

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED June 30, 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: 001-35538

The Carlyle Group Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

45-2832612
(I.R.S. Employer
Identification No.)

1001 Pennsylvania Avenue, NW
Washington, DC, 20004-2505
(Address of principal executive offices) (Zip Code)
(202) 729-5626
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CG	The Nasdaq Global Select Market
4.625% Subordinated Notes due 2061 of Carlyle Finance L.L.C.	CGABL	The Nasdaq Global Select Market

As of July 27, 2022, there were 361,324,918 shares of common stock of the registrant outstanding.

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, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

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Forward-Looking Statements

This report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, contingencies, our dividend policy, and other non-historical statements. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements including, but not limited to, those described under the sections entitled “Risk Factors” in this report and in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission (“SEC”) on February 10, 2022, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Website and Social Media Disclosure

We use our website (www.carlyle.com), our corporate Facebook page (<https://www.facebook.com/onecarlyle/>), our corporate Twitter account (@OneCarlyle or www.twitter.com/onecarlyle), our corporate Instagram account (@onecarlyle or www.instagram.com/onecarlyle), our corporate LinkedIn account (www.linkedin.com/company/the-carlyle-group) and our corporate YouTube channel (www.youtube.com/user/onecarlyle) as channels of distribution of material company information. For example, financial and other material information regarding our company is routinely posted on and accessible at www.carlyle.com. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about Carlyle when you enroll your email address by visiting the “Email Alert Subscription” section at <http://ir.carlyle.com/email-alerts>. The contents of our website and social media channels are not, however, a part of this Quarterly Report on Form 10-Q and are not incorporated by reference herein.

On January 1, 2020, we completed our conversion from a Delaware limited partnership named The Carlyle Group L.P. into a Delaware Corporation named The Carlyle Group Inc. (the conversion, together with such restructuring steps and related transactions, the “Conversion”).

Unless the context suggests otherwise, references in this report to “Carlyle,” the “Company,” “we,” “us” and “our” refer to The Carlyle Group Inc. and its consolidated subsidiaries. When we refer to our “senior Carlyle professionals,” we are referring to the partner-level personnel of our firm. References in this report to the ownership of the senior Carlyle professionals include the ownership of personal planning vehicles of these individuals. When we refer to the “Carlyle Holdings partnerships” or “Carlyle Holdings”, we are referring to Carlyle Holdings I L.P., Carlyle Holdings II L.P., and Carlyle Holdings III L.P., which prior to the Conversion were the holding partnerships through which the Company and our senior Carlyle professionals and other holders of Carlyle Holdings partnership units owned their respective interests in our business.

“Carlyle funds,” “our funds” and “our investment funds” refer to the investment funds and vehicles advised by Carlyle.

“Carry funds” generally refers to closed-end investment vehicles, in which commitments are drawn down over a specified investment period, and in which the general partner receives a special residual allocation of income from limited partners, which we refer to as carried interest, in the event that specified investment returns are achieved by the fund. Disclosures referring to carry funds will also include the impact of certain commitments which do not earn carried interest, but are either part of, or associated with our carry funds. The rate of carried interest, as well as the share of carried interest allocated to Carlyle, may vary across the carry fund platform. Carry funds generally include the following investment vehicles across our three business segments:

- Global Private Equity: Buyout, middle market and growth capital, real estate, infrastructure and natural resources funds advised by Carlyle, as well as certain energy funds advised by our strategic partner NGP Energy Capital Management (“NGP”) in which Carlyle is entitled to receive a share of carried interest (“NGP Carry Funds”)

- Global Credit: Distressed credit, energy credit, opportunistic credit, corporate mezzanine funds, aircraft financing and servicing, and other closed-end credit funds advised by Carlyle
- Global Investment Solutions: Funds and vehicles advised by AlpInvest Partners B.V. (“AlpInvest”), which include primary fund, secondary and co-investment strategies

Carry funds specifically exclude certain funds advised by NGP in which Carlyle is not entitled to receive a share of carried interest (or “NGP Predecessor Funds”), collateralized loan obligation vehicles (“CLOs”), business development companies and direct lending managed accounts, as well as capital raised from a strategic third-party investor which directly invests in Fortitude Holdings alongside a carry fund.

For an explanation of the fund acronyms used throughout this Quarterly Report, refer to “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation – Our Family of Funds.”

“Fortitude” refers to Fortitude Group Holdings, LLC (“Fortitude Holdings”) prior to October 1, 2021 and to FGH Parent, L.P. (“FGH Parent”) as of October 1, 2021. On October 1, 2021, the owners of Fortitude Holdings contributed their interests to FGH Parent such that FGH Parent became the direct parent of Fortitude Holdings. Fortitude Holdings owns 100% of the outstanding common shares of Fortitude Reinsurance Company Ltd., a Bermuda domiciled reinsurer (“Fortitude Re”). See Note 6 to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q for more information regarding the Company’s strategic investment in Fortitude.

“Fee-earning assets under management” or “Fee-earning AUM” refers to the assets we manage or advise from which we derive recurring fund management fees. Our Fee-earning AUM is generally based on one of the following, once fees have been activated:

- the amount of limited partner capital commitments, generally for carry funds where the original investment period has not expired, for AlpInvest carry funds during the commitment fee period;
- the remaining amount of limited partner invested capital at cost, generally for carry funds and certain co-investment vehicles where the original investment period has expired, as well as one of our business development companies;
- the amount of aggregate fee-earning collateral balance of our CLOs and other securitization vehicles, as defined in the fund indentures (typically exclusive of equities and defaulted positions) as of the quarterly cut-off date;
- the external investor portion of the net asset value of certain carry funds;
- the fair value of Fortitude’s general account assets invested under the strategic advisory services agreement;
- the gross assets (including assets acquired with leverage), excluding cash and cash equivalents, of one of our business development companies and certain carry funds; or
- the lower of cost or fair value of invested capital, generally for AlpInvest carry funds where the commitment fee period has expired and certain carry funds where the investment period has expired.

“Assets under management” or “AUM” refers to the assets we manage or advise. Our AUM generally equals the sum of the following:

- the aggregate fair value of our carry funds and related co-investment vehicles, NGP Predecessor Funds and separately managed accounts, plus the capital that Carlyle is entitled to call from investors in those funds and vehicles (including Carlyle commitments to those funds and vehicles and those of senior Carlyle professionals and employees) pursuant to the terms of their capital commitments to those funds and vehicles;
- the amount of aggregate collateral balance and principal cash or aggregate principal amount of the notes of our CLOs and other structured products (inclusive of all positions);
- the net asset value of certain carry funds;
- the fair value of Fortitude’s general account assets covered by the strategic advisory services agreement; and
- the gross assets (including assets acquired with leverage) of our business development companies, plus the capital that Carlyle is entitled to call from investors in those vehicles pursuant to the terms of their capital commitments to those vehicles.

We include in our calculation of AUM and Fee-earning AUM certain energy and renewable resources funds that we jointly advise with Riverstone Holdings L.L.C. (“Riverstone”), the NGP Predecessor Funds and NGP Carry Funds (collectively,

the “NGP Energy Funds”) that are advised by NGP. Our calculation of AUM also includes third-party capital raised for the investment in Fortitude through a Carlyle-affiliated investment fund and from a strategic investor which directly invests in Fortitude alongside the fund. The total AUM and Fee-Earning AUM related to the strategic advisory services agreement with Fortitude is inclusive of the net asset value of investments in Carlyle products. These amounts are also reflected in the AUM and Fee-Earning AUM of the strategy in which they are invested.

For most of our carry funds, total AUM includes the fair value of the capital invested, whereas Fee-earning AUM includes the amount of capital commitments or the remaining amount of invested capital, depending on whether the original investment period for the fund has expired. As such, Fee-earning AUM may be greater than total AUM when the aggregate fair value of the remaining investments is less than the cost of those investments.

Our calculations of AUM and Fee-earning AUM may differ from the calculations of other asset managers. As a result, these measures may not be comparable to similar measures presented by other asset managers. In addition, our calculation of AUM (but not Fee-earning AUM) includes uncalled commitments to, and the fair value of invested capital in, our investment funds from Carlyle and our personnel, regardless of whether such commitments or invested capital are subject to management fees, incentive fees or performance allocations. Our calculations of AUM or Fee-earning AUM are not based on any definition of AUM or Fee-earning AUM that is set forth in the agreements governing the investment funds that we manage or advise.

“Perpetual Capital” refers to the assets we manage or advise which have an indefinite term and for which there is no immediate requirement to return capital to investors upon the realization of investments made with such capital, except as required by applicable law. Perpetual Capital may be materially reduced or terminated under certain conditions, including reductions from changes in valuations and payments to investors, including through elections by investors to redeem their investments, dividend payments, and other payment obligations, as well as the termination of or failure to renew the respective investment advisory agreements. Perpetual Capital includes: (a) assets managed under the strategic advisory services agreement with Fortitude, (b) our Core Plus real estate fund, (c) our business development companies, and (d) our Interval Fund.

“Metropolitan” refers to Metropolitan Real Estate Management, LLC, which was included in the Global Investment Solutions business segment prior to its sale on April 1, 2021.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

**The Carlyle Group Inc.
Condensed Consolidated Balance Sheets
(Dollars in millions)**

	June 30, 2022	December 31, 2021
	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 1,308.9	\$ 2,469.5
Cash and cash equivalents held at Consolidated Funds	230.7	147.8
Restricted cash	0.9	5.6
Investments, including accrued performance allocations of \$8,046.7 million and \$8,133.0 million as of June 30, 2022 and December 31, 2021, respectively	11,510.3	10,832.0
Investments of Consolidated Funds	6,418.2	6,661.0
Due from affiliates and other receivables, net	491.2	379.6
Due from affiliates and other receivables of Consolidated Funds, net	119.4	138.8
Fixed assets, net	138.4	143.9
Lease right-of-use assets, net	340.6	361.1
Deposits and other	65.4	61.7
Intangible assets, net	784.4	34.9
Deferred tax assets	16.5	14.5
Total assets	\$ 21,424.9	\$ 21,250.4
Liabilities and equity		
Debt obligations	\$ 2,239.1	\$ 2,071.6
Loans payable of Consolidated Funds	5,757.8	5,890.0
Accounts payable, accrued expenses and other liabilities	315.0	379.7
Accrued compensation and benefits	4,551.8	4,955.0
Due to affiliates	333.6	388.1
Deferred revenue	104.8	120.8
Deferred tax liabilities	525.4	487.1
Other liabilities of Consolidated Funds	613.5	683.9
Lease liabilities	510.7	537.8
Accrued giveback obligations	40.9	30.2
Total liabilities	14,992.6	15,544.2
Commitments and contingencies		
Common stock, \$0.01 par value, 100,000,000,000 shares authorized (361,245,965 and 355,367,876 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively)	3.6	3.6
Additional paid-in-capital	3,033.6	2,717.6
Retained earnings	3,309.9	2,805.3
Accumulated other comprehensive loss	(360.8)	(247.5)
Non-controlling interests in consolidated entities	446.0	427.2
Total equity	6,432.3	5,706.2
Total liabilities and equity	\$ 21,424.9	\$ 21,250.4

See accompanying notes.

The Carlyle Group Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(Dollars in millions, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues				
Fund management fees	\$ 546.5	\$ 394.4	\$ 997.0	\$ 775.4
Incentive fees	13.5	10.4	27.5	19.9
Investment income				
Performance allocations	337.9	2,080.7	1,048.1	3,866.8
Principal investment income	56.7	137.7	376.3	316.8
Total investment income	394.6	2,218.4	1,424.4	4,183.6
Interest and other income	31.2	21.0	57.0	41.4
Interest and other income of Consolidated Funds	63.2	62.1	124.9	123.2
Total revenues	1,049.0	2,706.3	2,630.8	5,143.5
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	274.0	231.8	528.3	460.3
Equity-based compensation	45.4	47.2	85.1	79.6
Performance allocations and incentive fee related compensation	207.0	994.0	577.7	1,860.6
Total compensation and benefits	526.4	1,273.0	1,191.1	2,400.5
General, administrative and other expenses	131.7	109.1	238.0	200.8
Interest	26.9	25.5	54.7	48.5
Interest and other expenses of Consolidated Funds	40.6	46.5	83.4	88.9
Other non-operating expenses (income)	0.2	(3.1)	0.5	(2.5)
Total expenses	725.8	1,451.0	1,567.7	2,736.2
Other income				
Net investment income (loss) of Consolidated Funds	(23.5)	(2.6)	(20.7)	9.7
Income before provision for income taxes	299.7	1,252.7	1,042.4	2,417.0
Provision for income taxes	50.8	306.2	198.7	579.6
Net income	248.9	946.5	843.7	1,837.4
Net income attributable to non-controlling interests in consolidated entities	3.5	21.5	26.7	43.1
Net income attributable to The Carlyle Group Inc.	\$ 245.4	\$ 925.0	\$ 817.0	\$ 1,794.3
Net income attributable to The Carlyle Group Inc. per common share (see Note 14)				
Basic	\$ 0.68	\$ 2.61	\$ 2.27	\$ 5.06
Diluted	\$ 0.67	\$ 2.55	\$ 2.24	\$ 4.97
Weighted-average common shares				
Basic	361,445,630	354,506,335	359,520,927	354,368,976
Diluted	366,311,757	362,151,588	364,671,713	361,328,946

Substantially all revenue is earned from affiliates of the Company. See accompanying notes.

The Carlyle Group Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)
(Dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 248.9	\$ 946.5	\$ 843.7	\$ 1,837.4
Other comprehensive income (loss)				
Foreign currency translation adjustments	(87.7)	4.7	(127.5)	(23.2)
Defined benefit plans				
Unrealized gain (loss) for the period	(2.7)	0.6	(4.5)	1.9
Less: reclassification adjustment for gain during the period, included in cash-based compensation and benefits expense	0.2	0.6	0.5	1.1
Other comprehensive income (loss)	(90.2)	5.9	(131.5)	(20.2)
Comprehensive income	158.7	952.4	712.2	1,817.2
Comprehensive income (loss) attributable to non-controlling interests in consolidated entities	(8.9)	21.7	8.5	42.5
Comprehensive income attributable to The Carlyle Group Inc.	<u>\$ 167.6</u>	<u>\$ 930.7</u>	<u>\$ 703.7</u>	<u>\$ 1,774.7</u>

See accompanying notes.

The Carlyle Group Inc.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)
(Dollars and shares in millions)

	Common Shares	Common Stock	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests in Consolidated Entities	Total Equity
Balance at March 31, 2022	361.7	\$ 3.6	\$ 2,982.4	\$ 3,207.0	\$ (283.0)	\$ 444.3	\$ 6,354.3
Shares repurchased	(0.7)	—	—	(24.9)	—	—	(24.9)
Equity-based compensation	—	—	46.0	—	—	—	46.0
Shares issued for equity-based awards	0.1	—	—	—	—	—	—
Shares issued for performance allocations	0.1	—	5.2	—	—	—	5.2
Contributions	—	—	—	—	—	20.1	20.1
Distributions	—	—	—	(117.6)	—	(9.5)	(127.1)
Net income	—	—	—	245.4	—	3.5	248.9
Currency translation adjustments	—	—	—	—	(75.3)	(12.4)	(87.7)
Defined benefit plans, net	—	—	—	—	(2.5)	—	(2.5)
Balance at June 30, 2022	361.2	\$ 3.6	\$ 3,033.6	\$ 3,309.9	\$ (360.8)	\$ 446.0	\$ 6,432.3

	Common Shares	Common Stock	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests in Consolidated Entities	Total Equity
Balance at December 31, 2021	355.4	\$ 3.6	\$ 2,717.6	\$ 2,805.3	\$ (247.5)	\$ 427.2	\$ 5,706.2
Shares repurchased	(2.4)	—	—	(105.3)	—	—	(105.3)
Equity-based compensation	—	—	85.0	—	—	—	85.0
Shares issued for equity-based awards	3.3	—	—	—	—	—	—
Shares issued for performance allocations	0.7	—	36.5	—	—	—	36.5
Shares issued related to the acquisition of CBAM	4.2	—	194.5	—	—	—	194.5
Contributions	—	—	—	—	—	166.9	166.9
Distributions	—	—	—	(207.1)	—	(156.6)	(363.7)
Net income	—	—	—	817.0	—	26.7	843.7
Currency translation adjustments	—	—	—	—	(109.3)	(18.2)	(127.5)
Defined benefit plans, net	—	—	—	—	(4.0)	—	(4.0)
Balance at June 30, 2022	361.2	\$ 3.6	\$ 3,033.6	\$ 3,309.9	\$ (360.8)	\$ 446.0	\$ 6,432.3

The Carlyle Group Inc.
Condensed Consolidated Statements of Changes in Equity
(Continued) (Unaudited)
(Dollars and shares in millions)

	Common Shares	Common Stock	Additional Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests in Consolidated Entities	Total Equity
Balance at March 31, 2021	354.5	\$ 3.5	\$ 2,573.7	\$ 1,118.8	\$ (234.0)	\$ 250.2	\$ 3,712.2
Shares repurchased	(0.3)	—	—	(15.0)	—	—	(15.0)
Equity-based compensation	—	—	48.0	—	—	—	48.0
Shares issued for equity-based awards	0.3	—	—	—	—	—	—
Contributions	—	—	—	—	—	40.7	40.7
Distributions	—	—	—	(88.7)	—	(27.6)	(116.3)
Net income	—	—	—	925.0	—	21.5	946.5
Currency translation adjustments	—	—	—	—	4.5	0.2	4.7
Defined benefit plans, net	—	—	—	—	1.2	—	1.2
Balance at June 30, 2021	354.5	\$ 3.5	\$ 2,621.7	\$ 1,940.1	\$ (228.3)	\$ 285.0	\$ 4,622.0

	Common Shares	Common Stock	Additional Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests in Consolidated Entities	Total Equity
Balance at December 31, 2020	353.5	\$ 3.5	\$ 2,546.2	\$ 348.2	\$ (208.7)	\$ 241.0	\$ 2,930.2
Shares repurchased	(0.6)	—	—	(25.0)	—	—	(25.0)
Equity-based compensation	—	—	75.5	—	—	—	75.5
Shares issued for equity-based awards	1.6	—	—	—	—	—	—
Contributions	—	—	—	—	—	44.4	44.4
Distributions	—	—	—	(177.4)	—	(42.9)	(220.3)
Net income	—	—	—	1,794.3	—	43.1	1,837.4
Currency translation adjustments	—	—	—	—	(22.6)	(0.6)	(23.2)
Defined benefit plans, net	—	—	—	—	3.0	—	3.0
Balance at June 30, 2021	354.5	\$ 3.5	\$ 2,621.7	\$ 1,940.1	\$ (228.3)	\$ 285.0	\$ 4,622.0

See accompanying notes.

The Carlyle Group Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Dollars in millions)

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities		
Net income	\$ 843.7	\$ 1,837.4
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	59.9	26.8
Right-of-use asset impairment, net of broker fees	—	24.8
Equity-based compensation	85.1	79.6
Non-cash performance allocations and incentive fees	(89.8)	(1,703.9)
Non-cash principal investment income	(365.1)	(303.8)
Other non-cash amounts	(11.9)	5.5
Consolidated Funds related:		
Realized/unrealized (gain) loss on investments of Consolidated Funds	248.1	(102.8)
Realized/unrealized (gain) loss from loans payable of Consolidated Funds	(227.4)	93.1
Purchases of investments by Consolidated Funds	(1,984.2)	(2,700.4)
Proceeds from sale and settlements of investments by Consolidated Funds	1,637.0	2,426.9
Non-cash interest income, net	(4.5)	(6.7)
Change in cash and cash equivalents held at Consolidated Funds	(82.9)	(8.3)
Change in other receivables held at Consolidated Funds	10.6	(99.5)
Change in other liabilities held at Consolidated Funds	(31.2)	365.1
Purchases of investments	(456.8)	(103.4)
Proceeds from the sale of investments	287.1	398.2
Payments of contingent consideration	(5.7)	(49.9)
Changes in deferred taxes, net	55.9	481.9
Change in due from affiliates and other receivables	(65.3)	(14.9)
Change in deposits and other	(7.1)	(26.6)
Change in accounts payable, accrued expenses and other liabilities	(67.2)	25.4
Change in accrued compensation and benefits	(372.1)	(113.9)
Change in due to affiliates	2.8	24.5
Change in lease right-of-use assets and lease liabilities	(4.6)	4.6
Change in deferred revenue	(12.9)	35.6
Net cash provided by (used in) operating activities	(558.5)	595.3
Cash flows from investing activities		
Purchases of fixed assets, net	(17.4)	(17.6)
Purchase of CBAM intangibles and investments, net	(618.4)	—
Proceeds from sale of MRE, net of cash sold	—	5.9
Net cash used in investing activities	(635.8)	(11.7)
Cash flows from financing activities		
Issuance of 4.625% subordinated notes due 2061, net of financing costs	—	484.2
Payments on CLO borrowings	(9.0)	(229.4)
Proceeds from CLO borrowings, net of financing costs	41.1	87.7
Net borrowings (payments) on loans payable of Consolidated Funds	405.9	(15.9)
Dividends to common stockholders	(207.1)	(177.4)
Payment of deferred consideration for Carlyle Holdings units	(68.8)	(68.8)
Contributions from non-controlling interest holders	166.9	44.4
Distributions to non-controlling interest holders	(156.6)	(42.9)
Common shares issued for performance allocations	36.5	—
Common shares repurchased	(105.3)	(25.0)
Change in due to/from affiliates financing activities	(27.7)	12.8
Net cash provided by financing activities	75.9	69.7
Effect of foreign exchange rate changes	(46.9)	(25.7)
Increase (decrease) in cash, cash equivalents and restricted cash	(1,165.3)	627.6
Cash, cash equivalents and restricted cash, beginning of period	2,475.1	989.6
Cash, cash equivalents and restricted cash, end of period	\$ 1,309.8	\$ 1,617.2
Supplemental non-cash disclosures		
Issuance of common shares related to the acquisition of CBAM intangibles and investments	\$ 194.5	\$ —
Net asset impact of deconsolidation of Consolidated Funds	\$ —	\$ (34.4)
Reconciliation of cash, cash equivalents and restricted cash, end of period:		
Cash and cash equivalents	\$ 1,308.9	\$ 1,586.2
Restricted cash	0.9	31.0
Total cash, cash equivalents and restricted cash, end of period	\$ 1,309.8	\$ 1,617.2
Cash and cash equivalents held at Consolidated Funds	\$ 230.7	\$ 187.5

See accompanying notes.

**Notes to the Condensed Consolidated Financial Statements
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1. Organization and Basis of Presentation

Carlyle is one of the world's largest global investment firms that deploys private capital across its business through three reportable segments: Global Private Equity, Global Credit and Global Investment Solutions (see Note 17). In the Global Private Equity segment, Carlyle advises buyout, growth, real estate, infrastructure and natural resources funds. The primary areas of focus for the Global Credit segment are liquid credit, illiquid credit, real assets credit, and other credit such as insurance solutions, and loan syndication and capital markets. The Global Investment Solutions segment provides investment opportunities and resources for investors and clients through fund of funds, secondary purchases of existing portfolios, and managed co-investment programs. Carlyle typically serves as the general partner, investment manager or collateral manager, making day-to-day investment decisions concerning the assets of these products.

Basis of Presentation

The accompanying financial statements include the accounts of the Company and its consolidated subsidiaries. In addition, certain Carlyle-affiliated funds, related co-investment entities and certain CLOs managed by the Company (collectively the "Consolidated Funds") have been consolidated in the accompanying financial statements pursuant to accounting principles generally accepted in the United States ("U.S. GAAP"), as described in Note 3. The consolidation of the Consolidated Funds generally has a gross-up effect on assets, liabilities and cash flows, and generally has no effect on the net income attributable to the Company. The economic ownership interests of the other investors in the Consolidated Funds are reflected as non-controlling interests in consolidated entities in the accompanying consolidated financial statements (see Note 3).

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information. These statements, including notes, have not been audited, exclude some of the disclosures required for annual financial statements, and should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission ("SEC"). The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. In the opinion of management, the condensed consolidated financial statements reflect all adjustments, consisting of normal recurring accruals, which are necessary for the fair presentation of the financial condition and results of operations for the interim periods presented.

2. Recent Transactions

During the six months ended June 30, 2022, the Company announced several transactions as outlined below.

Acquisition of iStar Triple Net Lease Portfolio (See Note 6)

In March 2022, Carlyle Net Leasing Income, L.P., a Carlyle-affiliated investment fund, acquired a diversified portfolio of triple net leases for an enterprise value of \$3 billion, which was funded using \$2 billion in debt and \$1 billion in equity. The investment fund is not consolidated by the Company and the debt is non-recourse to the Company. Carlyle, as general partner of the investment fund, contributed \$200 million as a minority interest balance sheet investment, which is included in the Company's Global Credit principal equity method investments.

Fortitude Capital Raise and Strategic Advisory Services Agreement (See Note 6)

In March 2022, the Company raised \$2.0 billion in third-party equity capital from certain investors in Carlyle FRL and T&D, and committed \$100 million from the Company to Carlyle FRL for additional equity capital in Fortitude. In May 2022, Fortitude called \$1.1 billion of the capital raise, with the remainder expected to be called in the second half of 2022. In connection with the capital raise and subsequent funding, the Company's indirect ownership of Fortitude decreased from 19.9% to 13.5%, and is expected to further decrease to 10.5% upon funding the remainder of the capital raise.

On April 1, 2022, the Company entered into a new strategic advisory services agreement with certain subsidiaries of Fortitude through a newly-formed investment advisor, Carlyle Insurance Solutions Management L.L.C. ("CISM"). Under the agreement, CISM provides Fortitude with certain services, including business development and growth, transaction origination and execution, and capital management services in exchange for a recurring management fee based on Fortitude's general account assets, which adjusts within an agreed range based on Fortitude's overall profitability.

Acquisition of CLO Management Contracts from CBAM Partners LLC (See Note 4)

On March 21, 2022, the Company acquired the management contracts related to a portfolio of assets primarily comprised of U.S. and European CLOs as well as other assets across private credit from CBAM Partners LLC ("CBAM") for a purchase

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price of \$812.9 million. In connection with the acquisition of the CLO management contracts, the Company acquired CLO senior and subordinated notes of \$175.9 million, a portion of which is financed through term loans and other financing arrangements.

Acquisition of Abingworth LLP

In April 2022, the Company announced an agreement to acquire Abingworth LLP (“Abingworth”), a life sciences investment firm. Consideration for Abingworth includes a base purchase price of \$187.5 million, as well as up to \$130 million in future incentive payments on the achievement of certain performance targets. Under the terms of the agreement, a portion of the purchase price can be settled in newly-issued shares of the Company’s common stock, and the Company intends to settle \$25.0 million of the base purchase price with common stock. The acquisition includes the rights to 15% of performance revenues generated by Abingworth’s two most recent active investment funds, Abingworth Bioventures 8 LP and Abingworth Clinical Co-Development Fund 2 LP. The transaction is expected to close in the third quarter of 2022.

3. Summary of Significant Accounting Policies**Principles of Consolidation**

The Company consolidates all entities that it controls either through a majority voting interest or as the primary beneficiary of variable interest entities (“VIEs”).

The Company evaluates (1) whether it holds a variable interest in an entity, (2) whether the entity is a VIE, and (3) whether the Company’s involvement would make it the primary beneficiary. In evaluating whether the Company holds a variable interest, fees (including management fees, incentive fees and performance allocations) that are customary and commensurate with the level of services provided, and where the Company does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, are not considered variable interests. The Company considers all economic interests, including indirect interests, to determine if a fee is considered a variable interest.

For those entities where the Company holds a variable interest, the Company determines whether each of these entities qualifies as a VIE and, if so, whether or not the Company is the primary beneficiary. The assessment of whether the entity is a VIE is generally performed qualitatively, which requires judgment. These judgments include: (a) determining whether the equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) evaluating whether the equity holders, as a group, can make decisions that have a significant effect on the economic performance of the entity, (c) determining whether two or more parties’ equity interests should be aggregated, and (d) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive returns from an entity.

For entities that are determined to be VIEs, the Company consolidates those entities where it has concluded it is the primary beneficiary. The primary beneficiary is defined as the variable interest holder with (a) the power to direct the activities of a VIE that most significantly impact the entity’s economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the entity held either directly or indirectly by the Company.

As of June 30, 2022, assets and liabilities of the consolidated VIEs reflected in the unaudited condensed consolidated balance sheets were \$6.8 billion and \$6.4 billion, respectively. As of December 31, 2021, assets and liabilities of the consolidated VIEs reflected in the unaudited condensed consolidated balance sheets were \$6.9 billion and \$6.6 billion, respectively. Except to the extent of the consolidated assets of the VIEs, the holders of the consolidated VIEs’ liabilities generally do not have recourse to the Company.

The Company’s Consolidated Funds are primarily CLOs, which are VIEs that issue loans payable that are backed by diversified collateral asset portfolios consisting primarily of loans or structured debt. In exchange for managing the collateral for the CLOs, the Company earns investment management fees, including in some cases subordinated management fees and contingent incentive fees. In cases where the Company consolidates the CLOs (primarily because of a retained interest that is significant to the CLO), those management fees have been eliminated as intercompany transactions. As of June 30, 2022, the Company held \$128.1 million of investments in these CLOs which represents its maximum risk of loss. The Company’s investments in these CLOs are generally subordinated to other interests in the entities and entitle the Company to receive a pro rata portion of the residual cash flows, if any, from the entities. Investors in the CLOs have no recourse against the Company for any losses sustained in the CLO structure.

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Entities that do not qualify as VIEs are generally assessed for consolidation as voting interest entities. Under the voting interest entity model, the Company consolidates those entities it controls through a majority voting interest.

All significant inter-entity transactions and balances of entities consolidated have been eliminated.

Investments in Unconsolidated Variable Interest Entities

The Company holds variable interests in certain VIEs that are not consolidated because the Company is not the primary beneficiary, including its investments in certain CLOs and certain AlpInvest vehicles, as well as its strategic investment in NGP Management Company, L.L.C. (“NGP Management” and, together with its affiliates, “NGP”). Refer to Note 6 for information on the strategic investment in NGP. The Company’s involvement with such entities is in the form of direct or indirect equity interests and fee arrangements. The maximum exposure to loss represents the loss of assets recognized by the Company relating to its variable interests in these unconsolidated entities.

The assets recognized in the Company’s consolidated balance sheets related to the Company’s variable interests in these non-consolidated VIEs were as follows:

	As of	
	June 30, 2022	December 31, 2021
(Dollars in millions)		
Investments	\$ 1,109.5	\$ 901.9
Accrued performance revenues	396.4	368.7
Management fee receivables	30.9	27.2
Total	<u>\$ 1,536.8</u>	<u>\$ 1,297.8</u>

These amounts represent the Company’s maximum exposure to loss related to the unconsolidated VIEs as of June 30, 2022 and December 31, 2021.

Basis of Accounting

The accompanying financial statements are prepared in accordance with U.S. GAAP. Management has determined that the Company’s Funds are investment companies under U.S. GAAP for the purposes of financial reporting. U.S. GAAP for an investment company requires investments to be recorded at estimated fair value and the unrealized gains and/or losses in an investment’s fair value are recognized on a current basis in the statements of operations. Accordingly, the Funds do not consolidate their majority-owned and controlled investments (the “Portfolio Companies”). In the preparation of these unaudited condensed consolidated financial statements, the Company has retained the specialized accounting for the Funds.

All of the investments held and notes issued by the Consolidated Funds are presented at their estimated fair values in the Company’s condensed consolidated balance sheets. Interest and other income of the Consolidated Funds as well as interest expense and other expenses of the Consolidated Funds are included in the Company’s unaudited condensed consolidated statements of operations.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management’s estimates are based on historical experiences and other factors, including expectations of future events that management believes to be reasonable under the circumstances. It also requires management to exercise judgment in the process of applying the Company’s accounting policies. Assumptions and estimates regarding the valuation of investments and their resulting impact on performance allocations involve a higher degree of judgment and complexity and these assumptions and estimates may be significant to the consolidated financial statements and the resulting impact on performance allocations and incentive fees. Actual results could differ from these estimates and such differences could be material.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, under which the purchase price of the acquisition is allocated to the assets acquired and liabilities assumed using the fair values determined by

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management as of the acquisition date. Contingent consideration obligations that are elements of consideration transferred are recognized as of the acquisition date as part of the fair value transferred in exchange for the acquired business. Acquisition-related costs incurred in connection with a business combination are expensed as incurred.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. ASC 606 includes a five-step framework that requires an entity to: (i) identify the contract(s) with a customer, which includes assessing the collectibility of the consideration to which it will be entitled in exchange for the goods or services transferred to the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when the entity satisfies a performance obligation.

The Company accounts for performance allocations that represent a performance-based capital allocation from fund limited partners to the Company (commonly known as “carried interest”) as earnings from financial assets within the scope of ASC 323, *Investments - Equity Method and Joint Ventures*, and therefore are not in the scope of ASC 606. In accordance with ASC 323, the Company records equity method income (losses) as a component of investment income based on the change in its proportionate claim on net assets of the investment fund, including performance allocations, assuming the investment fund was liquidated as of each reporting date pursuant to each fund’s governing agreements. See Note 6 for additional information on the components of investments and investment income. Performance fees that do not meet the definition of performance-based capital allocations are in the scope of ASC 606 and are included in incentive fees in the unaudited condensed consolidated statements of operations. The calculation of unrealized performance revenues utilizes investment valuations of the funds’ underlying investments, which are derived using the policies, methodologies and templates prepared by the Company’s valuation group, as described in Note 5, Fair Value Measurement.

While the determination of who is the customer in a contractual arrangement will be made on a contract-by-contract basis, the customer will generally be the investment fund for the Company’s significant management and advisory contracts. The customer determination impacts the Company’s analysis of the accounting for contract costs.

Fund Management Fees

The Company provides management services to funds in which it holds a general partner interest or to funds or certain portfolio companies with which it has an investment advisory or investment management agreement. The Company considers the performance obligations in its contracts with its funds to be the promise to provide (or to arrange for third parties to provide) investment management services related to the management, policies and operations of the funds.

As it relates to the Company’s performance obligation to provide investment management services, the Company typically satisfies this performance obligation over time as the services are rendered, since the funds simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the funds. Management fees earned from each investment management contract over the contract life represent variable consideration because the consideration the Company is entitled to varies based on fluctuations in the basis for the management fee, for example fund net asset value (“NAV”) or assets under management (“AUM”). Given that the management fee basis is susceptible to market factors outside of the Company’s influence, management fees are constrained and, therefore, estimates of future period management fees are generally not included in the transaction price. Revenue recognized for the investment management services provided is generally the amount determined at the end of the period because that is when the uncertainty for that period is resolved.

For closed-end carry funds in the Global Private Equity and Global Credit segments, management fees generally range from 1.0% to 2.0% of commitments during the fund’s investment period based on limited partners’ capital commitments to the funds. Following the expiration or termination of the investment period, management fees generally are based on the lower of cost or fair value of invested capital and the rate charged may also be reduced. These terms may vary for certain separately managed accounts, longer-dated carry funds, and other closed-end funds. The Company will receive management fees during a specified period of time, which is generally ten years from the initial closing date, or, in some instances, from the final closing date, but such termination date may be earlier in certain limited circumstances or later if extended for successive one-year periods, typically up to a maximum of two years. Depending upon the contracted terms of investment advisory or investment management and related agreements, these fees are generally called semi-annually in advance and are recognized as earned

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over the subsequent six month period. For certain longer-dated carry funds and certain other closed-end funds, management fees are called quarterly over the life of the funds.

Within the Global Credit segment, for CLOs and other structured products, management fees generally range from 0.4% to 0.5% based on the total par amount of assets or the aggregate principal amount of the notes in the CLO and are generally due quarterly in arrears based on the terms and recognized over the respective period. Management fees for the CLOs and other structured products are governed by indentures and collateral management agreements. The Company will receive management fees for the CLOs until redemption of the securities issued by the CLOs, which is generally five to ten years after issuance. Management fees for the business development companies are due quarterly in arrears at annual rates that range from 1.00% of capital under management to 1.5% of gross assets, excluding cash and cash equivalents. Management fees for the Interval Fund are due monthly in arrears at the annual rate of 1.0% of the month-end value of the Interval Fund's net assets. Carlyle Aviation Partners' funds have varying management fee arrangements depending on the strategy of the particular fund. Under the strategic advisory services agreement with Fortitude, the Company earns a recurring management fee based on Fortitude's general account assets, which adjusts within an agreed range based on Fortitude's overall profitability and which is due quarterly in arrears.

Management fees for the Company's carry fund vehicles in the Global Investment Solutions segment generally range from 0.25% to 1.0% of the vehicle's capital commitments during the commitment fee period of the relevant fund. Following the expiration of the commitment fee period, the management fees generally range from 0.25% to 1.0% on (i) the net invested capital; (ii) the lower of cost or net asset value of the capital invested, or (iii) the net asset value for unrealized investments. Management fees for the Global Investment Solutions carry fund vehicles are generally due quarterly in advance and recognized over the related quarter.

As of June 30, 2022 and December 31, 2021, management fee receivables, net of allowances for credit losses, were \$250.0 million and \$164.5 million, respectively, and are included in due from affiliates and other receivables, net, in the unaudited condensed consolidated balance sheets.

The Company also provides transaction advisory and portfolio advisory services to the portfolio companies, and where covered by separate contractual agreements, recognizes fees for these services when the performance obligation has been satisfied and collection is reasonably assured. The Company also recognizes underwriting fees from the Company's loan syndication and capital markets business, Carlyle Global Capital Markets. Fund management fees include transaction and portfolio advisory fees, as well as capital markets fees, of \$43.2 million and \$14.4 million for the three months ended June 30, 2022 and 2021, respectively, and \$57.8 million and \$32.4 million for the six months ended June 30, 2022 and 2021, respectively, net of any offsets as defined in the respective partnership agreements.

Fund management fees exclude the reimbursement of any partnership expenses paid by the Company on behalf of the Carlyle funds pursuant to the limited partnership agreements, including amounts related to the pursuit of actual, proposed, or unconsummated investments, professional fees, expenses associated with the acquisition, holding and disposition of investments, and other fund administrative expenses. For the professional fees that the Company arranges for the investment funds, the Company concluded that the nature of its promise is to arrange for the services to be provided and it does not control the services provided by third parties before they are transferred to the customer. Therefore, the Company concluded it is acting in the capacity of an agent. Accordingly, the reimbursement for these professional fees paid on behalf of the investment funds is presented on a net basis in general, administrative and other expenses in the unaudited condensed consolidated statements of operations.

The Company also incurs certain costs, primarily employee travel and entertainment costs, employee compensation and systems costs, for which it receives reimbursement from the investment funds in connection with its performance obligation to provide investment and management services. For reimbursable travel, compensation and systems costs, the Company concluded it controls the services provided by its employees and the resources used to develop applicable systems before they are transferred to the customer and therefore is a principal. Accordingly, the reimbursement for these costs incurred by the Company to manage the fund limited partnerships are presented on a gross basis in interest and other income in the unaudited condensed consolidated statements of operations and the expense in general, administrative and other expenses or cash-based compensation and benefits expenses in the unaudited condensed consolidated statements of operations.

Incentive Fees

In connection with management contracts from certain of its Global Credit funds, the Company is also entitled to receive performance-based incentive fees when the return on assets under management exceeds certain benchmark returns or other performance targets. In such arrangements, incentive fees are recognized when the performance benchmark has been achieved. Incentive fees are variable consideration because they are contingent upon the investment vehicle achieving stipulated

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investment return hurdles. Investment returns are highly susceptible to market factors outside of the Company's influence. Accordingly, incentive fees are constrained until all uncertainty is resolved. Estimates of future period incentive fees are generally not included in the transaction price because these estimates are constrained. The transaction price for incentive fees is generally the amount determined at the end of each accounting period to which they relate because that is when the uncertainty for that period is resolved, as these fees are not subject to clawback.

Investment Income (Loss), including Performance Allocations

Investment income (loss) represents the unrealized and realized gains and losses resulting from the Company's equity method investments, including any associated general partner performance allocations, and other principal investments, including CLOs.

General partner performance allocations consist of the allocation of profits from certain of the funds to which the Company is entitled (commonly known as carried interest).

For closed-end carry funds in the Global Private Equity and Global Credit segments, the Company is generally entitled to a 20% allocation (or approximately 2% to 12.5% for most of the Global Investment Solutions segment carry fund vehicles) of the net realized income or gain as a carried interest after returning the invested capital, the allocation of preferred returns of generally 7% to 9% and return of certain fund costs (generally subject to catch-up provisions as set forth in the fund limited partnership agreement). These terms may vary on longer-dated funds, certain credit funds, or external co-investment vehicles. Carried interest is recognized upon appreciation of the funds' investment values above certain return hurdles set forth in each respective partnership agreement. The Company recognizes revenues attributable to performance allocations based upon the amount that would be due pursuant to the fund partnership agreement at each period end as if the funds were terminated at that date. Accordingly, the amount recognized as investment income for performance allocations reflects the Company's share of the gains and losses of the associated funds' underlying investments measured at their then-current fair values relative to the fair values as of the end of the prior period. Because of the inherent uncertainty, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

Carried interest is ultimately realized when: (i) an underlying investment is profitably disposed of, (ii) certain costs borne by the limited partner investors have been reimbursed, (iii) the fund's cumulative returns are in excess of the preferred return and (iv) the Company has decided to collect carry rather than return additional capital to limited partner investors. Realized carried interest may be required to be returned by the Company in future periods if the fund's investment values decline below certain levels. When the fair value of a fund's investments remains constant or falls below certain return hurdles, previously recognized performance allocations are reversed. In all cases, each fund is considered separately in this regard, and for a given fund, performance allocations can never be negative over the life of a fund. If upon a hypothetical liquidation of a fund's investments at their then-current fair values, previously recognized and distributed carried interest would be required to be returned, a liability is established for the potential giveback obligation. As of June 30, 2022 and December 31, 2021, the Company has accrued \$40.9 million and \$30.2 million, respectively, for giveback obligations.

Principal investment income (loss) is realized when the Company redeems all or a portion of its investment or when the Company receives or is due cash income, such as dividends or distributions. Unrealized principal investment income (loss) results from the Company's proportionate share of the investee's unrealized earnings, including changes in the fair value of the underlying investment, as well as the reversal of unrealized gain (loss) at the time an investment is realized. As it relates to the Company's investments in NGP (see Note 6), principal investment income includes the related amortization of the basis difference between the Company's carrying value of its investment and the Company's share of underlying net assets of the investee, as well as the compensation expense associated with compensatory arrangements provided by the Company to employees of its equity method investee.

