Indebtedness or to be sold pursuant to an executed agreement with respect to a permitted asset sale or other disposition, (b) prohibitions or restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements, asset sale agreements, purchase agreements and similar agreements entered into in the ordinary course of business, (c) prohibitions or restrictions identified on Schedule 6.14, and any amendments, restatements, supplements, extensions, replacements, refundings or refinancings of the items listed therein that do not expand the scope of such restrictions or prohibitions, (d) any agreements evidencing or governing any purchase money Liens or Capital Lease Obligations and other Indebtedness otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby and related assets), (e) restrictions and conditions imposed by applicable Law, (f) licenses and contracts which by the terms thereof prohibit or limit the granting of Liens on such agreement or the rights contained therein, (g) prohibitions or restrictions in existence prior to the time such Person becomes a Sculptor Subsidiary and not created in contemplation of any such acquisition, and amendments, restatements, supplements, extensions replacements, refundings or refinancings of such agreements so long as such amendments, restatements, supplements, extensions, refinancings, refundings or replacements are not materially more restrictive on such Person than the restrictions in such agreement at the time such Person becomes a Sculptor Subsidiary of the Issuer, (h) any agreement evidencing Indebtedness permitted under Section 6.01; provided that, in each case under this clause (h), such prohibitions or restrictions (x) apply solely to a Sculptor Subsidiary that is not a Credit Party, (y) are no more restrictive than the prohibitions or restrictions set forth in the Credit Documents, or (z) do not materially impair the Borrower's ability to pay their respective obligations under the Credit Documents as and when due (as determined in good faith by the Borrower), (i) customary provisions in shareholder agreements, joint venture agreements, organizational or constitutive documents or similar binding agreements relating to any joint venture or non-wholly owned Sculptor Subsidiary and other similar agreements applicable to joint ventures and non-wholly owned Sculptor Subsidiaries and applicable solely to such joint venture or non-wholly owned Sculptor

Subsidiary and the Equity Interests issued thereby, (j) [reserved], (k) restrictions on cash and other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business, (l) prohibitions and limitations on the transfer of limited liability company, partnership, or other equity interests, (m) prohibitions and limitations with respect to the assignment of interests in management agreements, advisory agreements, sub-advisory and similar agreements, and (n) prohibitions and limitations that are or were created by virtue of or in connection with any transfer of, agreement to transfer or option or right with respect to any property, assets or Equity Interest not otherwise prohibited under this Agreement, no Credit Party nor any Non-SPVS (other than any parent company of the foregoing (solely to the extent such prohibition or limitation relates to Liens on assets described in Section 6.02(y) or (z)), shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired, to secure the Obligations.

Section 6.15 ***Sale, Transfer or Disposition of Material Property***. Notwithstanding anything to the contrary contained in this Agreement, no Credit Party nor any Sculptor Subsidiary shall sell, lease, license, sublicense, sublease, exchange, transfer or otherwise dispose of any Property (including by way of investment, distribution or Restricted Payment) that is material to the conduct of the business of the Credit Parties, taken as a whole, to any Subsidiary of the Credit Parties, joint venture or Affiliate of the Credit Parties that is not a Credit Party.

Article 7
GUARANTY

Section 7.01 ***Guaranty of the Obligations***. Subject to the provisions of Section 7.02 and Section 7.08, Guarantors jointly and severally hereby absolutely, irrevocably and unconditionally guaranty, as primary obligor and not merely as surety, to Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Obligations and payment obligations of Borrower under the Fee Letter, in each case when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "***Guaranteed Obligations***").

Section 7.02 ***Contribution by Guarantors***. All Guarantors desire to allocate among themselves (collectively, the "***Contributing Guarantors***"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor (a "***Funding Guarantor***") under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Funding Guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in an amount sufficient to cause each Contributing Guarantor's Aggregate Payments to equal its Fair Share as of such date. "***Fair Share***" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Contributing Guarantor to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all Funding Guarantors under this Guaranty in respect of the obligations Guaranteed. "***Fair Share Contribution Amount***" means, with respect to a Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; *provided*, solely for purposes of calculating the "***Fair Share Contribution Amount***" with respect to any Contributing Guarantor for purposes of this Section 7.02, any assets or liabilities of such Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Contributing Guarantor. "***Aggregate***

Payments" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such Contributing Guarantor in respect of this Guaranty (including in respect of this Section 7.02), *minus* (2) the aggregate amount of all payments received on or before such date by such Contributing Guarantor from the other Contributing Guarantors as contributions under this Section 7.02. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Guarantor. The allocation among Contributing Guarantors of their obligations as set forth in this Section 7.02 shall not be construed in any way to limit the liability of any Contributing Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.02.

Section 7.03 ***Payment by Guarantors***. Subject to Section 7.02, Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of Borrower to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), Guarantors shall upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

Section 7.04 ***Liability of Guarantors Absolute***. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) the obligations of each Guarantor hereunder are independent of the obligations of Borrower and the obligations of any other guarantor (including any other Guarantor) of the obligations of Borrower, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against Borrower or any of such other guarantors and whether or not Borrower is joined in any such action or actions;

(c) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Guaranteed Obligations;

(d) any Beneficiary, and Administrative Agent, pursuant to Section 9.08, upon such terms as it deems appropriate, and subject to the provisions of this Agreement and the other Credit Documents, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) subject to compliance, if applicable, with Section 10.05, modify, amend, supplement or otherwise change any Credit Document, (ii) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (iii) waive or otherwise consent to noncompliance with any Credit Document; (iv) settle, compromise, or release or discharge with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (v) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (v) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; (vi) enforce and apply any security hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against Borrower or any security for the Guaranteed Obligations; and (vii) exercise any other rights available to it under the Credit Documents; and

(e) this Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or any workout, insolvency, bankruptcy proceeding, reorganization, arrangement, liquidation or dissolution by or against the Issuer, Borrower any other Guarantor or any of their respective Subsidiaries or any procedure, agreement, order, stipulation, election, action or omission thereunder, including any discharge of or disallowance of, or bar or stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Credit Documents, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Credit Documents, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or such Credit Document, or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Credit Documents or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have

elected to apply such payment to any part or all of the Guaranteed Obligations; (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of any Credit Party or any Sculptor Subsidiary and to any corresponding restructuring of the Guaranteed Obligations; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations, including any failure to take any steps to perfect and maintain any Lien on, or to preserve any rights with respect to, any Collateral; (vii) any defenses, set-offs or counterclaims which Borrower may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, accord and satisfaction and usury; (viii) any foreclosure, whether or not through judicial sale, and any other sale or other disposition of any Collateral or any election following the occurrence and during the continuance of an Event of Default by any Secured Party to proceed separately against any Collateral in accordance with such Secured Party's rights under any applicable requirement of Law; and (ix) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.05 ***Waivers by Guarantors***. Each Guarantor hereby expressly waives, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against Borrower, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from Borrower, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any deposit account or credit on the books of any Beneficiary in favor of Borrower or any other Person, or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Borrower or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Borrower or any other Guarantor from any cause other than payment in full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to bad faith; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) any rights to set-offs, recoupments and counterclaims, and (iii) promptness (subject to any applicable statute of limitations), diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof; and (g) all diligence, presentment, demand of payment or performance, protest, notice of nonpayment or nonperformance, notice of protest, notice of dishonor and all other notices, demands or requirements whatsoever of any kind and all notices of acceptance of this Agreement or of the existence, creation, incurrence or assumption of new or additional Obligations.

Section 7.06 ***Guarantors' Rights of Subrogation, Contribution, etc.*** Until the Guaranteed Obligations shall have been indefeasibly paid in full and the Commitments shall have been terminated, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against Borrower or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against Borrower with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against

Borrower, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been indefeasibly paid in full and the Commitments shall have been terminated, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations, including, without limitation, any such right of contribution as contemplated by Section 7.02. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against Borrower or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against Borrower, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. No obligation of any Guarantor hereunder shall be discharged other than by complete performance or unless such Guarantor is otherwise released from its Guaranteed Obligations by Administrative Agent and the applicable Beneficiaries.

Section 7.07 ***Subordination of Other Obligations***. Any Indebtedness of Borrower or any Guarantor now or hereafter held by any Guarantor (the "***Obligee Guarantor***") is hereby subordinated in right of payment to the Guaranteed Obligations, and any such indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

Section 7.08 ***Continuing Guaranty***. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full and the Commitments shall have been terminated (other than contingent or indemnification obligations to which no claim has been asserted or that are not then due and payable). Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.09 ***Authority of Guarantors or Borrower***. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or Borrower or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.10 ***Financial Condition of Borrower***. Any Credit Extension may be made to Borrower or continued from time to time, without notice to or authorization from any Guarantor regardless of the financial or other condition of Borrower at the time of any such grant or continuation. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of Borrower. Each Guarantor has adequate means to obtain information from Borrower on a continuing basis concerning the financial condition of Borrower and its ability to perform its obligations under the Credit Documents, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of Borrower and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of Borrower now known or hereafter known by any Beneficiary.

In the event any Beneficiary, in its sole discretion, undertakes at any time or from time to time to provide any such information to any Guarantor, such Beneficiary shall be under no obligation to (a) undertake any investigation not a part of its regular business routine, (b) disclose any information that such Beneficiary, pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (c) make any future disclosures of such information or any other information to any Guarantor.

Section 7.11 ***Bankruptcy, etc***.

(a) So long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of Administrative Agent acting pursuant to the instructions of Requisite Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against Borrower or any other Guarantor. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Borrower or any other Guarantor or by any defense which Borrower or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve Borrower of any portion of such Guaranteed Obligations. Guarantors shall permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar Person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by Borrower, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

Section 7.12 ***Discharge of Guaranty Upon Sale of Guarantor***. If all of the Equity Interests of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof, the Guaranty of such Guarantor (and, in the case of any other Guarantor that is a direct or indirect Subsidiary of the Guarantor being so sold or disposed of, the Guaranty of such other Guarantor) or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such asset sale.

Section 8.01 ***Events of Default***. If any one or more of the following conditions or events shall occur:

(a) *Failure to Make Payments When Due*. Failure by Borrower to pay (i) when due any installment of principal of any Loan, whether at stated maturity, by acceleration, by notice of voluntary prepayment or otherwise; or (ii) any interest on any Loan or any fee or any other amount due hereunder within five Business Days after receiving notice from Administrative Agent of such failure to pay; or

(b) *Default in Other Agreements*. (i) Failure of any Credit Party or any of the Sculptor Subsidiaries to pay when due any principal of or interest or premium on one or more items of Indebtedness (other than Indebtedness referred to in Section 8.01(a)) in an aggregate principal amount of $25,000,000 or more, in each case beyond the grace period, if any, provided therefor; or (ii) breach or default by any Credit Party or any of the Sculptor Subsidiaries with respect to any terms of its Indebtedness, which is in the individual or aggregate principal amounts referred to in clause (i) above, or any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee or fiscal agent on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be.

(c) *Breach of Certain Covenants*. Failure of any Credit Party to perform or comply with any term or condition contained in Section 5.01(e)(i), Section 5.02, or Section 6; or

(d) *Breach of Representations, etc*. Any representation, warranty, certification or other statement made or deemed made by any Credit Party in any Credit Document or in any statement or certificate at any time given by any Credit Party in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(e) *Other Defaults Under Credit Documents*. Any Credit Party shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents, other than any such term referred to in this Section 8.01, and such default shall not have been remedied or waived within thirty days after receipt by Borrower of notice from Administrative Agent of such default; or

(f) *Involuntary Bankruptcy; Appointment of Receiver, etc*. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of any Credit Party or any Material Subsidiary in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against any Credit Party or any Material Subsidiary under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any Credit Party or any Material Subsidiary, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an

interim receiver, trustee or other custodian of any Credit Party or any Material Subsidiary for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of any Credit Party or any Material Subsidiary, and any such event described in this clause (ii) shall continue for sixty days without having been dismissed, bonded or discharged; or

(g) *Voluntary Bankruptcy; Appointment of Receiver, etc*. (i) Any Credit Party or any Material Subsidiary shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or any Credit Party or any Material Subsidiary shall make any assignment for the benefit of creditors; or (ii) any Credit Party or any Material Subsidiary shall be unable, or shall fail generally to pay debts as such debts become due, or shall admit in writing its inability to pay its debts generally; or the board of directors (or similar governing body) of any Credit Party or any Material Subsidiary (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to in this Section 8.01(g); or

(h) *Judgments and Attachments*. Any final money judgment, writ or warrant of attachment or similar process involving in the aggregate at any time an amount in excess of $25,000,000 (in either case to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against any Credit Party or any Material Subsidiary or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty days; or

(i) *Employee Benefit Plans*. There shall occur one or more ERISA Events which individually or in the aggregate results in or would reasonably be expected to result in or have a Material Adverse Effect; or

(j) *Change of Control*. A Change of Control shall occur; or

(k) *Guaranties and other Credit Documents*. At any time after the execution and delivery thereof, (i) the Guaranty for any reason, other than the satisfaction in full of all Obligations (other than contingent or indemnification obligations to which no claim has been asserted or that are not then due and payable), shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate its obligations thereunder, (ii) this Agreement ceases to be in full force and effect (other than by reason of the satisfaction in full of the Obligations (other than contingent or indemnification obligations to which no claim has been asserted or that are not then due and payable) in accordance with the terms hereof) or shall be declared null and void for any reason, or (iii) any Credit Party shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by Lenders, under any Credit Document to which it is a party (other than as a result of repayment in full of the Obligations (other than contingent or indemnification obligations to which no claim has been asserted or that are not then due and payable) and termination of the Commitments); or

(l) *Liens and Collateral Documents*. at any time, any Lien purported to be created by any Collateral Document, for any reason other than (i) as expressly permitted hereunder or thereunder (including as a result of a transaction permitted under Section 6.05) or the satisfaction in full of all the Obligations (other than contingent or indemnification obligations to which no claim has been asserted or that are not then due and payable) or (ii) as a result of the Administrative Agent's failure to (A) maintain possession of any stock certificate, promissory note or other instrument delivered to it under any Collateral Document or (B) file Uniform Commercial Code continuation statements (*provided* that in the case of each of subclauses (A) and (B) the Credit Parties shall have taken such remedial action as the Administrative Agent may reasonably request), ceases to be in full force and effect with respect to a material portion of the Collateral purported to be covered by the Collateral Documents;

THEN, (1) upon the occurrence of any Event of Default described in Section 8.01(f) or (g), automatically, and (2) upon the occurrence and during the continuance of any other Event of Default, at the request of (or with the consent of) Requisite Lenders, upon notice to Borrower by Administrative Agent, the Commitments, if any, of each Lender having such Commitments shall immediately be terminated and each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (I) the unpaid principal amount of and accrued interest on the Loans plus the Call Premium (if applicable) and (II) all other Obligations.

Section 8.02 ***Borrower's Right to Cure***.

(a) Notwithstanding anything to the contrary contained in Section 8.01, for purposes of determining whether an Event of Default has occurred under the financial covenant set forth in Section 6.10(b), any equity contribution (in the form of common equity or other equity having terms reasonably acceptable to Administrative Agent) made to Borrower after the last day of any Fiscal Quarter and on or prior to the day that is 10 days after the day on which financial statements are required to be delivered for that Fiscal Quarter shall, at the request of Borrower, be included in the calculation of Combined Economic Income solely for the purposes of determining compliance with such financial covenant at the end of such Fiscal Quarter and any subsequent period that includes such Fiscal Quarter (any such equity contribution, a "***Specified Equity Contribution***"); *provided* that (a) Borrower shall not be permitted to so request that separate Specified Equity Contributions be made in more than two Fiscal Quarters in any Relevant four Fiscal Quarter Period and there shall be no more than four (4) Specified Equity Contributions made in the aggregate after the Closing Date, (b) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause Borrower to be in compliance with the financial covenants, (c) all Specified Equity Contributions and the use of proceeds therefrom shall be disregarded for all other purposes under the Credit Documents (including without limitation negative covenant baskets requiring pro forma compliance with Section 6.10), (d) if, after giving effect to any Specified Equity Contribution, Borrower would be in compliance with the financial covenant contained in Section 6.10(b) after giving effect to the provisions of this Section 8.02, no Default or Event of Default shall be deemed to have existed at any time with respect to such financial covenants for the relevant Fiscal Quarter and (e) 100% of the proceeds of the Specified Equity Contributions shall be offered within three Business Days to be applied to prepayment of the Term Loans, without penalty or premium). To the extent that the proceeds of the Specified Equity Contribution are used to repay Indebtedness, such Indebtedness shall not be deemed to have been repaid for purposes of calculating the financial covenant set forth in Section 6.10(b) for the Relevant Four Fiscal Quarter Period. For purposes of this paragraph, the term "***Relevant Four Fiscal Quarter Period***" shall mean, with respect to any requested Specified Equity Contribution, the four Fiscal Quarter period ending on (and including) the Fiscal Quarter in which Combined Economic Income shall be increased as a result of such Specified Equity Contribution. The Administrative Agent shall promptly notify each Term Loan Lender of the contents of the Borrower's prepayment notice and of such Term Loan Lender's Pro Rata Share of the prepayment. Each Term Lender may reject all or a portion of its Pro Rata Share of any prepayment under this Section 8.02(a) by providing written notice to the Administrative Agent and the Borrower no later than 5:00 p.m. (New York time) one Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment.