Interest Income

Interest income is recognized when earned. For debt securities representing non-investment grade beneficial interests in securitizations, the effective yield is determined based on the estimated cash flows of the security. Changes in the effective yield of these securities due to changes in estimated cash flows are recognized on a prospective basis as adjustments to interest income in future periods. Interest income earned by the Company is included in interest and other income in the accompanying unaudited condensed consolidated statements of operations. Interest income of the Consolidated Funds was \$59.2 million and \$56.6 million for the three months ended June 30, 2022 and 2021, respectively, and \$115.7 million and \$113.5 million for the six months ended June 30, 2022 and 2021, respectively, and is included in interest and other income of Consolidated Funds in the accompanying unaudited condensed consolidated statements of operations.

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Credit Losses

Under ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326)*, the Company is required to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Company assesses the collection risk characteristics of the outstanding amounts in its due from affiliates balance into the following pools of receivables:

- Reimbursable fund expenses receivables,
- Management fee receivables,
- Incentive fee receivables,
- Transaction fee receivables,
- Portfolio fee receivables, and
- Notes receivable.

The Company generally utilizes either historical credit loss information or discounted cash flows to calculate expected credit losses for each pool. The Company's receivables are predominantly with its investment funds, which have low risk of credit loss based on the Company's historical experience. Historical credit loss data may be adjusted for current conditions and reasonable and supportable forecasts, including the Company's expectation of near-term realization based on the liquidity of the affiliated investment funds.

Compensation and Benefits

Cash-based Compensation and Benefits – Cash-based compensation and benefits includes salaries, bonuses (discretionary awards and guaranteed amounts), performance payment arrangements and benefits paid and payable to Carlyle employees. Bonuses are accrued over the service period to which they relate.

Equity-Based Compensation – Compensation expense relating to the issuance of equity-based awards is measured at fair value on the grant date. The compensation expense for awards that vest over a future service period is recognized over the relevant service period on a straight-line basis. The compensation expense for awards that do not require future service is recognized immediately. Cash settled equity-based awards are classified as liabilities and are re-measured at the end of each reporting period. The compensation expense for awards that contain performance conditions is recognized when it is probable that the performance conditions will be achieved; in certain instances, such compensation expense may be recognized prior to the grant date of the award. The compensation expense for awards that contain market conditions is based on a grant-date fair value that factors in the probability that the market conditions will be achieved and is recognized over the requisite service period on a straight-line basis.

Equity-based awards issued to non-employees are generally recognized as general, administrative and other expenses, except to the extent they are recognized as part of the Company's equity method earnings because they are issued to employees of equity method investees.

The Company recognizes equity-based award forfeitures in the period they occur as a reversal of previously recognized compensation expense. The reduction in compensation expense is determined based on the specific awards forfeited during that period. Furthermore, the Company recognizes all excess tax benefits and deficiencies as income tax benefit or expense in the unaudited condensed consolidated statements of operations.

Performance Allocations and Incentive Fee Related Compensation – A portion of the performance allocations and incentive fees earned is due to employees and advisors of the Company. These amounts are accounted for as compensation expense in conjunction with the recognition of the related performance allocations and incentive fee revenue and, until paid, are recognized as a component of the accrued compensation and benefits liability. Accordingly, upon a reversal of performance allocations or incentive fee revenue, the related compensation expense, if any, is also reversed. As of June 30, 2022 and December 31, 2021, the Company had recorded a liability of \$4.1 billion, for both periods, related to the portion of accrued performance allocations and incentive fees due to employees and advisors, respectively, which was included in accrued compensation and benefits in the accompanying unaudited condensed consolidated balance sheets.

In October 2021, the Company commenced a program under which, at the Company's discretion, up to 20% of the realized performance allocation related compensation over a threshold amount may be distributed in fully vested, newly issued shares of the Company's common stock. These shares are accounted for as performance allocations and incentive fee related compensation and do not result in incremental compensation expense.

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Income Taxes

The Carlyle Group Inc. is a corporation for U.S. federal income tax purposes and thus is subject to U.S. federal, state and local corporate income taxes. Tax positions taken by the Company are subject to periodic audit by U.S. federal, state, local and foreign taxing authorities. The interim provision for income taxes is calculated using the discrete effective tax rate method as allowed by ASC 740, *Accounting for Income Taxes*. The discrete method is applied when the application of the estimated annual effective tax rate is impractical because it is not possible to reliably estimate the annual effective tax rate. The discrete method treats the year to date period as if it was the annual period and determines the income tax expense or benefit on that basis.

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement reporting and the tax basis of assets and liabilities using enacted tax rates in effect for the period in which the difference is expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period of the change in the provision for income taxes. Further, deferred tax assets are recognized for the expected realization of available net operating loss and tax credit carry forwards. A valuation allowance is recorded on the Company's gross deferred tax assets when it is "more likely than not" that such asset will not be realized. When evaluating the realizability of the Company's deferred tax assets, all evidence, both positive and negative, is evaluated. Items considered in this analysis include the ability to carry back losses, the reversal of temporary differences, tax planning strategies, and expectations of future earnings. Lastly, the Company accounts for the tax on global intangible low-taxed income ("GILTI") as incurred and therefore has not recorded deferred taxes related to GILTI on its foreign subsidiaries.

Under U.S. GAAP for income taxes, the amount of tax benefit to be recognized is the amount of benefit that is "more likely than not" to be sustained upon examination. The Company analyzes its tax filing positions in all of the U.S. federal, state, local and foreign tax jurisdictions where it is required to file income tax returns, as well as for all open tax years in these jurisdictions. If, based on this analysis, the Company determines that uncertainties in tax positions exist, a liability is established, which is included in accounts payable, accrued expenses and other liabilities in the unaudited condensed consolidated financial statements. The Company recognizes accrued interest and penalties related to unrecognized tax positions in the provision for income taxes. If recognized, the entire amount of unrecognized tax positions would be recorded as a reduction in the provision for income taxes.

Non-controlling Interests

Non-controlling interests in consolidated entities represent the component of equity in consolidated entities held by third-party investors. These interests are adjusted for general partner allocations which occur during the reporting period. Any change in ownership of a subsidiary while the controlling financial interest is retained is accounted for as an equity transaction between the controlling and non-controlling interests. Transaction costs incurred in connection with such changes in ownership of a subsidiary are recorded as a direct charge to equity.

Earnings Per Common Share

The Company computes earnings per common share in accordance with ASC 260, *Earnings Per Share*. Basic earnings per common share is calculated by dividing net income (loss) attributable to the common shares of the Company by the weighted-average number of common shares outstanding for the period. Diluted earnings per common share reflects the assumed conversion of all dilutive securities. The Company applies the treasury stock method to determine the dilutive weighted-average common shares outstanding for certain equity-based compensation awards. For certain equity-based compensation awards that contain performance or market conditions, the number of contingently issuable common shares is included in diluted earnings per common share based on the number of common shares, if any, that would be issuable under the terms of the awards if the end of the reporting period were the end of the contingency period, if the result is dilutive.

Fair Value of Financial Instruments

The underlying entities that the Company manages and invests in (and in certain cases, consolidates) are primarily investment companies which account for their investments at estimated fair value.

The fair value measurement accounting guidance under ASC Topic 820, *Fair Value Measurement* ("ASC 820"), establishes a hierarchical disclosure framework which ranks the observability of market price inputs used in measuring financial instruments at fair value. The observability of inputs is impacted by a number of factors, including the type of financial

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instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices, or for which fair value can be measured from quoted prices in active markets, will generally have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value. Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

- *Level I* – inputs to the valuation methodology are quoted prices available in active markets for identical instruments as of the reporting date. The type of financial instruments in this category include unrestricted securities, such as equities and derivatives, listed in active markets. The Company does not adjust the quoted price for these instruments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.
- *Level II* – inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. The types of financial instruments in this category include less liquid and restricted securities listed in active markets, securities traded in other than active markets, government and agency securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.
- *Level III* – inputs to the valuation methodology are unobservable and significant to overall fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation. The types of financial instruments in this category include investments in privately-held entities, non-investment grade residual interests in securitizations, collateralized loan obligations, and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

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

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

In the absence of observable market prices, the Company values its investments and its funds' investments using valuation methodologies applied on a consistent basis. For some investments little market activity may exist. Management's determination of fair value is then based on the best information available in the circumstances and may incorporate management's own assumptions and involve a significant degree of judgment, taking into consideration a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks. Investments for which market prices are not observable include private investments in the equity and debt of operating companies and real assets, CLO investments and CLO loans payable and fund investments. The valuation technique for each of these investments is described below:

Investments in Operating Companies and Real Assets – The fair values of private investments in operating companies and real assets are generally determined by reference to the income approach (including the discounted cash flow method and the income capitalization method) and the market approach (including the comparable publicly traded company method and the comparable transaction method). Valuations under these approaches are typically derived by reference to investment-specific inputs (such as projected cash flows, earnings before interest, taxes, depreciation and amortization ("EBITDA"), and net operating income) combined with market-based inputs (such as discount rates, EBITDA multiples and capitalization rates). In many cases the investment-specific inputs are unaudited at the time received. Management may also adjust the market-based inputs to account for differences between the subject investment and the companies, asset or investments used to derive the market-based inputs. Adjustments to observable valuation measures are frequently made upon the initial investment to calibrate the initial investment valuation to industry observable inputs. Such adjustments are made to align the investment to observable industry inputs for

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differences in size, profitability, projected growth rates, geography, capital structure, and other factors as applicable. The adjustments are then reviewed with each subsequent valuation to assess how the investment has evolved relative to the observable inputs. Additionally, the investment may be subject to certain specific risks and/or development milestones which are also taken into account in the valuation assessment. Option pricing models and similar tools may also be considered but do not currently drive a significant portion of operating company or real asset valuations and are used primarily to value warrants, derivatives, certain restrictions and other atypical investment instruments.

Credit-Oriented Investments – The fair values of credit-oriented investments (including corporate treasury investments) are generally determined on the basis of prices between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments and various relationships between investments. Specifically, for investments in distressed debt and corporate loans and bonds, the fair values are generally determined by valuations of comparable investments. In some instances, the Company may utilize other valuation techniques, including the discounted cash flow method.

CLO Investments and CLO Loans Payable – The Company measures the financial liabilities of its consolidated CLOs based on the fair value of the financial assets of its consolidated CLOs, as the Company believes the fair value of the financial assets are more observable. The fair values of the CLO loan and bond assets are primarily based on quotations from reputable dealers or relevant pricing services. In situations where valuation quotations are unavailable, the assets are valued based on similar securities, market index changes, and other factors. The Company performs certain procedures to ensure the reliability of the quotations from pricing services for its CLO assets and CLO structured asset positions, which generally includes corroborating prices with a discounted cash flow analysis. Generally, the loan and bond assets of the CLOs are not publicly traded and are classified as Level III. The fair values of the CLO structured asset positions are determined based on both discounted cash flow analyses and third party quotes. Those analyses consider the position size, liquidity, current financial condition of the CLOs, the third party financing environment, reinvestment rates, recovery lags, discount rates and default forecasts and are compared to broker quotations from market makers and third party dealers.

The Company measures the CLO loan payables held by third party beneficial interest holders on the basis of the fair value of the financial assets of the CLO and the beneficial interests held by the Company. The Company continues to measure the CLO loans payable that it holds at fair value based on relevant pricing services or discounted cash flow analyses, as described above.

Fund Investments – The Company's primary and secondary investments in external funds are valued based on its proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. The terms of the investments generally preclude the ability to redeem the investment. Distributions from these investments will be received as the underlying assets in the funds are liquidated, the timing of which cannot be readily determined.

Investment professionals with responsibility for the underlying investments are responsible for preparing the investment valuations pursuant to the policies, methodologies and templates prepared by the Company's valuation group, which is a team made up of dedicated valuation professionals reporting to the Company's chief accounting officer. The valuation group is responsible for maintaining the Company's valuation policy and related guidance, templates and systems that are designed to be consistent with the guidance found in ASC 820. These valuations, inputs and preliminary conclusions are reviewed by the fund accounting teams. The valuations are then reviewed and approved by the respective fund valuation subcommittees, which include the respective fund head(s), segment head, chief financial officer and chief accounting officer, as well as members of the valuation group. The valuation group compiles the aggregate results and significant matters and presents them for review and approval by the global valuation committee, which includes the Company's chief executive officer, chief risk officer, chief financial officer, chief accounting officer, and the business segment heads, and observed by the chief compliance officer, the director of internal audit, the Company's audit committee and others. Additionally, each quarter a sample of valuations are reviewed by external valuation firms. Valuations of the funds' investments are used in the calculation of accrued performance allocations, or "carried interest".

Investments, at Fair Value

Investments include (i) the Company's ownership interests (typically general partner interests) in the Funds, (ii) strategic investments made by the Company (both of which are accounted for as equity method investments), (iii) the investments held

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by the Consolidated Funds (which are presented at fair value in the Company's unaudited condensed consolidated financial statements), and (iv) certain credit-oriented investments, including investments in the CLOs and the preferred securities of Carlyle Secured Lending, Inc. ("CSL," formerly known as "TCG BDC, Inc.," the preferred securities of which are referred to as the "BDC Preferred Shares") (which are accounted for as trading securities).

Upon the sale of a security or other investment, the realized net gain or loss is computed on a weighted average cost basis, with the exception of the investments held by the CLOs, which compute the realized net gain or loss on a first in, first out basis. Securities transactions are recorded on a trade date basis.

Equity Method Investments

The Company accounts for all investments in which it has or is otherwise presumed to have significant influence, including investments in the unconsolidated Funds and strategic investments, using the equity method of accounting. The carrying value of equity method investments is determined based on amounts invested by the Company, adjusted for the equity in earnings or losses of the investee (including performance allocations) allocated based on the respective partnership agreement, less distributions received. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable.

Cash and Cash Equivalents

Cash and cash equivalents include cash held at banks and cash held for distributions, including investments with original maturities of less than three months when purchased.

Cash and Cash Equivalents Held at Consolidated Funds

Cash and cash equivalents held at Consolidated Funds consists of cash and cash equivalents held by the Consolidated Funds, which, although not legally restricted, is not available to fund the general liquidity needs of the Company.

Restricted Cash

Restricted cash primarily represents cash held by the Company's foreign subsidiaries due to certain government regulatory capital requirements as well as certain amounts held on behalf of Carlyle funds.

Derivative Instruments

The Company uses derivative instruments primarily to reduce its exposure to changes in foreign currency exchange rates. Derivative instruments are recognized at fair value in the unaudited condensed consolidated balance sheets with changes in fair value recognized in the unaudited condensed consolidated statements of operations for all derivatives not designated as hedging instruments.

Securities Sold Under Agreements to Repurchase

As it relates to certain European CLOs sponsored by the Company, 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. As of June 30, 2022, \$244.9 million of securities were transferred to counterparties under repurchase agreements and are included within investments in the unaudited condensed consolidated balance sheets. Cash received under repurchase agreements is recognized as a liability within debt obligations in the unaudited condensed consolidated balance sheets. Interest expense is recognized on an effective yield basis and is included within interest expense in the unaudited condensed consolidated statements of operations. See Note 8 for additional information.

Fixed Assets

Fixed assets consist of furniture, fixtures and equipment, leasehold improvements, and computer hardware and software and are stated at cost, less accumulated depreciation and amortization. Depreciation is recognized on a straight-line method over the assets' estimated useful lives, which for leasehold improvements are the lesser of the lease terms or the life of the asset, and three to seven years for other fixed assets. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

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Leases

The Company accounts for its leases in accordance with ASU 2016-2, *Leases (Topic 842)*, and recognizes a lease liability and right-of-use asset in the condensed consolidated balance sheet for contracts that it determines are leases or contain a lease. The Company's leases primarily consist of operating leases for office space in various countries around the world. The Company also has operating leases for office equipment and vehicles, which are not significant. The Company does not separate non-lease components from lease components for its office space and equipment operating leases and instead accounts for each separate lease component and its associated non-lease component as a single lease component. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the leases. The Company's right-of-use assets and lease liabilities are recognized at lease commencement based on the present value of lease payments over the lease term. Lease right-of-use assets include initial direct costs incurred by the Company and are presented net of deferred rent and lease incentives. Absent an implicit interest rate in the lease, the Company uses its incremental borrowing rate, adjusted for the effects of collateralization, based on the information available at commencement in determining the present value of lease payments. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise those options. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company does not recognize a lease liability or right-of-use asset on the balance sheet for short-term leases. Instead, the Company recognizes short-term lease payments as an expense on a straight-line basis over the lease term. A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. When determining whether a lease qualifies as a short-term lease, the Company evaluates the lease term and the purchase option in the same manner as all other leases.

Intangible Assets and Goodwill

The Company's intangible assets consist of acquired contractual rights to earn future fee income, including management and advisory fees, and customer relationships. Finite-lived intangible assets are amortized over their estimated useful lives, which range from four to seven years, and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Goodwill represents the excess of cost over the identifiable net assets of businesses acquired and is recorded in the functional currency of the acquired entity. Goodwill is recognized as an asset and is reviewed for impairment annually as of October 1st and between annual tests when events and circumstances indicate that impairment may have occurred.

Deferred Revenue

Deferred revenue represents management fees and other revenue received prior to the balance sheet date, which has not yet been earned. Deferred revenue also includes transaction and portfolio advisory fees received by the Company that are required to offset fund management fees pursuant to the related fund agreements. The decrease in the deferred revenue balance for the six months ended June 30, 2022 was primarily driven by revenues that were included in the deferred revenue balance at the beginning of the period, partially offset by cash payments received in advance of the Company satisfying its performance obligations.

Accumulated Other Comprehensive Income (Loss)

The Company's accumulated other comprehensive income (loss) is comprised of foreign currency translation adjustments and gains and losses on defined benefit plans sponsored by AlpInvest. The components of accumulated other comprehensive income (loss) as of June 30, 2022 and December 31, 2021 were as follows:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Currency translation adjustments	\$ (341.1)	\$ (231.8)
Unrealized losses on defined benefit plans	(19.7)	(15.7)
Total	\$ (360.8)	\$ (247.5)

**Notes to the Condensed Consolidated Financial Statements
(Unaudited)****Foreign Currency Translation**

Non-U.S. dollar denominated assets and liabilities are translated at period-end rates of exchange, and the unaudited condensed consolidated statements of operations are translated at rates of exchange in effect throughout the period. Foreign currency gains (losses) resulting from transactions outside of the functional currency of an entity of \$16.8 million and \$4.2 million for the three months ended June 30, 2022 and 2021, respectively, and \$23.2 million and \$(1.9) million for the six months ended June 30, 2022 and 2021, respectively, are included in general, administrative and other expenses in the unaudited condensed consolidated statements of operations.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standard updates (“ASU”) issued by the Financial Accounting Standards Board (“FASB”). ASUs not listed below were assessed and either determined to be not applicable or expected to have minimal impact on the Company’s consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this update provide optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued because of reference rate reform. In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*, to clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. An entity may elect to adopt the amendments in ASU 2020-04 and ASU 2021-01 at any time after March 12, 2020 but no later than December 31, 2022. The expedients and exceptions provided by the amendments do not apply to contract modifications and hedging relationships entered into or evaluated after December 31, 2022, except for hedging transactions as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. The Company does not expect this guidance to impact its consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in this update clarify the guidance in Topic 820 when measuring the fair value of an equity security subject to contractual sale restrictions and introduce new disclosure requirements related to such equity securities. The amendments are effective for fiscal years beginning after December 15, 2023, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

4. Acquisitions**Acquisition of CLO Management Contracts from CBAM Partners LLC**

On March 21, 2022, the Company acquired the management contracts related to a portfolio of assets primarily comprised of U.S. and European CLOs as well as other assets across private credit from CBAM Partners LLC (“CBAM”). The purchase price of \$812.9 million consisted of a combination of \$618.4 million in cash, including approximately \$3.4 million of acquisition costs incurred by the Company in connection with the transaction, and approximately 4.2 million newly issued, fully vested common shares (\$194.5 million based on the value of the shares at closing).

In connection with the acquisition of the CLO management contracts, the Company acquired CLO senior and subordinated notes of \$175.9 million. A portion of these CLO investments is financed through term loans and other financing arrangements with financial institutions, which are secured by the Company’s investments in the respective CLO, have a general unsecured interest in the Carlyle entity that manages the CLO, and generally do not have recourse to any other Carlyle entity (see Note 8).

This transaction was accounted for as an asset acquisition and the acquired contractual rights of \$794.3 million are finite-lived intangible assets. The finite-lived intangible assets are amortized using straight-line method over a period of primarily seven years.

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The acquisition-date fair value of the consideration transferred and the allocation of cost to the assets acquired and liabilities assumed at the acquisition date are as follows (Dollars in millions):

Acquisition-date fair value of consideration transferred		
Cash	\$	618.4
Shares of common stock (see Note 15)		194.5
Total consideration transferred	\$	812.9
Allocation of cost to assets acquired and liabilities assumed		
Acquired contractual rights	\$	794.3
Acquired CLO senior and subordinated notes		175.9
Assumed CLO borrowings outstanding (see Note 8)		(157.3)
Total cost of assets acquired, net of liabilities assumed	\$	812.9

5. Fair Value Measurement

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis by the above fair value hierarchy levels as of June 30, 2022:

<u>(Dollars in millions)</u>	Level I	Level II	Level III	Total
Assets				
Investments of Consolidated Funds:				
Equity securities	\$ —	\$ —	\$ 12.4	\$ 12.4
Bonds	—	—	669.8	669.8
Loans	—	—	5,516.8	5,516.8
	—	—	6,199.0	6,199.0
Investments in CLOs	—	—	508.6	508.6
Other investments ⁽¹⁾	1.4	42.1	65.1	108.6
Foreign currency forward contracts	—	6.8	—	6.8
Subtotal	\$ 1.4	\$ 48.9	\$ 6,772.7	\$ 6,823.0
Investments measured at net asset value ⁽²⁾				234.4
Total				\$ 7,057.4
Liabilities				
Loans payable of Consolidated Funds ⁽³⁾	\$ —	\$ —	\$ 5,757.8	\$ 5,757.8
Foreign currency forward contracts	—	6.2	—	6.2
Total	\$ —	\$ 6.2	\$ 5,757.8	\$ 5,764.0

- (1) The Level III balance excludes a \$54.9 million corporate investment in equity securities which the Company has elected to account for under the measurement alternative for equity securities without readily determinable fair values pursuant to ASC 321, *Investments – Equity Securities*. As a non-recurring fair value measurement, the fair value of these equity securities is excluded from the tabular Level III rollforward disclosures.
- (2) Balance represents Fund Investments that the Company reports based on the most recent available information which typically has a lag of up to 90 days, of which \$219.2 million relates to investments of Consolidated Funds.
- (3) Senior and subordinated notes issued by CLO vehicles are valued based on the more observable fair value of the CLO financial assets, less (i) the fair value of any beneficial interests held by the Company and (ii) the carrying value of any beneficial interests that represent compensation for services.

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The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis by the above fair value hierarchy levels as of December 31, 2021:

(Dollars in millions)	Level I	Level II	Level III	Total
Assets				
Investments of Consolidated Funds:				
Equity securities	\$ —	\$ —	\$ 17.9	\$ 17.9
Bonds	—	—	599.5	599.5
Loans	—	—	5,898.1	5,898.1
	—	—	6,515.5	6,515.5
Investments in CLOs	—	—	361.1	361.1
Other investments ⁽¹⁾	1.5	45.6	78.7	125.8
Foreign currency forward contracts	—	1.4	—	1.4
Subtotal	\$ 1.5	\$ 47.0	\$ 6,955.3	\$ 7,003.8
Investments measured at net asset value ⁽²⁾				161.7
Total				\$ 7,165.5
Liabilities				
Loans payable of Consolidated Funds ⁽³⁾	\$ —	\$ —	\$ 5,811.0	\$ 5,811.0
Foreign currency forward contracts	—	0.7	—	0.7
Total ⁽⁴⁾	\$ —	\$ 0.7	\$ 5,811.0	\$ 5,811.7

- (1) The Level III balance excludes a corporate investment in equity securities which the Company has elected to account for under the measurement alternative for equity securities without readily determinable fair values pursuant to ASC 321, *Investments – Equity Securities*. In December 2021, the Company remeasured this investment to a fair value of \$54.9 million due to an observable price change. As a non-recurring fair value measurement, the fair value of these equity securities is excluded from the tabular Level III rollforward disclosures.
- (2) Balance represents Fund Investments that the Company reports based on the most recent available information which typically has a lag of up to 90 days, of which \$145.5 million relates to investments of Consolidated Funds.
- (3) Senior and subordinated notes issued by CLO vehicles are valued based on the more observable fair value of the CLO financial assets, less (i) the fair value of any beneficial interests held by the Company and (ii) the carrying value of any beneficial interests that represent compensation for services.
- (4) Total liabilities balance excludes a \$79.0 million revolving credit balance related to loans payable of Consolidated Funds.

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The changes in financial instruments measured at fair value for which the Company has used Level III inputs to determine fair value are as follows (Dollars in millions):

	Financial Assets					
	Three Months Ended June 30, 2022					
	Investments of Consolidated Funds			Investments in CLOs	Other investments	Total
Equity securities	Bonds	Loans				
Balance, beginning of period	\$ 11.3	\$ 565.2	\$ 5,612.5	\$ 560.4	\$ 76.0	\$ 6,825.4
Purchases	—	199.9	774.9	4.4	—	979.2
Sales and distributions	(0.4)	(40.7)	(283.1)	(14.8)	(0.9)	(339.9)
Settlements	—	—	(198.9)	—	—	(198.9)
Realized and unrealized gains (losses), net						
Included in earnings	2.0	(24.2)	(193.5)	(15.4)	(10.0)	(241.1)
Included in other comprehensive income	(0.5)	(30.4)	(195.1)	(26.0)	—	(252.0)
Balance, end of period	\$ 12.4	\$ 669.8	\$ 5,516.8	\$ 508.6	\$ 65.1	\$ 6,772.7
Changes in unrealized gains (losses) included in earnings related to financial assets still held at the reporting date	\$ 1.6	\$ (24.5)	\$ (198.9)	\$ (15.4)	\$ (10.0)	\$ (247.2)
Changes in unrealized gains (losses) included in other comprehensive income related to financial assets still held at the reporting date	\$ (0.6)	\$ (27.5)	\$ (182.4)	\$ (26.0)	\$ —	\$ (236.5)

	Financial Assets					
	Six Months Ended June 30, 2022					
	Investments of Consolidated Funds			Investments in CLOs	Other investments	Total
Equity securities	Bonds	Loans				
Balance, beginning of period	\$ 17.9	\$ 599.5	\$ 5,898.1	\$ 361.1	\$ 78.7	\$ 6,955.3
Purchases	0.1	382.4	1,540.9	232.0	0.9	2,156.3
Sales and distributions	(7.2)	(227.6)	(1,014.1)	(28.9)	(2.9)	(1,280.7)
Settlements	—	(0.3)	(361.7)	—	—	(362.0)
Realized and unrealized gains (losses), net						
Included in earnings	2.4	(38.0)	(247.4)	(25.0)	(11.6)	(319.6)
Included in other comprehensive income	(0.8)	(46.2)	(299.0)	(30.6)	—	(376.6)
Balance, end of period	\$ 12.4	\$ 669.8	\$ 5,516.8	\$ 508.6	\$ 65.1	\$ 6,772.7
Changes in unrealized gains (losses) included in earnings related to financial assets still held at the reporting date	\$ 1.8	\$ (37.1)	\$ (252.8)	\$ (25.0)	\$ (11.6)	\$ (324.7)
Changes in unrealized gains (losses) included in other comprehensive income related to financial assets still held at the reporting date	\$ (0.7)	\$ (31.5)	\$ (249.8)	\$ (30.6)	\$ —	\$ (312.6)

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Financial Assets							
Three Months Ended June 30, 2021							
Investments of Consolidated Funds							
	Equity securities	Bonds	Loans	Investments in CLOs	Other investments	Total	
Balance, beginning of period	\$ 9.5	\$ 525.2	\$ 5,271.0	\$ 462.9	\$ 75.6	\$ 6,344.2	
Consolidation of funds ⁽¹⁾	2.4	—	(176.2)	26.1	—	(147.7)	
Purchases	0.4	212.9	1,561.6	33.1	—	1,808.0	
Sales and distributions	(1.7)	(205.8)	(741.8)	(169.1)	(0.9)	(1,119.3)	
Settlements	—	—	(403.5)	—	—	(403.5)	
Realized and unrealized gains (losses), net							
Included in earnings	7.7	5.6	2.6	0.5	3.7	20.1	
Included in other comprehensive income	—	4.1	29.9	(0.4)	—	33.6	
Balance, end of period	<u>\$ 18.3</u>	<u>\$ 542.0</u>	<u>\$ 5,543.6</u>	<u>\$ 353.1</u>	<u>\$ 78.4</u>	<u>\$ 6,535.4</u>	
Changes in unrealized gains (losses) included in earnings related to financial assets still held at the reporting date	\$ 6.7	\$ 4.5	\$ 8.7	\$ 0.1	\$ 3.8	\$ 23.8	
Changes in unrealized gains (losses) included in other comprehensive income related to financial assets still held at the reporting date	\$ —	\$ 1.5	\$ 8.8	\$ (0.4)	\$ —	\$ 9.9	

Financial Assets							
Six Months Ended June 30, 2021							
Investments of Consolidated Funds							
	Equity securities	Bonds	Loans	Investments in CLOs	Other investments ⁽¹⁾	Total	
Balance, beginning of period	\$ 9.4	\$ 550.4	\$ 5,497.1	\$ 489.4	\$ 81.4	\$ 6,627.7	
Deconsolidation/consolidation of funds ⁽¹⁾	2.4	—	(176.2)	26.1	—	(147.7)	
Purchases	0.5	363.9	2,316.9	62.1	—	2,743.4	
Sales and distributions	(2.3)	(361.2)	(1,418.0)	(223.9)	(16.1)	(2,021.5)	
Settlements	—	(3.6)	(641.8)	—	—	(645.4)	
Realized and unrealized gains (losses), net							
Included in earnings	8.6	10.0	89.8	(3.5)	13.1	118.0	
Included in other comprehensive income	(0.3)	(17.5)	(124.2)	2.9	—	(139.1)	
Balance, end of period	<u>\$ 18.3</u>	<u>\$ 542.0</u>	<u>\$ 5,543.6</u>	<u>\$ 353.1</u>	<u>\$ 78.4</u>	<u>\$ 6,535.4</u>	
Changes in unrealized gains (losses) included in earnings related to financial assets still held at the reporting date	\$ 21.7	\$ 7.0	\$ 72.7	\$ (3.9)	\$ 12.9	\$ 110.4	
Changes in unrealized gains (losses) included in other comprehensive income related to financial assets still held at the reporting date	\$ (0.5)	\$ (13.0)	\$ (119.3)	\$ 2.9	\$ —	\$ (129.9)	

(1) The beginning balance of Other Investments has been revised to reflect the exclusion of Fund Investments measured at fair value using the NAV per share practical expedient from the fair value hierarchy.

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Financial Liabilities	
	Loans Payable of Consolidated Funds	
	Three Months Ended June 30,	
	2022	2021
Balance, beginning of period	\$ 5,682.1	\$ 5,440.7
Consolidation of funds	—	(119.2)
Borrowings	462.9	728.2
Paydowns	(1.9)	(446.6)
Sales	—	(277.7)
Realized and unrealized (gains) losses, net		
Included in earnings	(181.3)	16.1
Included in other comprehensive income	(204.0)	32.4
Balance, end of period	<u>\$ 5,757.8</u>	<u>\$ 5,373.9</u>
Changes in unrealized (gains) losses included in earnings related to financial liabilities still held at the reporting date	\$ (181.3)	\$ 26.6
Changes in unrealized (gains) losses included in other comprehensive income related to financial liabilities still held at the reporting date	\$ 0.9	\$ 18.1

	Financial Liabilities	
	Loans Payable of Consolidated Funds	
	Six Months Ended June 30,	
	2022	2021
Balance, beginning of period	\$ 5,811.0	\$ 5,563.0
Deconsolidation/consolidation of funds	—	(119.2)
Borrowings	1,571.3	833.6
Paydowns	(417.3)	(591.0)
Sales	(669.5)	(277.7)
Realized and unrealized (gains) losses, net		
Included in earnings	(227.5)	93.1
Included in other comprehensive income	(310.2)	(127.9)
Balance, end of period	<u>\$ 5,757.8</u>	<u>\$ 5,373.9</u>
Changes in unrealized (gains) losses included in earnings related to financial liabilities still held at the reporting date	\$ (230.8)	\$ 106.8
Changes in unrealized (gains) losses included in other comprehensive income related to financial liabilities still held at the reporting date	\$ 1.1	\$ (142.3)

Realized and unrealized gains and losses included in earnings for Level III investments for investments in CLOs and other investments are included in investment income (loss), and such gains and losses for investments of Consolidated Funds and loans payable of the Consolidated Funds are included in net investment gains (losses) of Consolidated Funds in the unaudited condensed consolidated statements of operations.

Gains and losses included in other comprehensive income for all Level III financial asset and liabilities are included in accumulated other comprehensive loss and non-controlling interests in consolidated entities.

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

The following table summarizes quantitative information about the Company's Level III inputs as of June 30, 2022:

<i>(Dollars in millions)</i>	Fair Value at June 30, 2022	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
Assets				
Investments of Consolidated Funds:				
Equity securities	\$ 12.4	Consensus Pricing	Indicative Quotes (\$ per share)	0.00 - 9.00 (0.48)
Bonds	669.8	Consensus Pricing	Indicative Quotes (% of Par)	73 - 125 (92)
Loans	5,480.3	Consensus Pricing	Indicative Quotes (% of Par)	8 - 104 (94)
	29.8	Discounted Cash Flow	Discount Rates	6% - 10% (8%)
	6.7	Other ⁽¹⁾	N/A	N/A
	6,199.0			
Investments in CLOs:				
Senior secured notes	440.1	Consensus Pricing with Discounted Cash Flow	Indicative Quotes (% of Par)	78 - 100 (95)
			Discount Margins (Basis Points)	140 - 1,700 (320)
			Default Rates	1% - 3% (2%)
			Recovery Rates	50% - 70% (60%)
Subordinated notes and preferred shares	68.5	Consensus Pricing with Discounted Cash Flow	Indicative Quotes (% of Par)	31 - 67 (55)
			Discount Rates	15% - 25% (20%)
			Default Rates	1% - 3% (2%)
			Recovery Rates	50% - 70% (60%)
Other investments:				
BDC preferred shares	61.8	Market Yield Analysis	Market Yield	10% - 10% (10%)
Aviation subordinated notes	3.3	Discounted Cash Flow	Discount Rates	21% - 21% (21%)
Total	<u>\$ 6,772.7</u>			
Liabilities				
Loans payable of Consolidated Funds:				
Senior secured notes	\$ 5,485.3	Other ⁽²⁾	N/A	N/A
	41.7	Other ⁽¹⁾	N/A	N/A
Subordinated notes and preferred shares	221.2	Consensus Pricing with Discounted Cash Flow	Indicative Quotes (% of Par)	26 - 103 (43)
			Discount Rates	15% - 25% (20%)
			Default Rates	1% - 3% (2%)
			Recovery Rates	50% - 70% (60%)
	9.6	Other ⁽¹⁾	N/A	N/A
Total	<u>\$ 5,757.8</u>			

(1) Fair value approximates transaction price that was in close proximity to the reporting date.

(2) Senior and subordinated notes issued by CLO vehicles are classified based on the more observable fair value of the CLO financial assets, less (i) the fair value of any beneficial interests held by the Company and (ii) the carrying value of any beneficial interests that represent compensation for services.

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

The following table summarizes quantitative information about the Company's Level III inputs as of December 31, 2021:

<i>(Dollars in millions)</i>	Fair Value at December 31, 2021	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
Assets				
Investments of Consolidated Funds:				
Equity securities	\$ 17.9	Consensus Pricing	Indicative Quotes (\$ per share)	0.00 - 84.22 (0.63)
Bonds	599.5	Consensus Pricing	Indicative Quotes (% of Par)	93 - 107 (99)
Loans	5,766.0	Consensus Pricing	Indicative Quotes (% of Par)	35 - 106 (98)
	65.1	Discounted Cash Flow	Discount Rates	4% - 8% (5%)
	67.0	Market Yield Analysis	Market Yields	3% - 8% (5%)
	<u>6,515.5</u>			
Investments in CLOs:				
Senior secured notes	289.7	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	86 - 101 (99)
			Discount Margins (Basis Points)	50 - 1,330 (245)
			Default Rates	1% - 2% (1%)
			Recovery Rates	50% - 70% (60%)
Subordinated notes and preferred shares	71.5	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	46 - 97 (63)
			Discount Rate	14% - 22% (19%)
			Default Rates	1% - 2% (1%)
			Recovery Rates	50% - 70% (60%)
Other investments:				
BDC preferred shares	72.5	Market Yield Analysis	Market Yield	7% - 7% (7%)
Aviation subordinated notes	6.1	Discounted Cash Flow	Discount Rates	18% - 18% (18%)
Total	<u>\$ 6,955.3</u>			
Liabilities				
Loans payable of Consolidated Funds:				
Senior secured notes	\$ 5,561.1	Other ⁽¹⁾	N/A	N/A
Subordinated notes and preferred shares	249.9	Discounted Cash Flow with Consensus Pricing	Indicative Quotes (% of Par)	40 - 97 (61)
			Discount Rates	14% - 22% (19%)
			Default Rates	1% - 2% (1%)
			Recovery Rates	50% - 70% (60%)
Total	<u>\$ 5,811.0</u>			

(1) Senior and subordinated notes issued by CLO vehicles are classified based on the more observable fair value of the CLO financial assets, less (i) the fair value of any beneficial interests held by the Company and (ii) the carrying value of any beneficial interests that represent compensation for services.

The significant unobservable inputs used in the fair value measurement of investments of the Company's consolidated funds are indicative quotes. Significant decreases in indicative quotes in isolation would result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in CLOs and other investments include indicative quotes, discount margins, discount rates, default rates, and recovery rates. Significant decreases in indicative quotes or recovery rates in isolation would result in a significantly lower fair value measurement. Significant increases in discount margins, discount rates or default rates in isolation would result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's loans payable of Consolidated Funds are indicative quotes, discount rates, default rates, and recovery rates. Significant increases in discount rates or default rates in isolation would result in a significantly lower fair value measurement. Significant decreases in indicative quotes or recovery rates in isolation would result in a significantly lower fair value measurement.

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

6. Investments

Investments consist of the following:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Accrued performance allocations	\$ 8,046.7	\$ 8,133.0
Principal equity method investments, excluding performance allocations	2,758.7	2,128.6
Principal investments in CLOs	508.6	361.1
Other investments	196.3	209.3
Total	\$ 11,510.3	\$ 10,832.0

Accrued Performance Allocations

The components of accrued performance allocations are as follows:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Global Private Equity	\$ 6,358.6	\$ 6,412.8
Global Credit	256.2	300.3
Global Investment Solutions ⁽¹⁾	1,431.9	1,419.9
Total	\$ 8,046.7	\$ 8,133.0

(1) The Company's primary and secondary investments in external funds are generally valued based on its proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. As a result, amounts presented may not include the impact of economic activity in the current quarter.

Approximately 26% of accrued performance allocations at June 30, 2022 are related to Carlyle Partners VI, L.P. and Carlyle Partners VII, L.P., two of the Company's Global Private Equity funds.

Approximately 25% of accrued performance allocations at December 31, 2021 are related to Carlyle Partners VI, L.P., one of the Company's Global Private Equity funds.

Accrued performance allocations are shown gross of the Company's accrued performance allocations and incentive fee-related compensation (see Note 9), and accrued giveback obligations, which are separately presented in the unaudited condensed consolidated balance sheets. The components of the accrued giveback obligations are as follows:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Global Private Equity	\$ (18.4)	\$ (18.4)
Global Credit	(22.5)	(11.8)
Total	\$ (40.9)	\$ (30.2)

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

Principal Equity Method Investments, Excluding Performance Allocations

The Company's principal equity method investments (excluding performance allocations) include its fund investments in Global Private Equity, Global Credit, and Global Investment Solutions typically as general partner interests, and its strategic investments in Fortitude and iStar through Carlyle-affiliated funds (included within Global Credit) and NGP (included within Global Private Equity), which are not consolidated. Principal investments are related to the following segments:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Global Private Equity ⁽¹⁾	\$ 1,763.5	\$ 1,231.2
Global Credit ⁽²⁾	907.4	819.7
Global Investment Solutions	87.8	77.7
Total	<u>\$ 2,758.7</u>	<u>\$ 2,128.6</u>

(1) The balance includes \$909.9 million and \$436.9 million as of June 30, 2022 and December 31, 2021, respectively, related to the Company's equity method investments in NGP.

(2) As of June 30, 2022, the balance includes \$614.5 million and \$187.8 million, respectively, related to the Company's strategic investments in Fortitude and iStar through Carlyle-affiliated investment funds. As of December 31, 2021, the balance includes \$715.7 million related to the Company's strategic investment in Fortitude.

Strategic Investment in Fortitude

On November 13, 2018, the Company acquired a 19.9% interest in Fortitude Group Holdings, LLC ("Fortitude Holdings"), a wholly owned subsidiary of American International Group, Inc. ("AIG") ("the Minority Transaction"), pursuant to a Membership Interest Purchase Agreement by and among the Company, AIG and Fortitude Holdings, dated as of July 31, 2018 (the "2018 MIPA"). Fortitude Holdings owns 100% of the outstanding common shares of Fortitude Reinsurance Company Ltd., a Bermuda domiciled reinsurer ("Fortitude Re", f/k/a "DSA Re") established to reinsure a portfolio of AIG's legacy life, annuity and property and casualty liabilities.

The Company paid \$381 million in cash at closing of the Minority Transaction (the "Initial Purchase Price") and expects to pay up to \$95 million in additional deferred consideration following December 31, 2023. In May 2020, the Initial Purchase Price was adjusted upward by \$99.5 million in accordance with the 2018 MIPA as Fortitude Holdings chose not to distribute a planned non-pro rata dividend to AIG prior to May 13, 2020. The Company paid \$79.6 million of such adjustment in May 2020 and will pay the remaining \$19.9 million following December 31, 2023.

On June 2, 2020, Carlyle FRL, L.P. ("Carlyle FRL"), a Carlyle-affiliated investment fund, acquired a 51.6% ownership interest in Fortitude Holdings from AIG (the "Control Transaction") and T&D United Capital Co., Ltd. ("T&D"), a subsidiary of T&D Holdings, Inc., purchased a 25.0% ownership interest as a strategic third-party investor pursuant to a Membership Interest Purchase Agreement by and among the Company, AIG, Carlyle FRL, and T&D, dated as of November 25, 2019 (the "2019 MIPA"). At closing, the Company contributed its existing 19.9% interest in Fortitude Holdings to Carlyle FRL, such that Carlyle FRL held a 71.5% interest in Fortitude Holdings. Taken together, Carlyle FRL and T&D had 96.5% ownership of Fortitude Holdings. On October 1, 2021, Carlyle FRL, T&D and AIG effected a restructuring of the ownership of Fortitude Holdings that interposed FGH Parent, L.P. ("FGH Parent"), as the direct parent company of Fortitude Holdings (the "Restructuring"). Each of Carlyle FRL, T&D and AIG contributed the entirety of their interest in Fortitude Holdings to FGH Parent in exchange for an equivalent ownership interest in FGH Parent. References to "Fortitude" prior to the Restructuring refer to Fortitude Holdings. For periods subsequent to the Restructuring, references to "Fortitude" refer to FGH Parent.