(b) Notwithstanding anything to the contrary contained in Section 8.02(a), for the purposes of determining Total Net Leverage Ratio as of the last day of the Fiscal Quarter most recently ended prior to the payment of any Specified Equity Contributions (the "***Subject Quarter***") and as of the last day of any subsequent Fiscal Quarter in which the Subject Quarter is included in the calculation of Combined Economic Income (the "***Subsequent Periods***"), if such Specified Equity Contributions are included as Combined Economic Income as set forth in Section 8.02(a), Borrower shall deduct from the Combined Economic Income for the Subject Quarter and any Subsequent Periods, the lesser of (1) the sum of all Restricted Payments (other than distributions made by any Credit Party pursuant to Section 6.03(a)) made during or for the Subject Quarter and during or for any Subsequent Period and (2) the sum of all Specified Equity Contributions made during or for the Subject Quarter and during or for any Subsequent Period. For the avoidance of doubt, when calculating Total Net Leverage Ratio after giving effect to any proposed Restricted Payments to be made during or for any Subsequent Period, Borrower shall deduct from the Combined Economic Income such proposed Restricted Payments as if they were made during the prior Fiscal Quarter.

Article 9
AGENT

Section 9.01 ***Appointment of Administrative Agent***. Delaware Life is hereby irrevocably appointed Administrative Agent hereunder and under the other Credit Documents and each Lender hereby authorizes Delaware Life to act as Administrative Agent in accordance with the terms hereof and the other Credit Documents. The Administrative Agent shall also act as collateral agent under the Credit Documents and each of the Lenders hereby irrevocably appoints the Administrative Agent as its collateral agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the collateral agent by the terms hereof and the other Credit Documents, together with such actions and powers as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" shall be entitled to the benefits of all provisions of this Article 9 and Article 10 as if set forth in full herein with respect thereto. Administrative Agent hereby agrees to act in its capacity as such upon the express conditions contained herein and the other Credit Documents, as applicable. The provisions of this Article 9 are solely for the benefit of Administrative Agent, the collateral agent and Lenders and no Credit Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, Administrative Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for any Credit Party or any Sculptor Subsidiary or any of their respective Affiliates. Administrative Agent, without consent of or notice to any party hereto, may assign any and all of its rights or obligations hereunder to any of its Affiliates.

Section 9.02 ***Powers and Duties***. Each Lender irrevocably authorizes Administrative Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to Administrative Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Administrative Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Administrative Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. Administrative Agent shall not have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Lender or any other Person; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon Administrative Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.

Section 9.03 ***General Immunity***.

(a) *No Responsibility for Certain Matters*. Administrative Agent shall not be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by Administrative Agent to Lenders or by or on behalf of any Credit Party, or to any Lender in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall Administrative Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans.

(b) *Exculpatory Provisions*. Neither Administrative Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by Administrative Agent under or in connection with any of the Credit Documents except to the extent caused by Administrative Agent's gross negligence or willful misconduct, in each case as determined by a final non appealable judgment of a court of competent jurisdiction. Administrative Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until Administrative Agent shall have received instructions in respect thereof from Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 10.05) and, upon receipt of such instructions from Requisite Lenders (or such other Lenders, as the case may be), Administrative Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Credit Parties and the Sculptor Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 10.05).

(c) *Delegation of Duties*. Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Credit Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub- agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 9.03 and of Section 9.06 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and

rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Credit Parties and the Lenders and (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent.

Section 9.04 ***Administrative Agent Entitled to Act as Lender***. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, Administrative Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Loans, Administrative Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include Administrative Agent in its individual capacity. Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with any Credit Party or any of their respective Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Borrower, other Credit Parties and their respective Affiliates for services in connection herewith and otherwise without having to account for the same to Lenders.

Section 9.05 ***Lenders' Representations, Warranties and Acknowledgment***.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Credit Parties and the Sculptor Subsidiaries in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Credit Parties and the Sculptor Subsidiaries. Administrative Agent shall not have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and Administrative Agent shall not have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders. Each Lender acknowledges and agrees that the Credit Extension made hereunder are commercial loans and not investments in a business enterprise or securities.

(b) If any Lender has elected to abstain from receiving material non-public information concerning the Credit Parties or their Affiliates, such Lender acknowledges that, notwithstanding such election, Administrative Agent and/or the Credit Parties shall, from time to time, make available syndicate-information (which may include material non-public information) as required by the terms of, or in the course of, administering the Loans to the credit contact(s) identified for receipt of such information on the Lender's administrative questionnaire who are able to receive and use all syndicate-level information (which may contain material non-public information) in accordance with such Lender's compliance policies and contractual obligations and applicable Law, including federal and state securities laws; *provided*, that if such contact is not so identified in such questionnaire, the relevant Lender hereby agrees to promptly (and in any event within one (1) Business Day) provide such a contact to Administrative Agent and the Credit Parties upon request therefor by Administrative Agent or the Credit Parties. Notwithstanding such Lender's election to abstain from receiving material non-public information, such Lender acknowledges that if such Lender chooses to communicate with the Administrative Agent, it assumes the risk of receiving material non-public information concerning the Credit Parties or their Affiliates.

(c) Each Lender, by delivering its signature page to this Agreement or an Assignment Agreement and funding its Term Loan and/or Revolving Loans on the applicable Credit Date, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by Administrative Agent, Requisite Lenders or Lenders, as applicable on the Closing Date and such Credit Date.

Section 9.06 ***Right to Indemnity***. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify Administrative Agent and each of its Related Parties, to the extent that Administrative Agent and each of its Related Parties shall not have been indefeasibly paid by any Credit Party (including, to the extent not indemnified pursuant to Section 2.16(e), Taxes, interests and penalties imposed for not properly withholding or backup withholding on payments made to or for the account of any Lender), promptly upon demand, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Administrative Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Credit Documents, any related document or otherwise in its capacity as Administrative Agent in any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by Administrative Agent or any of its Related Persons under or with respect to any of the foregoing; *provided*, no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting primarily from Administrative Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment.

Section 9.07 ***Successor Administrative Agent***.

(a) Administrative Agent may resign at any time by giving thirty days' prior written notice thereof to Lenders and Borrower. Upon any such notice of resignation, Requisite Lenders shall have the right, upon five Business Days' notice to Borrower, to appoint a successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall promptly (i) transfer to such successor Administrative Agent all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Credit Documents, whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The administration fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. If the Requisite Lenders have not appointed a successor Administrative Agent, Administrative Agent shall have the right to appoint a financial institution to act as Administrative Agent hereunder and in any case, Administrative Agent's resignation shall become effective on the thirtieth day after such notice of resignation. If neither the Requisite Lenders nor Administrative Agent have appointed a successor Administrative Agent, the Requisite Lenders shall be deemed to succeeded to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder.

(b) Notwithstanding paragraph (a) of this Section, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties, and continue to be entitled to the rights set forth in such Collateral Document and Credit Document, and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this Section (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest), and the Requisite Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; *provided* that (A) all payments required

to be made hereunder or under any other Credit Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article, Section 10.02 (Expenses) and Section 10.03 (Indemnity), as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Credit Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent and in respect of the collateral matters referred to above.

Section 9.08 ***Guaranty***. *Agents under Guaranty*. Each Requisite Lender hereby further authorizes Administrative Agent, on behalf of and for the benefit of the Beneficiaries, to be the agent for and representative of Beneficiaries with respect to the Guaranty. Subject to Section 10.05, without further written consent or authorization from any Beneficiary, Administrative Agent may execute any documents or instruments necessary to release any Guarantor from the Guaranty pursuant to Section 7.12 or with respect to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 10.05) have otherwise consented.

Section 9.09 ***Withholding Taxes***. To the extent required by any applicable Law, Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered by such Lender or was not properly executed or because such Lender failed to notify Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective), without limitation or duplication of any amount payable under Section 2.16, such Lender shall indemnify Administrative Agent and each of its Related Parties fully for all amounts paid, directly or indirectly, by Administrative Agent and each of its Related Parties as Tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Tax and without limiting the obligation of the Borrower to do so). A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due to Administrative Agent under this paragraph. The agreements in this paragraph shall survive the resignation and/or replacement of Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Loans and the repayment, satisfaction or discharge of all Obligations under this Agreement.

Section 9.10 ***Collateral Matters***.

(a) Except with respect to the exercise of setoff rights in accordance with Section 10.04 or with respect to a Secured Party's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Credit Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders or any other Secured Party for any failure to monitor or maintain any portion of the Collateral.

(c) The Secured Parties irrevocably authorize the Administrative Agent, in its discretion:

(i) to release any Lien on any Property granted to or held by the Administrative Agent under any Credit Document, which Lien shall be automatically released (A) upon termination of the Commitments and payment in full of all Obligations (in each case, other than contingent reimbursement and indemnification obligations, in each case not yet accrued and payable), (B) at the time the Property subject to such Lien is transferred in connection with any transfer permitted hereunder to any Person (other than in the case of a transfer by a Credit Party, any transfer to another Credit Party), (C) subject to Section 10.05, if the release of such Lien is approved, authorized or ratified in writing by the Requisite Lenders (or such greater number of Lenders as may be required pursuant to Section 10.05), or (D) if the Property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guaranty pursuant to clause (iii) below;

(ii) (A) to release or subordinate any Lien on any Property granted to or held by the Administrative Agent under any Credit Document to the holder of any Lien on such property that is permitted by Section 6.02(n) to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such assets and (B) to subordinate any Lien on any Property granted to or held by the Administrative Agent under any Credit Document to the holder of any Lien on such Property that is permitted by any other clause of Section 6.02 to be senior to the Liens securing the Obligations;

(iii) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a direct or indirect Sculptor Subsidiary of the Issuer as a result of a transaction permitted under Section 6.05; and

(iv) to release any Lien on any Equity Interest issued by a Qualified Risk Retention Subsidiary or an Alternate Investment Subsidiary granted to or held by the Administrative Agent under any Credit Document, which Lien shall be automatically released, upon a pledge of such Equity Interest to secure applicable Indebtedness permitted under this Agreement to be incurred by such Qualified Risk Retention Subsidiary or Alternate Investment Subsidiary.

(d) Upon request by the Administrative Agent at any time, the Requisite Lenders (or such greater number of Lenders as may be required pursuant to Section 10.05) shall confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of Property, or to release any Guarantor from its obligations under the Guaranty or Security Agreement pursuant to Section 9.10(c). In each case as specified in Section 9.10(c), the Administrative Agent shall (and each Lender irrevocably authorizes the Administrative Agent to), at the Borrower's expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release or subordination of such item of Collateral from the assignment and security interest granted under the Collateral Documents, or to evidence the release of such Guarantor from its obligations under the Guaranty or Security Agreement, in each case without recourse, representation or warranty and in accordance with the terms of the Credit Documents and Section 9.10(c) and subject to the Administrative Agent's receipt of a certification by the Borrower and applicable Credit Party stating that such transaction is in compliance with this Agreement and the other Credit Documents and as to such other matters with respect thereto as the Administrative Agent may reasonably request.

Section 9.11 ***Credit Bidding***. The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Requisite Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Credit Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Requisite Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (*provided* that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Requisite Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Requisite Lenders contained in Section 10.05 (Amendments and Waivers) of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which shall receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

Section 9.12 ***Posting of Communications***.

(a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "***Approved Electronic Platform***").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Closing Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution. Each of the Lenders and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE." THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY CREDIT PARTY, ANY LENDER, OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY CREDIT PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM, EXCEPT TO THE EXTENT CAUSED BY SUCH APPLICABLE PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, IN EACH CASE AS DETERMINED BY A FINAL NON APPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION.

"***Communications***" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Credit Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(d) Each Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

Section 9.13 ***Certain ERISA Matters***.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and shall be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, and the conditions for exemptive relief thereunder are and shall continue to be satisfied in connection therewith,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

Article 10
MISCELLANEOUS

Section 10.01 ***Notices***.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email, as follows:

(i) if to the Borrower, to it at 9 West 57th Street, 39th Floor, New York, New York 10019, Attention of Chief Financial Officer (e-mail: SCU-LoanNotices@sculptor.com);

(ii) if to the Administrative Agent, to1601 Trapelo Road, Suite 30, Waltham, Massachusetts 02451, Attention of James Alban (e-mail: InvestmentOps@delawarelife.com; and

(iii) if to any other Lender, to it at its address (or telecopy number or e-mail address) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) Any party hereto may change its address, telecopy number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

Section 10.02 ***Expenses***. Borrower agrees to pay promptly (a) all the actual, reasonable, documented, out-of-pocket costs and expenses of Administrative Agent and Lenders, and their respective Affiliates in connection with the negotiation, preparation, execution and administration of the Credit Documents, or any consents, amendments, waivers or other modifications hereto and thereto or any other documents or matters requested by Borrower, (b) the actual, reasonable, documented fees, expenses and disbursements of counsel to each of the Administrative Agent and the Lenders and their respective Affiliates (in each case including allocated costs of internal counsel) in connection with the negotiation, preparation, execution and administration of the Credit Documents or any consents, amendments, waivers or other modifications hereto or thereto or any other documents or matters requested by Borrower; (c) all the actual documented costs and reasonable documented fees, expenses and disbursements of any auditors,

accountants, consultants or appraisers retained by or on behalf of the Lenders; (d) all other actual, documented, reasonable, out-of-pocket costs and expenses incurred by Administrative Agent and Lenders in connection with the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby; (e) all actual, reasonable, documented out-of-pocket costs and expenses incurred in engaging any Rating Agencies to satisfy any obligations of the Credit Parties hereunder; and (f) after the occurrence of an Event of Default, all documented costs and expenses, including reasonable documented attorneys' fees (including allocated costs of internal counsel) and costs of settlement, incurred by each of the Administrative Agent and the Lenders in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the enforcement of the Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out" or pursuant to any insolvency or bankruptcy cases or proceedings (including without limitation, preparation for and/or response to any subpoena or request for document production relating thereto); *provided* in the case of any such costs and expenses relating to the negotiation, preparation and execution of the Credit Documents in connection with the initial Closing Date, Borrower's obligation to pay for such costs and expenses shall not exceed $800,000.

Section 10.03 ***Indemnity***.

(a) In addition to the payment of expenses pursuant to Section 10.02, whether or not the transactions contemplated hereby shall be consummated, each Credit Party agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless, Administrative Agent and each Lender and each of their respective officers, partners, members, directors, trustees, advisors, employees, agents, sub-agents and Affiliates (each, an "***Indemnitee***"), from and against any and all Indemnified Liabilities (including brokerage commissions, fees and other compensation); *provided*, no Credit Party shall have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities (i) arise from the gross negligence, bad faith or willful misconduct of that Indemnitee, in each case as determined by a final non appealable judgment of a court of competent jurisdiction, (ii) arise from a material breach of such Indemnitee's funding obligations under this Agreement, as determined by a final non-appealable judgment of a court of competent jurisdiction, or (iii) arise in a dispute brought solely by an Indemnitee against any other Indemnitee (other than any claims against Administrative Agent acting in such capacity and other than claims arising out of an act or omission on the part of the Borrower or any of its Subsidiaries or Affiliates). To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 10.03 may be unenforceable in whole or in part because they are violative of any law or public policy, the applicable Credit Party shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.