In March 2022, the Company raised \$2.0 billion in third-party equity capital from certain investors in Carlyle FRL and T&D, and committed \$100 million from the Company for additional equity capital in Fortitude. In May 2022, Fortitude called \$1.1 billion of the capital raise, with the remainder expected to be called in the second half of 2022. In connection with the capital raise and subsequent funding, the Company's indirect ownership of Fortitude decreased from 19.9% to 13.5%. As a result of the dilution, the Company recorded a reduction in the carrying value of its equity method investment and corresponding loss of \$176.9 million. At the time the remaining capital is called by Fortitude, the Company's indirect ownership is expected to further decrease to 10.5%, and the Company expects to record an additional reduction in the carrying value of its equity method investment and corresponding loss of approximately \$116 million, based on the carrying value as of June 30, 2022, subject to change based on the timing of the dilution and changes in the carrying value of the investment. As of June 30, 2022, the carrying value of the Company's investment in Carlyle FRL, which is an investment company that accounts

Notes to the Condensed Consolidated Financial Statements
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for its investment in Fortitude at fair value, was \$614.5 million, relative to its cost of \$389.4 million.

The Company has a strategic asset management relationship with Fortitude pursuant to which Fortitude committed to allocate assets in asset management strategies and vehicles of the Company and its affiliates. As of June 30, 2022, Fortitude Holdings and certain Fortitude reinsurance counterparties have committed approximately \$9.0 billion of capital to-date to various Carlyle strategies. On April 1, 2022, the Company entered into a new strategic advisory services agreement with certain subsidiaries of Fortitude through a newly-formed investment advisor, Carlyle Insurance Solutions Management L.L.C. (“CISM”). Under the agreement, CISM provides Fortitude with certain services, including business development and growth, transaction origination and execution, and capital management services in exchange for a recurring management fee based on Fortitude’s general account assets, which adjusts within an agreed range based on Fortitude’s overall profitability. Third party investors who participated in the March 2022 capital raise also made a minority investment in CISM, which is reflected as a non-controlling interest in consolidated entities in the condensed consolidated financial statements.

Strategic Investment in NGP

The Company has equity interests in NGP Management, the general partners of certain carry funds advised by NGP, and principal investments in certain NGP funds. The Company does not control NGP and accounts for its investments in NGP under the equity method of accounting, and includes these investments in the Global Private Equity segment. These interests entitle the Company to an allocation of income equal to 55.0% of the management fee-related revenues of NGP Management which serves as the investment advisor to certain NGP funds as well as 47.5% of the performance allocations received by certain current and future NGP fund general partners.

The Company’s investments in NGP as of June 30, 2022 and December 31, 2021 are as follows:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Investment in NGP Management	\$ 370.9	\$ 371.8
Investments in NGP general partners - accrued performance allocations	454.4	3.8
Principal investments in NGP funds	84.6	61.3
Total investments in NGP	<u>\$ 909.9</u>	<u>\$ 436.9</u>

Investment in NGP Management. The Company’s equity interests in NGP Management entitle the Company to an allocation of income equal to 55.0% of the management fee-related revenues of NGP Management, which serves as the investment advisor to the NGP Energy Funds. Management fees are generally calculated as 1.0% to 2.0% of the limited partners’ commitments during the fund’s investment period, and 0.5% to 2.0% based on the lower of cost or fair market value of invested capital following the expiration or termination of the investment period. Management fee-related revenues from NGP Management are primarily driven by NGP XII, NGP XI and NGP X during the three and six months ended June 30, 2022 and 2021.

The Company records investment income (loss) for its equity income allocation from NGP management fee-related revenues and also records its share of any allocated expenses from NGP Management, expenses associated with the compensatory elements of the strategic investment, and the amortization of the basis differences related to the definite-lived identifiable intangible assets of NGP Management. The net investment income (loss) recognized in the Company’s unaudited condensed consolidated statements of operations for the three and six months ended June 30, 2022 and 2021 were as follows:

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Management fee-related revenues from NGP Management	\$ 17.6	\$ 18.4	\$ 34.6	\$ 36.7
Expenses related to the investment in NGP Management	(2.6)	(2.3)	(5.4)	(5.2)
Amortization of basis differences from the investment in NGP Management	(0.4)	(0.7)	(0.7)	(1.4)
Net investment income from NGP Management	<u>\$ 14.6</u>	<u>\$ 15.4</u>	<u>\$ 28.5</u>	<u>\$ 30.1</u>

The difference between the Company's remaining carrying value of its investment and its share of the underlying net assets of the investee was \$0.7 million and \$1.4 million as of June 30, 2022 and December 31, 2021, respectively; these differences are amortized over a period of 10 years from the initial investment date. The Company assesses the remaining carrying value of its equity method investment for impairment whenever events or circumstances indicate that the carrying value may not be recoverable, and considers factors including, but not limited to, expected cash flows from its interest in future management fees and NGP's ability to raise new funds.

Investment in the General Partners of NGP Carry Funds. The Company's investment in the general partners of the NGP Carry Funds entitle it to 47.5% of the performance allocations received by certain current and future NGP fund general partners. The Company records its equity income allocation from NGP performance allocations in principal investment income (loss) from equity method investments rather than performance allocations in its unaudited condensed consolidated statements of operations. The Company recognized \$200.2 million and \$450.6 million of net investment earnings related to these performance allocations for the three and six months ended June 30, 2022, respectively, primarily driven by NGP XI and NGP XII. The Company recognized \$1.1 million of net investment earnings related to these performance allocations for both the three and six months ended June 30, 2021.

Principal Investments in NGP Funds. The Company also holds principal investments in the NGP Carry Funds. The Company recognized net investment earnings (losses) of \$15.4 million and \$5.7 million for the three months ended June 30, 2022 and 2021, respectively, and \$33.4 million and \$11.7 million for the six months ended June 30, 2022 and 2021, respectively, related to these investments and which are included in principal investment income in its unaudited condensed consolidated statements of operations.

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Principal Investments in CLOs and Other Investments

Principal investments in CLOs as of June 30, 2022 and December 31, 2021 were \$508.6 million and \$361.1 million, respectively, and consisted of investments in CLO senior and subordinated notes. In connection with the acquisition of the CBAM CLO management contracts in March 2022, the Company acquired investments in CLO senior and subordinated notes of \$175.9 million (see Note 4). A portion of the Company's principal investments in CLOs is collateral to CLO term loans (see Note 8). As of June 30, 2022 and December 31, 2021, other investments includes the Company's investment in the BDC Preferred Shares at fair value of \$61.8 million and \$72.5 million, respectively (see Note 11).

Investment Income (Loss)

The components of investment income (loss) are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Performance allocations				
Realized	\$ 541.6	\$ 456.6	\$ 808.5	\$ 627.5
Unrealized	(203.7)	1,624.1	239.6	3,239.3
	337.9	2,080.7	1,048.1	3,866.8
Principal investment income (loss) from equity method investments (excluding performance allocations)				
Realized	(69.1)	46.6	(36.3)	87.8
Unrealized	160.9	85.3	456.2	208.9
	91.8	131.9	419.9	296.7
Principal investment income (loss) from investments in CLOs and other investments				
Realized	0.9	0.4	3.2	(0.5)
Unrealized	(36.0)	5.4	(46.8)	20.6
	(35.1)	5.8	(43.6)	20.1
Total	\$ 394.6	\$ 2,218.4	\$ 1,424.4	\$ 4,183.6

The performance allocations included in revenues are derived from the following segments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Global Private Equity	\$ 211.3	\$ 1,798.2	\$ 869.2	\$ 3,364.7
Global Credit	3.2	76.2	(30.8)	97.2
Global Investment Solutions	123.4	206.3	209.7	404.9
Total	\$ 337.9	\$ 2,080.7	\$ 1,048.1	\$ 3,866.8

Approximately 13%, or \$42.8 million, of performance allocations for the three months ended June 30, 2022 are related to the following funds along with total revenue recognized (total revenue includes performance allocations, fund management fees, and principal investment income):

- Carlyle Europe Technology Partners IV, L.P. (Global Private Equity segment) - \$133.5 million,
- Carlyle Power Partners II, L.P. (Global Private Equity segment) - \$103.3 million,
- Carlyle Realty Partners VIII, L.P. (Global Private Equity segment) - \$72.7 million,
- Carlyle Europe Partners V, L.P. (Global Private Equity segment) - \$73.4 million,
- Carlyle Global Infrastructure Opportunity Partners I, L.P. (Global Private Equity segment) - \$42.5 million,

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- Carlyle International Energy Partners I, L.P. (Global Private Equity segment) - \$48.1 million, and
- Carlyle Partners VI, L.P. (Global Private Equity segment) - \$(361.8) million.

Approximately 18%, or \$192.7 million, of performance allocations for the six months ended June 30, 2022 are related to the following funds along with total revenue recognized (total revenue includes performance allocations, fund management fees, and principal investment income):

- Carlyle Realty Partners VIII, L.P. (Global Private Equity segment) - \$226.5 million,
- Carlyle Europe Technology Partners IV, L.P. (Global Private Equity segment) - \$162.2 million,
- Carlyle Power Partners II, L.P. (Global Private Equity segment) - \$135.0 million,
- Carlyle International Energy Partners I, L.P. (Global Private Equity segment) - \$131.0 million, and
- Carlyle Partners VI, L.P. (Global Private Equity segment) - \$(377.5) million.

Approximately 36%, or \$740.6 million, of performance allocations for the three months ended June 30, 2021 are related to the following funds along with total revenue recognized (total revenue includes performance allocations, fund management fees, and principal investment income):

- Carlyle Partners VI, L.P. (Global Private Equity segment) - \$573.8 million, and
- Carlyle US Equity Opportunities Fund II, L.P. (Global Private Equity segment) - \$222.0 million.

Approximately 40%, or \$1,545.8 million, of performance allocations for the six months ended June 30, 2021 are related to the following funds along with total revenue recognized (total revenue includes performance allocations, fund management fees, and principal investment income):

- Carlyle Partners VI, L.P. (Global Private Equity segment) - \$1,150.2 million, and
- Carlyle Europe Partners IV, L.P. (Global Private Equity segment) - \$509.0 million.

Carlyle's income (loss) from its principal equity method investments consists of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Global Private Equity	\$ 245.9	\$ 103.5	\$ 574.1	\$ 209.1
Global Credit	(158.7)	19.5	(161.4)	73.1
Global Investment Solutions	4.6	8.9	7.2	14.5
Total	\$ 91.8	\$ 131.9	\$ 419.9	\$ 296.7

Principal investment loss for Global Credit during the three and six months ended June 30, 2022 includes an investment loss of \$176.9 million on the Company's equity method investment in Carlyle FRL related to the dilution of the Company's indirect ownership in Fortitude from 19.9% to 13.5%.

Investments of Consolidated Funds

The Company consolidates the financial positions and results of operations of certain CLOs in which it is the primary beneficiary. During the six months ended June 30, 2022, the Company did not form any new CLOs for which the Company is the primary beneficiary.

There were no individual investments with a fair value greater than five percent of the Company's total assets for any period presented.

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(Unaudited)

Interest and Other Income of Consolidated Funds

The components of interest and other income of Consolidated Funds are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Interest income from investments	\$ 59.2	\$ 56.6	\$ 115.7	\$ 113.5
Other income	4.0	5.5	9.2	9.7
Total	\$ 63.2	\$ 62.1	\$ 124.9	\$ 123.2

Net Investment Gains (Losses) of Consolidated Funds

Net investment gains (losses) of Consolidated Funds include net realized gains (losses) from sales of investments and unrealized gains (losses) resulting from changes in fair value of the Consolidated Funds' investments. The components of net investment gains (losses) of Consolidated Funds are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Gains (losses) from investments of Consolidated Funds	\$ (204.7)	\$ 13.5	\$ (248.1)	\$ 102.8
Gains (losses) from liabilities of CLOs	181.2	(16.1)	227.4	(93.1)
Total	\$ (23.5)	\$ (2.6)	\$ (20.7)	\$ 9.7

The following table presents realized and unrealized gains (losses) earned from investments of the Consolidated Funds:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Realized gains (losses)	\$ (6.5)	\$ 12.5	\$ (3.8)	\$ 17.2
Net change in unrealized gains (losses)	(198.2)	1.0	(244.3)	85.6
Total	\$ (204.7)	\$ 13.5	\$ (248.1)	\$ 102.8

7. Intangible Assets and Goodwill

The following table summarizes the carrying amount of intangible assets as of June 30, 2022 and December 31, 2021:

	As of	
	June 30, 2022	December 31, 2021
(Dollars in millions)		
Acquired contractual rights	\$ 832.6	\$ 48.0
Accumulated amortization	(60.9)	(26.4)
Finite-lived intangible assets, net	771.7	21.6
Goodwill	12.7	13.3
Intangible Assets, net	\$ 784.4	\$ 34.9

As discussed in Note 3, the Company reviews its intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. No impairment losses were recorded during the three months ended June 30, 2022. During the six months ended June 30, 2022, the Company recorded an impairment charge of \$4.0 million on certain acquired contractual rights related to Carlyle Aviation Partners as a result of impaired income streams from aircraft under lease in Russia. No impairment losses were recorded during the three and six months ended June 30, 2021.

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Intangible asset amortization expense was \$29.7 million and \$3.3 million for the three months ended June 30, 2022 and 2021, respectively, and \$38.6 million and \$6.6 million for the six months ended June 30, 2022 and 2021, respectively, and is included in general, administrative, and other expenses in the unaudited condensed consolidated statements of operations. Certain intangible assets are held by entities of which the functional currency is not the U.S. dollar. Any corresponding currency translation is recorded in other comprehensive income.

The following table summarizes the expected amortization expense for 2022 through 2026 and thereafter (Dollars in millions):

2022 (excluding the six months ended June 30, 2022)	\$	59.2
2023		116.3
2024		116.3
2025		116.3
2026		116.3
Thereafter		247.3
	\$	<u>771.7</u>

8. Borrowings

The Company borrows and enters into credit agreements for its general operating and investment purposes. The Company's debt obligations consist of the following:

	June 30, 2022		December 31, 2021	
	Borrowing Outstanding	Carrying Value	Borrowing Outstanding	Carrying Value
	(Dollars in millions)			
CLO Borrowings (See below)	\$ 389.7	\$ 386.0	\$ 222.6	\$ 219.0
5.625% Senior Notes Due 3/30/2043	600.0	600.6	600.0	600.6
5.650% Senior Notes Due 9/15/2048	350.0	346.2	350.0	346.1
3.500% Senior Notes Due 9/19/2029	425.0	421.8	425.0	421.6
4.625% Subordinated Notes Due 5/15/2061	500.0	484.5	500.0	484.3
Total debt obligations	<u>\$ 2,264.7</u>	<u>\$ 2,239.1</u>	<u>\$ 2,097.6</u>	<u>\$ 2,071.6</u>

Senior Credit Facility

As of June 30, 2022, the senior credit facility, which was amended on April 29, 2022, included \$1.0 billion in a revolving credit facility. The revolving credit facility is scheduled to mature on April 29, 2027, and principal amounts outstanding under the revolving credit facility accrue interest, at the option of the borrowers, either (a) at an alternate base rate plus an applicable margin not to exceed 0.50%, or (b) at SOFR (or similar benchmark for non-U.S. dollar borrowings) plus a 0.10% adjustment and an applicable margin not to exceed 1.50% (at June 30, 2022, the interest rate was 2.79%). Prior to the April 2022 amendment, the size of the revolving credit facility was \$775.0 million, which was scheduled to mature February 11, 2024, and accrued interest either (a) at an alternate base rate plus an applicable margin not to exceed 0.50%, or (b) at LIBOR plus an applicable margin not to exceed 1.50%. The Company made no borrowings under the senior credit facility during the three and six months ended June 30, 2022 and there were no amounts outstanding at June 30, 2022.

Global Credit Revolving Credit Facility

On December 17, 2018, certain subsidiaries of the Company established a revolving line of credit, primarily intended to support certain lending activities within the Global Credit segment. The credit facility, which was amended in December 2019, December 2020 and September 2021, is scheduled to mature in September 2024, and has capacity of \$250.0 million. Principal amounts outstanding under the facility accrue interest, at the option of the borrowers, either (a) at an alternate base rate plus an applicable margin not to exceed 1.00%, or (b) at the Eurocurrency rate plus an applicable margin, not to exceed 2.00%. The Company made no borrowings under the credit facility during the three and six months ended June 30, 2022, and there was no balance outstanding as of June 30, 2022.

Notes to the Condensed Consolidated Financial Statements
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CLO Borrowings

For certain of the Company's CLOs, the Company finances a portion of its investment in the CLOs through the proceeds received from term loans and other financing arrangements with financial institutions. The Company's outstanding CLO borrowings consist of the following (Dollars in millions):

Formation Date	Borrowing Outstanding June 30, 2022	Borrowing Outstanding December 31, 2021	Maturity Date (1)	Interest Rate as of June 30, 2022
February 28, 2017	\$ 37.9	\$ 51.3	November 17, 2031	2.33% (2)
June 29, 2017	54.8	—	July 20, 2030	2.63% (4),(7)
December 6, 2017	43.8	—	January 15, 2031	2.41% (5),(7)
March 15, 2019	1.7	1.9	March 15, 2032	8.11% (3)
August 20, 2019	3.8	4.1	August 15, 2032	4.74% (3)
September 15, 2020	18.6	20.3	April 15, 2033	1.59% (3)
January 8, 2021	19.6	21.3	January 15, 2034	2.49% (3)
March 9, 2021	18.7	20.3	August 15, 2030	1.37% (3)
March 30, 2021	17.6	19.1	March 15, 2032	1.71% (3)
April 21, 2021	3.4	3.7	April 15, 2033	5.85% (3)
April 28, 2021	8.3	—	April 28, 2023	1.35% (6),(7)
May 21, 2021	14.7	15.9	November 17, 2031	1.36% (3)
June 4, 2021	19.6	21.3	January 16, 2034	2.28% (3)
June 10, 2021	1.3	1.4	November 17, 2031	2.85% (3)
July 15, 2021	14.7	—	July 15, 2034	2.30% (3),(7)
July 20, 2021	19.5	—	July 20, 2031	2.28% (3),(7)
August 4, 2021	15.8	17.2	August 15, 2032	1.98% (3)
October 27, 2021	22.9	24.8	October 15, 2035	2.40% (3)
November 5, 2021	13.6	—	January 14, 2034	2.09% (3),(7)
January 6, 2022	19.7	—	February 15, 2035	2.38% (3)
February 22, 2022	19.7	—	November 10, 2035	2.45% (3)
	<u>\$ 389.7</u>	<u>\$ 222.6</u>		

- (1) Maturity date is earlier of date indicated or the date that the CLO is dissolved.
- (2) Outstanding borrowing of €36.1 million; incurs interest at EURIBOR plus applicable margins as defined in the agreement.
- (3) Incurs interest at the average effective interest rate of each class of purchased securities plus 0.50% spread percentage.
- (4) Incurs interest at LIBOR plus 1.57%.
- (5) Incurs interest at LIBOR plus 1.37%.
- (6) Incurs interest at EURIBOR plus 1.35%.
- (7) The respective CLO assets were purchased in connection with the asset acquisition from CBAM in March 2022 (see Note 4). The formation date listed is the original formation date of the related CLO.

The CLO term loans are secured by the Company's investments in the respective CLO, have a general unsecured interest in the Carlyle entity that manages the CLO, and generally do not have recourse to any other Carlyle entity. Interest expense for the three months ended June 30, 2022 and 2021 was \$2.3 million and \$1.2 million, respectively. Interest expense for the six months ended June 30, 2022 and 2021 was \$4.0 million and \$3.2 million, respectively. The fair value of the outstanding balance of the CLO term loans at June 30, 2022 approximated par value based on current market rates for similar debt instruments. These CLO term loans are classified as Level III within the fair value hierarchy.

European CLO Financing - February 28, 2017

On February 28, 2017, a subsidiary of the Company entered into a financing agreement with several financial institutions under which these financial institutions have provided a €36.1 million term loan (\$37.9 million at June 30, 2022) to the Company. This term loan is secured by the Company's investments in the retained notes in certain European CLOs that were

**Notes to the Condensed Consolidated Financial Statements
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formed in 2014 and 2015. This term loan will mature on the earlier of November 17, 2031 or the date that the certain European CLO retained notes have been redeemed. The Company may prepay the term loan in whole or in part at any time. Interest on this term loan accrues at EURIBOR plus applicable margins (2.33% at June 30, 2022).

Master Credit Agreements - Term Loans

In January 2017, the Company entered into a master credit agreement with a financial institution under which the financial institution provided term loans to the Company for the purchase of eligible interests in CLOs. Term loans issued under this master credit agreement were secured by the Company's investment in the respective CLO as well as any senior management fee and subordinated management fee payable by each CLO. Term loans bore interest at LIBOR plus a weighted average spread over LIBOR on the CLO notes and an applicable margin, which was due quarterly. CLO indentures for the respective CLO borrowings entered on November 30, 2017 and after provided for an alternative rate framework determined at the Company's discretion upon a trigger event of LIBOR. This agreement terminated in January 2020. All outstanding CLO term loans under this agreement were fully repaid in 2021.

The Company assumed liabilities under master credit agreements previously entered into by CBAM under which a financial institution provided term loans to CBAM for the purchase of eligible interests in CLOs (see Note 4). Term loans issued under these master credit agreements are secured by the Company's investment in the respective CLO as well as any senior management fee and subordinated management fee payable by each CLO. Term loans bear interest at LIBOR plus a weighted average spread over LIBOR on the CLO notes, which is due quarterly. As of June 30, 2022, term loans under these agreements had \$98.6 million outstanding. The master credit agreements mature in July 2030 and January 2031, respectively.

CLO Repurchase Agreements

On February 5, 2019, the Company entered into a master credit facility agreement (the "Carlyle CLO Financing Facility") to finance a portion of the risk retention investments in certain European CLOs managed by the Company. The maximum facility amount is €100.0 million, but may be expanded on such terms agreed upon by the Company and the counterparty subject to the terms and conditions of the Carlyle CLO Financing Facility. Each transaction entered into under the Carlyle 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 June 30, 2022, €188.0 million (\$197.0 million) was outstanding under the Carlyle CLO Financing Facility.

The Company assumed liabilities under a master credit facility agreement previously entered into by CBAM (the "CBAM CLO Financing Facility", together with the Carlyle CLO Financing Facility, the "CLO Financing Facilities") to finance a portion of the risk retention investments in certain European CLOs managed by CBAM (see Note 4). The maximum facility amount is €100.0 million, but may be expanded on such terms agreed upon by the Company and the counterparty subject to the terms and conditions of the CBAM CLO Financing Facility. Each transaction entered into under the CBAM 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 June 30, 2022, €45.6 million (\$47.8 million) was outstanding under the CBAM CLO Financing Facility.

Each transaction entered into under the CLO Financing Facilities provides for payment netting and, in the case of a default or similar event with respect to the counterparty to the CLO Financing Facilities, provides for netting across transactions. Generally, upon a counterparty default, the Company can terminate all transactions under the CLO Financing Facilities and offset amounts it owes in respect of any one transaction against collateral, if any, or other amounts it has received in respect of any other transactions under the CLO Financing Facilities; 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 Facilities, the Company will deliver cash or additional securities acceptable to the counterparty if the securities sold are in default. 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 Facilities 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.

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Senior Notes

Certain indirect subsidiaries of the Company have issued long term borrowings in the form of senior notes, on which interest is payable semi-annually in arrears. The following table provides information regarding these senior notes (Dollars in millions):

	Aggregate Principal Amount	Fair Value ⁽¹⁾ As of		Interest Expense			
		June 30, 2022	December 31, 2021	Three Months Ended June 30,		Six Months Ended June 30,	
				2022	2021	2022	2021
3.875% Senior Notes Due 2/1/2023 ⁽²⁾	\$ —	\$ —	\$ —	\$ —	\$ 2.5	\$ —	\$ 5.0
5.625% Senior Notes Due 3/30/2043 ⁽³⁾	600.0	581.9	795.5	8.4	8.4	16.9	16.9
5.650% Senior Notes Due 9/15/2048 ⁽⁴⁾	350.0	346.4	484.7	5.0	5.0	9.9	9.9
3.500% Senior Notes Due 9/19/2029 ⁽⁵⁾	425.0	390.3	457.4	3.8	3.8	7.6	7.6
				<u>\$ 17.2</u>	<u>\$ 19.7</u>	<u>\$ 34.4</u>	<u>\$ 39.4</u>

(1) Including accrued interest. Fair value is based on indicative quotes and the notes are classified as Level II within the fair value hierarchy.

(2) Issued in January 2013 at 99.966% of par. In November 2021, the Company completed the redemption of these notes, as discussed below.

(3) Issued \$400.0 million in aggregate principal at 99.583% of par in March 2013. An additional \$200.0 million in aggregate principal was issued at 104.315% of par in March 2014, and is treated as a single class with the outstanding \$400.0 million in senior notes previously issued.

(4) Issued in September 2018 at 99.914% of par.

(5) Issued in September 2019 at 99.841% of par.

The issuers may redeem the senior notes, in whole at any time or in part from time to time, at a price equal to the greater of (i) 100% of the principal amount of the notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on any notes being redeemed discounted to the redemption date on a semiannual basis at the Treasury Rate plus 40 basis points (30 basis points in the case of the 3.875% and 3.500% senior notes), plus in each case accrued and unpaid interest on the principal amounts being redeemed. In November 2021, the Company redeemed the remaining aggregate principal amount of \$250.0 million in 3.875% Senior Notes at the make-whole redemption price as set forth in the notes, and recognized \$10.1 million of costs in interest expense upon early extinguishment of debt.

Subordinated Notes

In May 2021, an indirect subsidiary of the Company issued \$435.0 million aggregate principal amount of 4.625% Subordinated Notes due May 15, 2061 (the "Subordinated Notes"), on which interest is payable quarterly accruing from May 11, 2021. In June 2021, an additional \$65.0 million aggregate principal amount of these Subordinated Notes were issued and are treated as a single series with the already outstanding \$435.0 million aggregate principal amount. The Subordinated Notes are unsecured and subordinated obligations of the issuer, and are fully and unconditionally guaranteed (the "Guarantees"), jointly and severally, on a subordinated basis, by the Company, each of the Carlyle Holdings partnerships, and CG Subsidiary Holdings L.L.C., an indirect subsidiary of the Company (collectively, the "Guarantors"). The Consolidated Funds are not guarantors, and as such, the assets of the Consolidated Funds are not available to service the Subordinated Notes under the Guarantee. The Subordinated Notes may be redeemed at the issuer's option in whole at any time or in part from time to time on or after June 15, 2026 at a redemption price equal to their principal amount plus any accrued and unpaid interest to, but excluding, the date of redemption. If interest due on the Subordinated Notes is deemed no longer to be deductible in the U.S., a "Tax Redemption Event", the Subordinated Notes may be redeemed, in whole, but not in part, within 120 days of the occurrence of such event at a redemption price equal to their principal amount plus accrued and unpaid interest to, but excluding, the date of redemption. In addition, the Subordinated Notes may be redeemed, in whole, but not in part, at any time prior to May 15, 2026, within 90 days of the rating agencies determining that the Subordinated Notes should no longer receive partial equity treatment pursuant to the rating agency's criteria, a "rating agency event", at a redemption price equal to 102% of their principal amount plus any accrued and unpaid interest to, but excluding, the date of redemption.

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As of June 30, 2022 and December 31, 2021, the fair value of the Subordinated Notes was \$362.4 million and \$506.0 million, respectively. Fair value is based on active market quotes and the notes are classified as Level I within the fair value hierarchy. For the three and six months ended June 30, 2022, the Company incurred \$5.9 million and \$11.8 million, respectively, of interest expense on the Subordinated Notes. For the period from May 11, 2021 through June 30, 2021, the Company incurred \$3.3 million of interest expense on the Subordinated Notes.

Debt Covenants

The Company is subject to various financial covenants under its loan agreements including, among other items, maintenance of a minimum amount of management fee-earning assets. The Company is also subject to various non-financial covenants under its loan agreements and the indentures governing its senior and subordinated notes. The Company was in compliance with all financial and non-financial covenants under its various loan agreements as of June 30, 2022.

Loans Payable of Consolidated Funds

Loans payable of Consolidated Funds primarily represent amounts due to holders of debt securities issued by the CLOs. Several of the CLOs issued preferred shares representing the most subordinated interest, however these tranches are mandatorily redeemable upon the maturity dates of the senior secured loans payable, and as a result have been classified as liabilities and are included in loans payable of Consolidated Funds in the unaudited condensed consolidated balance sheets.

As of June 30, 2022 and December 31, 2021, the following borrowings were outstanding, which includes preferred shares classified as liabilities (Dollars in millions):

	As of June 30, 2022			
	Borrowing Outstanding	Fair Value	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Senior secured notes	\$ 5,715.2	\$ 5,527.0	1.99 %	9.99
Subordinated notes, preferred shares and other	119.8	230.8	N/A (1)	10.20
Total	\$ 5,835.0	\$ 5,757.8		

	As of December 31, 2021			
	Borrowing Outstanding	Fair Value	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Senior secured notes	\$ 5,585.4	\$ 5,561.1	1.68 %	10.25
Subordinated notes, preferred shares and other	317.6	249.9	N/A (1)	10.41
Total	\$ 5,903.0	\$ 5,811.0		

(1) The subordinated notes and preferred shares do not have contractual interest rates, but instead receive distributions from the excess cash flows of the CLOs.

Loans payable of the CLOs are collateralized by the assets held by the CLOs and the assets of one CLO may not be used to satisfy the liabilities of another. This collateral consisted of cash and cash equivalents, corporate loans, corporate bonds and other securities. As of June 30, 2022 and December 31, 2021, the fair value of the CLO assets was \$6.4 billion and \$6.7 billion, respectively.

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9. Accrued Compensation and Benefits

Accrued compensation and benefits consist of the following:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Accrued performance allocations and incentive fee related compensation	\$ 4,074.3	\$ 4,087.8
Accrued bonuses	264.5	521.4
Employment-based contingent cash consideration ⁽¹⁾	40.2	6.3
Accrued pension liability ⁽²⁾	33.6	27.4
Other ⁽³⁾	139.2	312.1
Total	<u>\$ 4,551.8</u>	<u>\$ 4,955.0</u>

(1) The acquisition of the Carlyle Aviation Partners, Ltd. ("Carlyle Aviation Partners", formerly known as Apollo Aviation Group) in December 2018 included an earn-out of up to \$150.0 million that is payable upon the achievement of certain revenue and earnings performance targets during 2020 through 2025, which is accounted for as compensation expense. See Note 3 to the consolidated financial statements included in the Company's 2018 Annual Report on Form 10-K for additional information on the Carlyle Aviation Partners acquisition.

(2) Certain employees of AlpInvest are covered by defined benefit pension plans sponsored by AlpInvest. No other employees of the Company are covered by defined benefit pension plans.

(3) Includes \$39.1 million and \$207.0 million of realized performance allocations and incentive fee-related compensation not yet paid to participants as of June 30, 2022 and December 31, 2021, respectively.

The following table presents realized and unrealized performance allocations and incentive fee related compensation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Realized	\$ 262.1	\$ 218.6	\$ 399.7	\$ 311.3
Unrealized	(55.1)	775.4	178.0	1,549.3
Total	<u>\$ 207.0</u>	<u>\$ 994.0</u>	<u>\$ 577.7</u>	<u>\$ 1,860.6</u>

10. Commitments and Contingencies

Capital Commitments

The Company and its unconsolidated affiliates have unfunded commitments to entities within the following segments as of June 30, 2022 (Dollars in millions):

	Unfunded Commitments
Global Private Equity	\$ 3,571.7
Global Credit	412.0
Global Investment Solutions	228.7
Total	<u>\$ 4,212.4</u>

Of the \$4.2 billion of unfunded commitments, approximately \$3.5 billion is subscribed individually by senior Carlyle professionals, advisors and other professionals, with the balance funded directly by the Company. In addition to these unfunded commitments, the Company may from time to time exercise its right to purchase additional interests in its investment funds that become available in the ordinary course of their operations.

Under the Carlyle Global Capital Markets platform, certain subsidiaries of the Company may act as an underwriter, syndicator or placement agent for security offerings and loan originations. The Company earns fees in connection with these activities and bears the risk of the sale of such securities and placement of such loans, which may be longer dated. As of June 30, 2022, the Company had \$158.6 million in unfunded commitments related to the origination and syndication of loans and securities under the Carlyle Global Capital Markets platform.

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In July 2022, a subsidiary of the Company committed and substantially funded \$307.0 million to bridge investment activity in certain funds which are actively fundraising in the Company's Global Private Equity segment.

Guaranteed Loans

From time to time, the Company or its subsidiaries may enter into agreements to guarantee certain obligations of the investment funds related to, for example, credit facilities or equity commitments. Certain consolidated subsidiaries of the Company are the guarantors of revolving credit facilities for certain funds in the Global Investment Solutions segment. The guarantee is limited to the lesser of the total amount drawn under the credit facilities or the net asset value of the guarantor subsidiaries, which was approximately \$15.9 million as of June 30, 2022. The outstanding balances are secured by uncalled capital commitments from the underlying funds and the Company believes the likelihood of any material funding under this guarantee to be remote.

Contingent Obligations (Giveback)

A liability for potential repayment of previously received performance allocations of \$40.9 million at June 30, 2022 is shown as accrued giveback obligations in the unaudited condensed consolidated balance sheets, representing the giveback obligation that would need to be paid if the funds were liquidated at their current fair values at June 30, 2022. However, the ultimate giveback obligation, if any, generally is not paid until the end of a fund's life or earlier if the giveback becomes fixed and early payment is agreed upon by the fund's partners (see Note 3). The Company had \$10.4 million of unbilled receivables from former and current employees and senior Carlyle professionals as of June 30, 2022 related to giveback obligations. Any such receivables are collateralized by investments made by individual senior Carlyle professionals and employees in Carlyle-sponsored funds. In addition, \$143.1 million have been withheld from distributions of carried interest to senior Carlyle professionals and employees for potential giveback obligations as of June 30, 2022. Such amounts are held on behalf of the respective current and former Carlyle employees to satisfy any givebacks they may owe and are held by entities not included in the accompanying condensed consolidated balance sheets. Current and former senior Carlyle professionals and employees are personally responsible for their giveback obligations. As of June 30, 2022, approximately \$18.9 million of the Company's accrued giveback obligation is the responsibility of various current and former senior Carlyle professionals and other former limited partners of the Carlyle Holdings partnerships, and the net accrued giveback obligation attributable to the Company is \$22.0 million.

If, at June 30, 2022, all of the investments held by the Company's Funds were deemed worthless, a possibility that management views as remote, the amount of realized and distributed carried interest subject to potential giveback would be \$1.3 billion, on an after-tax basis where applicable, of which approximately \$0.6 billion would be the responsibility of current and former senior Carlyle professionals.

Leases

The Company's leases primarily consist of operating leases for office space in various countries around the world, including its largest offices in Washington, D.C., New York City, London and Hong Kong. These leases have remaining lease terms of one year to 15 years, some of which include options to extend for up to five years and some of which include an option to terminate the leases within one year. The Company also has operating leases for office equipment and vehicles, which are not significant.

The Company assesses its lease right-of-use assets for impairment consistent with its impairment assessment of other long-lived assets. In connection with the April 1, 2021 sale of Metropolitan Real Estate, the Company entered into a sublease agreement for a portion of its existing office space in New York. As a result of the sublease transaction, the Company recorded a lease impairment charge of \$26.8 million, which was the excess of the carrying value of the associated lease right-of-use asset over its estimated fair value. The Company estimated the fair value using discounted cash flows from the estimated net sublease rental income. The impairment charge is included in general, administrative, and other expenses in the condensed consolidated statements of operations during the three and six months ended June 30, 2021.

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The following table summarizes the Company's lease cost, cash flows and other supplemental information related to its operating leases (Dollars in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Operating lease cost	\$ 14.0	\$ 13.5	\$ 28.0	\$ 27.5
Sublease income	(1.4)	(0.5)	(2.9)	(1.2)
Total operating lease cost	\$ 12.6	\$ 13.0	\$ 25.1	\$ 26.3
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 16.0	\$ 11.4	\$ 32.0	\$ 22.7
Weighted-average remaining lease term			11.6 years	12.2 years
Weighted-average discount rate			4.1 %	4.2 %

Maturities of lease liabilities related to operating leases were as follows (Dollars in millions):

Year ending December 31,	
2022 (excluding the six months ended June 30, 2022)	\$ 32.1
2023	62.4
2024	58.0
2025	55.3
2026	53.2
Thereafter	377.0
Total lease payments	\$ 638.0
Less payments for leases that have not yet commenced	(0.7)
Less imputed interest	(126.6)
Total lease liabilities	\$ 510.7

Legal Matters

In the ordinary course of business, the Company is a party to litigation, investigations, inquiries, employment-related matters, disputes and other potential claims. Certain of these matters are described below. The Company is not currently able to estimate the reasonably possible amount of loss or range of loss, in excess of any amounts accrued, for the matters that have not been resolved. The Company does not believe it is probable that the outcome of any existing litigation, investigations, disputes or other potential claims will materially affect the Company or these financial statements in excess of amounts accrued. The Company believes that the matters described below are without merit.

Along with many other companies and individuals in the financial sector, the Company and Carlyle Mezzanine Partners, L.P. ("CMP") are named as defendants in *Foy v. Austin Capital*, a case filed in June 2009 in state court in New Mexico, which purports to be a *qui tam* suit on behalf of the State of New Mexico under the state Fraud Against Taxpayers Act ("FATA"). The Court dismissed the lawsuit in September 2017, and the Court of appeals affirmed the dismissal in 2020. The *qui tam* plaintiffs have died, and their attorney was disbarred in New Mexico. Various procedural motions continue in efforts to bring the case to a close.

The Company currently is and expects to continue to be, from time to time, subject to examinations, formal and informal inquiries and investigations by various U.S. and non-U.S. governmental and regulatory agencies, including but not limited to, the SEC, Department of Justice, state attorneys general, FINRA, National Futures Association and the U.K. Financial Conduct Authority. The Company routinely cooperates with such examinations, inquiries and investigations, and they may result in the commencement of civil, criminal, or administrative or other proceedings against the Company or its personnel.

It is not possible to predict the ultimate outcome of all pending investigations and legal proceedings and employment-related matters, and some of the matters discussed above involve claims for potentially large and/or indeterminate amounts of

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damages. Based on information known by management, management does not believe that as of the date of this filing the final resolutions of the matters above will have a material effect upon the Company's unaudited condensed consolidated financial statements. However, given the potentially large and/or indeterminate amounts of damages sought in certain of these matters and the inherent unpredictability of investigations and litigations, it is possible that an adverse outcome in certain matters could, from time to time, have a material effect on the Company's financial results in any particular period.

The Company accrues an estimated loss contingency liability when it is probable that such a liability has been incurred and the amount of the loss can be reasonably estimated. As of June 30, 2022, the Company had recorded liabilities aggregating to approximately \$35.1 million for litigation-related contingencies, regulatory examinations and inquiries, and other matters. The Company evaluates its outstanding legal and regulatory proceedings and other matters each quarter to assess its loss contingency accruals, and makes adjustments in such accruals, upward or downward, as appropriate, based on management's best judgment after consultation with counsel. There is no assurance that the Company's accruals for loss contingencies will not need to be adjusted in the future or that, in light of the uncertainties involved in such matters, the ultimate resolution of these matters will not significantly exceed the accruals that the Company has recorded.

Indemnifications

In the normal course of business, the Company and its subsidiaries enter into contracts that contain a variety of representations and warranties and provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company believes the risk of material loss to be remote.

In connection with the sale of the Company's interest in its local Brazilian management entity in August 2021, the Company provided a guarantee to the acquiring company of up to BRL 100.0 million (\$19.3 million as of June 30, 2022) for liabilities arising from tax-related indemnifications. This guarantee, which will expire in August 2027, would only come into effect after all alternative remedies have been exhausted. The Company believes the likelihood of any material funding under this guarantee to be remote.

Risks and Uncertainties

Carlyle's funds seek investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the underlying investees conduct their operations, as well as general economic, political, regulatory and public health conditions, may have a significant negative impact on the Company's investments and profitability. The funds managed by the Company may also experience a slowdown in the deployment of capital, which could adversely affect the Company's ability to raise capital for new or successor funds and could also impact the management fees the Company earns on its carry funds and managed accounts. Such events are beyond the Company's control, and the likelihood that they may occur and the effect on the Company cannot be predicted.

Furthermore, certain of the funds' investments are made in private companies and there are generally no public markets for the underlying securities at the current time. The funds' ability to liquidate their publicly-traded investments are often subject to limitations, including discounts that may be required to be taken on quoted prices due to the number of shares being sold. The funds' ability to liquidate their investments and realize value is subject to significant limitations and uncertainties, including among others currency fluctuations and natural disasters.

The Company and the funds make investments outside of the United States. Investments outside the United States may be subject to less developed bankruptcy, corporate, partnership and other laws (which may have the effect of disregarding or otherwise circumventing the limited liability structures potentially causing the actions or liabilities of one fund or a portfolio company to adversely impact the Company or an unrelated fund or portfolio company). Non-U.S. investments are subject to the same risks associated with the Company's U.S. investments as well as additional risks, such as fluctuations in foreign currency exchange rates, unexpected changes in regulatory requirements, heightened risk of political and economic instability, difficulties in managing non-U.S. investments, potentially adverse tax consequences and the burden of complying with a wide variety of foreign laws.

Furthermore, Carlyle is exposed to economic risk concentrations related to certain large investments as well as concentrations of investments in certain industries and geographies.

Additionally, the Company encounters credit risk. Credit risk is the risk of default by a counterparty in the Company's investments in debt securities, loans, leases and derivatives that result from a borrower's, lessee's or derivative counterparty's inability or unwillingness to make required or expected payments.

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The Company considers cash, cash equivalents, securities, receivables, principal equity method investments, accounts payable, accrued expenses, other liabilities, loans, senior notes, assets and liabilities of Consolidated Funds and contingent and other consideration for acquisitions to be its financial instruments. Except for the senior and subordinated notes, the carrying amounts reported in the unaudited condensed consolidated balance sheets for these financial instruments equal or closely approximate their fair values. The fair value of the senior and subordinated notes is disclosed in Note 8.