(b) To the extent permitted by applicable law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against each Lender, Administrative Agent and their respective Affiliates, directors, employees, attorneys, agents or sub-agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and Borrower hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(c) This Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

Section 10.04 ***Set-Off***. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any Event of Default each Lender and each of their respective Affiliates is hereby authorized by each Credit Party at any time or from time to time, to the fullest extent permitted by applicable law, without notice to any Credit Party or to any other Person (other than Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust or escrow accounts) and any other Indebtedness at any time held or owing by such Lender to or for the credit or the account of any Credit Party against and on account of the obligations and liabilities of any Credit Party to such Lender hereunder, and under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto, or with any other Credit Document, irrespective of whether or not (a) such Lender shall have made any demand hereunder or (b) the principal of or the interest on the Loans or any other amounts due hereunder shall have become due and payable pursuant to Article 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured.

Section 10.05 ***Amendments and Waivers***.

(a) *Requisite Lenders' Consent*. Subject to Sections 2.14(a)(ii), 2.19(b), 10.05(b), 10.05(c), 10.05(e), and 10.05(f), no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of the Requisite Lenders and the Borrower or the applicable Credit Party, as the case may be; *provided*, that, notwithstanding anything to the contrary in this Section 10.05, only the consent of the Requisite Revolving Lenders shall be required in connection with any amendment or other modification referred to in the last paragraph of the definition of Applicable Margin.

(b) *Affected Lenders' Consent*. Subject to Sections 2.14(a)(ii), 2.19(b), 10.05(f), and the proviso in Section 10.05(a), without the written consent of each Lender that would be directly and adversely affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled maturity of any principal of any Loan or extend the scheduled date of expiration of any Commitment or increase the Commitment of any Lender;

(ii) waive, reduce or postpone any scheduled repayment (but not prepayment) ;

(iii) reduce the rate of interest on any Loan (other than as a result of an amendment or other modification in accordance with the last paragraph of the definition of Applicable Margin, or any waiver of any increase in the interest rate applicable to any Loan pursuant to Section 2.07);

(iv) extend the time for payment of any such interest or fees payable to any Lender hereunder;

(v) reduce the principal amount of any Loan;

(vi) amend, modify, terminate or waive any provision of this Section 10.05(b), Section 10.05(c) or any other provision of this Agreement that expressly provides that the consent of all Lenders, all Requisite Lenders or Requisite Revolving Lenders is required;

(vii) except for changes necessary to give effect to the changes permitted by clause (f) below, amend the definition of "Requisite Class Lenders," "Requisite Lenders," "Requisite Revolving Lenders," or "Pro Rata Share"; *provided*, (A) with the consent of Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of "Requisite Lenders or "Pro Rata Share" on substantially the same basis as the Term Loan Commitments, the Term Loans, the Revolving Commitments and the Revolving Loans are included on the Closing Date, and (B) with the consent of Requisite Revolving Lenders, additional extensions of credit pursuant hereto may be included in the determination of "Requisite Revolving Lenders or "Pro Rata Share" on substantially the same basis as the Revolving Commitments and the Revolving Loans are included on the Closing Date; or

(viii) release all or substantially all of the Collateral or all or substantially all of the Guarantors from the Guaranty except as expressly provided in the Credit Documents and except in connection with a "credit bid" undertaken by the collateral agent at the direction of the Requisite Lenders pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code or other sale or disposition of assets in connection with an enforcement action with respect to the Collateral permitted pursuant to the Credit Documents (in which case only the consent of the Requisite Lenders shall be needed for such release).

(c) *Other Consents*. Subject to Section 2.19(b) and 10.05(f), no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall:

(i) except for transactions not prohibited by Section 6.05, permit the Borrower to assign or delegate any of its rights and obligations under the Credit Documents without the consent of all Lenders;

(ii) increase the Commitments of any Lender without the consent of such Lender;

(iii) alter the required application of any repayments or prepayments pursuant to Section 2.11 or change Section 2.12 or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby, in each case without the consent each Lender directly and adversely affected thereby; or

(iv) amend, modify, terminate or waive any provision of Section 9 as the same applies to Administrative Agent, or any other provision hereof as the same applies to the rights or obligations of Administrative Agent, without the consent of such Administrative Agent.

(d) *Execution of Amendments, etc*. Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.05 shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by a Credit Party, on such Credit Party.

(e) *Ambiguity, Omission, Mistake, etc.* If the Administrative Agent and the Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Credit Document, then the Administrative Agent and the Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

(f) *Other Permitted Amendments*. Notwithstanding anything to the contrary contained in this Agreement, this Agreement may be amended, restated, supplemented or otherwise modified, in each case as contemplated by Section 2.14(a)(ii), with only the consent of such parties as is provided for by such Section.

Section 10.06 ***Successors and Assigns; Participations***.

(a) *Generally*. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. No Credit Party's rights or obligations hereunder nor any interest therein may be assigned or delegated by any Credit Party without the prior written consent of all Lenders (except for transactions not prohibited by Section 6.05 or for which the requisite consents have been obtained pursuant to Section 10.05), and no Lender may assign or otherwise transfer any of its rights hereunder except (i) to an Eligible Assignee in accordance with clause (c) of this Section, (ii) by way of participation in accordance with clause (g) of this Section 10.06 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(h) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Indemnitees or Affiliates of the foregoing) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Register*. Borrower, Administrative Agent and Lenders shall deem and treat the Persons listed as Lenders in the Register as the holders and owners of the corresponding Commitments and Loans listed therein for all purposes hereof, and no assignment or transfer of any such Commitment or Loan shall be effective, in each case, unless and until recorded in the Register following receipt of an Assignment Agreement effecting the assignment or transfer thereof, together with the required forms and certificates regarding tax matters covered in Section 2.16 and any fees payable in connection with such assignment, in each case, as provided in Section 10.06(d). Each assignment shall be recorded in the Register, and prompt notice thereof shall be provided to Borrower and a copy of such Assignment Agreement shall be maintained. The date of such recordation of a transfer shall be referred to herein as the "***Assignment Effective Date***." Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Commitments or Loans.

(c) *Right to Assign*. Each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including all or a portion of its Commitment or Loans owing to it or other Obligations (*provided*, *however*, that each assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any Loan or Commitment of any Class (it being understood that assignments shall not be required to be pro rata among Classes of Commitments and Loans) to any Person meeting the criteria of clause (i), (ii) or (iii) of the definition of the term of "Eligible Assignee" with the consent of (x) Administrative Agent (such consent not to be unreasonably withheld or delayed) or (y) unless an Event of Default under Section 8.01(a), Section 8.01(f) or Section 8.01(g) hereof shall have occurred and then be continuing, Borrower (such consent not to be unreasonably withheld or delayed) *provided* that, (x) the Borrower shall be deemed to have consented to an assignment of all or a portion of the Term Loans unless it shall have objected thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof and (y) the Borrower shall be deemed to have consented to an assignment of all or a portion of the Revolving Loans and Revolving Commitments unless it shall have objected thereto by written notice to the Administrative

Agent within five (5) Business Days after having received notice thereof, except that in the case of an assignment by a Lender to any Lender or an Affiliate or Related Fund of any Lender (limited, in the case of each Class of Revolving Loans and the related commitments, to a Lender, Affiliate or Related Fund of any Lender under any such Class of Revolving Loans), only notice to the Borrower and Administrative Agent shall be required; *provided*, that each such assignment pursuant to this Section 10.06(c) to a new Lender shall be in an aggregate amount of not less than (i) in the case of a Revolving Commitment, $5,000,000 and (ii) in the case of a Term Loan, $250,000 (or, in each case, such lesser amount as (x) may be agreed to by Borrower and Administrative Agent, (y) shall constitute the aggregate amount of the Loan of the assigning Lender with respect to the Class being assigned or (z) may be the amount assigned by an assigning Lender to an Affiliate or Related Fund of such Lender) with respect to the assignment of Loans.

Notwithstanding the foregoing, unless an Event of Default under Section 8.01(a), Section 8.01(f) or Section 8.01(g) hereof shall have occurred and then be continuing, no assignment by any Lender of all or any portion of its rights and obligations under this Agreement shall be permitted without the consent of the Borrower and the Administrative Agent if, after giving effect to any proposed assignment to such Person, such Person would hold more than 25% of the aggregate principal amount of the then outstanding Loans and undrawn Commitments.

(d) *Mechanics*. Assignments and assumptions of Loans and Commitments by Lenders shall be effected by execution and delivery to Administrative Agent of an Assignment Agreement. Assignments made pursuant to the foregoing provision shall be effective as of the Assignment Effective Date. In connection with all assignments there shall be delivered to Administrative Agent a completed Administrative Questionnaire and such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver pursuant to Section 2.16(f), together with payment to Administrative Agent of a registration and processing fee of $3,500 by the parties to such assignment.

(e) [*Reserved*].

(f) *Effect of Assignment*. Subject to the terms and conditions of this Section 10.06, as of the "Assignment Effective Date" (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent of its interest in the Loans and Commitments as reflected in the Register and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned to the assignee, relinquish its rights (other than any rights which survive the termination hereof under Section 10.08) and be released from its obligations hereunder (and, in the case of an assignment covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto on the Assignment Effective Date; *provided* that, anything contained in any of the Credit Documents to the contrary notwithstanding, such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); (iii) the Commitments shall be modified to reflect the Commitment of such assignee and of such assigning Lender, if any; and (iv) any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Notes to Administrative Agent for cancellation, and thereupon Borrower shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the Class of Commitments and/or outstanding Loans of the assignee and/or the assigning Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (g) of this Section.

(g) *Participations*.

(i) Each Lender shall have the right at any time to sell one or more participations to any Person (other than any Ineligible Institution, any Credit Party or any Sculptor Subsidiary or any of their respective Affiliates) in all or any part of its Commitments, Loans or in any other Obligation; *provided*, that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) Borrower, Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Each Lender that sells a participation pursuant to this Section 10.06(g) shall, acting solely for U.S. federal income tax purposes as a non-fiduciary agent of Borrower, maintain a register on which it records the name and address of each participant and the principal amounts (and related interest amounts) of each participant's participation interest with respect to the Loan (each, a "***Participant Register***"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of a participation with respect to the Loan for all purposes under this Agreement, notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any Loans or its other obligations under any Credit Document) to any person except to the extent that the relevant parties, acting reasonably and in good faith, determine that such disclosure is necessary to establish that such participation is in registered form under Treasury Regulations Section 5f.103-1(c) or is otherwise required thereunder. Unless otherwise required by the Internal Revenue Service, any disclosure required by the foregoing sentence shall be made by the relevant Lender directly and solely to the Internal Revenue Service.

(ii) The holder of any such participation, other than an Affiliate of the Lender granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (A) extend the final scheduled maturity of any Loan or Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof) or (B) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under this Agreement supporting the Loans hereunder in which such participant is participating.

(iii) Borrower agrees that each participant shall be entitled to the benefits of Section 2.14(c), 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(f)), to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) of this Section (it being understood and agreed that the documentation required under Section 2.16(f) shall be delivered solely to the participating Lender); *provided* that a participant shall not be entitled to receive any greater payment under Section 2.15 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, except to the extent such entitlement to receive a greater payment results from a change in Law that occurs after the participation acquired the applicable participation. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 10.04 as though it were a Lender, *provided* such participant shall be subject to Section 2.13 as though it were a Lender.

(h) *Certain Other Assignments and Participations*. In addition to any other assignment or participation permitted pursuant to this Section 10.06, any Lender may assign, pledge and/or grant a security interest in all or any portion of its Loans, the other Obligations owed by or to such Lender, and its Notes, if any, to secure obligations of such Lender including any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors and any operating circular issued by such Federal Reserve Bank; *provided* that no Lender, as between Borrower and such Lender, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and *provided further*, that in no event shall the applicable Federal Reserve Bank, pledgee or trustee be considered to be a "Lender" or be entitled to require the assigning Lender to take or omit to take any action hereunder.

Section 10.07 ***Independence of Covenants***. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 10.08 ***Survival of Representations, Warranties and Agreements***. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in Section 2.14(c), 2.15, 2.16, 10.02, 10.03 and 10.04 and the agreements of Lenders set forth in Sections 2.13, 9.03(b) and 9.06 shall survive the payment of the Loans and the termination hereof.

Section 10.09 ***No Waiver; Remedies Cumulative***. No failure or delay on the part of Administrative Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to Administrative Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 10.10 ***Marshalling; Payments Set Aside***. Neither Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to Administrative Agent or Lenders (or to Administrative Agent, on behalf of Lenders), or Administrative Agent or Lender exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 10.11 ***Severability***. In case any provision in or obligation hereunder or under any other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 10.12 ***Obligations Several; Independent Nature of Lenders' Rights***. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Credit Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

Section 10.13 ***Non-Recourse Nature of Obligations***. No Person that is not a party hereto or to any Credit Document shall be personally liable (whether by operation of law or otherwise) for payments due hereunder or under any other Credit Document for the performance of any Obligations except as expressly provided in the Credit Documents. The sole recourse of each Beneficiary for satisfaction of the Obligations shall be against the Credit Parties and their assets and not against any other Person.

Section 10.14 ***Headings***. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

Section 10.15 ***Applicable Law***. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 10.16 ***Consent to Jurisdiction***. SUBJECT TO CLAUSE (E) OF THE FOLLOWING SENTENCE, ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENTS, OR ANY OF THE OBLIGATIONS, SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH CREDIT PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (B) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.01; (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE CREDIT PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (E) AGREES THAT THE ADMINISTRATIVE AGENT AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY OR THEIR RESPECTIVE PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE ENFORCEMENT OF ANY JUDGMENT OR TO EXERCISE ANY RIGHT UNDER THE COLLATERAL DOCUMENTS AGAINST ANY COLLATERAL IN THE COURTS OF ANY JURISDICTION.

Section 10.17 ***WAIVER OF JURY TRIAL***. **EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE**

FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.17 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 10.18 ***Confidentiality***. Administrative Agent and each Lender shall hold all non-public information regarding the Credit Parties and their Subsidiaries and their businesses identified as such by such Credit Party and obtained by such Lender pursuant to the requirements hereof in accordance with such Lender's customary procedures for handling confidential information of such nature, it being understood and agreed by Borrower that, in any event, Administrative Agent and each Lender may make (i) disclosures of such information to Affiliates of such Administrative Agent or Lender and to their respective agents and advisors (and to other Persons authorized by a Lender or Administrative Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this Section 10.18), (ii) disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation of any Loans or any participations therein or by any direct or indirect contractual counterparties (or the professional advisors thereto) to any swap or derivative transaction relating to any Credit Parties and their respective obligations (*provided* any such potential assignee, transferee or participant, or any such direct or indirect contractual counterparty (or any of its professional advisors), has entered into a confidentiality agreement with the Credit Parties and the Administrative Agent whereby such potential assignee, transferee or participant, or any such direct or indirect contractual counterparty (or any of its professional advisors), agrees to be bound by either the provisions of this Section 10.18 or other provisions at least as restrictive as this Section 10.18), (iii) disclosure to any rating agency when required by it, *provided* that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to the Credit Parties received by it from any of Administrative Agent or any Lender, (iv) disclosures to the extent that such information is publicly available or becomes publicly available other than by reason of improper disclosure by such Lender, (v) disclosures in connection with the exercise of any remedies hereunder or under any other Credit Document, (vi) disclosures required or requested by any governmental agency, regulatory authority or representative thereof or by the NAIC or pursuant to legal or judicial process, (vii) disclosures with the consent of the Borrower and (viii) disclosures to any other party hereto; *provided* that, unless specifically prohibited by applicable law or court order, Administrative Agent and each Lender shall promptly notify Borrower of any request by any governmental agency or representative thereof (other than any such request in connection with any examination of the financial condition or other routine examination of such Lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information. In addition, Administrative Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers

to the lending industry, including league table providers, and service providers to Administrative Agent and the Lenders in connection with the administration and management of this Agreement and the other Credit Documents. Notwithstanding anything to the contrary set forth herein, each party (and each of their respective employees, representatives or other agents) may disclose to any and all persons, without limitations of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions and other tax analyses) that are provided to any such party relating to such tax treatment and tax structure. However, any information relating to the tax treatment or tax structure shall remain subject to the confidentiality provisions hereof (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable the parties hereto, their respective Affiliates, and their respective Affiliates' directors and employees to comply with applicable securities laws. For this purpose, "tax structure" means any facts relevant to the federal income tax treatment of the transactions contemplated by this Agreement but does not include information relating to the identity of any of the parties hereto or any of their respective Affiliates. No Credit Party shall, and no Credit Party shall permit any of its Affiliates to, issue any press release or other public disclosure (other than any document filed with any Governmental Authority relating to a public offering of securities of any Credit Party) using the name, logo or otherwise referring to the DLIC Lender or of any of its Affiliates, the Credit Documents or any transaction contemplated herein or therein to which the DLIC Lender or any of its Affiliates is party without the prior written consent of the DLIC Lender or such Affiliate except to the extent required to do so under applicable requirements of Law and then, only after consulting with the DLIC Lender; *provided*, notwithstanding anything to the contrary contained herein, on, or promptly after, each of the Effective Date and the Closing Date, the Credit Parties and their Affiliates may issue press releases referring to the Refinancing and this Agreement, including, for the avoidance of doubt, a reference to the DLIC Lender by name *provided further* that (x) the DLIC Lender must have reasonable time to review such press releases, (y) the DLIC Lender shall provide statements from its appropriate personnel to include in such press releases and (z) no press release shall disparage the DLIC Lender.