11. Related Party Transactions

Due from Affiliates and Other Receivables, Net

The Company had the following due from affiliates and other receivables at June 30, 2022 and December 31, 2021:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Accrued incentive fees	\$ 16.6	\$ 12.2
Unbilled receivable for giveback obligations from current and former employees	10.4	—
Notes receivable and accrued interest from affiliates	33.3	25.3
Management fee, reimbursable expenses and other receivables from unconsolidated funds and affiliates, net	430.9	342.1
Total	<u>\$ 491.2</u>	<u>\$ 379.6</u>

Reimbursable expenses and other receivables from certain of the unconsolidated funds and portfolio companies relate to management fees receivable from limited partners, advisory fees receivable and expenses paid on behalf of these entities. These costs represent costs related to the pursuit of actual or proposed investments, professional fees and expenses associated with the acquisition, holding and disposition of the investments. The affiliates are obligated at the discretion of the Company to reimburse the expenses. Based on management's determination, the Company accrues and charges interest on amounts due from affiliate accounts at interest rates ranging up to 7.02% as of June 30, 2022. The accrued and charged interest to the affiliates was not significant for any period presented.

Notes receivable includes loans that the Company has provided to certain unconsolidated funds to meet short-term obligations to purchase investments. Notes receivable as of June 30, 2022 and December 31, 2021 also include interest-bearing loans of \$18.7 million and \$18.2 million, respectively, to certain eligible Carlyle employees, which excludes Section 16 officers and other members of senior management, to finance their investments in certain Carlyle sponsored funds. These advances accrue interest at the WSJ Prime Rate minus 1.00% floating with a floor rate of 3.50% (3.75% as of June 30, 2022) and are collateralized by each borrower's interest in the Carlyle sponsored funds.

These receivables are assessed regularly for collectability and amounts determined to be uncollectible are charged directly to general, administrative and other expenses in the condensed consolidated statements of operations. A corresponding allowance for doubtful accounts is recorded and such amounts were not significant for any period presented.

Due to Affiliates

The Company had the following due to affiliates balances at June 30, 2022 and December 31, 2021:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Due to non-consolidated affiliates	\$ 69.5	\$ 60.5
Deferred consideration for Carlyle Holdings units	133.0	200.5
Amounts owed under the tax receivable agreement	101.9	101.9
Other	29.2	25.2
Total	<u>\$ 333.6</u>	<u>\$ 388.1</u>

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The Company has recorded obligations for amounts due to certain of its affiliates. The Company periodically offsets expenses it has paid on behalf of its affiliates against these obligations.

Deferred consideration for Carlyle Holdings units relates to the remaining obligation to the holders of Carlyle Holdings partnership units who will receive cash payments aggregating to \$1.50 per Carlyle Holdings partnership unit exchanged in connection with the Conversion, payable in five annual installments of \$0.30. The first three annual installment payments occurred in January 2020, January 2021, and January 2022, respectively. The obligation was initially recorded at fair value, net of a discount of \$11.3 million and measured using Level III inputs in the fair value hierarchy.

In connection with the Company's initial public offering, the Company entered into a tax receivable agreement with the limited partners of the Carlyle Holdings partnerships whereby certain subsidiaries of the Partnership agreed to pay to the limited partners of the Carlyle Holdings partnerships involved in any exchange transaction 85% of the amount of cash tax savings, if any, in U.S. federal, state and local income tax realized as a result of increases in tax basis resulting from exchanges of Carlyle Holdings Partnership units for common units of The Carlyle Group L.P.

Other Related Party Transactions

In the normal course of business, the Company has made use of aircraft owned by entities controlled by senior Carlyle professionals. The senior Carlyle professionals paid for their purchases of aircraft and bear all operating, personnel and maintenance costs associated with their operation for personal use. Payment by the Company for the business use of these aircraft by senior Carlyle professionals and other employees is made at market rates throughout the year based on budgeted business usage. When actual business use exceeds budgeted aircraft use, the Company makes additional payments to the aircraft owner and/or the aircraft management company, as appropriate. Similarly, when the aggregate amount paid for budgeted aircraft use exceeds the calculated costs of actual business use, or results in rates which exceed market aircraft charter rates, we receive reimbursement of such excess payments from the aircraft owner and/or the aircraft management company, as appropriate. These adjustments are calculated annually and payments or reimbursements are generally made after year-end. During the three and six months ended June 30, 2022, the Company made net payments related to these aircraft totaling \$0.6 million and \$0.5 million, respectively. During the three and six months ended June 30, 2021, the Company received net reimbursements related to these aircraft totaling \$2.0 million and \$1.7 million, respectively. The accrual of aircraft fees is included in general, administrative, and other expenses in the unaudited condensed consolidated statements of operations.

On May 5, 2020, the Company purchased 2,000,000 shares of BDC Preferred Shares from CSL in a private placement at a price of \$25 per share. Dividends are payable on a quarterly basis in an initial amount equal to 7.0% per annum payable in cash, or, at CSL's option, 9.0% per annum payable in additional BDC Preferred Shares. The BDC Preferred Shares are convertible at the Company's option, in whole or in part, at an initial conversion price of \$9.50 per share, subject to certain adjustments. At any time after May 5, 2023 and with the approval of its board of directors, CSL will have the option to redeem the BDC Preferred Shares, in whole or in part. In such case, the Company has the right to convert its shares, in whole or in part, prior to the date of redemption. The Company recorded dividend income of \$0.9 million and \$1.8 million during the three and six months ended June 30, 2022, respectively. The Company recorded dividend income of \$0.9 million and \$1.8 million, respectively, during the three and six months ended June 30, 2021. Dividend income from the BDC Preferred Shares is included in interest and other income in the unaudited condensed consolidated statements of operations. The Company's investment in the BDC Preferred Shares, which is recorded at fair value, was \$61.8 million and \$72.5 million as of June 30, 2022 and December 31, 2021, respectively, and is included in investments, including accrued performance allocations, in the unaudited condensed consolidated balance sheets.

Senior Carlyle professionals and employees are permitted to participate in co-investment entities that invest in Carlyle funds or alongside Carlyle funds. In many cases, participation is limited by law to individuals who qualify under applicable legal requirements. These co-investment entities generally do not require senior Carlyle professionals and employees to pay management fees or performance allocations, however, Carlyle professionals and employees are required to pay their portion of partnership expenses.

Carried interest income from the funds can be distributed to senior Carlyle professionals and employees on a current basis, but is subject to repayment by the subsidiary of the Company that acts as general partner of the fund in the event that certain specified return thresholds are not ultimately achieved. The senior Carlyle professionals and certain other investment professionals have personally guaranteed, subject to certain limitations, the obligation of these subsidiaries in respect of this general partner obligation. Such guarantees are several and not joint and are limited to a particular individual's distributions received.

The Company does business with some of its portfolio companies; all such arrangements are on a negotiated basis.

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Substantially all revenue is earned from affiliates of Carlyle.

12. Income Taxes

The Company's provision (benefit) for income taxes was \$50.8 million and \$306.2 million for the three months ended June 30, 2022 and 2021, respectively, and \$198.7 million and \$579.6 million for the six months ended June 30, 2022 and 2021, respectively. The Company's effective tax rate was approximately 17% and 24% for the three months ended June 30, 2022 and 2021, respectively, and 19% and 24% for the six months ended June 30, 2022 and 2021, respectively. The effective tax rate for the six months ended June 30, 2022 and 2021 is primarily comprised of the 21% U.S. federal corporate income tax rate plus U.S. state and foreign corporate income taxes and tax deductions resulting from the vesting of restricted stock units during the period, the impact of which was greater during the six months ended June 30, 2022 due to a larger number of vested units and a higher share price. The effective tax rate for the six months ended June 30, 2022 also reflects a deferred tax benefit resulting from a reduction in certain future foreign withholding taxes as well as the use of foreign tax credits. As of June 30, 2022 and December 31, 2021, the Company had federal, state, local and foreign taxes payable of \$32.8 million and \$93.3 million, respectively, which is recorded as a component of accounts payable, accrued expenses and other liabilities on the accompanying condensed consolidated balance sheet.

In the normal course of business, the Company is subject to examination by federal and certain state, local and foreign tax regulators. With a few exceptions, as of June 30, 2022, the Company's U.S. federal income tax returns for years 2018 through 2020 are open under the normal three-year statute of limitations and therefore subject to examination. State and local tax returns are generally subject to audit from 2016 to 2020. Foreign tax returns are generally subject to audit from 2011 to 2021. Certain of the Company's affiliates are currently under audit by federal, state and foreign tax authorities.

The Company does not believe that the outcome of these audits will require it to record material reserves for uncertain tax positions or that the outcome will have a material impact on the consolidated financial statements. The Company does not believe that it has any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next twelve months.

On July 1, 2022, the State of New York issued proposed regulations, related to its 2015 law change, that may require corporate managers of investment funds (non broker dealers) to change how they source income to New York state, which may result in an increase in the Company's taxable income to New York. These regulations will not be effective until promulgated. The Company has not yet determined the effect of these proposed regulations on its tax provision.

13. Non-controlling Interests in Consolidated Entities

The components of the Company's non-controlling interests in consolidated entities are as follows:

	As of	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Non-Carlyle interests in Consolidated Funds	\$ 252.1	\$ 180.1
Non-Carlyle interests in majority-owned subsidiaries	190.9	234.4
Non-controlling interest in carried interest, giveback obligations and cash held for carried interest distributions	3.0	12.7
Non-controlling interests in consolidated entities	<u>\$ 446.0</u>	<u>\$ 427.2</u>

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The components of the Company's non-controlling interests in income of consolidated entities are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Non-Carlyle interests in Consolidated Funds	\$ 4.6	\$ 0.3	\$ 29.7	\$ 0.2
Non-Carlyle interests in majority-owned subsidiaries	(2.0)	14.3	(4.4)	33.4
Non-controlling interest in carried interest, giveback obligations and cash held for carried interest distributions	0.9	6.9	1.4	9.5
Non-controlling interests in income of consolidated entities	\$ 3.5	\$ 21.5	\$ 26.7	\$ 43.1

14. Earnings Per Common Share

Basic and diluted net income (loss) per common share are calculated as follows:

	Three Months Ended June 30, 2022		Six Months Ended June 30, 2022	
	Basic	Diluted	Basic	Diluted
Net income attributable to common shares	\$ 245,400,000	\$ 245,400,000	\$ 817,000,000	\$ 817,000,000
Weighted-average common shares outstanding	361,445,630	366,311,757	359,520,927	364,671,713
Net income per common share	\$ 0.68	\$ 0.67	\$ 2.27	\$ 2.24

	Three Months Ended June 30, 2021		Six Months Ended June 30, 2021	
	Basic	Diluted	Basic	Diluted
Net loss attributable to common shares	\$ 925,000,000	\$ 925,000,000	\$ 1,794,300,000	\$ 1,794,300,000
Weighted-average common shares outstanding	354,506,335	362,151,588	354,368,976	361,328,946
Net income per common share	\$ 2.61	\$ 2.55	\$ 5.06	\$ 4.97

The weighted-average common shares outstanding, basic and diluted, are calculated as follows:

	Three Months Ended June 30, 2022		Six Months Ended June 30, 2022	
	Basic	Diluted	Basic	Diluted
The Carlyle Group Inc. weighted-average common shares outstanding	361,445,630	361,445,630	359,520,927	359,520,927
Unvested restricted stock units	—	3,141,695	—	3,418,523
Issuable common shares and performance-vesting restricted stock units	—	1,724,432	—	1,732,263
Weighted-average common shares outstanding	361,445,630	366,311,757	359,520,927	364,671,713

	Three Months Ended June 30, 2021		Six Months Ended June 30, 2021	
	Basic	Diluted	Basic	Diluted
The Carlyle Group Inc. weighted-average common shares outstanding	354,506,335	354,506,335	354,368,976	354,368,976
Unvested restricted stock units	—	5,607,545	—	5,015,283
Issuable common shares and performance-vesting restricted stock units	—	2,037,708	—	1,944,708
Weighted-average common shares outstanding	354,506,335	362,151,588	354,368,976	361,328,946

The Company applies the treasury stock method to determine the dilutive weighted-average common shares represented by the unvested restricted stock units. Also included in the determination of dilutive weighted-average common shares are issuable common shares associated with the Company's acquisitions, strategic investment in NGP, performance-vesting restricted stock units and issuable common shares associated with a program under which the Company may distribute realized

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performance allocation related compensation in fully vested, newly issued shares (see Note 15 to the condensed consolidated financial statements).

15. Equity

Shares Issued for Performance Allocation Related Compensation

In October 2021, the Company commenced a program under which, at the Company's discretion, up to 20% of realized performance allocations and incentive fee related compensation over a certain threshold amount may be distributed in fully vested, newly issued shares of the Company's common stock. During the three and six months ended June 30, 2022, the Company distributed 134,696 and 771,157, respectively, fully vested, newly issued common shares, related to previously accrued performance allocations and incentive fee related compensation of \$5.2 million and \$36.5 million, respectively. The Company distributed an additional 78,953 fully vested, newly issued common shares subsequent to June 30, 2022 related to \$2.4 million in realized performance allocations and incentive fee compensation recognized during the three months ended June 30, 2022.

Stock Repurchase Program

In October 2021, the Board of Directors of the Company authorized the repurchase of up to \$400.0 million of common stock, which replaced an authorization provided in February 2021 effective January 1, 2022. Under this repurchase program, shares of common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise, including through Rule 10b5-1 plans. The timing and actual number of shares of common stock repurchased will depend on a variety of factors, including legal requirements, price, and economic and market conditions. This repurchase program may be suspended or discontinued at any time and does not have a specified expiration date. During the six months ended June 30, 2022 and 2021, the Company paid an aggregate of \$105.3 million and \$25.0 million, respectively, to repurchase and retire approximately 2.4 million and 0.6 million shares, respectively, with all of the repurchases done via open market and brokered transactions. As of June 30, 2022, \$294.7 million of repurchase capacity remained under the program.

Shares Issued in Connection with Acquisition

In March 2022, the Company issued 4.2 million shares of common stock, which represented \$194.5 million of the purchase price paid in the acquisition of management contracts related to a portfolio of assets from CBAM, as described in Note 4 to the unaudited condensed consolidated financial statements.

Dividends

The table below presents information regarding the quarterly dividends on the common shares, which were made at the sole discretion of the Board of Directors of the Company.

Dividend Record Date	Dividend Payment Date	Dividend per Common Share	Dividend to Common Stockholders
(Dollars in millions, except per share data)			
May 11, 2021	May 19, 2021	\$ 0.250	\$ 88.7
August 10, 2021	August 17, 2021	0.250	89.3
November 9, 2021	November 17, 2021	0.250	89.1
February 15, 2022	February 23, 2022	0.250	89.5
Total 2021 Dividend Year		\$ 1.000	\$ 356.6
May 10, 2022	May 17, 2022	\$ 0.325	\$ 117.6
August 9, 2022	August 16, 2022	0.325	118.1
Total 2022 Dividend Year (through Q2 2022)		\$ 0.650	\$ 235.7

The Board of Directors will take into account general economic and business conditions, as well as the Company's strategic plans and prospects, business and investment opportunities, financial condition and obligations, legal, tax and regulatory restrictions, other constraints on the payment of dividends by the Company to its common stockholders or by

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subsidiaries to the Company, and other such factors as the Board of Directors may deem relevant. In addition, the terms of the Company's credit facility provide certain limits on the Company's ability to pay dividends.

16. Equity-Based Compensation

In May 2012, Carlyle Group Management L.L.C., the general partner of the Partnership, adopted the Equity Incentive Plan. The Equity Incentive Plan, which was amended on January 1, 2020 in connection with the Conversion to reflect shares of the Company's common stock, is a source of equity-based awards permitting the Company to grant to Carlyle employees, directors and consultants non-qualified options, share appreciation rights, common shares, restricted stock units and other awards based on the Company's common shares. On June 1, 2021, the shareholders of the Company approved an amended and restated Equity Incentive Plan that removed a provision providing for the automatic increase in the number of the Company's common shares available for grant and reset the total number of shares of common stock available for grant to 16,000,000 for awards granted under the plan after June 1, 2021. As of June 30, 2022, the total number of the Company's common shares available for grant under the amended and restated Equity Incentive Plan was 11,945,431.

A summary of the status of the Company's non-vested equity-based awards as of June 30, 2022 and a summary of changes for the six months ended June 30, 2022, are presented below:

Unvested Shares	Restricted Stock Units	Weighted-Average Grant Date Fair Value	Unvested Common Shares ⁽¹⁾	Weighted-Average Grant Date Fair Value
Balance, December 31, 2021	14,775,651	\$ 30.70	635,430	\$ 29.27
Granted	3,486,180	\$ 43.54	188,223	\$ 49.06
Vested	3,340,988	\$ 29.48	—	\$ —
Forfeited	90,444	\$ 30.09	—	\$ —
Balance, June 30, 2022	<u>14,830,399</u>	<u>\$ 34.00</u>	<u>823,653</u>	<u>\$ 33.79</u>

(1) Includes common shares issued in connection with the Company's strategic investment in NGP.

The Company recorded compensation expense, net of forfeitures, for restricted stock units of \$45.4 million and \$47.1 million for the three months ended June 30, 2022 and 2021, respectively, with \$9.4 million and \$10.6 million of corresponding deferred tax benefits, respectively. The Company recorded compensation expense, net of forfeitures, for restricted stock units of \$85.1 million and \$79.5 million for the six months ended June 30, 2022 and 2021, respectively, with \$17.4 million and \$17.3 million of corresponding deferred tax benefits, respectively. As of June 30, 2022, the total unrecognized equity-based compensation expense related to unvested restricted stock units was \$358.0 million, which is expected to be recognized over a weighted-average term of 2.2 years.

17. Segment Reporting

Carlyle conducts its operations through three reportable segments:

Global Private Equity – The Global Private Equity segment is comprised of the Company's operations that advise a diverse group of funds that invest in buyout, middle market and growth capital, real estate, infrastructure and natural resources transactions.

Global Credit – The Global Credit segment advises a group of funds that pursue investment opportunities across various types of credit, including loans and structured credit, direct lending, opportunistic credit, energy credit, distressed credit, aircraft financing and servicing, infrastructure debt, insurance solutions and global capital solutions.

Global Investment Solutions – The Global Investment Solutions segment advises global private equity fund of funds programs and related co-investment and secondary activities through AlpInvest. This segment also included Metropolitan Real Estate ("MRE"), a global manager of real estate fund of funds and related co-investment and secondary activities, prior to its sale on April 1, 2021.

The Company's reportable business segments are differentiated by their various investment focuses and strategies. Overhead costs are generally allocated based on cash-based compensation and benefits expense for each segment. The Company's earnings from its investment in NGP are presented in the respective operating captions within the Global Private Equity segment.

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Distributable Earnings. Distributable Earnings, or “DE,” is a key performance benchmark used in the Company’s industry and is evaluated regularly by management in making resource deployment and compensation decisions and in assessing performance of the Company’s three reportable segments. Management also uses DE in budgeting, forecasting, and the overall management of the Company’s segments. Management believes that reporting DE is helpful to understanding the Company’s business and that investors should review the same supplemental financial measure that management uses to analyze the Company’s segment performance. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Consolidated Funds. DE is derived from the Company’s segment reported results and is used to assess performance.

Distributable Earnings differs from income (loss) before provision for income taxes computed in accordance with U.S. GAAP in that it includes certain tax expenses associated with certain foreign performance revenues (comprised of performance allocations and incentive fees), and does not include unrealized performance allocations and related compensation expense, unrealized principal investment income, equity-based compensation expense, net income (loss) attributable to non-Carlyle interests in consolidated entities, or charges (credits) related to Carlyle corporate actions and non-recurring items. Charges (credits) related to Carlyle corporate actions and non-recurring items include: charges (credits) associated with acquisitions, dispositions, or strategic investments, changes in the tax receivable agreement liability, amortization and any impairment charges associated with acquired intangible assets, transaction costs associated with acquisitions and dispositions, charges associated with earnouts and contingent consideration including gains and losses associated with the estimated fair value of contingent considerations issued in conjunction with acquisitions or strategic investments, impairment charges associated with lease right-of-use assets, gains and losses from the retirement of debt, charges associated with contract terminations and employee severance. Management believes the inclusion or exclusion of these items provides investors with a meaningful indication of the Company’s core operating performance.

Fee Related Earnings. Fee Related Earnings, or “FRE,” is used to assess the ability of the business to cover direct base compensation and operating expenses from total fee revenues. FRE differs from income (loss) before provision for income taxes computed in accordance with U.S. GAAP in that it adjusts for the items included in the calculation of DE and also adjusts DE to exclude net realized performance revenues, realized principal investment income, net interest (interest income less interest expense), and certain general, administrative and other expenses when the timing of any future payment is uncertain. In 2022, the Company began to disclose fee related performance revenues as a separate line item in its segment results. Fee related performance revenues are the realized portion of performance revenues that are measured and received on a recurring basis, are not dependent on the disposition of investments, and which are not at risk of giveback. Previously, these amounts were included as a component of fund management fees. Beginning in 2022, the Company’s Core plus real estate fund, CPI, began to realize recurring fee related performance revenues. Realized net performance revenues for CPI were immaterial in prior periods.

The following tables present the financial data for the Company’s three reportable segments for the three and six months ended June 30, 2022:

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Three Months Ended June 30, 2022			
	Global Private Equity	Global Credit	Global Investment Solutions	Total
	(Dollars in millions)			
Segment Revenues				
Fund level fee revenues				
Fund management fees	\$ 337.0	\$ 123.7	\$ 55.5	\$ 516.2
Portfolio advisory and transaction fees, net and other	7.5	34.7	—	42.2
Fee related performance revenues	22.3	12.8	—	35.1
Total fund level fee revenues	366.8	171.2	55.5	593.5
Realized performance revenues	473.8	19.9	26.2	519.9
Realized principal investment income	34.2	8.7	0.9	43.8
Interest income	1.2	2.6	0.2	4.0
Total revenues	876.0	202.4	82.8	1,161.2
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	154.2	77.1	28.4	259.7
Realized performance revenues related compensation	214.5	9.4	25.1	249.0
Total compensation and benefits	368.7	86.5	53.5	508.7
General, administrative, and other indirect expenses	59.3	20.3	8.3	87.9
Depreciation and amortization expense	6.3	1.9	1.3	9.5
Interest expense	16.0	7.4	2.9	26.3
Total expenses	450.3	116.1	66.0	632.4
Distributable Earnings	\$ 425.7	\$ 86.3	\$ 16.8	\$ 528.8
(-) Realized Net Performance Revenues	259.3	10.5	1.1	270.9
(-) Realized Principal Investment Income	34.2	8.7	0.9	43.8
(+) Net Interest	14.8	4.8	2.7	22.3
(=) Fee Related Earnings	\$ 147.0	\$ 71.9	\$ 17.5	\$ 236.4

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Six Months Ended June 30, 2022			
	Global Private Equity	Global Credit	Global Investment Solutions	Total
	(Dollars in millions)			
Segment Revenues				
Fund level fee revenues				
Fund management fees	\$ 641.2	\$ 217.4	\$ 111.8	\$ 970.4
Portfolio advisory and transaction fees, net and other	13.6	44.8	—	58.4
Fee related performance revenues	52.9	26.7	—	79.6
Total fund level fee revenues	707.7	288.9	111.8	1,108.4
Realized performance revenues	673.7	33.6	48.9	756.2
Realized principal investment income	48.4	19.0	2.7	70.1
Interest income	1.6	4.1	0.3	6.0
Total revenues	1,431.4	345.6	163.7	1,940.7
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	307.2	144.3	54.0	505.5
Realized performance revenues related compensation	305.2	16.1	46.0	367.3
Total compensation and benefits	612.4	160.4	100.0	872.8
General, administrative, and other indirect expenses	104.8	43.8	15.6	164.2
Depreciation and amortization expense	12.6	3.9	2.5	19.0
Interest expense	31.8	15.6	5.7	53.1
Total expenses	761.6	223.7	123.8	1,109.1
Distributable Earnings	\$ 669.8	\$ 121.9	\$ 39.9	\$ 831.6
(-) Realized Net Performance Revenues	368.5	17.5	2.9	388.9
(-) Realized Principal Investment Income	48.4	19.0	2.7	70.1
(+) Net Interest	30.2	11.5	5.4	47.1
(=) Fee Related Earnings	\$ 283.1	\$ 96.9	\$ 39.7	\$ 419.7
Segment assets as of June 30, 2022	\$ 9,793.9	\$ 3,196.0	\$ 1,813.8	\$ 14,803.7

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

The following tables present the financial data for the Company's three reportable segments for the three and six months ended June 30, 2021:

	Three Months Ended June 30, 2021			
	Global Private Equity	Global Credit	Global Investment Solutions	Total
(Dollars in millions)				
Segment Revenues				
Fund level fee revenues				
Fund management fees	\$ 263.4	\$ 75.7	\$ 60.3	\$ 399.4
Portfolio advisory and transaction fees, net and other	6.2	9.4	—	15.6
Fee related performance revenues	—	10.4	—	10.4
Total fund level fee revenues	269.6	95.5	60.3	425.4
Realized performance revenues	428.9	—	25.1	454.0
Realized principal investment income	24.0	9.8	4.0	37.8
Interest income	0.5	1.2	0.1	1.8
Total revenues	723.0	106.5	89.5	919.0
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	133.6	55.6	28.2	217.4
Realized performance revenues related compensation	193.6	—	23.0	216.6
Total compensation and benefits	327.2	55.6	51.2	434.0
General, administrative, and other indirect expenses	36.4	13.0	6.2	55.6
Depreciation and amortization expense	6.1	2.0	1.1	9.2
Interest expense	15.7	6.3	2.8	24.8
Total expenses	385.4	76.9	61.3	523.6
Distributable Earnings	\$ 337.6	\$ 29.6	\$ 28.2	\$ 395.4
(-) Realized Net Performance Revenues	235.3	—	2.1	237.4
(-) Realized Principal Investment Income	24.0	9.8	4.0	37.8
(+) Net Interest	15.2	5.1	2.7	23.0
(=) Fee Related Earnings	\$ 93.5	\$ 24.9	\$ 24.8	\$ 143.2

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Six Months Ended June 30, 2021			
	Global Private Equity	Global Credit	Global Investment Solutions	Total
(Dollars in millions)				
Segment Revenues				
Fund level fee revenues				
Fund management fees	\$ 523.6	\$ 146.3	\$ 112.3	\$ 782.2
Portfolio advisory and transaction fees, net and other	16.8	18.2	0.3	35.3
Fee related performance revenues	—	19.8	—	19.8
Total fund level fee revenues	540.4	184.3	112.6	837.3
Realized performance revenues	563.0	0.1	59.3	622.4
Realized principal investment income	47.7	15.7	4.4	67.8
Interest income	0.7	3.2	0.1	4.0
Total revenues	1,151.8	203.3	176.4	1,531.5
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	262.7	109.3	57.6	429.6
Realized performance revenues related compensation	253.8	—	55.2	309.0
Total compensation and benefits	516.5	109.3	112.8	738.6
General, administrative, and other indirect expenses	77.8	24.8	14.6	117.2
Depreciation and amortization expense	12.2	3.9	2.2	18.3
Interest expense	29.5	12.6	5.0	47.1
Total expenses	636.0	150.6	134.6	921.2
Distributable Earnings	\$ 515.8	\$ 52.7	\$ 41.8	\$ 610.3
(-) Realized Net Performance Revenues	309.2	0.1	4.1	313.4
(-) Realized Principal Investment Income	47.7	15.7	4.4	67.8
(+) Net Interest	28.8	9.4	4.9	43.1
(=) Fee Related Earnings	\$ 187.7	\$ 46.3	\$ 38.2	\$ 272.2

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(Unaudited)

The following tables reconcile the Total Segments to the Company's Income (Loss) Before Provision for Taxes for the three months ended June 30, 2022 and 2021.

Three Months Ended June 30, 2022						
Total Reportable Segments	Consolidated Funds	Reconciling Items			Carlyle Consolidated	
(Dollars in millions)						
Revenues	\$ 1,161.2	\$ 63.2	\$ (175.4)	(a)	\$ 1,049.0	
Expenses	\$ 632.4	\$ 51.1	\$ 42.3	(b)	\$ 725.8	
Other income	\$ —	\$ (23.5)	\$ —	(c)	\$ (23.5)	
Distributable earnings	\$ 528.8	\$ (11.4)	\$ (217.7)	(d)	\$ 299.7	

Three Months Ended June 30, 2021						
Total Reportable Segments	Consolidated Funds	Reconciling Items			Carlyle Consolidated	
(Dollars in millions)						
Revenues	\$ 919.0	\$ 62.1	\$ 1,725.2	(a)	\$ 2,706.3	
Expenses	\$ 523.6	\$ 54.2	\$ 873.2	(b)	\$ 1,451.0	
Other income	\$ —	\$ (2.6)	\$ —	(c)	\$ (2.6)	
Distributable earnings	\$ 395.4	\$ 5.3	\$ 852.0	(d)	\$ 1,252.7	

The following tables reconcile the Total Segments to the Company's Income (Loss) Before Provision for Taxes for the six months ended June 30, 2022 and 2021, and Total Assets as of June 30, 2022.

Six Months Ended June 30, 2022						
Total Reportable Segments	Consolidated Funds	Reconciling Items			Carlyle Consolidated	
(Dollars in millions)						
Revenues	\$ 1,940.7	\$ 124.9	\$ 565.2	(a)	\$ 2,630.8	
Expenses	\$ 1,109.1	\$ 104.0	\$ 354.6	(b)	\$ 1,567.7	
Other income (loss)	\$ —	\$ (20.7)	\$ —	(c)	\$ (20.7)	
Distributable earnings	\$ 831.6	\$ 0.2	\$ 210.6	(d)	\$ 1,042.4	
Total assets	\$ 14,803.7	\$ 6,768.6	\$ (147.4)	(e)	\$ 21,424.9	

Six Months Ended June 30, 2021						
Total Reportable Segments	Consolidated Funds	Reconciling Items			Carlyle Consolidated	
(Dollars in millions)						
Revenues	\$ 1,531.5	\$ 123.2	\$ 3,488.8	(a)	\$ 5,143.5	
Expenses	\$ 921.2	\$ 110.7	\$ 1,704.3	(b)	\$ 2,736.2	
Other income (loss)	\$ —	\$ 9.7	\$ —	(c)	\$ 9.7	
Distributable earnings	\$ 610.3	\$ 22.2	\$ 1,784.5	(d)	\$ 2,417.0	

- (a) The Revenues adjustment principally represents unrealized performance revenues, unrealized principal investment income (loss) (including Fortitude), the principal investment loss from dilution of the indirect investment in Fortitude, revenues earned from the Consolidated Funds which were eliminated in consolidation to arrive at the Company's total revenues, adjustments for amounts attributable to non-controlling interests in consolidated entities, adjustments related to expenses associated with the investments in NGP Management and its affiliates that are included in operating

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

captions or are excluded from the segment results, adjustments to reflect the reimbursement of certain costs incurred on behalf of Carlyle funds on a net basis, and the inclusion of tax expenses associated with certain foreign performance revenues, as detailed below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Unrealized performance and fee related performance revenues	\$ 12.2	\$ 1,620.7	\$ 711.0	\$ 3,242.5
Unrealized principal investment income (loss)	(27.1)	78.8	(3.4)	210.1
Principal investment loss from dilution of indirect investment in Fortitude	(176.9)	—	(176.9)	—
Adjustments related to expenses associated with investments in NGP Management and its affiliates	(3.0)	(3.0)	(6.1)	(6.6)
Tax expense associated with certain foreign performance revenues	—	0.3	(0.1)	0.2
Non-controlling interests and other adjustments to present certain costs on a net basis	13.7	41.1	31.6	86.4
Elimination of revenues of Consolidated Funds	5.7	(12.7)	9.1	(43.8)
	<u>\$ (175.4)</u>	<u>\$ 1,725.2</u>	<u>\$ 565.2</u>	<u>\$ 3,488.8</u>

The following table reconciles the total segments fund level fee revenue to the most directly comparable U.S. GAAP measure, the Company's consolidated fund management fees, for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Total Reportable Segments - Fund level fee revenues	\$ 593.5	\$ 425.4	\$ 1,108.4	\$ 837.3
Adjustments ⁽¹⁾	(47.0)	(31.0)	(111.4)	(61.9)
Carlyle Consolidated - Fund management fees	<u>\$ 546.5</u>	<u>\$ 394.4</u>	<u>\$ 997.0</u>	<u>\$ 775.4</u>

(1) Adjustments represent the reclassification of NGP management fees from principal investment income, the reclassification of fee related performance revenues from business development companies and other products, management fees earned from consolidated CLOs which were eliminated in consolidation to arrive at the Company's fund management fees, and the reclassification of certain amounts included in portfolio advisory fees, net and other in the segment results that are included in interest and other income in the U.S. GAAP results.

(b) The Expenses adjustment represents the elimination of intercompany expenses of the Consolidated Funds payable to the Company, the inclusion of equity-based compensation, certain tax expenses associated with realized performance revenues related compensation, and unrealized performance revenues related compensation, adjustments related to expenses associated with the investment in NGP Management that are included in operating captions, adjustments to reflect the reimbursement of certain costs incurred on behalf of Carlyle funds on a net basis, changes in the tax receivable agreement liability, and charges and credits associated with Carlyle corporate actions and non-recurring items, as detailed below:

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Unrealized performance and fee related performance revenue compensation expense	\$ (58.6)	\$ 776.8	\$ 173.6	\$ 1,552.1
Equity-based compensation	48.3	50.3	89.0	85.2
Acquisition or disposition-related charges (credits) and amortization of intangibles and impairment	53.4	11.3	82.5	30.3
Tax expense associated with certain foreign performance revenues related compensation	—	(3.7)	(0.7)	(9.6)
Non-controlling interests and other adjustments to present certain costs on a net basis	11.8	17.4	28.3	37.3
Right-of-use asset impairment	—	26.8	—	26.8
Other adjustments including severance	(2.3)	2.0	2.3	4.0
Elimination of expenses of Consolidated Funds	(10.3)	(7.7)	(20.4)	(21.8)
	<u>\$ 42.3</u>	<u>\$ 873.2</u>	<u>\$ 354.6</u>	<u>\$ 1,704.3</u>

(c) The Other Income (Loss) adjustment results from the Consolidated Funds which were eliminated in consolidation to arrive at the Company's total Other Income (Loss).

(d) The following table is a reconciliation of Income (Loss) Before Provision for Income Taxes to Distributable Earnings and to Fee Related Earnings:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Income (loss) before provision for income taxes	\$ 299.7	\$ 1,252.7	\$ 1,042.4	\$ 2,417.0
Adjustments:				
Net unrealized performance and fee related performance revenues	(70.8)	(844.0)	(537.4)	(1,690.4)
Unrealized principal investment (income) loss	27.1	(78.8)	3.4	(210.1)
Principal investment loss from dilution of indirect investment in Fortitude	176.9	—	176.9	—
Equity-based compensation ⁽¹⁾	48.3	50.3	89.0	85.2
Acquisition or disposition-related charges (credits), including amortization of intangibles and impairment	53.4	11.3	82.5	30.3
Tax expense associated with certain foreign performance revenues	—	(3.4)	(0.8)	(9.4)
Net income attributable to non-controlling interests in consolidated entities	(3.5)	(21.5)	(26.7)	(43.1)
Right-of-use asset impairment	—	26.8	—	26.8
Other adjustments including severance	(2.3)	2.0	2.3	4.0
Distributable Earnings	\$ 528.8	\$ 395.4	\$ 831.6	\$ 610.3
Realized performance revenues, net of related compensation ⁽²⁾	270.9	237.4	388.9	313.4
Realized principal investment income ⁽²⁾	43.8	37.8	70.1	67.8
Net interest	22.3	23.0	47.1	43.1
Fee Related Earnings	\$ 236.4	\$ 143.2	\$ 419.7	\$ 272.2

(1) Equity-based compensation for the three and six months ended June 30, 2022 and 2021 includes amounts that are presented in principal investment income and general, administrative and other expenses in the Company's U.S. GAAP statement of operations.

(2) See reconciliation to most directly comparable U.S. GAAP measure below:

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Three Months Ended June 30, 2022			
	Carlyle Consolidated	Adjustments ⁽³⁾	Total Reportable Segments
(Dollars in millions)			
Performance revenues	\$ 337.9	\$ 182.0	\$ 519.9
Performance revenues related compensation expense	207.0	42.0	249.0
Net performance revenues	\$ 130.9	\$ 140.0	\$ 270.9
Principal investment income (loss)	\$ 56.7	\$ (12.9)	\$ 43.8

Six Months Ended June 30, 2022			
	Carlyle Consolidated	Adjustments ⁽³⁾	Total Reportable Segments
(Dollars in millions)			
Performance revenues	\$ 1,048.1	\$ (291.9)	\$ 756.2
Performance revenues related compensation expense	577.7	(210.4)	367.3
Net performance revenues	\$ 470.4	\$ (81.5)	\$ 388.9
Principal investment income (loss)	\$ 376.3	\$ (306.2)	\$ 70.1

Three Months Ended June 30, 2021			
	Carlyle Consolidated	Adjustments ⁽³⁾	Total Reportable Segments
(Dollars in millions)			
Performance revenues	\$ 2,080.7	\$ (1,626.7)	\$ 454.0
Performance revenues related compensation expense	994.0	(777.4)	216.6
Net performance revenues	\$ 1,086.7	\$ (849.3)	\$ 237.4
Principal investment income (loss)	\$ 137.7	\$ (99.9)	\$ 37.8

Six Months Ended June 30, 2021			
	Carlyle Consolidated	Adjustments ⁽³⁾	Total Reportable Segments
(Dollars in millions)			
Performance revenues	\$ 3,866.8	\$ (3,244.4)	\$ 622.4
Performance revenues related compensation expense	1,860.6	(1,551.6)	309.0
Net performance revenues	\$ 2,006.2	\$ (1,692.8)	\$ 313.4
Principal investment income (loss)	\$ 316.8	\$ (249.0)	\$ 67.8

- (3) Adjustments to performance revenues and principal investment income (loss) relate to (i) unrealized performance allocations net of related compensation expense and unrealized principal investment income, which are excluded from the segment results, (ii) amounts earned from the Consolidated Funds, which were eliminated in the U.S. GAAP consolidation but were included in the segment results, (iii) amounts attributable to non-controlling interests in consolidated entities, which were excluded from the segment results, (iv) the reclassification of NGP performance revenues, which are included in principal investment income in U.S. GAAP financial statements, (v) the reclassification of fee related performance revenues, which are included in fund level fee revenues in the segment results, and (vi) the reclassification of tax expenses associated with certain foreign performance revenues. Adjustments to principal investment income (loss) also include the reclassification of earnings for the investments in NGP Management and its affiliates to the appropriate operating captions for the segment results, the exclusion of charges associated with the investment in NGP Management and its affiliates that are excluded from the segment results and the exclusion of the principal investment loss from dilution of the indirect investment in Fortitude.

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(e) The Total Assets adjustment represents the addition of the assets of the Consolidated Funds that were eliminated in consolidation to arrive at the Company's total assets.

18. Subsequent Events

Dividends

In July 2022, the Company's Board of Directors declared a quarterly dividend of \$0.325 per share of common stock to common stockholders of record at the close of business on August 9, 2022, payable on August 16, 2022.

Notes to the Condensed Consolidated Financial Statements
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19. Supplemental Financial Information

The following supplemental financial information illustrates the consolidating effects of the Consolidated Funds on the Company's financial position as of June 30, 2022 and December 31, 2021 and results of operations for the three and six months ended June 30, 2022 and 2021. The supplemental statement of cash flows is presented without effects of the Consolidated Funds.