Section 10.19 ***Usury Savings Clause***. Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, Borrower shall pay to Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and Borrower to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to Borrower.

Section 10.20 ***Counterparts***. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic format (i.e., "***pdf***" or "***tif***") shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.21 ***Effectiveness***. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by Borrower and Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

Section 10.22 ***Entire Agreement***. This Agreement, the other Credit Documents and the Fee Letter constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties or their respective Affiliates with respect to the subject matter hereof is superseded by this Agreement, the other Credit Documents and the Fee Letter. Notwithstanding the foregoing, the Fee Letter shall survive the execution and delivery of this Agreement and remain in full force and effect.

Section 10.23 ***PATRIOT Act***. Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Credit Party that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that shall allow such Lender or Administrative Agent, as applicable, to identify such Credit Party in accordance with the PATRIOT Act.

Section 10.24 ***Electronic Execution of Assignments***. The words "execution," "signed," "signature," and words of like import in any Assignment Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.25 ***Material Non-Public Information***.

(a) **EACH LENDER ACKNOWLEDGES THAT INFORMATION FURNISHED TO IT PURSUANT TO THIS AGREEMENT (OTHER THAN ANY SUCH INFORMATION THAT IS AVAILABLE TO THE ADMINISTRATIVE AGENT OR ANY LENDER ON A NON-CONFIDENTIAL BASIS PRIOR TO DISCLOSURE BY THE BORROWER AND OTHER THAN INFORMATION PERTAINING TO THIS AGREEMENT ROUTINELY PROVIDED BY THE ADMINISTRATIVE AGENT OR THE LENDERS TO DATA SERVICE PROVIDERS, INCLUDING LEAGUE TABLE PROVIDERS, THAT SERVE THE LENDING INDUSTRY) MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT SHALL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.**

(b) **ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT SHALL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE CREDIT PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.**

Section 10.26 ***No Fiduciary Duty, etc.*** Each Credit Party acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Lender Party shall have any obligations except those obligations expressly set forth herein and in the other Credit Documents and each Lender Party is acting solely in the capacity of an arm's length contractual counterparty to each Credit Party with respect to the Credit Documents and the transaction contemplated therein and not as a financial advisor or a fiduciary to, or an agent of, any Credit Party or any other person. Each Credit Party agrees that it shall not assert any claim against any Lender Party based on an alleged breach of fiduciary duty by such Lender Party in connection with this Agreement and the transactions contemplated hereby. Additionally, each Credit Party acknowledges and agrees that no Lender Party is advising such Credit Party as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. Each Credit Party shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Lender Parties shall have no responsibility or liability to the Credit Parties with respect thereto.

Each Credit Party further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Lender Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Lender Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Credit Parties and other companies with which the Credit Parties may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Lender Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, shall be exercised by the holder of the rights, in its sole discretion.

In addition, each Credit Party acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Lender Party and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Credit Parties may have conflicting interests regarding the transactions described herein and otherwise. No Lender Party shall use confidential information obtained from the Credit Parties by virtue of the transactions contemplated by the Credit Documents or its other relationships with the Credit Parties in connection with the performance by such Lender Party of services for other companies, and no Lender Party shall furnish any such information to other companies, except as expressly permitted by Section 10.18. Each Credit Party also acknowledges that no Lender Party has any obligation to use in connection with the transactions contemplated by the Credit Documents, or to furnish to the Credit Parties, confidential information obtained from other companies.

Section 10.27 ***Acknowledgement and Consent to Bail-In of EEA Financial Institutions***. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership shall be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

[Remainder of page intentionally left blank**]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers (or officers of such Person's general partner or equivalent) thereunto duly authorized as of the date first written above.

SCULPTOR CAPITAL LP, as Borrower
By: Sculptor Capital Holding Corporation, its general partner

By:
Name:
Title:

SCULPTOR CAPITAL ADVISORS LP, as a Guarantor
By: Sculptor Capital Holding Corporation, its general partner

By:
Name:
Title:

SCULPTOR CAPITAL ADVISORS II LP, as a Guarantor
By: Sculptor Capital Holding Corporation, its general partner

By:
Name:
Title:

DELAWARE LIFE INSURANCE COMPANY, as
Administrative Agent and a Lender

By:
Name:
Title:

Term Loan Commitments

Lender	Loan Commitment	Pro Rata Share
Delaware Life Insurance Company	$320,000,000.00	100.00%
Total	**$320,000,000.00**	**100.00%**

Revolving Commitments

Lender	Loan Commitment	Pro Rata Share
Delaware Life Insurance Company	$25,000,000.00	100.00%
Total	**$25,000,000.00**	**100.00%**

Liabilities

None.

SCHEDULE 5.09(a)
TO CREDIT AND GUARANTY AGREEMENT

Post-Closing Matters

The Credit Parties shall deliver to the Administrative Agent:

1. Insurance certificates and endorsements as required by Section 5.05(b) of the Credit Agreement, in each case, in form and substance reasonably satisfactory to the Administrative Agent, no later than the 45th day after the Closing Date (in each case, unless otherwise agreed by the Administrative Agent in its sole discretion).

2. Unit or stock certificates representing Pledged Equity Interests (as defined in the Security Agreement), together with undated unit or stock powers executed in blank, as required by Section 4.1(a) of the Security Agreement, no later than the 14th day after the Closing Date (in each case, unless otherwise agreed by the Administrative Agent in its sole discretion).

3. Account control agreements over Deposit Accounts, Securities Accounts and Commodity Accounts (as each such term is defined in the Security Agreement) as required by Section 4.2(a) of the Security Agreement, in each case, in form and substance reasonably satisfactory to the Administrative Agent, no later than the 60th day after the Closing Date (in each case, unless otherwise agreed by the Administrative Agent in its sole discretion).

Indebtedness

1. From the Effective Date until the Closing Date, Indebtedness incurred from time to time under the Existing Credit Agreement; and

2. From the Effective Date until the Closing Date, Indebtedness incurred under the Preferred Debt Securities Credit Agreement in an original principal amount of $200,000,000.

Liens

1. From the Effective Date until the Closing Date, Liens created from time to time under the Existing Credit Agreement.

SCHEDULE 6.04
TO CREDIT AND GUARANTY AGREEMENT

Certain Restrictions on Subsidiary Distributions

1. From the Effective Date until the Closing Date, restrictions, prohibitions and conditions contained in the Existing Credit Agreement;

2. From the Effective Date until the Closing Date, restrictions, prohibitions and conditions contained in the Preferred Debt Securities Credit Agreement; and

3. From the Effective Date until the Closing Date, restrictions, prohibitions or conditions contained in the Preferred Unit Documents.

SCHEDULE 6.14
TO CREDIT AND GUARANTY AGREEMENT

Exceptions to No Further Negative Pledge

1. From the Effective Date until the Closing Date, prohibitions and restrictions contained in the Existing Credit Agreement;

2. From the Effective Date until the Closing Date, prohibitions and restrictions contained in the Preferred Debt Securities Credit Agreement; and

3. From the Effective Date until the Closing Date, prohibitions and restrictions contained in the Preferred Unit Documents.

[FORM OF]
FUNDING NOTICE

Reference is made to the Credit and Guaranty Agreement, dated as of September 25, 2020 (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"; capitalized terms defined therein and not otherwise defined herein being used herein as therein defined), by and among **SCULPTOR CAPITAL LP**, a Delaware limited partnership ("**Borrower**"), as Borrower, **SCULPTOR CAPITAL ADVISORS LP**, a Delaware limited partnership, as a Guarantor, **SCULPTOR CAPITAL ADVISORS II LP**, a Delaware limited partnership, as a Guarantor, the other Guarantors party thereto from time to time, the Lenders party thereto from time to time and **DELAWARE LIFE INSURANCE COMPANY** ("**Administrative Agent**"), as Administrative Agent.