	As of June 30, 2022			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Assets				
Cash and cash equivalents	\$ 1,308.9	\$ —	\$ —	\$ 1,308.9
Cash and cash equivalents held at Consolidated Funds	—	230.7	—	230.7
Restricted cash	0.9	—	—	0.9
Investments, including performance allocations of \$8,046.7 million	11,652.1	—	(141.8)	11,510.3
Investments of Consolidated Funds	—	6,418.2	—	6,418.2
Due from affiliates and other receivables, net	496.8	—	(5.6)	491.2
Due from affiliates and other receivables of Consolidated Funds, net	—	119.4	—	119.4
Fixed assets, net	138.4	—	—	138.4
Lease right-of-use assets, net	340.6	—	—	340.6
Deposits and other	65.1	0.3	—	65.4
Intangible assets, net	784.4	—	—	784.4
Deferred tax assets	16.5	—	—	16.5
Total assets	<u>\$ 14,803.7</u>	<u>\$ 6,768.6</u>	<u>\$ (147.4)</u>	<u>\$ 21,424.9</u>
Liabilities and equity				
Debt obligations	\$ 2,239.1	\$ —	\$ —	\$ 2,239.1
Loans payable of Consolidated Funds	—	5,757.8	—	5,757.8
Accounts payable, accrued expenses and other liabilities	315.0	—	—	315.0
Accrued compensation and benefits	4,551.8	—	—	4,551.8
Due to affiliates	333.6	—	—	333.6
Deferred revenue	104.8	—	—	104.8
Deferred tax liabilities	525.4	—	—	525.4
Other liabilities of Consolidated Funds	—	613.5	—	613.5
Lease liabilities	510.7	—	—	510.7
Accrued giveback obligations	40.9	—	—	40.9
Total liabilities	<u>8,621.3</u>	<u>6,371.3</u>	<u>—</u>	<u>14,992.6</u>
Common stock	3.6	—	—	3.6
Additional paid-in capital	3,033.6	159.9	(159.9)	3,033.6
Retained earnings	3,309.9	—	—	3,309.9
Accumulated other comprehensive loss	(358.6)	(14.7)	12.5	(360.8)
Non-controlling interests in consolidated entities	193.9	252.1	—	446.0
Total equity	<u>6,182.4</u>	<u>397.3</u>	<u>(147.4)</u>	<u>6,432.3</u>
Total liabilities and equity	<u>\$ 14,803.7</u>	<u>\$ 6,768.6</u>	<u>\$ (147.4)</u>	<u>\$ 21,424.9</u>

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As of December 31, 2021

	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
(Dollars in millions)				
Assets				
Cash and cash equivalents	\$ 2,469.5	\$ —	\$ —	\$ 2,469.5
Cash and cash equivalents held at Consolidated Funds	—	147.8	—	147.8
Restricted cash	5.6	—	—	5.6
Investments, including performance allocations of \$8,133.0 million	11,022.5	—	(190.5)	10,832.0
Investments of Consolidated Funds	—	6,661.0	—	6,661.0
Due from affiliates and other receivables, net	384.9	—	(5.3)	379.6
Due from affiliates and other receivables of Consolidated Funds, net	—	138.8	—	138.8
Fixed assets, net	143.9	—	—	143.9
Lease right-of-use assets, net	361.1	—	—	361.1
Deposits and other	61.3	0.4	—	61.7
Intangible assets, net	34.9	—	—	34.9
Deferred tax assets	14.5	—	—	14.5
Total assets	<u>\$ 14,498.2</u>	<u>\$ 6,948.0</u>	<u>\$ (195.8)</u>	<u>\$ 21,250.4</u>
Liabilities and equity				
Debt obligations	\$ 2,071.6	\$ —	\$ —	\$ 2,071.6
Loans payable of Consolidated Funds	—	5,890.0	—	5,890.0
Accounts payable, accrued expenses and other liabilities	379.7	—	—	379.7
Accrued compensation and benefits	4,955.0	—	—	4,955.0
Due to affiliates	388.1	—	—	388.1
Deferred revenue	120.8	—	—	120.8
Deferred tax liabilities	487.1	—	—	487.1
Other liabilities of Consolidated Funds	—	684.0	(0.1)	683.9
Lease liabilities	537.8	—	—	537.8
Accrued giveback obligations	30.2	—	—	30.2
Total liabilities	<u>8,970.3</u>	<u>6,574.0</u>	<u>(0.1)</u>	<u>15,544.2</u>
Common stock	3.6	—	—	3.6
Additional paid-in capital	2,717.6	198.6	(198.6)	2,717.6
Retained earnings	2,805.3	—	—	2,805.3
Accumulated other comprehensive income (loss)	(245.7)	(4.7)	2.9	(247.5)
Non-controlling interests in consolidated entities	247.1	180.1	—	427.2
Total equity	<u>5,527.9</u>	<u>374.0</u>	<u>(195.7)</u>	<u>5,706.2</u>
Total liabilities and equity	<u>\$ 14,498.2</u>	<u>\$ 6,948.0</u>	<u>\$ (195.8)</u>	<u>\$ 21,250.4</u>

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Three Months Ended June 30, 2022			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Revenues				
Fund management fees	\$ 553.0	\$ —	\$ (6.5)	\$ 546.5
Incentive fees	13.5	—	—	13.5
Investment income				
Performance allocations	342.7	—	(4.8)	337.9
Principal investment income	34.0	—	22.7	56.7
Total investment income	376.7	—	17.9	394.6
Interest and other income	36.9	—	(5.7)	31.2
Interest and other income of Consolidated Funds	—	63.2	—	63.2
Total revenues	980.1	63.2	5.7	1,049.0
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	274.0	—	—	274.0
Equity-based compensation	45.4	—	—	45.4
Performance allocations and incentive fee related compensation	207.0	—	—	207.0
Total compensation and benefits	526.4	—	—	526.4
General, administrative and other expenses	131.5	—	0.2	131.7
Interest	26.9	—	—	26.9
Interest and other expenses of Consolidated Funds	—	51.1	(10.5)	40.6
Other non-operating expense	0.2	—	—	0.2
Total expenses	685.0	51.1	(10.3)	725.8
Other income				
Net investment loss of Consolidated Funds	—	(23.5)	—	(23.5)
Income before provision for income taxes	295.1	(11.4)	16.0	299.7
Provision for income taxes	50.8	—	—	50.8
Net income	244.3	(11.4)	16.0	248.9
Net income attributable to non-controlling interests in consolidated entities	(1.1)	—	4.6	3.5
Net income attributable to The Carlyle Group Inc.	\$ 245.4	\$ (11.4)	\$ 11.4	\$ 245.4

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Six Months Ended June 30, 2022			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
(Dollars in millions)				
Revenues				
Fund management fees	\$ 1,009.9	\$ —	\$ (12.9)	\$ 997.0
Incentive fees	27.5	—	—	27.5
Investment income				
Performance allocations	1,052.9	—	(4.8)	1,048.1
Principal investment income	336.3	—	40.0	376.3
Total investment income	1,389.2	—	35.2	1,424.4
Interest and other income	70.2	—	(13.2)	57.0
Interest and other income of Consolidated Funds	—	124.9	—	124.9
Total revenues	2,496.8	124.9	9.1	2,630.8
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	528.3	—	—	528.3
Equity-based compensation	85.1	—	—	85.1
Performance allocations and incentive fee related compensation	577.7	—	—	577.7
Total compensation and benefits	1,191.1	—	—	1,191.1
General, administrative and other expenses	237.8	—	0.2	238.0
Interest	54.7	—	—	54.7
Interest and other expenses of Consolidated Funds	—	104.0	(20.6)	83.4
Other non-operating expense	0.5	—	—	0.5
Total expenses	1,484.1	104.0	(20.4)	1,567.7
Other income				
Net investment gain of Consolidated Funds	—	(20.7)	—	(20.7)
Income before provision for income taxes	1,012.7	0.2	29.5	1,042.4
Provision for income taxes	198.7	—	—	198.7
Net income	814.0	0.2	29.5	843.7
Net income attributable to non-controlling interests in consolidated entities	(3.0)	—	29.7	26.7
Net income attributable to The Carlyle Group Inc.	<u>\$ 817.0</u>	<u>\$ 0.2</u>	<u>\$ (0.2)</u>	<u>\$ 817.0</u>

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Three Months Ended June 30, 2021			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Revenues				
Fund management fees	\$ 400.4	\$ —	\$ (6.0)	\$ 394.4
Incentive fees	10.4	—	—	10.4
Investment income				
Performance allocations	2,080.7	—	—	2,080.7
Principal investment income	139.5	—	(1.8)	137.7
Total investment income	2,220.2	—	(1.8)	2,218.4
Interest and other income	25.9	—	(4.9)	21.0
Interest and other income of Consolidated Funds	—	62.1	—	62.1
Total revenues	2,656.9	62.1	(12.7)	2,706.3
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	231.8	—	—	231.8
Equity-based compensation	47.2	—	—	47.2
Performance allocations and incentive fee related compensation	994.0	—	—	994.0
Total compensation and benefits	1,273.0	—	—	1,273.0
General, administrative and other expenses	109.1	—	—	109.1
Interest	25.5	—	—	25.5
Interest and other expenses of Consolidated Funds	—	54.2	(7.7)	46.5
Other non-operating income	(3.1)	—	—	(3.1)
Total expenses	1,404.5	54.2	(7.7)	1,451.0
Other income				
Net investment loss of Consolidated Funds	—	(2.6)	—	(2.6)
Income before provision for income taxes	1,252.4	5.3	(5.0)	1,252.7
Provision for income taxes	306.2	—	—	306.2
Net income	946.2	5.3	(5.0)	946.5
Net income attributable to non-controlling interests in consolidated entities	21.2	—	0.3	21.5
Net income attributable to The Carlyle Group Inc.	925.0	5.3	(5.3)	925.0

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Six Months Ended June 30, 2021			
	Consolidated Operating Entities	Consolidated Funds	Eliminations	Consolidated
	(Dollars in millions)			
Revenues				
Fund management fees	\$ 787.2	\$ —	\$ (11.8)	\$ 775.4
Incentive fees	19.9	—	—	19.9
Investment income				
Performance allocations	3,866.8	—	—	3,866.8
Principal investment income	337.9	—	(21.1)	316.8
Total investment income	4,204.7	—	(21.1)	4,183.6
Interest and other income	52.3	—	(10.9)	41.4
Interest and other income of Consolidated Funds	—	123.2	—	123.2
Total revenues	5,064.1	123.2	(43.8)	5,143.5
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	460.3	—	—	460.3
Equity-based compensation	79.6	—	—	79.6
Performance allocations and incentive fee related compensation	1,860.6	—	—	1,860.6
Total compensation and benefits	2,400.5	—	—	2,400.5
General, administrative and other expenses	200.8	—	—	200.8
Interest	48.5	—	—	48.5
Interest and other expenses of Consolidated Funds	—	110.7	(21.8)	88.9
Other non-operating income	(2.5)	—	—	(2.5)
Total expenses	2,647.3	110.7	(21.8)	2,736.2
Other income				
Net investment gain of Consolidated Funds	—	9.7	—	9.7
Income before provision for income taxes	2,416.8	22.2	(22.0)	2,417.0
Provision for income taxes	579.6	—	—	579.6
Net income	1,837.2	22.2	(22.0)	1,837.4
Net income attributable to non-controlling interests in consolidated entities	42.9	—	0.2	43.1
Net income attributable to The Carlyle Group Inc.	1,794.3	22.2	(22.2)	1,794.3

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Six Months Ended June 30,	
	2022	2021
(Dollars in millions)		
Cash flows from operating activities		
Net income	\$ 814.0	\$ 1,837.2
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	59.9	26.8
Right-of-use asset impairment, net of broker fees	—	24.8
Equity-based compensation	85.1	79.6
Non-cash performance allocations and incentive fees	(94.6)	(1,703.9)
Non-cash principal investment income	(318.4)	(313.3)
Other non-cash amounts	(11.9)	5.5
Purchases of investments	(470.3)	(161.3)
Proceeds from the sale of investments	298.2	418.5
Payments of contingent consideration	(5.7)	(49.9)
Change in deferred taxes, net	55.9	481.9
Change in due from affiliates and other receivables	(64.8)	(14.8)
Change in deposits and other	(7.1)	(26.6)
Change in accounts payable, accrued expenses and other liabilities	(67.2)	25.4
Change in accrued compensation and benefits	(372.1)	(113.9)
Change in due to affiliates	2.8	24.5
Change in lease right-of-use asset and lease liability	(4.6)	4.6
Change in deferred revenue	(12.9)	35.6
Net cash provided by (used in) operating activities	(113.7)	580.7
Cash flows from investing activities		
Purchases of fixed assets, net	(17.4)	(17.6)
Purchase of CBAM intangibles and investments, net	(618.4)	—
Proceeds from sale of MRE, net of cash sold	—	5.9
Net cash used in investing activities	(635.8)	(11.7)
Cash flows from financing activities		
Issuance of 4.625% subordinated notes due 2061, net of financing costs	—	484.2
Payments on CLO borrowings	(9.0)	(229.4)
Proceeds from CLO borrowings, net of financing costs	41.1	87.6
Dividends to common stockholders	(207.1)	(177.4)
Payment of deferred consideration for Carlyle Holdings units	(68.8)	(68.8)
Contributions from non-controlling interest holders	4.4	7.4
Distributions to non-controlling interest holders	(36.6)	(22.9)
Common shares issued for performance allocations	36.5	—
Common shares repurchased	(105.3)	(25.0)
Change in due to/from affiliates financing activities	(27.8)	12.8
Net cash provided by (used in) financing activities	(372.6)	68.5
Effect of foreign exchange rate changes	(43.2)	(9.9)
Increase (decrease) in cash, cash equivalents and restricted cash	(1,165.3)	627.6
Cash, cash equivalents and restricted cash, beginning of period	2,475.1	989.6
Cash, cash equivalents and restricted cash, end of period	\$ 1,309.8	\$ 1,617.2
Supplemental non-cash disclosures		
Issuance of common shares related to the acquisition of CBAM intangibles and investments	\$ 194.5	\$ —
Reconciliation of cash, cash equivalents and restricted cash, end of period:		
Cash and cash equivalents	\$ 1,308.9	\$ 1,586.2
Restricted cash	0.9	31.0
Total cash, cash equivalents and restricted cash, end of period	\$ 1,309.8	\$ 1,617.2
Cash and cash equivalents held at Consolidated Funds	\$ 230.7	\$ 187.5

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

The following discussion analyzes the financial condition and results of operations of The Carlyle Group Inc. (the “Company”). Such analysis should be read in conjunction with the consolidated financial statements and the related notes included in this Quarterly Report on Form 10-Q and the Annual Report on Form 10-K for the year ended December 31, 2021.

Overview

We conduct our operations through three reportable segments: Global Private Equity, Global Credit, and Global Investment Solutions.

- *Global Private Equity* — Our Global Private Equity segment advises our buyout, middle market and growth capital funds, our U.S. and internationally focused real estate funds, our infrastructure and natural resources funds, and our Legacy Energy funds (as defined below). The segment also includes the NGP Predecessor Funds and NGP Carry Funds advised by NGP. As of June 30, 2022, our Global Private Equity segment had \$167 billion in AUM and \$106 billion in Fee-earning AUM.
- *Global Credit* — Our Global Credit segment advises funds and vehicles that pursue investment strategies including loans and structured credit, direct lending, opportunistic credit, distressed credit, aircraft financing and servicing, infrastructure debt, insurance solutions and global capital markets. As of June 30, 2022, our Global Credit segment had \$143 billion in AUM and \$116 billion in Fee-earning AUM.
- *Global Investment Solutions* — Our Global Investment Solutions segment advises fund of funds programs and related co-investment and secondary activities. As of June 30, 2022, our Global Investment Solutions segment had \$66 billion in AUM and \$38 billion in Fee-earning AUM. Our Investment Solutions segment also included Metropolitan Real Estate (“MRE”) prior to its sale on April 1, 2021.

We earn management fees pursuant to contractual arrangements with the investment funds that we manage and fees for transaction advisory and oversight services provided to portfolio companies of these funds. We also typically receive a performance fee from an investment fund, which may be either an incentive fee or a special residual allocation of income, which we refer to as a performance allocation, or carried interest, in the event that specified investment returns are achieved by the fund. Under U.S. generally accepted accounting principles (“U.S. GAAP”), we are required to consolidate some of the investment funds that we advise. However, for segment reporting purposes, we present revenues and expenses on a basis that deconsolidates these investment funds. Accordingly, our segment revenues primarily consist of fund management and related transaction and portfolio advisory fees and other income, realized performance revenues (consisting of incentive fees and performance allocations), realized principal investment income, including realized gains on our investments in our funds and other trading securities, as well as interest income. Our segment expenses primarily consist of cash compensation and benefits expenses, including salaries, bonuses, and realized performance payment arrangements, and general and administrative expenses. While our segment expenses include depreciation and interest expense, our segment expenses exclude acquisition and disposition related charges and amortization of intangibles and impairment. Refer to Note 17 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for more information on the differences between our financial results reported pursuant to U.S. GAAP and our financial results for segment reporting purposes.

Our Family of Funds

The following chart presents the name (acronym), total capital commitments (in the case of our carry funds, structured credit funds, and the NGP Predecessor Funds), assets under management (open-end products and non-carry Aviation vehicles), gross assets (in the case of our BDCs) and vintage year of the active funds in each of our segments, as of June 30, 2022. We present total capital commitments (as opposed to assets under management) for our closed-end investment funds because we believe this metric provides the most useful information regarding the relative size and scale of such funds. In the case of our products which are open-ended and accordingly do not have committed capital, we generally believe the most useful metric regarding relative size and scale is assets under management.

Global Private Equity ¹				Global Credit					
Corporate Private Equity		Real Estate Carry Funds		Liquid Credit					
Carlyle Partners (U.S.)		Carlyle Realty Partners (U.S.)		Cash CLOs					
CP VIII	\$13.6 bn	2021	CRP IX	\$8.0 bn	2021	U.S.	\$38.5 bn	2012-2022	
CP VII	\$18.5 bn	2018	CRP VIII	\$5.5 bn	2017	Europe	€10.0 bn	2013-2022	
CP VI	\$13.0 bn	2014	CRP VII	\$4.2 bn	2014	Structured Credit Funds			
CP V	\$13.7 bn	2007	CRP VI	\$2.3 bn	2011	CREV II	\$0.2 bn	2022	
Global Financial Services Partners			CRP V	\$3.0 bn	2006	CREV	\$0.5 bn	2020	
CGFSP III	\$1.0 bn	2018	CRP IV	\$1.0 bn	2005	CSC	\$0.8 bn	2017	
CGFSP II	\$1.0 bn	2013	Core Plus Real Estate (U.S.)			Illiquid Credit			
Carlyle Europe Partners			CPI ⁴	\$8.0 bn	2016	Business Development Companies³			
CEP V	€6.4 bn	2018	International Real Estate			Carlyle Secured Lending III	\$0.2 bn	2022	
CEP IV	€3.8 bn	2014	CER II	€0.4 bn	2021	Carlyle Credit Solutions ⁷	\$2.1 bn	2017	
CEP III	€5.3 bn	2007	CER I	€0.5 bn	2017	Carlyle Secured Lending ⁸	\$2.0 bn	2013	
CEP II	€1.8 bn	2003	CEREP III	€2.2 bn	2007	Middle Market CLOs			
Carlyle Asia Partners			Infrastructure & Natural Resources Funds			U.S.	\$1.4 bn	2017-2022	
CAP V	\$6.6 bn	2018	NGP Energy Carry Funds			Opportunistic Credit Carry Funds			
CBPF II	RMB 2.0 bn	2017	NGP XII	\$4.3 bn	2017	CCOF II	\$4.4 bn	2020	
CAP IV	\$3.9 bn	2014	NGP XI	\$5.3 bn	2014	CCOF I	\$2.4 bn	2017	
CAP III	\$2.6 bn	2008	NGP X	\$3.6 bn	2012	Distressed Credit Carry Funds			
Carlyle Japan Partners			Other NGP Carry Funds			CSP IV	\$2.5 bn	2016	
CJP IV	¥258.0 bn	2020	NGP ETP IV	\$0.4 bn	2022	CSP III	\$0.7 bn	2011	
CJP III	¥119.5 bn	2013	NGP Minerals II	\$0.3 bn	2022	CSP II	\$1.4 bn	2007	
Carlyle Global Partners			NGP Minerals	\$0.3 bn	2020	Real Assets Credit			
CGP II	\$1.8 bn	2020	NGP GAP	\$0.4 bn	2014	Infrastructure Credit Carry Fund			
CGP I	\$3.6 bn	2015	NGP Predecessor Funds			CICF	\$0.6 bn	2021	
Carlyle MENA Partners			Various ²	\$5.7 bn	2007-2008	Real Estate Credit Carry Fund			
MENA I	\$0.5 bn	2008	International Energy Carry Funds			CNLI ⁹	\$0.5 bn	2022	
Carlyle South American Buyout Fund			CIEP II	\$2.3 bn	2019	Energy Credit Carry Funds			
CSABF I	\$0.8 bn	2009	CIEP I	\$2.5 bn	2013	CEMOF II	\$2.8 bn	2015	
Carlyle Sub-Saharan Africa Fund			Infrastructure Funds			CEMOF I	\$1.4 bn	2011	
CSSAF I	\$0.7 bn	2012	CRSEF II	\$0.3 bn	2022	Carlyle Aviation Partners			
Carlyle Peru Fund			CRSEF	\$0.7 bn	2019	SASOF V	\$1.0 bn	2020	
CPF I	\$0.3 bn	2012	CGIOF	\$2.2 bn	2019	SASOF IV	\$1.0 bn	2018	
Carlyle U.S. Venture/Growth Partners			CPP II	\$1.5 bn	2014	SASOF III	\$0.8 bn	2015	
CP Growth	\$1.1 bn	2021	CPOCP	\$0.5 bn	2013	CALF	\$0.7 bn	2021	
CEOF II	\$2.4 bn	2015	Other Credit			Securitization Vehicles ⁴	\$5.3 bn	Various	
CEOF I	\$1.1 bn	2011	Fortitude ⁵	\$53.7 bn	2020	8 Other Vehicles ⁴	\$4.2 bn	Various	
CVP II	\$0.6 bn	2001	CTAC ³	\$1.7 bn	2018	Global Investment Solutions⁶			
Carlyle Europe Technology Partners			AlpInvest			Fund of Private Equity Funds			
CETP V	€2.4 bn	2022	136 vehicles			€52.4 bn	2000-2022		
CETP IV	€1.4 bn	2019	Secondary Investments			108 vehicles			
CETP III	€0.7 bn	2014	€27.1 bn			2002-2022	Co-Investments		
Carlyle Asia Venture/Growth Partners			91 vehicles			€21.5 bn	2002-2022		
CAP Growth II	\$0.9 bn	2021							
CAP Growth I	\$0.3 bn	2017							
CAGP IV	\$1.0 bn	2008							
Carlyle Cardinal Ireland									
CCI	€0.3 bn	2014							

Note: All amounts shown represent total capital commitments as of June 30, 2022 unless otherwise noted. Certain of our recent vintage funds are currently in fundraising and total capital commitments are subject to change. In addition, certain carry funds included herein may be disclosed which are not included in fund performance if they have not made an initial capital call or commenced investment activity. The NGP funds are advised by NGP Energy Capital Management, LLC, a separately registered investment adviser. We do not control NGP, and we do not serve as an investment adviser to the NGP funds.

(1) Global Private Equity also includes funds which we jointly advise with Riverstone Holdings L.L.C. (the "Legacy Energy funds"). The impact of these funds is no longer significant to our results of operations.

(2) Includes NGP M&R, NGP ETP II, and NGP IX, on which we are not entitled to a share of carried interest.

- (3) Amounts represent gross assets plus any available capital as of June 30, 2022.
- (4) Amounts represent Total AUM as of June 30, 2022.
- (5) Includes Carlyle FRL, capital raised from a strategic third-party investor which directly invests in Fortitude alongside Carlyle FRL, as well as the fair value of the general account assets covered by the strategic advisory services agreement with Fortitude.
- (6) On April 1, 2021, we completed the sale of our interest in Metropolitan Real Estate.
- (7) Carlyle Credit Solutions, Inc., which was renamed from TCG BDC II, Inc. in March 2022.
- (8) Carlyle Secured Lending, Inc., which was renamed from TCG BDC, Inc. in April 2022.
- (9) Excludes \$0.3 billion in capital commitments to CNLI made by a Carlyle-affiliated fund, as well as Carlyle's strategic investment of \$0.2 billion.

Trends Affecting our Business

The second quarter of 2022 was characterized by continued volatility in the markets, weakening U.S. fundamentals, rising risks in Europe and sharp contraction in Asia, in particular China. The U.S. economy shrank slightly in the second quarter of 2022 on sharp decline in domestic investment. In June, consumer prices rose 9.1% from a year earlier, and outpaced wage growth by 3.4 percentage points. The effect on the American consumer of higher prices, lagging wage growth, and the resulting decline in real incomes began to emerge over the second quarter. Following the winter omicron wave, data indicated that consumers had begun to realign their spending away from goods (our portfolio data indicate spending on discretionary items fell 11% over the quarter) and back towards services; in June, however, our portfolio data also indicate slowing momentum in services spending, such as dining and air travel, as well.

Europe's economy continues to feel the impact of the conflict in Ukraine. Given Europe's reliance on Russian energy and Ukrainian and Russian goods, war-related sanctions and trade policy have driven European energy and other commodity costs to unprecedented levels. These effects have especially been felt in the industrial sector where production costs have increased by 30%, on average, relative to pre-pandemic levels and as much as 300% for certain gas-intensive industrial processes. Portfolio data indicate real GDP growth likely contracted between 2.0% and 2.5% over the second quarter. The expected energy shortages and mandated rationing to come during the winter months could have significant implications for European businesses, consumers, and the economy more broadly.

The impact of Russia's invasion of Ukraine and related sanctions extend beyond unprecedented energy costs - it has compounded on existing issues in the global food supply chain resulting from climate shocks and the pandemic. Russia and Ukraine are the largest and fifth-largest wheat exporters, and Russia is the largest supplier of key ingredients used in the production of fertilizer and disruption in supply chains as a result of the invasion is impeding the flow of critical exports. The fallout of war is also impacting supply itself, as harvest and planting seasons are jeopardized in Ukraine and energy and fertilizer costs squeeze margins for farmers globally. These impacts not only increase the risk of persistently elevated inflation into the latter half of the year, but also increase the risk of a global food shortage and political and social unrest.

China, while relatively unexposed to effects from the Russia/Ukraine conflict, continued to face significant headwinds from its COVID policy through the first half of the second quarter. Official data indicate that China's economy shrank 10%, annualized, over the second quarter, driven by the continued enforcement of lockdowns across the country. The entirety of the contraction occurred in April and May; our data indicate that by June, retail sales and production were rising rapidly once more. China's COVID policy also had negative implications for global supply chains during the quarter; factory shutdowns and transport backlogs continued to contribute to inventory shortfalls for autos, chips, smartphones, and other products with significant manufacturing operations in China. Despite lockdowns, marine freight rates from China have begun to fall, driven by several factors including rising inventory levels and the broader slowdown in global goods demand.

Estimates anticipate S&P 500 constituents' Q2 2022 earnings grew 4.8% from a year ago, the slowest growth rate reported since Q4 2020. There is significant dispersion around this average across sectors. Financials and discretionary consumer goods companies are projected to see earnings decline over the quarter, while the energy, industrials, and materials sectors are projected to continue to outperform strongly. Equity market volatility has persisted, driven first by rate volatility and, more recently, recession fears. Year-to-date in 2022, 10-year Treasury yields have risen 141 basis points as of July 15, 2022, and in mid-June briefly hit 3.5% for the first time since 2011. The Federal Reserve raised the federal funds rate by 25 basis points (bps) in March, 50 bps in May, and 75 bps in each of June and July, and continues to indicate that more hikes are forthcoming. Futures markets have now priced in four additional 25 bp rate increases in 2022; however, there is significant uncertainty around these expectations, and that is contributing to broader volatility in markets. The Dow Jones, S&P 500, and Nasdaq 100 fell 9.8%, 14.7%, and 19.2%, respectively, from March 31, 2022 to July 15, 2022. Globally, the MSCI ACWI, EuroStoxx 600 and Shanghai Composite fell 15.9%, 9.2%, and 1%, respectively, over the same period.

Market losses are concentrated at both ends of the risk spectrum where valuations have been elevated. The prices of speculative equities most exposed to interest rate risk – namely, those of companies with cash flows weighted far into the future

– are down over 20% year-to-date; at the same time, low risk investment grade bonds are down more than 10% as well. In general, higher rates have negative implications for (1) fixed rate bond markets and (2) tech and high growth sector assets. In both cases, higher discount rates negatively impact the value of future cash flows. Obtaining financing in the high yield bond market is currently challenging. Year-to-date through June, global bond funds experienced over \$275 billion in outflows. In contrast, the strongest performers year-to-date have been assets with more moderate valuations that fall in the middle of the risk spectrum, such as equities of companies with large dividends and/or low enterprise value/sales ratios. Leveraged loans, which are floating rate and thus more appealing to investors when interest rates are rising, have sold off to a lesser extent. Financing and transaction volumes overall, however, saw a significant slowdown in the first half of 2022. Global M&A totaled roughly \$1 trillion for the second quarter, a 26% decline from the same period in 2021.

Our carry fund portfolio appreciated 3% in the second quarter, compared to declines in public indices this quarter, which reflects the strong operating performance and value creation activities in our private portfolio as well as recent private transaction marks. This positive performance was offset by 20% depreciation in our publicly traded investments, which comprise 7% of the total fair value in our carry fund portfolio. Within our Global Private Equity segment in the second quarter, our infrastructure and natural resources funds appreciated 13%, boosted by strong commodity prices; our real estate funds appreciated 4%, led by continued strong performance in U.S. real estate due to its portfolio construction; and our corporate private equity funds were flat in the second quarter as appreciation across our private investments was offset by declines in our publicly traded investments. In our Global Credit segment, our carry funds (which represent approximately 10% of the total Global Credit remaining fair value) appreciated 2% in the second quarter driven by appreciation in our energy credit carry funds. Our Global Investment Solutions funds appreciated 5% in the second quarter, which generally reflects investment fair values on a one-quarter lag in the valuations of our primary and secondary fund of funds, and includes the positive impact of foreign currency translation of the USD-denominated investments in our EUR-based funds. Excluding that impact, appreciation was 3% for the second quarter. Our non-carry fund Global Credit products also continue to perform well. Dividend yields on our business development companies as of June 30, 2022 were approximately 9%, and approximately 7% for our Interval Fund. In our liquid credit strategy, our global CLO portfolio continues to experience a default rate less than the industry average, and we are actively managing out credit positions to maintain balanced risk-adjusted credit quality.

We generated \$8.5 billion in realized proceeds from our carry funds in the second quarter of 2022, generally in line with a year ago, but down from the record levels of realizations seen in the third and fourth quarters of 2021. However, our net accrued performance revenues on our balance sheet remain at a record high of \$4.3 billion as of June 30, 2022, slightly up from the March 31, 2022 level and a 10% increase from December 31, 2021. Over time, we expect this balance will deliver a high level of realized performance revenues.

During the second quarter, our carry funds invested \$6.7 billion in new or follow-on transactions, and we have signed more than \$4.8 billion of new or follow-on transactions that are expected to close in the coming quarters. While deal activity has retreated to pre-pandemic levels from the record level pace in 2021, we believe that as long-term investors, we will be able pursue opportunities where we have identified dislocation, which we believe positions us to continue to deploy capital throughout 2022.

We raised \$9.8 billion in new capital in the second quarter. We anticipate the fundraising landscape will continue to be increasingly competitive as the pace of capital deployment across the industry has resulted in fund products coming back to market faster and with larger target fund sizes than with prior vintages, and limited partners are reassessing their portfolio allocation targets in light of market volatility and their liquidity requirements. As a result, fundraising in certain products – particularly in corporate private equity strategies – may take longer to complete and fund sizes may not meet levels they otherwise would in a more favorable market environment. In addition to organic growth through fundraising, we have announced several transactions to drive accretive growth on an inorganic basis, including our acquisition of CLO management contracts from CBAM Partners LLC that closed in March 2022, our strategic advisory services agreement with Fortitude that we entered into on April 1, 2022, and our agreement to acquire life sciences investment firm Abingworth, which is expected to close in the third quarter of 2022.

The SEC has put forth several rule proposals in recent months, and we are continuing to evaluate the potential impacts to our business and operations and those of our portfolio companies. These proposals include, but are not limited to, (i) new reporting requirements of material cybersecurity incidents and periodic reporting regarding a company's cybersecurity risk programs, (ii) new rules and amendments under the Investment Advisers Act of 1940 that expand compliance obligations and prohibit certain activities for private fund advisors, and (iii) extensive climate change disclosure regulations. We are also closely evaluating the financial, regulatory and other proposals put forth by the current Administration and Congress and their potential impacts on our business, including the proposed Inflation Reduction Act of 2022, which was announced July 27, 2022 and is expected to be brought to vote before the Senate ahead of the August recess. While there may be changes to current tax and regulatory regimes, recent fiscal stimulus and proposed infrastructure packages could be followed by longer-term spending

increases. The potential for policy changes may create regulatory uncertainty for our investment strategies and our portfolio companies and could adversely affect our profitability and the profitability of our portfolio companies.

The Great Resignation, together with the increased focus on remote work arrangements, continue to impact labor markets and hiring dynamics, which is making hiring more challenging and compensation more expensive as employers compete to secure new talent and retain existing talent. As we seek to recruit qualified professionals to backfill existing positions and fill new roles, we continue to anticipate increased competition in hiring and upward pressure on compensation packages.

Recent Transactions

During the six months ended June 30, 2022, the Company announced several transactions to drive accretive growth on an inorganic basis as outlined below.

Acquisition of iStar Triple Net Lease Portfolio.

In March 2022, Carlyle Net Leasing Income, L.P., a Carlyle-affiliated investment fund, acquired a diversified portfolio of triple net leases from iStar, Inc. for an enterprise value of \$3 billion, which was funded using \$2 billion in debt and \$1 billion in equity. The portfolio includes properties spanning industrial, office and entertainment space across 18.3 million square feet located throughout the United States. The investment fund is not consolidated by us, and the debt is non-recourse to us. As general partner of the investment fund, we contributed \$200 million as a minority interest balance sheet investment, which is included in the our Global Credit principal equity method investments (see Note 6 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q).

Acquisition of CLO Management Contracts from CBAM Partners LLC

On March 21, 2022, we acquired the management contracts related to a portfolio of assets primarily comprised of U.S. and European CLOs as well as other assets across private credit from CBAM Partners LLC ("CBAM"). The purchase price of \$812.9 million consisted of a combination of \$618.4 million in cash, approximately 4.2 million newly issued, fully vested common shares (\$194.5 million based on the value of the shares at closing), and approximately \$3.4 million of acquisition costs incurred by us in connection with the transaction. The portfolio of \$15 billion in assets under management was integrated into our Global Credit platform. See Note 4 to the unaudited condensed consolidated financial statements for additional information regarding the acquisition.

Fortitude Capital Raise and Strategic Advisory Services Agreement

In March 2022, we raised \$2.0 billion in third-party equity capital for Fortitude, and committed up to \$100 million in additional capital to Carlyle FRL from our balance sheet. In May 2022, Fortitude called \$1.1 billion of the capital raise, with the remainder expected to be called during the second half of 2022. In connection with the capital raise and subsequent funding, our indirect ownership of Fortitude decreased from 19.9% to 13.5%. As a result of this dilution, we recorded a reduction in the carrying value of our equity method investment and corresponding loss of \$176.9 million in our U.S. GAAP results. At the time the remaining capital is called by Fortitude, our indirect ownership will further decrease to 10.5% and we expect to record an additional reduction in the carrying value of our equity method investment and corresponding loss of approximately \$116 million based on the carrying value of \$614.5 million as of June 30, 2022, subject to change based on the timing of the dilution and changes in the carrying value of our investment.

On April 1, 2022, we entered into a new strategic advisory services agreement with certain subsidiaries of Fortitude through a newly-formed investment advisor, Carlyle Insurance Solutions Management L.L.C. ("CISM"). Under the agreement, CISM provides Fortitude with certain services, including business development and growth, transaction origination and execution, and capital management services in exchange for a recurring management fee based on Fortitude's general account assets, which adjusts within an agreed range based on Fortitude's overall profitability. Third party investors who participated in the March 2022 capital raise also made a minority investment in CISM, which is reflected as a non-controlling interest in consolidated entities in the condensed consolidated financial statements. See Note 6 to the unaudited condensed consolidated financial statements for additional information regarding the strategic investment in Fortitude.

Acquisition of Abingworth

In April 2022, we agreed to acquire Abingworth, a life sciences investment firm, which will expand our healthcare investment platform with the addition of over \$2 billion in assets under management and a specialized team of over 20 investment professionals and advisors. Consideration for Abingworth includes a base purchase price of \$187.5 million, as well as up to a further \$130 million in future incentive payments based on the achievement of certain performance targets. Under the terms of the agreement, a portion of the purchase price can be settled in newly-issued shares of the Company's common stock, and the Company intends to settle \$25.0 million of the base purchase price with common stock. The acquisition includes the

rights to 15% of performance revenues generated by Abingworth's two most recent active investment funds, Abingworth Bioventures 8 LP and Abingworth Clinical Co-Development Fund 2 LP. The transaction is expected to close in the third quarter of 2022.

Senior Credit Facility Amendment

On April 29, 2022, we amended our senior credit facility to (1) expand the capacity to \$1.0 billion from \$775 million, (2) extend the maturity to April 29, 2027 from February 11, 2024, and (3) amend the rate at which principal amounts outstanding accrue interest to SOFR plus a 0.10% adjustment and an applicable margin not to exceed 1.50% from LIBOR plus an applicable margin not to exceed 1.50%, among other amendments.

Dividends

In July 2022, the Company's Board of Directors declared a quarterly dividend of \$0.325 per share to common stockholders of record at the close of business on August 9, 2022, payable on August 16, 2022.

Key Financial Measures

Our key financial measures are discussed in the following pages. Additional information regarding these key financial measures and our other significant accounting policies can be found in Note 3 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Revenues

Revenues primarily consist of fund management fees, incentive fees, investment income (including performance allocations, realized and unrealized gains of our investments in our funds and other principal investments), as well as interest and other income.

Fund Management Fees. Fund management fees include management fees and transaction and portfolio advisory fees. We earn management fees for advisory services we provide to funds in which we hold a general partner interest or to funds or certain portfolio companies with which we have an investment advisory or investment management agreement. Management fees also include catch-up management fees, which are episodic in nature and represent management fees charged to fund investors in subsequent closings of a fund which apply to the time period between the fee initiation date and the subsequent closing date. We also earn management fees on our CLOs and other structured products. Collectively, our traditional carry funds and our CLOs comprise 77% of our Fee-earning AUM as of June 30, 2022 and approximately 91% of our fund management fees during the three months then ended. The balance of our Fee-Earning AUM and fund management fees are attributable to our Perpetual Capital products, which have an indefinite term and for which there is no immediate requirement to return capital to investors as investments are realized.

Management fees attributable to Carlyle Partners VIII, L.P. ("CP VIII"), our eighth U.S. buyout fund with \$12.5 billion of Fee-earning AUM as of June 30, 2022 were approximately 12% and 10% of fund management fees recognized during the three and six months ended June 30, 2022, respectively. Management fees attributable to Carlyle Partners VII, L.P. ("CP VII"), our seventh U.S. buyout fund with \$15.2 billion of Fee-earning AUM as of June 30, 2022 were approximately 10% of fund management fees recognized during both the three and six months ended June 30, 2022, and 15% and 16% during the three and six months ended June 30, 2021, respectively. No other fund generated over 10% of fund management fees in the periods presented.

Fund management fees exclude the reimbursement of any partnership expenses paid by the Company on behalf of the Carlyle funds pursuant to the limited partnership agreements, including amounts related to the pursuit of actual, proposed, or unconsummated investments, professional fees, expenses associated with the acquisition, holding and disposition of investments, and other fund administrative expenses.

Transaction and Portfolio Advisory Fees. Transaction and portfolio advisory fees generally include fees we receive for the transaction and portfolio advisory services we provide to our portfolio companies. When covered by separate contractual agreements, we recognize transaction and portfolio advisory fees for these services when the performance obligation has been satisfied and collection is reasonably assured. We are required to offset our fund management fees earned by a percentage of the transaction and advisory fees earned, which we refer to as the "rebate offsets." Historically, such rebate offset percentages generally approximated 80% of the fund's portion of the transaction and advisory fees earned. However, the percentage of transaction and portfolio advisory fees we share with our investors on our recent vintage funds has generally increased, and as such the rebate offset percentages generally range from 80% to 100% of the fund's portion of the transaction and advisory fees earned, such that a larger share of the transaction fee revenue we retain is driven by co-investment activity. In addition, Carlyle Global Capital Markets ("GCM") generates capital markets fees in connection with activities related to the underwriting, issuance and placement of debt and equity securities, and loan syndication for our portfolio companies and third-party clients,

which are generally not subject to rebate offsets with respect to our most recent vintages (but are subject to the rebate offsets set forth above for older funds). Underwriting fees include gains, losses and fees arising from securities offerings in which we participate in the underwriter syndicate. The recognition of portfolio advisory fees, transactions fees, and capital markets fees can be volatile as they are primarily generated by investment activity within our funds, and therefore are impacted by our investment pace.

Incentive Fees. Incentive fees consist of performance-based incentive arrangements pursuant to management contracts, primarily from certain of our Global Credit funds, when the return on assets under management exceeds certain benchmark returns or other performance targets. In such arrangements, incentive fees are recognized when the performance benchmark has been achieved.

Investment Income. Investment income consists of our performance allocations as well as the realized and unrealized gains and losses resulting from our equity method investments and other principal investments.

Performance allocations consist principally of the performance-based capital allocation from fund limited partners to us, commonly referred to as carried interest, from certain of our investment funds, which we refer to as the “carry funds.” Carried interest revenue is recognized by Carlyle upon appreciation of the valuation of our funds’ investments above certain return hurdles as set forth in each respective partnership agreement and is based on the amount that would be due to us pursuant to the fund partnership agreement at each period end as if the funds were liquidated at such date. Accordingly, the amount of carried interest recognized as performance allocations reflects our share of the fair value gains and losses of the associated funds’ underlying investments measured at their then-current fair values relative to the fair values as of the end of the prior period. As a result, the performance allocations earned in an applicable reporting period are not indicative of any future period, as fair values are based on conditions prevalent as of the reporting date. Refer to “— Trends Affecting our Business” for further discussion.

In addition to the performance allocations from our Global Private Equity funds and closed-end carry funds in the Global Credit segment, we are also entitled to receive performance allocations from our Global Investment Solutions, Carlyle Aviation and NGP Carry Funds. We also retained our interest in the net accrued performance allocations of existing funds at the time of the sale of MRE. The timing of performance allocations realizations for these funds is typically later than in our other carry funds based on the terms of such arrangements.

Our performance allocations are generated by a diverse set of funds with different vintages, geographic concentration, investment strategies and industry specialties. For an explanation of the fund acronyms used throughout this Management’s Discussion and Analysis of Financial Condition and Results of Operations section, refer to “— Our Family of Funds.”

The table below presents funds which generated performance allocations in excess of 10% of the total for the three and six months ended June 30, 2022 and 2021. No other fund generated over 10% of performance allocations in the periods presented.

		Three Months Ended June 30,				Six Months Ended June 30,					
		2022	2021			2022	2021				
(Dollars in millions)											
CETP IV	\$	122.1	CP VI	\$	532.2	CRP VIII	\$	193.2	CP VI	\$	1,067.8
CPP II		99.0	CEOF II		208.4	CETP IV		142.8	CEP IV		478.0
CRP VIII		58.0				CPP II		127.4			
CEP V		46.3				CIEP I		109.1			
CIEP I		38.0				CP VI		(380.5)			
CGIOF I		34.3									
CP VI		(355.0)									

The reversal of \$355.0 million in previously recognized performance allocations in CP VI during the three months ended June 30, 2022 was primarily driven by depreciation in its publicly traded investments, which comprise just over half of its remaining fair value.

Under our arrangements with the historical owners and management team of AlpInvest, we generally do not retain any carried interest in respect of the historical investments and commitments to our fund vehicles that existed as of July 1, 2011 (including any options to increase any such commitments exercised after such date). We are entitled to 15% of the carried interest in respect of commitments from the historical owners of AlpInvest for the period between 2011 and 2020, except in certain instances, and 40% of the carried interest in respect of all other commitments (including all future commitments from

third parties). In certain instances, carried interest associated with the AlpInvest fund vehicles is subject to entity level income taxes in the Netherlands.

We record our equity income allocation from NGP performance allocations in principal investment income (loss) from equity method investments rather than performance allocations in our unaudited condensed consolidated statements of operations. We recognized \$200.2 million and \$450.6 million of net investment earnings related to these performance allocations for the three and six months ended June 30, 2022, respectively, reflecting the impact of strong commodity prices on NGP XI and NGP XII, and \$1.1 million for both the three and six months ended June 30, 2021, respectively.

Realized carried interest may be clawed back or given back to the fund if the fund's investment values decline below certain return hurdles, which vary from fund to fund. When the fair value of a fund's investments remains constant or falls below certain return hurdles, previously recognized performance allocations are reversed. In all cases, each investment fund is considered separately in evaluating carried interest and potential giveback obligations. For any given period, performance allocations revenue on our statement of operations may include reversals of previously recognized performance allocations due to a decrease in the value of a particular fund that results in a decrease of cumulative performance allocations earned to date. Since fund return hurdles are cumulative, previously recognized performance allocations also may be reversed in a period of appreciation that is lower than the particular fund's hurdle rate. Additionally, unrealized performance allocations reverse when performance allocations are realized, and unrealized performance allocations can be negative if the amount of realized performance allocations exceed total performance allocations generated in the period. For the three months ended June 30, 2022 and 2021, the reversals of performance allocations were \$395.3 million and \$8.1 million, respectively. For the six months ended June 30, 2022 and 2021, the reversals of performance allocations were \$469.1 million and \$10.0 million, respectively.

As of June 30, 2022, accrued performance allocations and accrued giveback obligations were \$8.0 billion and \$40.9 million, respectively. Each balance assumes a hypothetical liquidation of the funds' investments at June 30, 2022 at their then current fair values. These assets and liabilities will continue to fluctuate in accordance with the fair values of the funds' investments until they are realized. As of June 30, 2022, \$18.9 million of the accrued giveback obligation was the responsibility of various current and former senior Carlyle professionals and other limited partners of the Carlyle Holdings partnerships, and the net accrued giveback obligation attributable to the Company was \$22.0 million. The Company uses "net accrued performance revenues" to refer to the aggregation of the accrued performance allocations and incentive fees net of (i) accrued giveback obligations, (ii) accrued performance allocations and incentive fee-related compensation, (iii) performance allocations and incentive fee-related tax obligations, and (iv) accrued performance allocations and incentive fees attributable to non-controlling interests. Net accrued performance revenues excludes any net accrued performance allocations and incentive fees that have been realized but will be collected in subsequent periods, as well as net accrued performance revenues which are presented as fee related performance revenues when realized in our non-GAAP financial measures. Net accrued performance revenues as of June 30, 2022 were \$4.3 billion.

In addition, realized performance allocations may be reversed in future periods to the extent that such amounts become subject to a giveback obligation. If, at June 30, 2022, all investments held by our carry funds were deemed worthless, the amount of realized and previously distributed performance allocations subject to potential giveback would be approximately \$1.3 billion on an after-tax basis where applicable, of which approximately \$0.6 billion would be the responsibility of current and former senior Carlyle professionals. See the related discussion of "Contingent Obligations (Giveback)" within "— Liquidity and Capital Resources."

The following table summarizes the total amount of aggregate giveback obligations that we have realized since Carlyle's inception. Given various current and former senior Carlyle professionals and other limited partners of the Carlyle Holdings partnerships are responsible for paying the majority of the realized giveback obligation, the table below also summarizes the amount that was attributable to the Company:

	Inception through June 30, 2022	
	Total Giveback	Giveback Attributable to Carlyle
	(Dollars in millions)	
Various Legacy Energy Funds	\$ 158.0	\$ 55.0
All other Carlyle Funds	80.7	13.0
Aggregate Giveback since Inception	<u>\$ 238.7</u>	<u>\$ 68.0</u>

The funding for employee obligations and givebacks related to carry realized pre-IPO is primarily through a collection of employee receivables related to giveback obligations and from non-controlling interests for their portion of the obligation. The realization of giveback obligations for the Company's portion of such obligations reduces Distributable Earnings in the period realized and negatively impacts earnings available for distributions to shareholders in the period realized. Further, each

individual recipient of realized carried interest typically signs a guarantee agreement or partnership agreement that personally obligates such person to return his/her pro rata share of any amounts of realized carried interest previously distributed that are later clawed back. Accordingly, carried interest as performance allocation compensation is subject to return to the Company in the event a giveback obligation is funded. Generally, the actual giveback liability, if any, does not become due until the end of a fund's life.

Each investment fund is considered separately in evaluating carried interest and potential giveback obligations. As a result, performance allocations within funds will continue to fluctuate primarily due to certain investments within each fund constituting a material portion of the carry in that fund. Additionally, the fair value of investments in our funds may have substantial fluctuations from period to period.

In addition, in our discussion of our non-GAAP results, we use the term "realized net performance revenues" to refer to realized performance allocations and incentive fees from our funds, net of the portion allocated to our investment professionals, if any, and certain tax expenses associated with carried interest attributable to certain partners and employees, which are reflected as realized performance allocations and incentive fees related compensation expense. See "— Non-GAAP Financial Measures" for the amount of realized net performance revenues recognized each period. See "— Segment Analysis" for the realized net performance revenues by segment and related discussion for each period.

Investment income also represents the realized and unrealized gains and losses on our principal investments, including our investments in Carlyle funds that are not consolidated, as well as any interest and other income. As it relates to our investments in NGP, investment income also includes our equity income allocation in NGP performance allocations, the amortization of the basis difference between the carrying value of our investment and our share of the underlying net assets of the investee, as well as the compensation expense associated with compensatory arrangements provided by us to employees of our equity method investee. Realized principal investment income (loss) is recorded when we redeem all or a portion of our investment or when we receive or are due cash income, such as dividends or distributions. A realized principal investment loss is also recorded when an investment is deemed to be worthless. Unrealized principal investment income (loss) results from changes in the fair value of the underlying investment, as well as the reversal of previously recognized unrealized gains (losses) at the time an investment is realized.

Fair Value Measurement. U.S. GAAP establishes a hierarchical disclosure framework which ranks the observability of market price inputs used in measuring financial instruments at fair value. The observability of inputs is impacted by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices, or for which fair value can be measured from quoted prices in active markets, will generally have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.

The table below summarizes the valuation of investments and other financial instruments included within our AUM, by segment and fair value hierarchy levels, as of June 30, 2022:

	As of June 30, 2022			
	Global Private Equity	Global Credit	Global Investment Solutions	Total
Consolidated Results	(Dollars in millions)			
Level I	\$ 3,515	\$ 336	\$ 1,304	\$ 5,155
Level II	4,277	37,772	163	42,212
Level III	113,281	91,272	43,383	247,936
Fair Value of Investments	121,073	129,380	44,850	295,303
Available Capital	46,112	13,610	21,388	81,110
Total AUM	\$ 167,185	\$ 142,990	\$ 66,238	\$ 376,413

Interest and Other Income of Consolidated Funds. Interest and other income of Consolidated Funds primarily represents the interest earned on CLO assets. The Consolidated Funds are not the same entities in all periods presented. The Consolidated Funds in future periods may change due to changes in fund terms, formation of new funds, and terminations of funds.

Net Investment Gains (Losses) of Consolidated Funds. Net investment gains (losses) of Consolidated Funds measures the change in the difference in fair value between the assets and the liabilities of the Consolidated Funds. A gain (loss) indicates that the fair value of the assets of the Consolidated Funds appreciated more (less), or depreciated less (more), than the fair value of the liabilities of the Consolidated Funds. A gain or loss is not necessarily indicative of the investment performance of the Consolidated Funds and does not impact the management or incentive fees received by Carlyle for its management of the Consolidated Funds. The portion of the net investment gains (losses) of Consolidated Funds attributable to the limited partner

investors is allocated to non-controlling interests. Therefore a gain or loss is not expected to have a material impact on the revenues or profitability of the Company. Moreover, although the assets of the Consolidated Funds are consolidated onto our balance sheet pursuant to U.S. GAAP, ultimately we do not have recourse to such assets and such liabilities are generally non-recourse to us. Therefore, a gain or loss from the Consolidated Funds generally does not impact the assets available to our common stockholders.

Expenses

Compensation and Benefits. Compensation includes salaries, bonuses, equity-based compensation, and performance payment arrangements. Bonuses are accrued over the service period to which they relate.

We recognize as compensation expense the portion of performance allocations and incentive fees that are due to our employees, senior Carlyle professionals, advisors, and operating executives in a manner consistent with how we recognize the performance allocations and incentive fee revenue. These amounts are accounted for as compensation expense in conjunction with the related performance allocations and incentive fee revenue and, until paid, are recognized as a component of the accrued compensation and benefits liability. Compensation in respect of performance allocations and incentive fees is paid when the related performance allocations and incentive fees are realized, and not when such performance allocations and incentive fees are accrued. The funds do not have a uniform allocation of performance allocations and incentive fees to our employees, senior Carlyle professionals, advisors, and operating executives. Therefore, for any given period, the ratio of performance allocations and incentive fee compensation to performance allocations and incentive fee revenue may vary based on the funds generating the performance allocations and incentive fee revenue for that period and their particular allocation percentages.

In addition, we have implemented various equity-based compensation arrangements that require senior Carlyle professionals and other employees to vest ownership of a portion of their equity interests over a service period of generally one to four years, which under U.S. GAAP will result in compensation charges over current and future periods. During 2019 and 2020, we granted fewer equity awards than we have previously. In 2021, we granted approximately 7.1 million in long-term strategic restricted stock units to certain senior professionals, the majority of which are subject to vesting based on the achievement of annual performance targets over four years, with a larger proportion of the awards vesting based on the 2024 performance year. As a result, combined with a higher share price than in periods prior to 2021, equity-based compensation expense will be higher in the coming years than it has been. Compensation charges associated with all equity-based compensation grants are excluded from Fee Related Earnings and Distributable Earnings.

We may hire additional individuals and overall compensation levels may correspondingly increase, which could result in an increase in compensation and benefits expense. As a result of prior acquisitions, we have charges associated with contingent consideration taking the form of earn-outs and profit participation, some of which are reflected as compensation expense.

General, Administrative and Other Expenses. General, administrative and other expenses include occupancy and equipment expenses and other expenses, which consist principally of professional fees, including those related to our global regulatory compliance program, external costs of fundraising, travel and related expenses, communications and information services, depreciation and amortization (including intangible asset amortization and impairment) and foreign currency transactions. We expect that general, administrative and other expenses will vary due to infrequently occurring or unusual items, such as impairment of intangible assets or lease right-of-use assets and expenses or insurance recoveries associated with litigation and contingencies. Also, in periods of significant fundraising, to the extent that we use third parties to assist in our fundraising efforts, our general, administrative and other expenses may increase accordingly. Similarly, our general, administrative and other expenses may increase as a result of professional and other fees incurred as part of due diligence related to strategic acquisitions and new product development. Additionally, we anticipate that general, administrative and other expenses will fluctuate from period to period due to the impact of foreign exchange transactions.

Interest and Other Expenses of Consolidated Funds. The interest and other expenses of Consolidated Funds consist primarily of interest expenses related primarily to our CLO loans, professional fees and other third-party expenses.

Income Taxes. Income taxes are accounted for using the asset and liability method of accounting. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax basis, using currently enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some or all of the deferred tax assets will not be realized.

The interim provision for income taxes is calculated using the discrete effective tax rate method as allowed by ASC 740, *Accounting for Income Taxes*. The discrete method is applied when the application of the estimated annual effective tax rate is impractical because it is not possible to reliably estimate the annual effective tax rate. The discrete method treats the year-to-date period as if it was the annual period and determines the income tax expense or benefit on that basis.

In the normal course of business, we are subject to examination by federal and certain state, local and foreign tax regulators. With a few exceptions, as of June 30, 2022, our U.S. federal income tax returns for the years 2018 through 2020 are open under the normal three-year statute of limitations and therefore subject to examination. State and local tax returns are generally subject to audit from 2016 to 2020. Foreign tax returns are generally subject to audit from 2011 to 2021. Certain of our affiliates are currently under audit by federal, state and foreign tax authorities.

Non-controlling Interests in Consolidated Entities. Non-controlling interests in consolidated entities represent the component of equity in consolidated entities not held by us. These interests are adjusted for general partner allocations.

Earnings Per Common Share. We compute earnings per common share in accordance with ASC 260, *Earnings Per Share*. Basic earnings per common share is calculated by dividing net income (loss) attributable to the common shares of the Company by the weighted average number of common shares outstanding for the period. Diluted earnings per common share reflects the assumed conversion of all dilutive securities. We apply the treasury stock method to determine the dilutive weighted-average common shares represented by unvested restricted stock units. For certain equity-based compensation awards that contain performance or market conditions, the number of contingently issuable common shares is included in diluted earnings per common share based on the number of common shares, if any, that would be issuable under the terms of the awards if the end of the reporting period were the end of the contingency period, if the result is dilutive.

Non-GAAP Financial Measures

Distributable Earnings. Distributable Earnings, or “DE”, is a key performance benchmark used in our industry and is evaluated regularly by management in making resource deployment and compensation decisions, and in assessing the performance of our three segments. We also use DE in our budgeting, forecasting, and the overall management of our segments. We believe that reporting DE is helpful to understanding our business and that investors should review the same supplemental financial measure that management uses to analyze our segment performance. DE is intended to show the amount of net realized earnings without the effects of consolidation of the Consolidated Funds. DE is derived from our segment reported results and is an additional measure to assess performance.

Distributable Earnings differs from income (loss) before provision for income taxes computed in accordance with U.S. GAAP in that it includes certain tax expenses associated with certain foreign performance revenues (comprised of performance allocations and incentive fees), and does not include unrealized performance allocations and related compensation expense, unrealized principal investment income, equity-based compensation expense, net income (loss) attributable to non-Carlyle interest in consolidated entities, or charges (credits) related to Carlyle corporate actions and non-recurring items. Charges (credits) related to Carlyle corporate actions and non-recurring items include: charges associated with acquisitions, dispositions, or strategic investments, changes in the tax receivable agreement liability, amortization and any impairment charges associated with acquired intangible assets, transaction costs associated with acquisitions and dispositions, charges associated with earnouts and contingent consideration including gains and losses associated with the estimated fair value of contingent consideration issued in conjunction with acquisitions or strategic investments, impairment charges associated with lease right-of-use assets, gains and losses from the retirement of debt, charges associated with contract terminations and employee severance. We believe the inclusion or exclusion of these items provides investors with a meaningful indication of our core operating performance. This measure supplements and should be considered in addition to and not in lieu of the results of operations discussed further under “Consolidated Results of Operations” prepared in accordance with U.S. GAAP.

Fee Related Earnings. Fee Related Earnings, or “FRE”, is a component of DE and is used to assess the ability of the business to cover direct base compensation and operating expenses from total fee revenues. FRE differs from income (loss) before provision for income taxes computed in accordance with U.S. GAAP in that it adjusts for the items included in the calculation of DE and also adjusts DE to exclude net realized performance revenues, realized principal investment income from investments in Carlyle funds, net interest (interest income less interest expense), and certain general, administrative and other expenses when the timing of any future payment is uncertain. Fee Related Earnings includes fee related performance revenues and related compensation expense. Fee related performance revenues represent the realized portion of performance revenues that are measured and received on a recurring basis, are not dependent on realization events, and which have no risk of giveback.

Operating Metrics

We monitor certain operating metrics that are common to the asset management industry.

Fee-earning Assets under Management. Fee-earning assets under management or Fee-earning AUM refers to the assets we manage or advise from which we derive recurring fund management fees. Our Fee-earning AUM is generally based on one of the following, once fees have been activated:

- (a) the amount of limited partner capital commitments, generally for carry funds where the original investment period has not expired, for AlpInvest carry funds during the commitment fee period (see “Fee-earning AUM based on capital commitments” in the table below for the amount of this component at each period);
- (b) the remaining amount of limited partner invested capital at cost, generally for carry funds and certain co-investment vehicles where the original investment period has expired and one of our business development companies (see “Fee-earning AUM based on invested capital” in the table below for the amount of this component at each period);
- (c) the amount of aggregate fee-earning collateral balance at par of our CLOs and other securitization vehicles, as defined in the fund indentures (typically exclusive of equities and defaulted positions) as of the quarterly cut-off date;
- (d) the external investor portion of the net asset value of certain carry funds (see “Fee-earning AUM based on net asset value” in the table below for the amount of this component at each period);
- (e) the fair value of Fortitude’s general account assets invested under the strategic advisory services agreement (see “Fee-earning AUM based on fair value and other” in the table below for the amount of this component at each period);
- (f) the gross assets (including assets acquired with leverage), excluding cash and cash equivalents, of one of our business development companies and certain carry funds (see “Fee-earning AUM based on lower of cost or fair value and other” in the table below for the amount of this component at each period); and
- (g) the lower of cost or fair value of invested capital, generally for AlpInvest carry funds where the commitment fee period has expired and certain carry funds where the investment period has expired, (see “Fee-earning AUM based on lower of cost or fair value and other” in the table below for the amount of this component at each period).

The table below details Fee-earning AUM by its respective components at each period.

	As of June 30,	
	2022	2021
(Dollars in millions)		
Consolidated Results		
Components of Fee-earning AUM		
Fee-earning AUM based on capital commitments (1)	\$ 77,362	\$ 76,238
Fee-earning AUM based on invested capital (2)	57,882	40,901
Fee-earning AUM based on collateral balances, at par (3)	43,796	28,111
Fee-earning AUM based on net asset value (4)	11,338	8,935
Fee-earning AUM based on fair value and other (5)	69,177	20,671
Balance, End of Period (6) (7)	\$ 259,555	\$ 174,856

- (1) Reflects limited partner capital commitments where the original investment period, weighted-average investment period, or commitment fee period has not expired.
- (2) Reflects limited partner invested capital at cost and includes amounts committed to or reserved for investments for certain Global Private Equity and Global Investment Solutions funds.
- (3) Represents the amount of aggregate Fee-earning collateral balances and principal balances, at par, for our CLOs/structured products.
- (4) Reflects the net asset value of certain other carry funds.
- (5) Includes the fair value of Fortitude’s general account assets covered by the strategic advisory services agreement, funds with fees based on the lower of cost or fair value of invested capital and funds with fees based on gross asset value.
- (6) Energy III, Energy IV, and Renew II (collectively, the “Legacy Energy Funds”), are managed with Riverstone Holdings LLC and its affiliates. Affiliates of both Carlyle and Riverstone act as investment advisors to each of the Legacy Energy Funds. Carlyle has a minority representation on the management committees of Energy IV and Renew II. Carlyle and Riverstone each hold half of the seats on the management committee of Energy III, but the investment period for this fund has expired and the remaining investments in such fund are being disposed of in the ordinary course of business. As of June 30, 2022, the Legacy Energy Funds had, in the aggregate, approximately \$0.1 billion in AUM and \$0.3 billion in Fee-earning AUM. We are no longer raising capital for the Legacy Energy Funds and expect these balances to continue to decrease over time as the funds wind down.
- (7) Ending balances as of June 30, 2022 and 2021 exclude \$13.0 billion and \$17.3 billion, respectively, of pending Fee-earning AUM for which fees have not yet been activated.

The table below provides the period to period rollforward of Fee-earning AUM.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Consolidated Results				
(Dollars in millions)				
Fee-earning AUM Rollforward				
Balance, Beginning of Period	\$ 211,060	\$ 173,132	\$ 193,419	\$ 170,102
Inflows (1)	58,891	6,092	81,033	14,051
Outflows (including realizations) (2)	(8,213)	(5,771)	(11,509)	(9,345)
Market Activity & Other (3)	845	1,078	1,133	1,586
Foreign Exchange (4)	(3,028)	325	(4,521)	(1,538)
Balance, End of Period	\$ 259,555	\$ 174,856	\$ 259,555	\$ 174,856

- (1) Inflows represents limited partner capital raised by our carry funds or separately managed accounts for which management fees based on commitments were activated during the period, the fee-earning commitments invested in vehicles for which management fees are based on invested capital, the fee-earning collateral balance of new CLO issuances, as well as gross subscriptions in our vehicles for which management fees are based on net asset value. Inflows exclude fundraising amounts during the period for which fees have not yet been activated, which are referenced as Pending Fee-earning AUM. Inflows for the three and six months ended June 30, 2022 include Fee-earning AUM associated with the strategic advisory services agreement with Fortitude which was effective April 1, 2022. As of June 30, 2022, Fee-earning AUM associated with the strategic advisory services agreement was \$48 billion. Inflows for the six months ended June 30, 2022 also include \$14 billion of Fee-earning AUM acquired in the CBAM transaction in March 2022.
- (2) Outflows represents the impact of realizations from vehicles with management fees based on remaining invested capital at cost or fair value, changes in basis for funds where the investment period, weighted-average investment period or commitment fee period has expired during the period, reductions for funds that are no longer calling for fees, gross redemptions in our open-end funds, and runoff of CLO collateral balances. Distributions for funds earning management fees based on commitments during the period do not affect Fee-earning AUM. Outflows during the three and six months ended June 30, 2021 also reflect the sale of MRE on April 1, 2021, which had \$2.3 billion of Fee-earning AUM as of March 31, 2021.
- (3) Market Activity & Other represents realized and unrealized gains (losses) on portfolio investments in our carry funds based on the lower of cost or fair value and net asset value, as well as activity of funds with fees based on gross asset value.
- (4) Foreign Exchange represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

Refer to “— Segment Analysis” for a detailed discussion by segment of the activity affecting Fee-earning AUM for each of the periods presented by segment.

Assets under Management. Assets under management or AUM refers to the assets we manage or advise. Our AUM generally equals the sum of the following:

- (a) the aggregate fair value of our carry funds and related co-investment vehicles, NGP Predecessor Funds and separately managed accounts, plus the capital that Carlyle is entitled to call from investors in those funds and vehicles (including Carlyle commitments to those funds and vehicles and those of senior Carlyle professionals and employees) pursuant to the terms of their capital commitments to those funds and vehicles;
- (b) the amount of aggregate collateral balance and principal cash at par or aggregate principal amount of the notes of our CLOs and other structured products (inclusive of all positions);
- (c) the net asset value of certain carry funds;
- (d) the fair value of Fortitude’s general account assets invested under the strategic advisory services agreement; and
- (e) the gross assets (including assets acquired with leverage) of our business development companies, plus the capital that Carlyle is entitled to call from investors in those vehicles pursuant to the terms of their capital commitments to those vehicles.

We include in our calculation of AUM and Fee-earning AUM certain energy and renewable resources funds that we jointly advise with Riverstone, the NGP Energy Funds that are advised by NGP. Our calculation of AUM also includes third-

party capital raised for the investment in Fortitude through a Carlyle-affiliated investment fund and from a strategic investor which directly invests in Fortitude alongside the fund. The AUM and Fee-Earning AUM related to the strategic advisory services agreement with Fortitude is inclusive of the net asset value of investments in Carlyle products. These amounts are also reflected in the AUM and Fee-Earning AUM of the strategy in which they are invested.

For most of our carry funds, total AUM includes the fair value of the capital invested, whereas Fee-earning AUM includes the amount of capital commitments or the remaining amount of invested capital, depending on whether the original investment period for the fund has expired. As such, Fee-earning AUM may be greater than total AUM when the aggregate fair value of the remaining investments is less than the cost of those investments.

Our calculations of AUM and Fee-earning AUM may differ from the calculations of other asset managers. As a result, these measures may not be comparable to similar measures presented by other asset managers. In addition, our calculation of AUM (but not Fee-earning AUM) includes uncalled commitments to, and the fair value of invested capital in, our investment funds from Carlyle and our personnel, regardless of whether such commitments or invested capital are subject to management fees or performance allocations. Our calculations of AUM or Fee-earning AUM are not based on any definition of AUM or Fee-earning AUM that is set forth in the agreements governing the investment funds that we manage or advise.

We generally use Fee-earning AUM as a metric to measure changes in the assets from which we earn recurring management fees. Total AUM tends to be a better measure of our investment and fundraising performance as it reflects investments at fair value plus available capital.

Available Capital. “Available Capital” refers to the amount of capital commitments available to be called for investments, which may be reduced for equity invested that is funded via a fund credit facility and expected to be called from investors at a later date, plus any additional assets/liabilities at the fund level other than active investments. Amounts previously called may be added back to available capital following certain distributions. “Expired Available Capital” occurs when a fund has passed the investment and follow-on periods and can no longer invest capital into new or existing deals. Any remaining Available Capital, typically a result of either recycled distributions or specific reserves established for the follow-on period that are not drawn, can only be called for fees and expenses and is therefore removed from the Total AUM calculation.

The table below provides the period to period rollforward of Total AUM.

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	(Dollars in millions)	
Consolidated Results		
Total AUM Rollforward		
Balance, Beginning of Period	\$ 325,166	\$ 300,957
Inflows (1)	58,442	82,191
Outflows (including realizations) (2)	(9,463)	(16,020)
Market Activity & Other (3)	7,282	16,622
Foreign Exchange (4)	(5,014)	(7,337)
Balance, End of Period	\$ 376,413	\$ 376,413

- (1) Inflows reflects the impact of gross fundraising during the period. For funds or vehicles denominated in foreign currencies, this reflects translation at the average quarterly rate, while the separately reported Fundraising metric is translated at the spot rate for each individual closing. Inflows for the three and six months ended June 30, 2022 include AUM associated with the strategic advisory services agreement with Fortitude which was effective April 1, 2022. As of June 30, 2022, AUM associated with the strategic advisory services agreement was \$48 billion. Inflows for the six months ended June 30, 2022 also include \$15 billion of AUM acquired in the CBAM transaction in March 2022.
- (2) Outflows includes distributions net of callable or recyclable amounts in our carry funds, related co-investment vehicles, separately managed accounts and the NGP Predecessor Funds, gross redemptions in our open-end funds, runoff of CLO collateral balances and the expiration of available capital.
- (3) Market Activity & Other generally represents realized and unrealized gains (losses) on portfolio investments in our carry funds and related co-investment vehicles, the NGP Predecessor Funds and separately managed accounts, as well as the net impact of fees, expenses and non-investment income, change in gross asset value for our business development companies and other changes in AUM.
- (4) Foreign Exchange represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

Please refer to “— Segment Analysis” for a detailed discussion by segment of the activity affecting Total AUM for each of the periods presented.

Perpetual Capital. “Perpetual Capital” refers to the assets we manage or advise which have an indefinite term and for which there is no immediate requirement to return capital to investors upon the realization of investments made with such capital, except as required by applicable law. Perpetual Capital may be materially reduced or terminated under certain conditions, including reductions from changes in valuations and payments to investors, including through elections by investors to redeem their investments, dividend payments, and other payment obligations, as well as the termination of or failure to renew the respective investment advisory agreements. Perpetual Capital includes: (a) assets managed under the strategic advisory services agreement with Fortitude, (b) our Core Plus real estate fund, (c) our business development companies, and (d) our Interval Fund. As of June 30, 2022, our total AUM and Fee-earning AUM included \$62.1 billion and \$58.4 billion, respectively, of Perpetual Capital.

Portfolio Appreciation (Depreciation). The overall portfolio appreciation of 3% for the three months ended June 30, 2022 is comprised of 4% appreciation for funds focusing on real estate, and 13% for funds focusing on infrastructure and natural resources; 2% appreciation for carry funds in the Global Credit segment; and 5% appreciation for carry funds in the Global Investment Solutions segment, which includes the positive impact of foreign currency translation of the USD-denominated investments in our EUR-based funds. Excluding that impact, appreciation was 3% for carry funds in our Global Investment Solutions segment for the second quarter. Our carry funds within our Global Private Equity segment focusing on corporate private equity were flat for the second quarter. Overall portfolio appreciation for the six months ended June 30, 2022 of 9% is comprised of 3% appreciation for carry funds within our Global Private Equity segment focusing on corporate private equity, 15% for funds focusing on real estate, and 35% for funds focusing on infrastructure and natural resources; 1% appreciation for carry funds in the Global Credit segment; and 9% appreciation for carry funds in the Global Investment Solutions segment (6% excluding the positive impact of foreign currency translation). Our publicly traded investments, which comprise 7% of the total fair value in our carry fund portfolio, depreciated 20% during the second quarter.

While there is no perfectly comparable market index benchmark for the overall portfolio or any of its segments or strategies, we would note that S&P 500 and MSCI ACWI appreciation (depreciation) for the three months ended June 30, 2022 were (16.4)% and (16.1)%, respectively, while the FTSE NAREIT Composite appreciation (depreciation) was (15.5)%, the S&P Oil and Gas Exploration and Production Index was (8.6)%, and the S&P Leveraged Loan Index appreciation (depreciation) was (6.2)%. S&P 500 and MSCI ACWI appreciation (depreciation) for the six months ended June 30, 2022 were (20.6)% and (20.9)%, respectively, while the FTSE NAREIT Composite appreciation (depreciation) was (20.6)%, the S&P Oil and Gas Exploration and Production Index was 26.5%, and the S&P Leveraged Loan Index appreciation (depreciation) was (7.2)%.

Consolidation of Certain Carlyle Funds

The Company consolidates all entities that it controls either through a majority voting interest or as the primary beneficiary of variable interest entities. The entities we consolidate are referred to collectively as the Consolidated Funds in our unaudited condensed consolidated financial statements. As of June 30, 2022, our Consolidated Funds represent approximately 2% of our AUM; 1% of our management fees for both the three and six months ended June 30, 2022; and 2% of our total investment income or loss for the six months ended June 30, 2022.

We are not required under the consolidation guidance to consolidate in our financial statements most of the investment funds we advise. However, we consolidate certain CLOs and certain other funds that we advise. As of June 30, 2022, our consolidated CLOs held approximately \$6.4 billion of total assets and comprised substantially all of the assets and loans payable of the Consolidated Funds. The assets and liabilities of the Consolidated Funds are generally held within separate legal entities and, as a result, the liabilities of the Consolidated Funds are non-recourse to us.

Generally, the consolidation of the Consolidated Funds has a gross-up effect on our assets, liabilities and cash flows but has no net effect on the net income attributable to the Company and equity. The majority of the net economic ownership interests of the Consolidated Funds are reflected as non-controlling interests in consolidated entities in the consolidated financial statements. Because only a small portion of our funds are consolidated, the performance of the Consolidated Funds is not necessarily consistent with or representative of the combined performance trends of all of our funds.

For further information on our consolidation policy and the consolidation of certain funds, see Note 3 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Consolidated Results of Operations

The following table and discussion sets forth information regarding our unaudited condensed consolidated results of operations for the three and six months ended June 30, 2022 and 2021. The unaudited condensed consolidated financial statements have been prepared on substantially the same basis for all historical periods presented; however, the consolidated funds are not the same entities in all periods shown due to changes in U.S. GAAP, changes in fund terms and the creation and termination of funds. As further described above, the consolidation of these funds primarily has the impact of increasing interest and other income of Consolidated Funds, interest and other expenses of Consolidated Funds, and net investment gains (losses) of Consolidated Funds in the year that the fund is initially consolidated. The consolidation of these funds had no effect on net income attributable to the Company for the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions, except share and per share data)				
Revenues				
Fund management fees	\$ 546.5	\$ 394.4	\$ 997.0	\$ 775.4
Incentive fees	13.5	10.4	27.5	19.9
Investment income				
Performance allocations	337.9	2,080.7	1,048.1	3,866.8
Principal investment income	56.7	137.7	376.3	316.8
Total investment income	394.6	2,218.4	1,424.4	4,183.6
Interest and other income	31.2	21.0	57.0	41.4
Interest and other income of Consolidated Funds	63.2	62.1	124.9	123.2
Total revenues	1,049.0	2,706.3	2,630.8	5,143.5
Expenses				
Compensation and benefits				
Cash-based compensation and benefits	274.0	231.8	528.3	460.3
Equity-based compensation	45.4	47.2	85.1	79.6
Performance allocations and incentive fee related compensation	207.0	994.0	577.7	1,860.6
Total compensation and benefits	526.4	1,273.0	1,191.1	2,400.5
General, administrative and other expenses	131.7	109.1	238.0	200.8
Interest	26.9	25.5	54.7	48.5
Interest and other expenses of Consolidated Funds	40.6	46.5	83.4	88.9
Other non-operating expenses (income)	0.2	(3.1)	0.5	(2.5)
Total expenses	725.8	1,451.0	1,567.7	2,736.2
Other income				
Net investment income (loss) of Consolidated Funds	(23.5)	(2.6)	(20.7)	9.7
Income before provision for income taxes	299.7	1,252.7	1,042.4	2,417.0
Provision for income taxes	50.8	306.2	198.7	579.6
Net income	248.9	946.5	843.7	1,837.4
Net income attributable to non-controlling interests in consolidated entities	3.5	21.5	26.7	43.1
Net income attributable to The Carlyle Group Inc. Common Stockholders	\$ 245.4	\$ 925.0	\$ 817.0	\$ 1,794.3
Net income attributable to The Carlyle Group Inc. per common share				
Basic	\$ 0.68	\$ 2.61	\$ 2.27	\$ 5.06
Diluted	\$ 0.67	\$ 2.55	\$ 2.24	\$ 4.97
Weighted-average common shares				
Basic	361,445,630	354,506,335	359,520,927	354,368,976
Diluted	366,311,757	362,151,588	364,671,713	361,328,946

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021 and Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

Revenues

Total revenues decreased \$1,657.3 million, or 61.2%, for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and decreased \$2,512.7 million, or 48.9%, for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The following table provides the components of the changes in total revenues for the three and six months ended June 30, 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
	2022 v. 2021	
	(Dollars in millions)	
Total Revenues, June 30, 2021	\$ 2,706.3	\$ 5,143.5
Increases (Decreases):		
Increase in fund management fees	152.1	221.6
Increase in incentive fees	3.1	7.6
Decrease in investment income, including performance allocations	(1,823.8)	(2,759.2)
Increase in interest and other income	10.2	15.6
Increase in interest and other income of Consolidated Funds	1.1	1.7
Total decrease	(1,657.3)	(2,512.7)
Total Revenues, June 30, 2022	\$ 1,049.0	\$ 2,630.8

Fund Management Fees. Fund management fees increased \$152.1 million, or 38.6% for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$221.6 million, or 28.6%, for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to the following:

	Three Months Ended June 30,	Six Months Ended June 30,
	2022 v. 2021	
	(Dollars in millions)	
Higher management fees from the commencement of the investment period for certain newly raised funds	\$ 78.9	\$ 162.8
Lower management fees resulting from the change in basis for earning management fees from commitments to invested capital for certain funds and from net investment activity in funds whose management fees are based on invested capital	(6.4)	(12.9)
Increase in catch-up management fees from subsequent closes of funds that are in the fundraising period	15.0	9.1
Higher management fees due to CBAM acquisition and Fortitude strategic advisory services agreement	38.1	40.2
Lower management fees due to sale of MRE on April 1, 2021	—	(4.7)
Higher transaction and portfolio advisory fees	28.8	25.4
All other changes	(2.3)	1.7
Total increase in fund management fees	\$ 152.1	\$ 221.6

Fund management fees include transaction and portfolio advisory fees, net of rebate offsets, of \$43.2 million and \$14.4 million for the three months ended June 30, 2022 and 2021, respectively, and \$57.8 million and \$32.4 million for the six months ended June 30, 2022 and 2021, respectively.

Investment Income. Investment income decreased \$1,823.8 million to \$394.6 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and decreased \$2,759.2 million to \$1,424.4 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The components of investment income are included in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Performance allocations, excluding NGP (see below)	\$ 337.9	\$ 2,080.7	\$ 1,048.1	\$ 3,8
Investment income from NGP, which includes performance allocations	230.2	22.2	512.5	.
Investment income from our carry funds:				
Global Private Equity	12.3	81.4	57.6	1
Global Credit	2.4	3.2	3.4	
Global Investment Solutions	4.4	8.7	7.3	
Investment (loss) income from our CLOs	(23.9)	3.9	(31.2)	
Investment (loss) income from Carlyle FRL	(159.6)	13.4	(150.5)	
Investment (loss) income from our other Global Credit products	(12.3)	4.9	(27.3)	
Investment (loss) income on foreign currency hedges	(0.6)	(0.3)	0.6	
All other investment income	3.8	0.3	3.9	
Total investment income	\$ 394.6	\$ 2,218.4	\$ 1,424.4	\$ 4,1

The decrease in investment income in the respective periods primarily reflects carry fund appreciation of 3% three months ended June 30, 2022 compared to appreciation of 11% during the three months ended June 30, 2021 and appreciation of 9% during the six months ended June 30, 2022 compared to appreciation of 25% during the six months ended June 30, 2021, resulting in significantly higher performance allocations in 2021 compared to 2022. The three and six months ended June 30, 2022 also include an investment loss of \$176.9 million related to our equity method investment in Carlyle FRL, which was recorded as a result of the dilution of our indirect ownership in Fortitude from 19.9% to 13.5% in connection with the initial drawdown of the Fortitude capital raise (see Note 6 to the unaudited condensed and consolidated financial statements for more information).

We recorded investment losses from our CLOs during the three and six months ended June 30, 2022 as compared to investment income from our CLOs during the three and six months ended June 30, 2021. The fair value of the CLO investments held by the firm (before the effects of consolidation) decreased 12% during the quarter, with our investments in subordinated notes and senior notes depreciating 23% and 7% during the three months ended June 30, 2022, respectively. The fair value of the CLO investments held by the firm (before the effects of consolidation) decreased 20% year-to-date, with our investments in subordinated notes and senior notes depreciating 33% and 11% year-to-date, respectively.

Performance Allocations. Performance allocations decreased \$1.7 billion for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and decreased \$2.8 billion for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. Performance allocations by segment on a consolidated U.S. GAAP basis for the three and six months ended June 30, 2022 and 2021 comprised the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Global Private Equity	\$ 211.3	\$ 1,798.2	\$ 869.2	\$ 3,364.7
Global Credit	3.2	76.2	(30.8)	97.2
Global Investment Solutions ⁽¹⁾	123.4	206.3	209.7	404.9
Total performance allocations	\$ 337.9	\$ 2,080.7	\$ 1,048.1	\$ 3,866.8
Total carry fund appreciation ⁽²⁾	3 %	11 %	9 %	25 %

(1) The Company's primary and secondary investments in external funds are generally valued based on its proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. As a result, amounts presented may not include the impact of economic activity in the current quarter.

(2) Carry fund appreciation includes appreciation on the NGP Carry Funds. We do not control NGP and account for our strategic investment in NGP as an equity method investment under U.S. GAAP. Therefore, performance allocations related to these funds of \$200.2 million and \$450.6 million for the three and six months ended June 30, 2022, respectively, and \$1.1 million for both the three and six months ended June 30, 2021 are included in investment income in our U.S. GAAP results.

Refer to “— Key Financial Measures” for a listing of the funds with performance allocations in excess of 10% of the total for the periods presented. Performance allocations during the six months ended June 30, 2022 in our Global Private Equity segment reflect appreciation across our infrastructure and natural resources funds, real estate funds, and our corporate private equity funds, particularly our fourth Europe technology fund, with the exception of our sixth U.S. buyout fund, which experienced depreciation in its publicly traded investments. The reversal of performance allocations for Global Credit during the six months ended June 30, 2022 was driven by our fourth distressed credit carry fund, in which incremental preferred return outpaced gains in the portfolio during the quarter, depreciation in our third Aviation credit fund, and realized giveback in our third distressed credit carry fund. Performance allocations during the six months ended June 30, 2022 in our Global Investment Solutions segments reflect appreciation across the portfolio year-to-date.

The second quarter of 2022 was characterized by continued volatility in the markets, steady but weakening U.S. fundamentals, and rising risks in Europe and sharp contraction in Asia, in particular China. Our proprietary portfolio data imply the U.S. economy grew at a 2.7% annualized rate in the second quarter, a solid pace given fiscal contraction, monetary policy tightening, and high inflation. However, our carry fund portfolio appreciated 3% in the second quarter of 2022 against this backdrop of market volatility, which reflects strong operating performance and value creation activities in our private portfolio as well as recent private transaction marks. This positive performance was offset by 20% depreciation in our publicly traded investments, which comprise 7% of the total fair value in our carry fund portfolio. Within our Global Private Equity segment, our infrastructure and natural resources funds appreciated 13%, boosted by strong commodity prices, and our real estate funds appreciated 4% in the first quarter, led by continued strong performance in U.S. real estate due to its portfolio construction. Our corporate private equity funds were flat in the second quarter as appreciation across our private investments was offset by declines in our publicly trade investments. In our Global Credit segment, our carry funds (which represent approximately 10% of the total Global Credit remaining fair value) were 2% for the quarter driven by appreciation in our energy credit carry funds. Our Global Investment Solutions funds appreciated 5% in the first quarter, which generally reflects investment fair values on a one-quarter lag in the valuations of our primary and secondary fund of funds, and includes the positive impact of foreign currency translation of the USD-denominated investments in our EUR-based funds. Excluding that impact, appreciation was 3% for the second quarter.

Interest and Other Income. Interest and other income increased \$10.2 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$15.6 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily as a result of increases from the reimbursement of certain costs incurred on behalf of Carlyle funds and interest income from investments in CLO subordinated notes.

Interest and Other Income of Consolidated Funds. Interest and other income of Consolidated Funds increased \$1.1 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$1.7 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. Substantially all of the increase in interest and other income of Consolidated Funds relates to increased interest income from CLOs. Our CLOs

generate interest income primarily from investments in bonds and loans inclusive of amortization of discounts and generate other income from consent and amendment fees. Substantially all interest and other income of the CLOs and other consolidated funds together with interest expense of our CLOs and net investment gains (losses) of Consolidated Funds is attributable to the related funds' limited partners or CLO investors. Accordingly, such amounts have no material impact on net income attributable to the Company.

Expenses

Total expenses decreased \$725.2 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and decreased \$1,168.5 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The following table provides the components of the changes in total expenses for the three and six months ended June 30, 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
	2022 v. 2021	
	(Dollars in millions)	
Total Expenses, June 30, 2021	\$ 1,451.0	\$ 2,736.2
Increases (Decreases):		
Decrease in total compensation and benefits	(746.6)	(1,209.4)
Increase in general, administrative and other expenses	22.6	37.2
Increase in interest	1.4	6.2
Decrease in interest and other expenses of Consolidated Funds	(5.9)	(5.5)
Increase in other non-operating expense	3.3	3.0
Total decrease	(725.2)	(1,168.5)
Total Expenses, June 30, 2022	\$ 725.8	\$ 1,567.7

Total Compensation and Benefits. Total compensation and benefits decreased \$746.6 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and decreased \$1.2 billion for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, due to the following:

	Three Months Ended June 30,	Six Months Ended June 30,
	2022 v. 2021	
	(Dollars in millions)	
Increase in cash-based compensation and benefits	\$ 42.2	\$ 68.0
(Decrease) increase in equity-based compensation	(1.8)	5.5
Decrease in performance allocations and incentive fee related compensation	(787.0)	(1,282.9)
Decrease in total compensation and benefits	\$ (746.6)	\$ (1,209.4)

Cash-based Compensation and Benefits. Cash-based compensation and benefits increased \$42.2 million, or 18.2%, for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$68.0 million, or 14.8%, for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to the following:

	Three Months Ended June 30,	Six Months Ended June 30,
	2022 v. 2021	
	(Dollars in millions)	
Increase in headcount and bonuses	\$ 33.3	\$ 48.3
Increase in compensation expense associated with contingent earn-out payments ⁽¹⁾	8.9	19.7
Total increase in cash-based compensation and benefits	\$ 42.2	\$ 68.0

(1) The Carlyle Aviation Partners acquisition included an earn-out of up to \$150.0 million, under which we have paid \$53.6 million through June 30, 2022. For additional information, refer to “—Liquidity and Capital Resources—Contingent Cash Payments For Business Acquisitions and Strategic Investments.”