Pursuant to Section [2.01(b)][2.01(c)] of the Credit Agreement, Borrower hereby gives Administrative Agent irrevocable notice of its request that Lenders make the following Loans to Borrower in accordance with the applicable terms and conditions of the Credit Agreement on [_____], 20[__], which is a Business Day (the "**Credit Date**"):

[_____] Loans[1]

☐ Base Rate Loans: $[___,___,__]

☐ SOFR Loans, with an initial
Interest Period of [_____][2] month(s): $[___,___,__]

Borrower hereby certifies that:

(i) as of the Credit Date, the representations and warranties contained in each of the Credit Documents are true and correct in all material respects (or, in the case of any representation or warranty that is qualified by materiality, in all respects) on and as of such Credit Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties are true and correct in all material respects (or, in the case of any representation or warranty that is qualified by materiality, in all respects) on and as of such earlier date; and

---

1 Specify Class of Loans: Term Loan or Revolving Loan.

2 One, three or six months (or with respect to the first Interest Period commencing on the Closing Date, any period of less than three months as may be agreed by the Administrative Agent and the Borrower).

(ii) as of the Credit Date, no event has occurred and is continuing or would result from the consummation of the Credit Extension contemplated hereby that would constitute an Event of Default or a Default; and

(iii) [immediately after giving effect to the above-referenced borrowing, the aggregate outstanding amount of Revolving Loans does not exceed the aggregate amount of Revolving Commitments.][3]

[3] Include only if requesting Revolving Loans.

The account of Borrower to which the proceeds of the Loans requested on the Credit Date are to be made available by Administrative Agent to Borrower are as follows:

Bank Name: _____
Bank Address: _____
ABA Number: _____
Account Number: _____
Attention: _____
Reference: _____

Date: [_____], 20 [__]

SCULPTOR CAPITAL LP

By: Sculptor Capital Holding Corporation, its general partner

By: _____
Name:
Title:

[FORM OF]
CONVERSION/CONTINUATION NOTICE

Reference is made to the Credit and Guaranty Agreement, dated as of September 25, 2020 (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"; capitalized terms defined therein and not otherwise defined herein being used herein as therein defined), by and among **SCULPTOR CAPITAL LP**, a Delaware limited partnership ("**Borrower**"), as Borrower, **SCULPTOR CAPITAL ADVISORS LP**, a Delaware limited partnership, as a Guarantor, **SCULPTOR CAPITAL ADVISORS II LP**, a Delaware limited partnership, as a Guarantor, the other Guarantors party thereto from time to time, the Lenders party thereto from time to time and **DELAWARE LIFE INSURANCE COMPANY** ("**Administrative Agent**"), as Administrative Agent.

Pursuant to Section 2.06 of the Credit Agreement, Borrower desires to convert or to continue the following Loans, each such conversion and/or continuation to be effective as of [_____], 20[__], which is a Business Day:

[_____] **Loans**[4]

$[___,___,___]	SOFR Loans (the current Interest Period of which will expire on [_____], 20[__]) to be continued with Interest Period of [___][5] month(s)
$[___,___,___]	Base Rate Loans to be converted to Eurodollar Rate Loans with Interest Period of [_____][6] month(s)
$[___,___,___]	SOFR Loans (the current Interest Period of which will expire on [_____], 20[__]) to be converted to Base Rate Loans

Borrower hereby certifies that as of the date hereof, no Default or Event of Default has occurred and is continuing.

Date: [_____], 20 [__]

4 Specify Class of Loans: Term Loan or Revolving Loan.
5 One, three or six months.
6 One, three or six months.

SCULPTOR CAPITAL LP

By: Sculptor Capital Holding Corporation, its general partner

By: _____
Name:
Title:

Exhibit 21.1

Subsidiaries of the Registrant*

The following were significant subsidiaries of the Registrant as of December 31, 2022:

Name	**Jurisdiction of Incorporation or Organization**
Sculptor Capital Holding Corporation	Delaware
Sculptor Capital LP	Delaware
Sculptor Capital Advisors LP	Delaware
Sculptor Capital Advisors II LP	Delaware
Sculptor Capital II LP	Delaware
Sculptor CFO Investor LLC	Delaware
Sculptor Real Estate Capital III LP	Delaware
Sculptor SC GP, LP	Delaware
Sculptor Loan Management LP	Delaware
Sculptor Real Estate Advisors LP	Delaware
Sculptor Europe Loan Management Limited	United Kingdom
Sculptor Acquisition Sponsor I	Cayman Islands
Sculptor Capital Management Europe Limited	United Kingdom
Sculptor Credit Opportunities Fund GP, LP	Delaware
Sculptor Acquisition Corp I	Cayman Islands
Sculptor CLO Management LLC	Delaware
Sculptor Real Estate Capital II LP	Delaware
Sculptor Aviation 2019-1, LLC	Delaware
Sculptor Capital Management Hong Kong Limited	Hong Kong
Sculptor Real Estate LP	Delaware
Sculptor Real Estate Capital III LLC	Delaware

* The Names of additional subsidiaries have been omitted because the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-147356) pertaining to the Och-Ziff Capital Management Group LLC 2007 Equity Incentive Plan,
2. Registration Statement (Form S-8 No. 333-217819) pertaining to the Och-Ziff Capital Management Group LLC 2013 Incentive Plan,
3. Registration Statement (Form S-8 No. 333-188461) pertaining to the Och-Ziff Capital Management Group LLC 2013 Incentive Plan,
4. Registration Statement (Form S-8 No. 333-188459) pertaining to the Och-Ziff Capital Management Group LLC Amended and Restated 2007 Equity Incentive Plan,
5. Registration Statement (Form S-8 No. 333-155315) pertaining to the Och-Ziff Capital Management Group LLC Amended and Restated 2007 Equity Incentive Plan,
6. Registration Statement (Form S-8 No. 333-231458) pertaining to the Och-Ziff Capital Management Group LLC 2013 Incentive Plan,
7. Registration Statement (Form S-3 No. 333-238477) of Sculptor Capital Management, Inc., and
8. Registration Statement (Form S-8 No. 333-266446) pertaining to the Sculptor Capital Management, Inc. 2022 Incentive Plan;

of our reports dated March 3, 2023, with respect to the consolidated financial statements of Sculptor Capital Management, Inc., and the effectiveness of internal control over financial reporting of Sculptor Capital Management, Inc. included in this Annual Report (Form 10-K) of Sculptor Capital Management, Inc. for the year ended December 31, 2022.

/s/ Ernst & Young LLP

New York, New York
March 3, 2023

Exhibit 31.1

Certificate of Chief Executive Officer pursuant to
Rule 13a-14(a)/Rule 15d-14(a) under the
Securities Exchange Act of 1934.

I, James S. Levin, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sculptor Capital Management, 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: March 3, 2023

/s/ James S. Levin

Name: James S. Levin

Title: Chief Executive Officer, Chief Investment Officer, Executive Managing Director and Director

Exhibit 31.2

Certificate of Chief Financial Officer pursuant to
Rule 13a-14(a)/Rule 15d-14(a) under the
Securities Exchange Act of 1934.

I, Dava Ritchea, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sculptor Capital Management, 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: March 3, 2023

/s/ Dava Ritchea

Name: Dava Ritchea
Title: Chief Financial Officer and Executive Managing Director

Exhibit 32.1

Certification pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

This certification is provided pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Annual Report on Form 10-K (the "Form 10-K") for the year ended December 31, 2022, of Sculptor Capital Management, Inc. (the "Company").

We, James S. Levin and Dava Ritchea, the Chief Executive Officer and Chief Financial Officer, respectively, of the Company certify that, to the best of our knowledge:

i. The Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

ii. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 3, 2023

/s/ James S. Levin

Name: James S. Levin

Title: Chief Executive Officer, Chief Investment Officer, Executive Managing Director and Director

Date: March 3, 2023

/s/ Dava Ritchea

Name: Dava Ritchea

Title: Chief Financial Officer and Executive Managing Director

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Form 10-K or as a separate disclosure document.