Equity-based Compensation. Equity-based compensation, net of forfeitures, decreased \$1.8 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$5.5 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The increase in equity-based compensation during the six months ended June 30, 2022 was primarily driven by accruals on the long-term strategic restricted stock units which were granted in February 2021 to certain senior professionals, as well as increased accruals on annual performance-based restricted stock units and a new market-based CEO award. The majority of the 7.1 million long-term strategic restricted stock units granted in 2021 are subject to vesting based on the achievement of annual performance targets over four years, with a larger proportion of the awards vesting based on the 2024 performance year, and as such we expect equity-based compensation expense will be higher in the coming years than it has been in prior years.

Performance allocations and incentive fee related compensation expense. Performance allocations and incentive fee related compensation expense decreased \$787.0 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and decreased \$1,282.9 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. Performance allocations and incentive fee related compensation as a percentage of performance allocations and incentive fees was 61% and 48% for the three months ended June 30, 2022 and 2021, respectively and 55% and 48% for the six months ended June 30, 2022 and 2021, respectively. Performance allocations and incentive fee related compensation as a percentage of performance allocations and incentive fees fluctuates depending on the mix of funds contributing to performance allocations and incentive fees in a given period. For our largest segment, Global Private Equity, our performance allocations and incentive fee related compensation expense as a percentage of performance allocations and incentive fees is generally around 45%. Performance allocations from our Global Investment Solutions segment pay a higher ratio of performance allocations and incentive fees as compensation, primarily as a result of the terms of our acquisition of AlpInvest.

General, Administrative and Other Expenses. General, administrative and other expenses increased \$22.6 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$37.2 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to:

	Three Months Ended June 30,	Six Months Ended June 30,
	2022 v. 2021	
	(Dollars in millions)	
Right-of-use asset impairment ⁽¹⁾	\$ (26.8)	(26.8)
Higher intangible asset amortization ⁽²⁾	26.4	32.0
Higher depreciation and amortization	0.6	1.1
Higher professional fees	13.6	19.8
Higher external fundraising costs	2.2	3.4
Higher travel and conference expenses	6.9	8.9
Foreign exchange adjustments ⁽³⁾	(12.6)	(25.1)
Higher IT and other office expenses	3.6	8.5
Other changes ⁽⁴⁾	8.7	15.4
Total increase in general, administrative and other expenses	\$ 22.6	37.2

(1) In connection with the April 1, 2021 sale of MRE, we entered into a sublease of certain office space in New York which resulted in a \$26.8 million right-of-use asset impairment charge during the three and six months ended June 30, 2021.

(2) Intangible asset amortization increases for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021 are primarily related to the CBAM acquisition. See Note 4 to our unaudited condensed consolidated financial statements.

(3) Foreign exchange adjustments for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021 are primarily driven by the remeasurement of our EUR CLO investments to GBP at one of our UK subsidiaries.

(4) The three and six months ended June 30, 2022 include \$7.5 million in advances to a portfolio company which have been fully reserved as an expense until recovered.

Interest. Interest increased \$1.4 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$6.2 million for the six months ended June 30, 2022 as compared to six months ended June 30, 2021 primarily due to interest accrued on the Subordinated Notes issued in May 2021.

Interest and Other Expenses of Consolidated Funds. Interest and other expenses of Consolidated Funds decreased \$5.9 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and decreased \$5.5 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to lower interest expense on the consolidated CLOs. The CLOs incur interest expense on their loans payable and incur other expenses consisting of trustee fees, rating agency fees and professional fees. Substantially all interest and other income of our CLOs together with interest expense of our CLOs and net investment gains (losses) of Consolidated Funds is attributable to the related funds' limited partners or CLO investors. Accordingly, such amounts have no material impact on net income attributable to the Company.

Net Investment Income (Loss) of Consolidated Funds. For the three months ended June 30, 2022, net investment losses of Consolidated Funds were \$23.5 million as compared to net investment losses of \$2.6 million for the three months ended June 30, 2021. For the six months ended June 30, 2022, net investment losses of Consolidated Funds were \$20.7 million as compared to net investment income of \$9.7 million for the six months ended June 30, 2021. For both the three and six months ended June 30, 2022 and 2021, net investment income (loss) comprise the activity of the consolidated CLOs and certain other funds. For the consolidated CLOs, the amount reflects the net gain or loss on the fair value adjustment of both the assets and liabilities. The components of net investment gains (losses) of Consolidated Funds for the respective periods are:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Realized gains (losses)	\$ (6.5)	\$ 12.5	\$ (3.8)	\$ 17.2
Net change in unrealized gains (losses)	(198.2)	1.0	(244.3)	85.6
Total gains (losses)	(204.7)	13.5	(248.1)	102.8
Gains (losses) from liabilities of CLOs	181.2	(16.1)	227.4	(93.1)
Total net investment gains (losses) of Consolidated Funds	\$ (23.5)	\$ (2.6)	\$ (20.7)	\$ 9.7

Provision (Benefit) for Income Taxes. The Company's provision (benefit) for income taxes was \$50.8 million and \$306.2 million for the three months ended June 30, 2022 and 2021, respectively, and \$198.7 million and \$579.6 million for the six months ended June 30, 2022 and 2021, respectively. The Company's effective tax rate was approximately 17% and 24% for the three months ended June 30, 2022 and 2021, respectively, and 19% and 24% for the six months ended June 30, 2022 and 2021, respectively. The effective tax rate for the six months ended June 30, 2022 and 2021 is primarily comprised of the 21% U.S. federal corporate income tax rate plus U.S. state and foreign corporate income taxes and tax deductions resulting from the vesting of restricted stock units during the period, the impact of which was greater during the six months ended June 30, 2022 due to a larger number of vested units and a higher share price. The effective tax rate for the six months ended June 30, 2022 also reflects a deferred tax benefit resulting from a reduction in future foreign withholding taxes as well as the use of foreign tax credits. As of June 30, 2022 and December 31, 2021, the Company had federal, state, local and foreign taxes payable of \$32.8 million and \$93.3 million, respectively, which is recorded as a component of accounts payable, accrued expenses and other liabilities on the accompanying condensed consolidated balance sheets.

Net Income Attributable to Non-controlling Interests in Consolidated Entities. Net income attributable to non-controlling interests in consolidated entities was \$3.5 million for the three months ended June 30, 2022 as compared to net income of \$21.5 million for the three months ended June 30, 2021. Net income attributable to non-controlling interests in consolidated entities was \$26.7 million for the six months ended June 30, 2022 as compared to net income of \$43.1 million for the six months ended June 30, 2021. These amounts are primarily attributable to the net earnings of the Consolidated Funds for each period, which are substantially all allocated to the related fund's limited partners or CLO investors. These amounts also reflect the net income attributable to non-controlling interests in carried interest, giveback obligations, and cash held for carried interest distributions.

Net Income Attributable to The Carlyle Group Inc. Common Stockholders. The net income (loss) attributable to The Carlyle Group Inc. common stockholders was \$245.4 million for the three months ended June 30, 2022 as compared to \$925.0 million for the three months ended June 30, 2021. The net income (loss) attributable to The Carlyle Group Inc. common stockholders was \$817.0 million for the six months ended June 30, 2022, a \$1.0 billion decrease from net income of \$1.8 billion for the six months ended June 30, 2021.

Non-GAAP Financial Measures

The following tables set forth information in the format used by management when making resource deployment decisions and in assessing performance of our segments. These non-GAAP financial measures are presented for the three and six months ended June 30, 2022 and 2021. Our Non-GAAP financial measures exclude the effects of unrealized performance allocations net of related compensation expense, unrealized principal investment income, consolidated funds, acquisition and disposition-related items including amortization and any impairment charges of acquired intangible assets and contingent consideration taking the form of earn-outs, charges associated with equity-based compensation, changes in the tax receivable agreement liability, corporate actions and infrequently occurring or unusual events.

Beginning with the first quarter of 2022, we began disclosing fee related performance revenues as a separate line item in our Non-GAAP results. Fee related performance revenues are the realized portion of performance revenues that are measured and received on a recurring basis, are not dependent on realization events, and which have no risk of giveback. Previously, these amounts were included as a component of fund management fees. Beginning in 2022, our Core Plus real estate fund, CPI, began to realize recurring fee related performance revenues. Realized net performance revenues for CPI were immaterial in prior periods.

The following table shows our total segment DE and FRE for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Total Segment Revenues	\$ 1,161.2	\$ 919.0	\$ 1,940.7	\$ 1,531.5
Total Segment Expenses	632.4	523.6	1,109.1	921.2
Distributable Earnings	\$ 528.8	\$ 395.4	\$ 831.6	\$ 610.3
(-) Realized Net Performance Revenues	270.9	237.4	388.9	313.4
(-) Realized Principal Investment Income	43.8	37.8	70.1	67.8
(+) Net Interest	22.3	23.0	47.1	43.1
(=) Fee Related Earnings	\$ 236.4	\$ 143.2	\$ 419.7	\$ 272.2

The following table sets forth our total segment revenues for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Segment Revenues				
Fund level fee revenues				
Fund management fees	\$ 516.2	\$ 399.4	\$ 970.4	\$ 782.2
Portfolio advisory and transaction fees, net and other	42.2	15.6	58.4	35.3
Fee related performance revenues	35.1	10.4	79.6	19.8
Total fund level fee revenues	593.5	425.4	1,108.4	837.3
Realized performance revenues	519.9	454.0	756.2	622.4
Realized principal investment income	43.8	37.8	70.1	67.8
Interest income	4.0	1.8	6.0	4.0
Total Segment Revenues	\$ 1,161.2	\$ 919.0	\$ 1,940.7	\$ 1,531.5

The following table sets forth our total segment expenses for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	\$ 259.7	\$ 217.4	\$ 505.5	\$ 4
Realized performance revenue related compensation	249.0	216.6	367.3	3
Total compensation and benefits	508.7	434.0	872.8	7
General, administrative, and other indirect expenses	87.9	55.6	164.2	1
Depreciation and amortization expense	9.5	9.2	19.0	
Interest expense	26.3	24.8	53.1	.
Total Segment Expenses	\$ 632.4	\$ 523.6	\$ 1,109.1	\$ 9

Income (loss) before provision for income taxes is the U.S. GAAP financial measure most comparable to Distributable Earnings and Fee Related Earnings. The following table is a reconciliation of income (loss) before provision for income taxes to Distributable Earnings and to Fee Related Earnings.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Income (loss) before provision for income taxes	\$ 299.7	\$ 1,252.7	\$ 1,042.4	\$ 2,417.0
Adjustments:				
Net unrealized performance and fee related performance revenues	(70.8)	(844.0)	(537.4)	(1,690.4)
Unrealized principal investment (income) loss	27.1	(78.8)	3.4	(210.1)
Principal investment loss from dilution of indirect investment in Fortitude	176.9	—	176.9	—
Equity-based compensation ⁽¹⁾	48.3	50.3	89.0	85.2
Acquisition or disposition-related charges (credits), including amortization of intangibles and impairment	53.4	11.3	82.5	30.3
Tax expense associated with certain foreign performance revenues	—	(3.4)	(0.8)	(9.4)
Net income attributable to non-controlling interests in consolidated entities	(3.5)	(21.5)	(26.7)	(43.1)
Right-of-use asset impairment	—	26.8	—	26.8
Other adjustments including severance	(2.3)	2.0	2.3	4.0
(=) Distributable Earnings	\$ 528.8	\$ 395.4	\$ 831.6	\$ 610.3
(-) Realized net performance revenues ⁽²⁾	270.9	237.4	388.9	313.4
(-) Realized principal investment income ⁽²⁾	43.8	37.8	70.1	67.8
(+) Net interest	22.3	23.0	47.1	43.1
(=) Fee Related Earnings	\$ 236.4	\$ 143.2	\$ 419.7	\$ 272.2

(1) Equity-based compensation includes amounts presented in principal investment income and general, administrative and other expenses in our U.S. GAAP statement of operations.

(2) See reconciliation to most directly comparable U.S. GAAP measure below:

	Three Months Ended June 30, 2022		
	Carlyle Consolidated	Adjustments ⁽⁵⁾	Total Reportable Segments
	(Dollars in millions)		
Performance revenues	\$ 337.9	\$ 182.0	\$ 519.9
Performance revenues related compensation expense	207.0	42.0	249.0
Net performance revenues	<u>\$ 130.9</u>	<u>\$ 140.0</u>	<u>\$ 270.9</u>
Principal investment income (loss)	\$ 56.7	\$ (12.9)	\$ 43.8

	Six Months Ended June 30, 2022		
	Carlyle Consolidated	Adjustments ⁽⁵⁾	Total Reportable Segments
	(Dollars in millions)		
Performance revenues	\$ 1,048.1	\$ (291.9)	\$ 756.2
Performance revenues related compensation expense	577.7	(210.4)	367.3
Net performance revenues	<u>\$ 470.4</u>	<u>\$ (81.5)</u>	<u>\$ 388.9</u>
Principal investment income (loss)	\$ 376.3	\$ (306.2)	\$ 70.1

	Three Months Ended June 30, 2021		
	Carlyle Consolidated	Adjustments ⁽⁵⁾	Total Reportable Segments
	(Dollars in millions)		
Performance revenues	\$ 2,080.7	\$ (1,626.7)	\$ 454.0
Performance revenues related compensation expense	994.0	(777.4)	216.6
Net performance revenues	<u>\$ 1,086.7</u>	<u>\$ (849.3)</u>	<u>\$ 237.4</u>
Principal investment income (loss)	\$ 137.7	\$ (99.9)	\$ 37.8

	Six Months Ended June 30, 2021		
	Carlyle Consolidated	Adjustments ⁽⁵⁾	Total Reportable Segments
	(Dollars in millions)		
Performance revenues	\$ 3,866.8	\$ (3,244.4)	\$ 622.4
Performance revenues related compensation expense	1,860.6	(1,551.6)	309.0
Net performance revenues	<u>\$ 2,006.2</u>	<u>\$ (1,692.8)</u>	<u>\$ 313.4</u>
Principal investment income (loss)	\$ 316.8	\$ (249.0)	\$ 67.8

(3) Adjustments to performance revenues and principal investment income (loss) relate to (i) unrealized performance allocations net of related compensation expense and unrealized principal investment income, which are excluded from our Non-GAAP results, (ii) amounts earned from the Consolidated Funds, which were eliminated in the U.S. GAAP consolidation but were included in the Non-GAAP results, (iii) amounts attributable to non-controlling interests in consolidated entities, which were excluded from the Non-GAAP results, (iv) the reclassification of NGP performance revenues, which are included in investment income in the U.S. GAAP financial statements, (v) the reclassification of fee related performance revenues, which are included in fund level fee revenues in the segment results, and (vi) the reclassification of tax expenses associated with certain foreign performance revenues. Adjustments to principal investment income (loss) also include the reclassification of earnings for the investment in NGP Management and its affiliates to the appropriate operating captions for the Non-GAAP results, the exclusion of charges associated with the investment in NGP Management and its affiliates that are excluded from the Non-GAAP results, and the exclusion of the principal investment loss from dilution of the indirect investment in Fortitude (see Note 6 to our unaudited condensed consolidated financial statements).

Distributable Earnings for our reportable segments are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Global Private Equity	\$ 425.7	\$ 337.6	\$ 669.8	\$ 515.8
Global Credit	86.3	29.6	121.9	52.7
Global Investment Solutions	16.8	28.2	39.9	41.8
Distributable Earnings	\$ 528.8	\$ 395.4	\$ 831.6	\$ 610.3

Segment Analysis

Discussed below is our DE and FRE for our segments for the periods presented. Our segment information is reflected in the manner used by our senior management to make operating and compensation decisions, assess performance and allocate resources.

For segment reporting purposes, revenues and expenses are presented on a basis that deconsolidates our Consolidated Funds. As a result, segment revenues from management fees, realized performance revenues and realized principal investment income (loss) are different than those presented on a consolidated U.S. GAAP basis because these revenues recognized in certain segments are received from Consolidated Funds and are eliminated in consolidation when presented on a consolidated U.S. GAAP basis. Furthermore, segment expenses are different than related amounts presented on a consolidated U.S. GAAP basis due to the exclusion of fund expenses that are paid by the Consolidated Funds.

Global Private Equity

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Segment Revenues				
Fund level fee revenues				
Fund management fees	\$ 337.0	\$ 263.4	\$ 641.2	\$ 523.6
Portfolio advisory and transaction fees, net and other	7.5	6.2	13.6	16.8
Fee related performance revenues	22.3	—	52.9	—
Total fund level fee revenues	366.8	269.6	707.7	540.4
Realized performance revenues	473.8	428.9	673.7	563.0
Realized principal investment income	34.2	24.0	48.4	47.7
Interest income	1.2	0.5	1.6	0.7
Total revenues	876.0	723.0	1,431.4	1,151.8
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	154.2	133.6	307.2	262.7
Realized performance revenues related compensation	214.5	193.6	305.2	253.8
Total compensation and benefits	368.7	327.2	612.4	516.5
General, administrative, and other indirect expenses	59.3	36.4	104.8	77.8
Depreciation and amortization expense	6.3	6.1	12.6	12.2
Interest expense	16.0	15.7	31.8	29.5
Total expenses	450.3	385.4	761.6	636.0
Distributable Earnings	\$ 425.7	\$ 337.6	\$ 669.8	\$ 515.8
(-) Realized Net Performance Revenues	259.3	235.3	368.5	309.2
(-) Realized Principal Investment Income	34.2	24.0	48.4	47.7
(+) Net Interest	14.8	15.2	30.2	28.8
(=) Fee Related Earnings	\$ 147.0	\$ 93.5	\$ 283.1	\$ 187.7

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021 and Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

Distributable Earnings

Distributable Earnings increased \$88.1 million for the three months ended June 30, 2022 as compared to three months ended June 30, 2021 and increased \$154.0 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The following table provides the components of the changes in Distributable Earnings for the three and six months ended June 30, 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
	(Dollars in millions)	
Distributable Earnings, June 30, 2021	\$ 337.6	\$ 515.8
Increases (decreases):		
Increase in fee related earnings	53.5	95.4
Increase in realized net performance revenues	24.0	59.3
Increase in realized principal investment income	10.2	0.7
Decrease (increase) in net interest	0.4	(1.4)
Total increase	88.1	154.0
Distributable Earnings, June 30, 2022	\$ 425.7	\$ 669.8

Realized Net Performance Revenues. Realized net performance revenues increased \$24.0 million for the three months ended June 30, 2022 as compared to three months ended June 30, 2021 and increased \$59.3 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. Realized net performance revenues were primarily generated by the following funds for the three and six months ended June 30, 2022 and 2021:

Three Months Ended June 30,		Six Months Ended June 30,	
2022	2021	2022	2021
CP VI	CP VI	CP VI	CP VI
CEP IV	CAP IV	CJP III	CAP IV
CAP IV	CRP V	CEP IV	CRP V
CRP VIII	CRP VII	CRP VIII	CGFSP II
CEOF II	CRP VIII	CEOF II	CRP VII
		CAP IV	CRP VIII
			CJP III

Realized Principal Investment Income. Realized principal investment income was \$34.2 million for the three months ended June 30, 2022 as compared to realized investment income of \$24.0 million for the three months ended June 30, 2021. Realized principal investment income was \$48.4 million for the six months ended June 30, 2022 as compared to realized principal investment income of \$47.7 million for the six months ended June 30, 2021. Realized principal investment income for the three and six months ended June 30, 2022 was primarily driven by our U.S., Europe and Asia buyout funds, as well as our Global Partners fund.

Fee Related Earnings

Fee Related Earnings increased \$53.5 million for the three months ended June 30, 2022 as compared to three months ended June 30, 2021 and increased \$95.4 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The following table provides the components of the changes in Fee Related Earnings for the three and six months ended June 30, 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
	(Dollars in millions)	
Fee Related Earnings, June 30, 2021	\$ 93.5	\$ 187.7
Increases (decreases):		
Increase in fee revenues	97.2	167.3
Increase in cash-based compensation and benefits	(20.6)	(44.5)
Increase in general, administrative and other indirect expenses	(22.9)	(27.0)
All other changes	(0.2)	(0.4)
Total increase	53.5	95.4
Fee Related Earnings, June 30, 2022	\$ 147.0	\$ 283.1

Fee Revenues. Total fee revenues increased \$97.2 million for the three months ended June 30, 2022 as compared to three months ended June 30, 2021 and increased \$167.3 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, due to the following:

	Three Months Ended June 30,	Six Months Ended June 30,
	2022 v. 2021	
	(Dollars in millions)	
Higher fund management fees	\$ 73.6	\$ 117.6
Higher (lower) portfolio advisory and transaction fees, net and other	1.3	(3.2)
Higher fee related performance revenues	22.3	52.9
Total increase in fee revenues	\$ 97.2	\$ 167.3

The increase in fund management fees for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021 was primarily due to the activation of management fees on CETP V in the current year and CP VIII, CRP IX, CP Growth and CAP Growth II in the second half of the prior year, as well as investment activity in CPI, on which management fees are based on invested capital. The three and six months ended June 30, 2022 also benefited from catch-up management fees of \$18.8 million and \$9.2 million, respectively, primarily related to CP VIII. These increases were partially offset by basis step-downs in CP VII and CRP VIII, as well as investment realizations in CP VI, on which management fees are based on invested capital.

Portfolio advisory and transaction fees, net and other increased for the three months ended June 30, 2022 as compared to three months ended June 30, 2021 and decreased for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. Portfolio advisory and transaction fees, net and other during the three and six months ended June 30, 2022 were primarily driven by portfolio fees generated across our corporate private equity portfolio.

The increase in fee related performance revenues for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021 was driven by CPI, which began to realize recurring fee related performance revenue during the first quarter of 2022. We expect a lower level of fee related performance revenues in the second half of 2022.

The total weighted-average management fee rates as of June 30, 2022 and 2021 were 1.31% and 1.25%, respectively. The increase was largely attributable to new fee-paying capital raised in CP VIII which has a higher effective fee rate than the segment average. Fee-earning assets under management were \$105.6 billion and \$90.5 billion as of June 30, 2022 and 2021, respectively, an increase of \$15.1 billion.

Cash-based compensation and benefits expense. Cash-based compensation and benefits expense increased \$20.6 million for the three months ended June 30, 2022 as compared to three months ended June 30, 2021 and increased \$44.5 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to increased headcount as

well as compensation associated with fee related performance revenues (approximately 45% of fee related performance revenues are paid as cash-based compensation) of \$10.7 million and \$25.3 million for the three and six months ended June 30, 2022, respectively.

General, administrative and other indirect expenses. General, administrative and other indirect expenses increased \$22.9 million for the three months ended June 30, 2022 as compared to three months ended June 30, 2021 and increased \$27.0 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to increased professional fees, travel and entertainment expenses and external costs associated with fundraising activities. General, administrative and other indirect expenses for the three months ended June 30, 2022 also include \$7.5 million in advances to a portfolio company which have been fully reserved as an expense until recovered.

Fee-earning AUM as of and for the Three and Six Months Ended June 30, 2022 and 2021

Fee-earning AUM is presented below for each period together with the components of change during each respective period.

	As of June 30,	
	2022	2021
Global Private Equity		
Components of Fee-earning AUM (1)		
Fee-earning AUM based on capital commitments	\$ 53,552	\$ 54,502
Fee-earning AUM based on invested capital	41,777	29,406
Fee-earning AUM based on net asset value	5,371	3,817
Fee-earning AUM based on lower of cost or fair value	4,935	2,752
Total Fee-earning AUM	\$ 105,635	\$ 90,477
Weighted Average Management Fee Rates (2)		
All Funds	1.31 %	1.25 %
Funds in Investment Period	1.39 %	1.37 %

- (1) For additional information concerning the components of Fee-earning AUM, see “—Fee-earning Assets under Management.”
- (2) Represents the aggregate effective management fee rate of each fund in the segment, weighted by each fund’s Fee-earning AUM, as of the end of each period presented.

The table below provides the period to period rollforward of Fee-earning AUM.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Global Private Equity				
Fee-earning AUM Rollforward				
Balance, Beginning of Period	\$ 106,665	\$ 90,559	\$ 104,252	\$ 91,571
Inflows (1)	3,770	966	7,286	1,602
Outflows (including realizations) (2)	(3,796)	(1,493)	(4,567)	(2,476)
Market Activity & Other (3)	53	316	193	412
Foreign Exchange (4)	(1,057)	129	(1,529)	(632)
Balance, End of Period	\$ 105,635	\$ 90,477	\$ 105,635	\$ 90,477

- (1) Inflows represents limited partner capital raised by our carry funds or separately managed accounts for which management fees based on commitments were activated during the period, and the fee-earning commitments invested in vehicles for which management fees are based on invested capital. Inflows exclude fundraising amounts during the period for which fees have not yet been activated, which are referenced as Pending Fee-earning AUM.
- (2) Outflows represents the impact of realizations from vehicles with management fees based on remaining invested capital at cost or fair value, changes in basis for funds where the investment period, weighted-average investment period or commitment fee period has expired during the period, and reductions for funds that are no longer calling for fees. Realizations for funds earning management fees based on commitments during the period do not affect Fee-earning AUM.

- (3) Market Activity & Other represents realized and unrealized gains (losses) on portfolio investments in our carry funds based on the lower of cost or fair value.
- (4) Foreign Exchange represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

Fee-earning AUM was \$105.6 billion at June 30, 2022, a decrease of \$1.1 billion, or approximately 1%, compared to \$106.7 billion at March 31, 2022. The decrease was driven by realizations of \$3.8 billion in funds which charge fees based on invested capital and \$1.1 billion in negative foreign exchange activity from the translation of our EUR and JPY-denominated funds' AUM to USD. This was partially offset by \$3.8 billion of inflows primarily from additional fee-earning capital raised in CP VIII and CETP V. Investment and distribution activity has no impact for funds still in the original investment period where Fee-earning AUM is based on commitments.

Fee-earning AUM at June 30, 2022 increased \$1.3 billion, or approximately 1%, from \$104.3 billion at December 31, 2021. The increase was driven by inflows of \$7.3 billion from new fee-paying commitments raised in CETP V and CP VIII, as well as capital deployment in CPI. This was partially offset by realizations of \$4.6 billion in funds which charge fees based on invested capital and \$1.5 billion in negative foreign exchange activity from the translation of our EUR and JPY-denominated funds' AUM to USD.

Fee-earning AUM at June 30, 2022 increased \$15.1 billion, or approximately 17%, from \$90.5 billion at June 30, 2021. The increase was driven by inflows of \$30.3 billion primarily from new fee-paying commitments raised in CP VIII, CRP IX, CETP V, CP Growth, and CAP Growth II, as well as capital deployment in funds which charge fees based on invested capital or net asset value such as CPI. This was partially offset by outflows of \$13.0 billion primarily due to realizations in funds which charge fees based on invested capital, as well as \$2.2 billion in negative foreign exchange activity from the translation of our EUR and JPY-denominated funds' AUM to USD.

Total AUM as of and for the Three and Six Months Ended June 30, 2022

The table below provides the period to period rollforward of Total AUM.

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	(Dollars in millions)	
Global Private Equity		
Total AUM Rollforward		
Balance, Beginning of Period	\$ 169,086	\$ 162,117
Inflows (1)	4,116	7,217
Outflows (including realizations) (2)	(6,904)	(9,271)
Market Activity & Other (3)	2,563	9,531
Foreign Exchange (4)	(1,676)	(2,409)
Balance, End of Period	\$ 167,185	\$ 167,185

- (1) Inflows reflects the impact of gross fundraising during the period. For funds or vehicles denominated in foreign currencies, this reflects translation at the average quarterly rate, while the separately reported Fundraising metric is translated at the spot rate for each individual closing.
- (2) Outflows includes distributions net of callable or recyclable amounts in our carry funds, related co-investment vehicles, separately managed accounts, and the NGP Predecessor Funds, gross redemptions in our open-end funds, and the expiration of available capital.
- (3) Market Activity & Other generally represents realized and unrealized gains (losses) on portfolio investments in our carry funds, related co-investment vehicles, separately managed accounts, and the NGP Predecessor Funds, as well as the impact of fees, expenses and non-investment income, and other changes in AUM.
- (4) Foreign Exchange represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

Total AUM was \$167.2 billion at June 30, 2022, a decrease of \$1.9 billion, or approximately 1%, compared to \$169.1 billion as of March 31, 2022. Driving the decrease were outflows of \$6.9 billion primarily from distributions of investment

proceeds in our U.S. Buyout, Asia Buyout, and Japan Buyout funds, as well as \$1.7 billion of negative foreign exchange activity from the translation of our EUR and JPY-denominated funds' AUM to USD. This was partially offset by \$4.1 billion of inflows, largely attributable to additional capital raised in CP VIII and CETP V. The increase was also driven by overall segment appreciation of \$2.6 billion for the period, including appreciation of \$1.0 billion in NGP XI, \$0.7 billion in CETP IV, \$0.5 billion in NGP XII, and \$0.3 billion in CEP V, partially offset by \$1.9 billion of depreciation in CP VI.

Total AUM at June 30, 2022 increased \$5.1 billion, or approximately 3%, from \$162.1 billion as of December 31, 2021. Driving the increase were \$7.2 billion of inflows, largely attributable to additional capital raised in CETP V and CP VIII. The increase was also driven by overall segment appreciation of \$9.5 billion for the period, including appreciation of \$2.0 billion in NGP XI, \$1.3 billion in NGP XII, \$1.0 billion in CRP VIII, and \$0.8 billion in CETP IV, partially offset by \$2.0 billion of depreciation in CP VI. These increases were partially offset by outflows of \$9.3 billion primarily from distributions of investment proceeds in our U.S. Buyout, Asia Buyout, U.S. Real Estate, Japan Buyout, and Europe Buyout funds, as well as \$2.4 billion of negative foreign exchange activity from the translation of our EUR and JPY-denominated funds' AUM to USD.

Fund Performance Metrics

Fund performance information for our investment funds that generally have at least \$1.0 billion in capital commitments, cumulative equity invested or total value as of June 30, 2022, which we refer to as our "significant funds" is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund return information reflected in this discussion and analysis is not indicative of the performance of The Carlyle Group Inc. and is also not necessarily indicative of the future performance of any particular fund. An investment in The Carlyle Group Inc. is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following tables reflect the performance of our significant funds in our Global Private Equity business. Please see "— Our Family of Funds" for a legend of the fund acronyms listed below.

(Amounts in millions)

Fund (Fee Initiation Date/Stepdown Date)(19)	Committed Capital(20)	Cumulative Invested Capital(1)	Percent Invested	TOTAL INVESTMENTS							REALIZED/PARTIALLY REALIZED INVESTMENTS(5)			
				As of June 30, 2022							As of June 30, 2022			
				Realized Value(2)	Remaining Fair Value(3)	MOIC (4)	Gross IRR (6)(12)	Net IRR (7)(12)	Net Accrued Carry/(Giveback) (8)	Total Fair Value(9)	MOIC (4)	Gross IRR (6)(12)		
Corporate Private Equity														
CP VIII (Oct 2021 / Oct 2027)	\$ 13,586	\$ 4,199	31%	\$ 1	\$ 4,363	1.0x	NM	NM	\$ —		n/a	n/a	n/a	
CP VII (May 2018 / Oct 2021)	\$ 18,510	\$ 16,712	90%	\$ 605	\$ 21,856	1.3x	18%	10%	\$ 433	\$ 563	1.6x	26%		
CP VI (May 2013 / May 2018)	\$ 13,000	\$ 13,135	101%	\$ 21,363	\$ 9,548	2.4x	21%	16%	\$ 698	\$ 24,788	2.6x	23%		
CP V (Jun 2007 / May 2013)	\$ 13,720	\$ 13,238	96%	\$ 27,108	\$ 1,608	2.2x	18%	14%	\$ 143	\$ 27,162	2.5x	24%		
CEP V (Oct 2018 / Sep 2024)	€ 6,416	€ 4,561	71%	€ 185	€ 5,810	1.3x	25%	13%	\$ 101		n/a	n/a		
CEP IV (Sep 2014 / Oct 2018)	€ 3,670	€ 3,758	102%	€ 4,205	€ 2,950	1.9x	18%	12%	\$ 261	€ 4,130	2.3x	25%		
CEP III (Jul 2007 / Dec 2012)	€ 5,295	€ 5,177	98%	€ 11,708	€ 53	2.3x	19%	14%	\$ 5	€ 11,643	2.3x	19%		
CAP V (Jun 2018 / Jun 2024)	\$ 6,554	\$ 4,593	70%	\$ 1,190	\$ 5,030	1.4x	31%	15%	\$ 112	\$ 901	1.8x	144%		
CAP IV (Jul 2013 / Jun 2018)	\$ 3,880	\$ 4,044	104%	\$ 5,269	\$ 2,744	2.0x	18%	13%	\$ 257	\$ 6,001	2.8x	27%		
CAP III (Jun 2008 / Jul 2013)	\$ 2,552	\$ 2,543	100%	\$ 4,890	\$ 213	2.0x	17%	12%	\$ 22	\$ 4,890	2.0x	18%		
CJP IV (Oct 2020 / Oct 2026)	¥ 258,000	¥ 100,468	39%	¥ —	¥ 133,794	1.3x	105%	43%	\$ 14		n/a	n/a		
CJP III (Sep 2013 / Aug 2020)	¥ 119,505	¥ 91,192	76%	¥ 184,670	¥ 45,639	2.5x	23%	16%	\$ 21	¥ 182,269	3.9x	33%		
CGFSP III (Dec 2017 / Dec 2023)	\$ 1,005	\$ 878	87%	\$ 340	\$ 1,628	2.2x	47%	34%	\$ 98	\$ 760	6.1x	60%		
CGFSP II (Jun 2013 / Dec 2017)	\$ 1,000	\$ 943	94%	\$ 1,602	\$ 753	2.5x	27%	20%	\$ 61	\$ 1,600	2.3x	28%		
CP Growth (Oct 2021 / Oct 2027)	\$ 1,101	\$ 333	30%	\$ —	\$ 340	1.0x	NM	NM	\$ —		n/a	n/a		
CEOF II (Nov 2015 / Mar 2020)	\$ 2,400	\$ 2,332	97%	\$ 2,252	\$ 2,091	1.9x	20%	14%	\$ 137	\$ 2,399	3.8x	55%		
CEOF I (Sep 2011 / Nov 2015)	\$ 1,119	\$ 1,175	105%	\$ 1,544	\$ 298	1.6x	12%	8%	\$ 46	\$ 1,382	1.7x	20%		
CETP V (Mar 2022 / Jun 2028)	€ 2,405	€ —	n/a	€ —	€ —	n/a	n/a	n/a	\$ —	€ —	n/a	n/a		
CETP IV (Jul 2019 / Jun 2022)	€ 1,350	€ 1,172	87%	€ —	€ 2,535	2.2x	76%	54%	\$ 126		n/a	n/a		
CETP III (Jul 2014 / Jul 2019)	€ 657	€ 602	92%	€ 1,181	€ 693	3.1x	43%	31%	\$ 49	€ 1,181	4.4x	51%		
CGP II (Dec 2020 / Jan 2025)	\$ 1,840	\$ 984	53%	\$ 1	\$ 1,006	1.0x	NM	NM	\$ —		n/a	n/a		
CGP (Jan 2015 / Mar 2021)	\$ 3,588	\$ 3,050	85%	\$ 990	\$ 3,371	1.4x	8%	6%	\$ 68	\$ 1,132	2.4x	20%		
CAGP IV (Aug 2008 / Dec 2014)	\$ 1,041	\$ 954	92%	\$ 1,123	\$ 93	1.3x	6%	1%	\$ —	\$ 1,122	1.3x	7%		
CSABF (Dec 2009 / Dec 2016)	\$ 776	\$ 736	95%	\$ 485	\$ 359	1.1x	2%	Neg	\$ —	\$ 638	1.3x	2%		
All Other Active Funds & Vehicles(10)		\$ 20,876	n/a	\$ 21,558	\$ 13,914	1.7x	18%	13%	\$ 79	\$ 21,760	2.2x	24%		
Fully Realized Funds & Vehicles(11)		\$ 24,119	n/a	\$ 60,359	\$ —	2.5x	28%	21%	\$ 9	\$ 60,359	2.5x	28%		
TOTAL CORPORATE PRIVATE EQUITY(13)		\$ 132,264	n/a	\$ 170,155	\$ 83,158	1.9x	26%	18%	\$ 2,740	\$ 174,572	2.4x	27%		

(Amounts in millions)

Fund (Fee Initiation Date/Stepdown Date)(19)	Committed Capital(20)	Cumulative Invested Capital(1)	Percent Invested	TOTAL INVESTMENTS						REALIZED/PARTIALLY REALIZED INVESTMENTS(5)			
				As of June 30, 2022						As of June 30, 2022			
				Realized Value(2)	Remaining Fair Value(3)	MOIC (4)	Gross IRR (6)(12)	Net IRR (7)(12)	Net Accrued Carry/(Giveback) (8)	Total Fair Value(9)	MOIC (4)	Gross IRR (6)(12)	
Real Estate													
CRP IX (Oct 2021 / Oct 2026)	\$ 7,987	\$ 809	10%	\$ —	\$ 862	1.1x	NM	NM	\$ —		n/a	n/a	n/a
CRP VIII (Aug 2017 / Oct 2021)	\$ 5,505	\$ 4,737	86%	\$ 3,348	\$ 4,879	1.7x	55%	34%	\$ 210	\$	3,421	2.0x	53%
CRP VII (Jun 2014 / Dec 2017)	\$ 4,162	\$ 3,755	90%	\$ 4,742	\$ 1,617	1.7x	19%	12%	\$ 74	\$	4,703	1.8x	23%
CRP VI (Mar 2011 / Jun 2014)	\$ 2,340	\$ 2,158	92%	\$ 3,767	\$ 158	1.8x	27%	18%	\$ 5	\$	3,594	2.0x	31%
CPI (May 2016 / n/a)	\$ 6,428	\$ 5,511	86%	\$ 1,697	\$ 6,337	1.5x	22%	20%	n/a*	\$	1,054	1.8x	7%
All Other Active Funds & Vehicles(14)		\$ 10,315	n/a	\$ 13,740	\$ 2,652	1.6x	9%	6%	\$ 25	\$	13,365	1.6x	10%
Fully Realized Funds & Vehicles(15)		\$ 5,003	n/a	\$ 6,740	\$ 5	1.3x	13%	7%	\$ —	\$	6,745	1.3x	14%
TOTAL REAL ESTATE(13)	\$ 32,288	\$ 32,288	n/a	\$ 34,032	\$ 16,509	1.6x	13%	9%	\$ 313	\$	32,880	1.7x	13%
Infrastructure & Natural Resources													
CIEP II (Apr 2019 / Apr 2025)	\$ 2,286	\$ 1,008	44%	\$ 364	\$ 1,155	1.5x	53%	26%	\$ 31	\$	604	2.5x	NM
CIEP I (Sep 2013 / Jun 2019)	\$ 2,500	\$ 2,363	95%	\$ 1,302	\$ 3,158	1.9x	20%	12%	\$ 168	\$	1,767	2.7x	24%
CPP II (Sep 2014 / Apr 2021)	\$ 1,527	\$ 1,504	99%	\$ 737	\$ 1,657	1.6x	15%	9%	\$ 70	\$	365	4.1x	76%
CGIOF (Dec 2018 / Sep 2023)	\$ 2,201	\$ 1,586	72%	\$ 275	\$ 1,715	1.3x	26%	9%	\$ 23	\$	257	1.3x	NM
NGP XII (Jul 2017 / Jul 2022)	\$ 4,278	\$ 2,639	62%	\$ 518	\$ 4,209	1.8x	22%	18%	\$ 154	\$	578	3.1x	27%
NGP XI (Oct 2014 / Jul 2017)	\$ 5,325	\$ 4,979	93%	\$ 2,992	\$ 5,633	1.7x	14%	11%	\$ 273	\$	4,371	1.9x	33%
NGP X (Jan 2012 / Dec 2014)	\$ 3,586	\$ 3,351	93%	\$ 3,217	\$ 502	1.1x	3%	Neg	\$ —	\$	3,106	1.2x	5%
All Other Active Funds & Vehicles(17)		\$ 3,601	n/a	\$ 1,912	\$ 3,738	1.6x	16%	14%	\$ 20	\$	2,128	2.5x	29%
Fully Realized Funds & Vehicles(18)		\$ 1,190	n/a	\$ 1,435	\$ 1	1.2x	3%	1%	\$ —	\$	1,436	1.2x	3%
TOTAL INFRASTRUCTURE & NATURAL RESOURCES	\$ 22,221	\$ 22,221	n/a	\$ 12,753	\$ 21,768	1.6x	12%	9%	\$ 739	\$	14,611	1.7x	14%
Legacy Energy Funds(16)		\$ 16,741	n/a	\$ 23,964	\$ 127	1.4x	12%	6%	\$ (4)	\$	23,579	1.5x	14%

*Net accrued fee related performance revenues for CPI of \$64 million are excluded from Net Accrued Performance Revenues. These amounts will be reflected as fee related performance revenues when realized, and included in Fund level fee revenues in our segment results.

- (1) Represents the original cost of investments since inception of the fund.
- (2) Represents all realized proceeds since inception of the fund.
- (3) Represents remaining fair value, before management fees, expenses and carried interest, and may include remaining escrow values for realized investments.
- (4) Multiple of invested capital (“MOIC”) represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital.
- (5) An investment is considered realized when the investment fund has completely exited, and ceases to own an interest in, the investment. An investment is considered partially realized when the total amount of proceeds received in respect of such investment, including dividends, interest or other distributions and/or return of capital, represents at least 85% of invested capital and such investment is not yet fully realized. Because part of our value creation strategy involves pursuing best exit alternatives, we believe information regarding Realized/Partially Realized MOIC and Gross IRR, when considered together with the other investment performance metrics presented, provides investors with meaningful information regarding our investment performance by removing the impact of investments where significant realization activity has not yet occurred. Realized/Partially Realized MOIC and Gross IRR have limitations as measures of investment performance, and should not be considered in isolation. Such limitations include the fact that these measures do not include the performance of earlier stage and other investments that do not satisfy the criteria provided above. The exclusion of such investments will have a positive impact on Realized/Partially Realized MOIC and Gross IRR in instances when the MOIC and Gross IRR in respect of such investments are less than the aggregate MOIC and Gross IRR. Our measurements of Realized/Partially Realized MOIC and Gross IRR may not be comparable to those of other companies that use similarly titled measures.
- (6) Gross Internal Rate of Return (“Gross IRR”) represents an annualized time-weighted return on Limited Partner invested capital, based on contributions, distributions and unrealized fair value as of the reporting date, before the impact of management fees, partnership expenses and carried interest. For fund vintages 2017 and after, Gross IRR includes the impact of interest expense related to the funding of investments on fund lines of credit. Gross IRR is calculated based on

- the timing of Limited Partner cash flows, which may differ to varying degrees from the timing of actual investment cash flows for the fund. Subtotal Gross IRR aggregations for multiple funds are calculated based on actual cash flow dates for each fund and represent a theoretical time-weighted return for a Limited Partner who invested sequentially in each fund.
- (7) Net Internal Rate of Return (“Net IRR”) represents an annualized time-weighted return on Limited Partner invested capital, based on contributions, distributions and unrealized fair value as of the reporting date, after the impact of all management fees, partnership expenses and carried interest, including current accruals. Net IRR is calculated based on the timing of Limited Partner cash flows, which may differ to varying degrees from the timing of actual investment cash flows for the fund. Fund level IRRs are based on aggregate Limited Partner cash flows, and this blended return may differ from that of individual Limited Partners. As a result, certain funds may generate accrued performance revenues with a blended Net IRR that is below the preferred return hurdle for that fund. Subtotal Net IRR aggregations for multiple funds are calculated based on actual cash flow dates for each fund and represent a theoretical time-weighted return for a Limited Partner who invested sequentially in each fund.
- (8) Represents the net accrued performance revenue balance/(giveback obligation) as of the current quarter end.
- (9) Represents all realized proceeds combined with remaining fair value, before management fees, expenses and carried interest.
- (10) Aggregate includes the following funds, as well as all active co-investments, separately managed accounts (SMAs), and stand-alone investments arranged by us: CEP II, CVP II, MENA, CCI, CSSAF I, CPF, CAP Growth I, CAP Growth II, and CBPF II.
- (11) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMAs), and certain other stand-alone investments arranged by us: CP I, CP II, CP III, CP IV, CEP I, CAP I, CAP II, CBPF I, CJP I, CJP II, CMG, CVP I, CUSGF III, CGFSP I, CEVP I, CETP I, CETP II, CAVP I, CAVP II, CAGP III and Mexico.
- (12) For funds marked “NM,” IRR may be positive or negative, but is not considered meaningful because of the limited time since initial investment and early stage of capital deployment. For funds marked “Neg,” IRR is considered meaningful but is negative as of reporting period end.
- (13) For purposes of aggregation, funds that report in foreign currency have been converted to U.S. dollars at the reporting period spot rate.
- (14) Aggregate includes the following funds, as well as all active co-investments, separately managed accounts (SMAs), and stand-alone investments arranged by us: CCR, CER I, CER II, CRP IV, CRP V and CEREP III.
- (15) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMAs), and certain other stand-alone investments arranged by us: CRP I, CRP II, CRP III, CRCP I, CAREP I, CAREP II, CEREP I, and CEREP II.
- (16) Aggregate includes the following Legacy Energy funds and related co-investments: Energy I, Energy II, Energy III, Energy IV, Renew I, and Renew II.
- (17) Aggregate includes the following funds, as well as all active co-investments, separately managed accounts (SMAs), and stand-alone investments arranged by us: NGP GAP, CPOCP, CRSEF, and NGP Minerals.
- (18) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMAs), and certain other stand-alone investments arranged by us: CIP.
- (19) The fund stepdown date represents the contractual stepdown date under the respective fund agreements for funds on which the fee basis stepdown has not yet occurred. Funds without a listed Fee Initiation Date and Stepdown Date have not yet initiated fees.
- (20) All amounts shown represent total capital commitments as of June 30, 2022. Certain of our recent vintage funds are currently in fundraising and total capital commitments are subject to change.

Global Credit

The following table presents our results of operations for our Global Credit segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Segment Revenues				
Fund level fee revenues				
Fund management fees	\$ 123.7	\$ 75.7	\$ 217.4	\$ 146.3
Portfolio advisory and transaction fees, net and other	34.7	9.4	44.8	18.2
Fee related performance revenues	12.8	10.4	26.7	19.8
Total fund level fee revenues	171.2	95.5	288.9	184.3
Realized performance revenues	19.9	—	33.6	0.1
Realized principal investment income	8.7	9.8	19.0	15.7
Interest income	2.6	1.2	4.1	3.2
Total revenues	202.4	106.5	345.6	203.3
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	77.1	55.6	144.3	109.3
Realized performance revenues related compensation	9.4	—	16.1	—
Total compensation and benefits	86.5	55.6	160.4	109.3
General, administrative, and other indirect expenses	20.3	13.0	43.8	24.8
Depreciation and amortization expense	1.9	2.0	3.9	3.9
Interest expense	7.4	6.3	15.6	12.6
Total expenses	116.1	76.9	223.7	150.6
(=) Distributable Earnings	\$ 86.3	\$ 29.6	\$ 121.9	\$ 52.7
(-) Realized Net Performance Revenues	10.5	—	17.5	0.1
(-) Realized Principal Investment Income	8.7	9.8	19.0	15.7
(+) Net Interest	4.8	5.1	11.5	9.4
(=) Fee Related Earnings	\$ 71.9	\$ 24.9	\$ 96.9	\$ 46.3

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021 and Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

Distributable Earnings

Distributable Earnings increased \$56.7 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$69.2 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The following table provides the components of the changes in Distributable Earnings for the three and six months ended June 30, 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
	(Dollars in millions)	
Distributable Earnings, June 30, 2021	\$ 29.6	\$ 52.7
Increases (decreases):		
Increase in fee related earnings	47.0	50.6
Increase in realized net performance revenues	10.5	17.4
(Decrease) increase in realized principal investment income	(1.1)	3.3
Decrease (increase) in net interest	0.3	(2.1)
Total increase	56.7	69.2
Distributable Earnings, June 30, 2022	\$ 86.3	\$ 121.9

Realized Net Performance Revenues. Realized net performance revenues increased \$10.5 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$17.4 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to realized net performance revenues generated by CCOF I, partially offset by the realization of a \$5.9 million net giveback obligation for CSP III in the six months ended June 30, 2022.

Realized Principal Investment Income. Realized principal investment income decreased \$1.1 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021, and increased \$3.3 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. Realized principal investment income for the three and six months ended June 30, 2022 was primarily driven by our U.S. and Europe CLOs and our Credit Opportunities funds.

Fee Related Earnings

Fee Related Earnings increased \$47.0 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$50.6 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The following table provides the components of the changes in Fee Related Earnings for the three and six months ended June 30, 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
	(Dollars in millions)	
Fee Related Earnings, June 30, 2021	\$ 24.9	\$ 46.3
Increases (decreases):		
Increase in fee revenues	75.7	104.6
Increase in cash-based compensation and benefits	(21.5)	(35.0)
Increase in general, administrative and other indirect expenses	(7.3)	(19.0)
All other changes	0.1	—
Total increase	47.0	50.6
Fee Related Earnings, June 30, 2022	\$ 71.9	\$ 96.9

Fee Revenues. Fee revenues increased \$75.7 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$104.6 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, due to the following:

	Three Months Ended June 30,	2022 v. 2021		Six Months Ended June 30,
		(Dollars in millions)		
Higher fund management fees	\$	48.0		\$ 71.1
Higher portfolio advisory and transaction fees, net and other		25.3		26.6
Higher fee related performance revenues		2.4		6.9
Total increase in fee revenues	\$	75.7		\$ 104.6

The increase in fund management fees for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021 was primarily driven by fees earned under the strategic advisory services agreement which was executed with Fortitude on April 1, 2022 and management fees on the CBAM portfolio, as well as investment activity at CCOF II which charges fees based on invested capital, the issuance of U.S. CLOs over the last twelve months, and growth in our Interval Fund.

The increase in portfolio advisory and transaction fees, net and other for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021 was primarily driven by transaction fees in our insurance and aviation strategies, as well as an increase in capital markets fees, which vary with activity levels in a given period.

The increase in fee related performance revenues for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021 was due to higher fee related performance revenues from our Interval Fund and business development companies.

The weighted average management fee rate on our carry funds decreased from 1.24% at June 30, 2021 to 1.08% at June 30, 2022. The rate decrease was primarily due to investment activity in funds on which management fees are based on invested capital and have a lower fee rate, including separately managed accounts.

Cash-based compensation and benefits expense. Cash-based compensation and benefits expense increased \$21.5 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$35.0 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to increased headcount, as well as an increase in compensation associated with fee related performance revenues (approximately 45% of fee related performance revenues are paid as cash-based compensation) of \$1.1 million and \$3.1 million for three and six months ended June 30, 2022 as compared to three and six months ended June 30, 2021, respectively.

General, administrative and other indirect expenses. General, administrative and other indirect expenses increased \$7.3 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$19.0 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to higher professional fees and travel and entertainment expenses, as well as increases in rent and other general expenses.

Fee-earning AUM as of and for the Three and Six Months Ended June 30, 2022 and 2021

Fee-earning AUM is presented below for each period together with the components of change during each respective period.

	As of June 30,	
	2022	2021
Global Credit	(Dollars in millions)	
Components of Fee-earning AUM (1)		
Fee-earning AUM based on capital commitments	\$ 4,466	\$ 2,758
Fee-earning AUM based on invested capital	11,432	8,025
Fee-earning AUM based on collateral balances, at par	43,796	28,111
Fee-earning AUM based on net asset value	2,162	1,645
Fee-earning AUM based on fair value and other (2)	54,511	5,346
Total Fee-earning AUM	\$ 116,367	\$ 45,885
Weighted Average Management Fee Rates (3)		
Global Credit Carry Funds	1.08 %	1.24 %

- (1) For additional information concerning the components of Fee-earning AUM, see “—Fee-earning Assets under Management.”
- (2) Includes the fair value of Fortitude’s general account assets covered by the strategic advisory services agreement and funds with fees based on gross asset value.
- (3) Represents the aggregate effective management fee rate for carry funds, weighted by each fund’s Fee-earning AUM, as of the end of each period presented. Management fees for CLOs are based on the total par amount of the assets (collateral) and principal balance of the notes in the fund and are not calculated as a percentage of equity and are therefore not included.

The table below provides the period to period rollforward of Fee-earning AUM.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Global Credit	(Dollars in millions)			
Fee-earning AUM Rollforward				
Balance, Beginning of Period	\$ 67,250	\$ 43,286	\$ 51,718	\$ 42,133
Inflows (1)	53,253	3,244	70,577	5,938
Outflows (including realizations) (2)	(3,726)	(955)	(5,259)	(2,276)
Market Activity & Other (3)	162	247	166	369
Foreign Exchange (4)	(572)	63	(835)	(279)
Balance, End of Period	\$ 116,367	\$ 45,885	\$ 116,367	\$ 45,885

- (1) Inflows represents limited partner capital raised by our carry funds or separately managed accounts for which management fees based on commitments were activated during the period, the fee-earning commitments invested in vehicles for which management fees are based on invested capital, the fee-earning collateral balance of new CLO issuances, as well as gross subscriptions in our vehicles for which management fees are based on net asset value. Inflows exclude fundraising amounts during the period for which fees have not yet been activated, which are referenced as Pending Fee-earning AUM. Inflows for the three and six months ended June 30, 2022 include Fee-earning AUM associated with the strategic advisory services agreement with Fortitude which was effective April 1, 2022. As of June 30, 2022, Fee-earning AUM associated with the strategic advisory services agreement was \$48 billion. Inflows for the six months ended June 30, 2022 include \$14 billion of Fee-earning AUM acquired in the CBAM transaction in March 2022.
- (2) Outflows represents the impact of realizations from vehicles with management fees based on remaining invested capital at cost or fair value, changes in basis for funds where the investment period, weighted-average investment period or commitment fee period has expired during the period, reductions for funds that are no longer calling for fees, gross redemptions in our open-ended funds, and runoff of CLO collateral balances. Realizations for funds earning management fees based on commitments during the period do not affect Fee-earning AUM.
- (3) Market Activity & Other represents realized and unrealized gains (losses) on portfolio investments in funds or vehicles based on the lower of cost or fair value or net asset value, as well as activity of funds with fees based on gross asset value.

- (4) Foreign Exchange represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

Fee-earning AUM was \$116.4 billion at June 30, 2022, an increase of \$49.1 billion, or approximately 73%, compared to \$67.3 billion at March 31, 2022. This increase was driven by inflows of \$53.3 billion primarily from Fee-earning AUM related to the strategic advisory services agreement signed with Fortitude in April 2022, as well as the activation of fees in a new Aviation SMA, the closing of our two latest vintage U.S. CLOs, and investment activity in CCOF II. This was partially offset by outflows of \$3.7 billion primarily due to reductions for funds that are no longer calling for management fees, runoff of CLO collateral balances and realizations in other funds with fees tied to invested capital. Investment and distribution activity has no impact for funds still in the original investment period where Fee-earning AUM is based on commitments.

Fee-earning AUM at June 30, 2022 increased \$64.7 billion, or approximately 125%, compared to \$51.7 billion at December 31, 2021. This increase was driven by inflows of \$70.6 billion primarily from Fee-earning AUM related to the strategic advisory services agreement signed with Fortitude in April 2022 and Fee-earning AUM acquired in the CBAM transaction in March 2022, as well as investment activity in CCOF II, the activation of fees in a new Aviation SMA, and the closing of our two latest vintage U.S. CLOs and our latest vintage Euro CLO. This was partially offset by outflows of \$5.3 billion primarily due to reductions for funds that are no longer calling for management fees, runoff of CLO collateral balances and realizations in other funds with fees tied to invested capital.

Fee-earning AUM at June 30, 2022 increased \$70.5 billion, or approximately 154%, compared to \$45.9 billion at June 30, 2021. The increase was driven by inflows of \$77.7 billion primarily from Fee-earning AUM related to the strategic advisory services agreement signed with Fortitude in April 2022 and Fee-earning AUM acquired in the CBAM transaction in March 2022, as well as the closing of nine new U.S. and two new Euro CLOs, the activation of fees in various cross-platform SMAs, and capital invested in CCOF II. Also driving the increase was \$1.3 billion in portfolio appreciation. This was partially offset by outflows of \$7.3 billion primarily due to runoff of our CLO collateral balances and realizations in other funds with fees tied to invested capital.

Total AUM as of and for the Three and Six Months Ended June 30, 2022.

The table below provides the period to period rollforward of Total AUM.

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	(Dollars in millions)	
Global Credit		
Total AUM Rollforward		
Balance, Beginning of Period	\$ 90,814	\$ 73,384
Inflows (1)	52,218	71,549
Outflows (including realizations) (2)	(1,130)	(2,592)
Market Activity & Other (3)	1,686	1,524
Foreign Exchange (4)	(598)	(875)
Balance, End of Period	\$ 142,990	\$ 142,990

- (1) Inflows reflects the impact of gross fundraising during the period. For funds or vehicles denominated in foreign currencies, this reflects translation at the average quarterly rate, while the separately reported Fundraising metric is translated at the spot rate for each individual closing. Inflows for the three and six months ended June 30, 2022 include Total AUM associated with the strategic advisory services agreement with Fortitude which was effective April 1, 2022. As of June 30, 2022, Total AUM associated with the strategic advisory services agreement was \$48 billion. Inflows for the six months ended June 30, 2022 include \$15 billion of Total AUM acquired in the CBAM transaction in March 2022.
- (2) Outflows includes distributions net of callable or recyclable amounts in our carry funds, related co-investment vehicles, and separately managed accounts, gross redemptions in our open-end funds, runoff of CLO collateral balances, and the expiration of available capital.
- (3) Market Activity & Other generally represents realized and unrealized gains (losses) on portfolio investments in our carry funds, related co-investment vehicles, and separately managed accounts, as well as the impact of fees, expenses and non-investment income, change in gross asset value for our business development companies and other changes in AUM.

- (4) Foreign Exchange represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

Total AUM was \$143.0 billion at June 30, 2022, an increase of \$52.2 billion, or approximately 57%, compared to \$90.8 billion at March 31, 2022. The increase was driven by \$52.2 billion of inflows primarily from AUM related to the strategic advisory services agreement signed with Fortitude in April 2022 and portfolio appreciation of \$1.7 billion, partially offset by \$1.1 billion of outflows primarily due to runoff of CLO and other collateral balances and distributions in our carry funds.

Total AUM at June 30, 2022 increased \$69.6 billion, or approximately 95%, compared to \$73.4 billion at December 31, 2021. The increase was driven by \$71.5 billion of inflows primarily from AUM related to the strategic advisory services agreement signed with Fortitude in April 2022 and AUM acquired in the CBAM transaction in March 2022, as well as portfolio appreciation of \$1.5 billion. This was partially offset by \$2.6 billion of outflows primarily due to runoff of CLO and other collateral balances and distributions in our carry funds.

Fund Performance Metrics

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

The following table reflects the performance of carry funds in our Global Credit business. These tables separately present carry funds that, as of June 30, 2022, had at least \$1.0 billion in capital commitments, cumulative equity invested or total equity value. Please see “— Our Family of Funds” for a legend of the fund acronyms listed below.

(Dollars in millions)

Fund (Fee Initiation Date/Stepdown Date)(11)	Committed Capital(12)	Cumulative Invested Capital (1)	Percent Invested	TOTAL INVESTMENTS						
				Realized Value (2)	Remaining Fair Value (3)	MOIC (4)	Gross IRR (5) (8)	Net IRR (6) (8)	Net Accrued Carry/(Giveback) (7)	
As of June 30, 2022										
Global Credit Carry Funds										
CSP IV (Apr 2016 / Dec 2020)	\$ 2,500	\$ 2,500	100%	\$ 977	\$ 2,198	1.3x	16%	8%	\$ 9	
CSP III (Dec 2011 / Aug 2015)	\$ 703	\$ 703	100%	\$ 919	\$ 59	1.4x	19%	9%	\$ —	
CSP II (Dec 2007 / Jun 2011)	\$ 1,352	\$ 1,352	100%	\$ 2,431	\$ 66	1.8x	17%	11%	\$ 7	
CCOF II (Nov 2020 / Oct 2025)	\$ 4,425	\$ 3,198	72%	\$ 181	\$ 3,232	1.1x	16%	10%	\$ 15	
CCOF I (Nov 2017 / Sep 2022)	\$ 2,373	\$ 3,416	144%	\$ 2,120	\$ 2,200	1.3x	20%	14%	\$ 49	
CEMOF II (Dec 2015 / Jun 2019)	\$ 2,819	\$ 1,712	61%	\$ 1,204	\$ 953	1.3x	8%	4%	\$ —	
CEMOF I (Dec 2010 / Dec 2015)	\$ 1,383	\$ 1,606	116%	\$ 961	\$ 154	0.7x	Neg	Neg	\$ —	
CSC (Mar 2017/ n/a)	\$ 838	\$ 1,303	155%	\$ 1,529	\$ 119	1.3x	16%	12%	\$ 32	
SASOF III (Nov 2014 / n/a)	\$ 833	\$ 991	119%	\$ 1,190	\$ 92	1.3x	19%	11%	\$ 11	
All Other Active Funds & Vehicles(9)		\$ 5,621	n/a	\$ 1,231	\$ 4,057	0.9x	NM	NM	\$ 3	
Fully Realized Funds & Vehicles(10)		\$ 1,944	n/a	\$ 2,783	\$ 1	1.4x	13%	8%	\$ —	
TOTAL GLOBAL CREDIT		\$ 24,346	n/a	\$ 15,527	\$ 13,130	1.2x	10%	5%	\$ 126	

- Represents the original cost of investments since the inception of the fund. For CSP II and CSP III, reflects amounts net of investment level recyclable proceeds which is adjusted to reflect recyclability of invested capital for the purpose of calculating the fund MOIC.
- Represents all realized proceeds since inception of the fund.
- Represents remaining fair value, before management fees, expenses and carried interest, and may include remaining escrow values for realized investments.
- Multiple of invested capital (“MOIC”) represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital.
- Gross Internal Rate of Return (“Gross IRR”) represents an annualized time-weighted return on Limited Partner invested capital, based on contributions, distributions and unrealized fair value as of the reporting date, before the impact of management fees, partnership expenses and carried interest. For fund vintages 2017 and after, Gross IRR includes the impact of interest expense related to the funding of investments on fund lines of credit. Gross IRR is calculated based on the timing of Limited Partner cash flows, which may differ to varying degrees from the timing of actual investment

cash flows for the fund. Subtotal Gross IRR aggregations for multiple funds are calculated based on actual cash flow dates for each fund and represent a theoretical time-weighted return for a Limited Partner who invested sequentially in each fund.

- (6) Net Internal Rate of Return (“Net IRR”) represents an annualized time-weighted return on Limited Partner invested capital, based on contributions, distributions and unrealized fair value as of the reporting date, after the impact of all management fees, partnership expenses and carried interest, including current accruals. Net IRR is calculated based on the timing of Limited Partner cash flows, which may differ to varying degrees from the timing of actual investment cash flows for the fund. Fund level IRRs are based on aggregate Limited Partner cash flows, and this blended return may differ from that of individual Limited Partners. As a result, certain funds may generate accrued performance revenues with a blended Net IRR that is below the preferred return hurdle for that fund. Subtotal Net IRR aggregations for multiple funds are calculated based on actual cash flow dates for each fund and represent a theoretical time-weighted return for a Limited Partner who invested sequentially in each fund.
- (7) Represents the net accrued performance revenue balance/(giveback obligation) as of the current quarter end.
- (8) For funds marked “NM,” IRR may be positive or negative, but is not considered meaningful because of the limited time since initial investment and early stage of capital deployment. For funds marked “Neg,” IRR is considered meaningful but is negative as of reporting period end.
- (9) Aggregate includes the following funds, as well as all active co-investments, separately managed accounts (SMAs), and stand-alone investments arranged by us: SASOF IV, SASOF V, CALF, and CICEF.
- (10) Aggregate includes the following funds, as well as related co-investments, separately managed accounts (SMAs), and certain other stand-alone investments arranged by us: CSP I, CMP I, CMP II, SASOF II and CASCOF.
- (11) The fund stepdown date represents the contractual stepdown date under the respective fund agreements for funds on which the fee basis stepdown has not yet occurred. Funds without a listed Fee Initiation Date and Stepdown Date have not yet initiated fees.
- (12) All amounts shown represent total capital commitments as of June 30, 2022. Certain of our recent vintage funds are currently in fundraising and total capital commitments are subject to change. Committed capital for CCOF II excludes \$150 million in capital committed by a CCOF II investor to a side vehicle.

Global Investment Solutions

The following table presents our results of operations for our Global Investment Solutions⁽¹⁾ segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Segment Revenues				
Fund level fee revenues				
Fund management fees	\$ 55.5	\$ 60.3	\$ 111.8	\$ 112.3
Portfolio advisory and transaction fees, net and other	—	—	—	0.3
Total fund level fee revenues	55.5	60.3	111.8	112.6
Realized performance revenues	26.2	25.1	48.9	59.3
Realized principal investment income	0.9	4.0	2.7	4.4
Interest income	0.2	0.1	0.3	0.1
Total revenues	82.8	89.5	163.7	176.4
Segment Expenses				
Compensation and benefits				
Cash-based compensation and benefits	28.4	28.2	54.0	57.6
Realized performance revenues related compensation	25.1	23.0	46.0	55.2
Total compensation and benefits	53.5	51.2	100.0	112.8
General, administrative, and other indirect expenses	8.3	6.2	15.6	14.6
Depreciation and amortization expense	1.3	1.1	2.5	2.2
Interest expense	2.9	2.8	5.7	5.0
Total expenses	66.0	61.3	123.8	134.6
(=) Distributable Earnings	\$ 16.8	\$ 28.2	\$ 39.9	\$ 41.8
(-) Realized Net Performance Revenues	1.1	2.1	2.9	4.1
(-) Realized Principal Investment Income	0.9	4.0	2.7	4.4
(+) Net Interest	2.7	2.7	5.4	4.9
(=) Fee Related Earnings	\$ 17.5	\$ 24.8	\$ 39.7	\$ 38.2

(1) On April 1, 2021, we closed on the sale of our interest in Metropolitan Real Estate (“MRE”). Distributable Earnings and Fee Related Earnings attributable to MRE in periods prior to the sale were immaterial to the Investment Solutions segment. The \$5.0 million gain on the sale and the \$26.8 million right-of-use asset impairment, as a result of the sublease transaction (see Note 10), are not included in DE or FRE. See “Non-GAAP Financial Measures” for the reconciliation of Total DE and FRE to the U.S.GAAP financial statements.

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021 and Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

Distributable Earnings

Distributable Earnings decreased \$11.4 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and decreased \$1.9 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The following table provides the components of the changes in Distributable Earnings for the three and six months ended June 30, 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
	(Dollars in millions)	
Distributable Earnings, June 30, 2021	\$ 28.2	\$ 41.8
Increases (decreases):		
(Decrease) increase in fee related earnings	(7.3)	1.5
Decrease in realized net performance revenues	(1.0)	(1.2)
Decrease in realized principal investment income	(3.1)	(1.7)
Increase in net interest	—	(0.5)
Total decrease	(11.4)	(1.9)
Distributable Earnings, June 30, 2022	\$ 16.8	\$ 39.9

Global Investment Solutions had realized performance revenues of \$48.9 million during the six months ended June 30, 2022. However, these realizations are from AlpInvest fund vehicles in which we generally do not retain any carried interest, therefore our net realized performance revenues were \$2.9 million during the six months ended June 30, 2022.

Realized Principal Investment Income. Realized principal investment income decreased \$3.1 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021, and decreased \$1.7 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The decreases were primarily due to lower realized gains on investments in our secondary funds.

Fee Related Earnings

Fee Related Earnings decreased \$7.3 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$1.5 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The following table provides the components of the changes in Fee Related Earnings for the three and six months ended June 30, 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
	(Dollars in millions)	
Fee Related Earnings, June 30, 2021	\$ 24.8	\$ 38.2
Increases (decreases):		
Decrease in fee revenues	(4.8)	(0.8)
(Increase) decrease in cash-based compensation and benefits	(0.2)	3.6
Increase in general, administrative and other indirect expenses	(2.1)	(1.0)
All other changes	(0.2)	(0.3)
Total (decrease) increase	(7.3)	1.5
Fee Related Earnings, June 30, 2022	\$ 17.5	\$ 39.7

Fee Revenues. Total fee revenues decreased \$4.8 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021, and decreased \$0.8 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021 primarily due to the impact of foreign currency translation on management fees denominated in Euro. The six months ended June 30, 2022 benefited from increased management fees from our latest co-investment fund which

activated fees in April 2021, the impact of which was partially offset by the decrease in management fees resulting from the sale of MRE in April 2021.

Cash-based compensation and benefits expense. Cash-based compensation and benefits expense decreased \$3.6 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021 primarily due to a decrease in headcount resulting from the sale of MRE in April 2021.

General, administrative and other indirect expenses. General, administrative and other indirect expenses increased \$2.1 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 and increased \$1.0 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to increased professional fees and travel and entertainment expenses, partially offset by lower external costs associated with fundraising activities.

Fee-earning AUM as of and for the Three and Six Months Ended June 30, 2022 and 2021

Fee-earning AUM is presented below for each period together with the components of change during each respective period.

	As of June 30,	
	2022	2021
Global Investment Solutions	(Dollars in millions)	
Components of Fee-earning AUM (1)		
Fee-earning AUM based on capital commitments	\$ 19,344	\$ 18,978
Fee-earning AUM based on invested capital (2)	4,673	3,470
Fee-earning AUM based on net asset value	3,805	3,473
Fee-earning AUM based on lower of cost or fair market value	9,731	12,573
Total Fee-earning AUM	\$ 37,553	\$ 38,494

- (1) For additional information concerning the components of Fee-earning AUM, see “—Fee-earning Assets under Management.”
- (2) Includes amounts committed to or reserved for certain AlpInvest funds

The table below provides the period to period rollforward of Fee-earning AUM.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Global Investment Solutions	(Dollars in millions)			
Fee-earning AUM Rollforward				
Balance, Beginning of Period	\$ 37,145	\$ 39,287	\$ 37,449	\$ 36,398
Inflows (1)	1,868	1,882	3,170	6,511
Outflows (including realizations) (2)	(691)	(3,323)	(1,683)	(4,593)
Market Activity & Other (3)	630	515	774	805
Foreign Exchange (4)	(1,399)	133	(2,157)	(627)
Balance, End of Period	\$ 37,553	\$ 38,494	\$ 37,553	\$ 38,494

- (1) Inflows represents limited partner capital raised by our carry funds or separately managed accounts for which management fees based on commitments were activated during the period and the fee-earning commitments invested in vehicles for which management fees are based on invested capital. Inflows exclude fundraising amounts during the period for which fees have not yet been activated, which are referenced as Pending Fee-earning AUM.
- (2) Outflows represents the impact of realizations from vehicles with management fees based on remaining invested capital at cost or fair value, changes in basis for funds where the investment period, weighted-average investment period or commitment fee period has expired during the period, and reductions for funds that are no longer calling for fees. Distributions for funds earning management fees based on commitments during the period do not affect Fee-earning AUM.
- (3) Market Activity & Other represents realized and unrealized gains (losses) on portfolio investments in our carry funds based on the lower of cost or fair value and net asset value.

- (4) Foreign Exchange represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

Fee-earning AUM was \$37.6 billion at June 30, 2022, an increase of \$0.5 billion, or approximately 1%, compared to \$37.1 billion at March 31, 2022. The increase was driven by inflows of \$1.9 billion primarily from new fee-paying commitments raised, the activation of previously raised mandates, and purchases in our AlpInvest vehicles, as well as portfolio appreciation of \$0.6 billion. This was offset by outflows of \$0.7 billion from realizations in our AlpInvest carry funds as well as \$1.4 billion in negative foreign exchange activity from the translation of our EUR-denominated Fee-Earning AUM to USD. Distributions from funds still in the commitment or weighted-average investment period do not impact Fee-earning AUM as these funds are based on commitments and not invested capital. Increases in fair value have an impact on Fee-earning AUM for Global Investment Solutions as fully committed funds are based on the lower of cost or fair value of the underlying investments.

Fee-earning AUM at June 30, 2022 increased \$0.2 billion from \$37.4 billion at December 31, 2021. This was driven by inflows of \$3.2 billion primarily from new fee-paying commitments raised, the activation of previously raised mandates, and purchases in our AlpInvest vehicles, as well as portfolio appreciation of \$0.8 billion. The increase was offset by outflows of \$1.7 billion from realizations in our AlpInvest carry funds and \$2.2 billion in negative foreign exchange activity from the translation of our EUR-denominated Fee-Earning AUM to USD.

Fee-earning AUM at June 30, 2022 decreased \$0.9 billion, or approximately 2%, compared to \$38.5 billion at June 30, 2021. This was driven by outflows of \$5.2 billion from realizations in our AlpInvest carry funds, as well as \$3.0 billion in negative foreign exchange activity from the translation of our EUR-denominated Fee-Earning AUM to USD. This decrease was partially offset by inflows of \$5.2 billion primarily from new fee-paying commitments raised, the activation of previously raised mandates, and purchases in our AlpInvest vehicles, as well as portfolio appreciation of \$2.0 billion.

Total AUM as of and for the Three and Six Months Ended June 30, 2022

The table below provides the period to period rollforward of Total AUM.

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	(Dollars in millions)	
Global Investment Solutions		
Total AUM Rollforward		
Balance, Beginning of Period	\$ 65,266	\$ 65,456
Inflows (1)	2,108	3,425
Outflows (including realizations) (2)	(1,429)	(4,157)
Market Activity & Other (3)	3,033	5,567
Foreign Exchange (4)	(2,740)	(4,053)
Balance, End of Period	\$ 66,238	\$ 66,238

- (1) Inflows reflects the impact of gross fundraising during the period. For funds or vehicles denominated in foreign currencies, this reflects translation at the average quarterly rate, while the separately reported Fundraising metric is translated at the spot rate for each individual closing.
- (2) Outflows includes distributions in our carry funds, related co-investment vehicles and separately managed accounts, as well as the expiration of available capital.
- (3) Market Activity & Other generally represents realized and unrealized gains (losses) on portfolio investments in our carry funds, related co-investment vehicles and separately managed accounts, the net impact of fees, expenses and non-investment income, as well as other changes in AUM. The fair market values for our Global Investment Solutions primary and secondary carry funds are based on the latest available valuations of the underlying limited partnership interests as provided by their general partners which typically has a lag of up to 90 days, plus the net cash flows since the latest valuation, up to June 30, 2022.
- (4) Foreign Exchange represents the impact of foreign exchange rate fluctuations on the translation of our non-U.S. dollar denominated funds. Activity during the period is translated at the average rate for the period. Ending balances are translated at the spot rate as of the period end.

Total AUM was \$66.2 billion at June 30, 2022, an increase of \$0.9 billion, or approximately 1%, compared to \$65.3 billion at March 31, 2022. The increase was driven by \$3.0 billion of market appreciation and inflows of \$2.1 billion related to fundraising. This was offset by outflows of \$1.4 billion from distributions in our carry funds and negative foreign exchange activity of \$2.7 billion from the translation of our EUR-denominated AUM to USD.

Total AUM was at June 30, 2022 increased \$0.7 billion, or approximately 1%, compared to \$65.5 billion at December 31, 2021. The increase was driven by \$5.6 billion of market appreciation and inflows of \$3.4 billion related to fundraising. This was offset by outflows of \$4.2 billion from distributions in our carry funds and negative foreign exchange activity of \$4.1 billion from the translation of our EUR-denominated AUM to USD.

Fund Performance Metrics

Fund performance information for our Global Investment Solutions funds that have at least \$1.0 billion in capital commitments, cumulative equity invested or total value as of June 30, 2022, which we refer to as our “significant funds” is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund return information reflected in this discussion and analysis is not indicative of the performance of The Carlyle Group Inc. and is also not necessarily indicative of the future performance of any particular fund. An investment in The Carlyle Group Inc. is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns. Primary and secondary investments in external funds are generally valued based on the proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. As a result, amounts presented may not include the impact of economic activity in the current quarter.

The following tables reflect the performance of our significant funds in our Global Investment Solutions business.

(Dollars in millions)

		TOTAL INVESTMENTS									
		As of June 30, 2022									
Global Investment Solutions (1)(8)(13)	Vintage Year	Fund Size	Cumulative Invested Capital (2)(3)	Realized Value (3)	Remaining Fair Value(3)	Total Fair Value(3)(4)	MOIC (5)	Gross IRR (6) (10)	Net IRR (7)(10)	Net Accrued Carry/(Giveback) (12)	
(Reported in Local Currency, in Millions)											
Main Fund VI - Fund Investments	2015	€ 1,106	€ 1,125	€ 1,032	€ 1,416	€ 2,448	2.2x	27%	26%	\$ 4	
Main Fund V - Fund Investments	2012	€ 5,080	€ 5,989	€ 7,292	€ 5,988	€ 13,280	2.2x	21%	20%	\$ 22	
Main Fund IV - Fund Investments	2009	€ 4,877	€ 5,855	€ 9,622	€ 3,252	€ 12,874	2.2x	18%	18%	\$ 1	
Main Fund III - Fund Investments	2005	€ 11,500	€ 13,909	€ 22,040	€ 2,296	€ 24,335	1.7x	10%	10%	\$ —	
Main Fund II - Fund Investments	2003	€ 4,545	€ 5,151	€ 8,091	€ 249	€ 8,340	1.6x	10%	9%	\$ —	
Main Fund I - Fund Investments	2000	€ 5,175	€ 4,547	€ 7,474	€ 56	€ 7,531	1.7x	12%	11%	\$ —	
Main Fund VII - Secondary Investments	2020	\$ 8,649	\$ 3,675	\$ 718	\$ 4,049	\$ 4,768	1.3x	NM	NM	\$ 44	
AlpInvest Secondaries Fund VII	2020	\$ 6,769	\$ 2,702	\$ 513	\$ 2,985	\$ 3,498	1.3x	NM	NM	\$ 31	
Main Fund VI - Secondary Investments	2017	\$ 6,017	\$ 5,189	\$ 2,937	\$ 5,178	\$ 8,115	1.6x	18%	16%	\$ 82	
AlpInvest Secondaries Fund VI	2017	\$ 3,333	\$ 2,906	\$ 1,597	\$ 2,923	\$ 4,520	1.6x	19%	15%	\$ 53	
Main Fund V - Secondary Investments	2011	\$ 4,273	\$ 4,555	\$ 7,084	\$ 1,416	\$ 8,500	1.9x	21%	20%	\$ 33	
AlpInvest Secondaries Fund V	2012	\$ 756	\$ 642	\$ 865	\$ 286	\$ 1,150	1.8x	19%	15%	\$ 18	
Main Fund IV - Secondary Investments	2010	€ 1,859	€ 2,067	€ 3,470	€ 109	€ 3,579	1.7x	19%	18%	\$ —	
Main Fund III - Secondary Investments	2006	€ 2,250	€ 2,528	€ 3,838	€ 40	€ 3,879	1.5x	11%	10%	\$ —	
Main Fund VIII - Co-Investments	2021	\$ 3,980	\$ 2,103	\$ 25	\$ 2,276	\$ 2,301	1.1x	20%	13%	\$ 5	
AlpInvest Co-Investment Fund VIII	2021	\$ 3,614	\$ 1,937	\$ 23	\$ 2,102	\$ 2,126	1.1x	20%	13%	\$ 4	
Main Fund VII - Co-Investments	2017	\$ 2,842	\$ 2,627	\$ 894	\$ 3,726	\$ 4,621	1.8x	22%	19%	\$ 71	
AlpInvest Co-Investment Fund VII	2017	\$ 1,688	\$ 1,592	\$ 570	\$ 2,275	\$ 2,846	1.8x	23%	19%	\$ 45	
Main Fund VI - Co-Investments	2014	€ 1,115	€ 1,015	€ 1,869	€ 753	€ 2,622	2.6x	26%	25%	\$ 7	
Main Fund V - Co-Investments	2012	€ 1,124	€ 1,106	€ 2,678	€ 520	€ 3,198	2.9x	28%	27%	\$ 4	
Main Fund IV - Co-Investments	2010	€ 1,475	€ 1,436	€ 3,525	€ 1,075	€ 4,600	3.2x	24%	23%	\$ —	
Main Fund III - Co-Investments	2006	€ 2,760	€ 3,019	€ 4,343	€ 122	€ 4,465	1.5x	6%	5%	\$ —	
Main Fund III - Mezzanine Investments	2006	€ 2,000	€ 2,137	€ 2,804	€ 134	€ 2,938	1.4x	10%	9%	\$ —	
Main Fund II - Mezzanine Investments	2004	€ 700	€ 807	€ 1,119	€ 8	€ 1,127	1.4x	8%	7%	\$ —	
All Other Active Funds & Vehicles(9)	Various	\$ —	\$ 9,302	\$ 3,810	\$ 9,831	\$ 13,641	1.5x	13%	12%	\$ 96	
Fully Realized Funds & Vehicles	Various	€ —	€ 3,378	€ 7,137	€ 13	€ 7,150	2.1x	33%	31%	\$ —	
TOTAL GLOBAL INVESTMENT SOLUTIONS (USD)(11)			\$ 84,355	\$ 106,318	\$ 43,352	\$ 149,670	1.8x	14%	13%	\$ 368	

- (1) Includes private equity and mezzanine primary fund investments, secondary fund investments and co-investments originated by the AlpInvest team. Excluded from the performance information shown are a) investments that were not originated by AlpInvest, b) Direct Investments, which was spun off from AlpInvest in 2005, and (C) LP co-investment vehicles advised by AlpInvest. As of June 30, 2022, these excluded investments represent \$3.3 billion of AUM at AlpInvest.
- (2) Represents the original cost of investments since inception of the fund.
- (3) To exclude the impact of FX, all foreign currency cash flows have been converted to the currency representing a majority of the capital committed to the relevant fund at the reporting period spot rate.
- (4) Represents all realized proceeds combined with remaining fair value, before management fees, expenses and carried interest.
- (5) Multiple of invested capital (“MOIC”) represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital.

- (6) Gross Internal Rate of Return (“Gross IRR”) represents the annualized IRR for the period indicated on Limited Partner invested capital based on investment contributions, distributions and unrealized value of the underlying funds, before management fees, expenses and carried interest at the AlpInvest level.
- (7) Net Internal Rate of Return (“Net IRR”) represents the annualized IRR for the period indicated on Limited Partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest. Fund level IRRs are based on aggregate Limited Partner cash flows, and this blended return may differ from that of individual Limited Partners. As a result, certain funds may generate accrued performance revenues with a blended Net IRR that is below the preferred return hurdle for that fund.
- (8) As used herein, ‘Main Funds’ are each comprised of (i) an anchor mandate(s) (i.e., generally the largest account(s) within a strategy’s investment program) and (ii) AlpInvest’s other advisory client mandates with investment periods that fall within the relevant investment periods under the mandate of the anchor mandate(s) (but do not overlap with more than one such investment period). AlpInvest’s commingled funds, AlpInvest Secondaries Fund VI (“ASF VI”), ASF VII and AlpInvest Co-Investment Fund VII (“ACF VII”) are part of the Main Funds. Mezzanine Main Funds include mezzanine investments across all strategies (i.e., Primary Funds, Secondaries, and Co-Investments).
- (9) Aggregate includes Main Fund VII - Fund Investments, Main Fund VIII - Fund Investments, Main Fund IX - Fund Investments, Main Fund X - Fund Investments, Main Fund XI - Fund Investments, Main Fund XII - Fund Investments, Main Fund IV - Mezzanine Investments, Main Fund V - Mezzanine Investments, all ‘clean technology’ private equity investments, all strategic co-investment mandates that invest in co-investment opportunities arising out of an investor’s own separate private equity relationships and invitations, all strategic capital mandates, any state-focused investment mandates, and all other investors whose investments are not reflected in a Main Fund.
- (10) For funds marked “NM,” IRR may be positive or negative, but is not considered meaningful because of the limited time since initial investment and early stage of capital deployment. For funds marked “Neg,” IRR is considered meaningful but is negative as of reporting period end.
- (11) For purposes of aggregation, funds that report in foreign currency have been converted to U.S. dollars at the reporting period spot rate.
- (12) Represents the net accrued performance revenue balance/(giveback obligation) as of the current quarter end. Total Net Accrued Carry excludes approximately \$8.3 million of net accrued carry which was retained as part of the sale of MRE on April 1, 2021.
- (13) "Main Fund" entries represent a combination of a commingled fund and SMA vehicles which together comprise a "program" vintage. Indented lines shown for AlpInvest Secondaries Funds VII, VI, V and AlpInvest Co-Investment Funds VII and VIII reflect a breakout of the commingled fund, which is part of the larger program vintage.

Liquidity and Capital Resources

Historical Liquidity and Capital Resources

We have historically required limited capital resources to support the working capital and operating needs of our business. Our management fees have largely covered our operating costs and all realized performance allocations, after covering the related compensation, are available for distribution to equityholders. Approximately 95% – 97% of all capital commitments to our funds are provided by our fund investors, with the remaining amount typically funded by Carlyle, our senior Carlyle professionals, advisors and other professionals. We may elect to invest additional amounts in funds focused on new investment areas.

Our Sources of Liquidity

We have multiple sources of liquidity to meet our capital needs, including cash on hand, annual cash flows, accumulated earnings and funds from our senior revolving credit facility, which has \$1.0 billion of available capacity as of June 30, 2022. We believe these sources will be sufficient to fund our capital needs for at least the next twelve months. We believe we will meet longer-term expected future cash requirements and obligations through a combination of existing cash and cash equivalent balances, cash flow from operations, accumulated earnings and amounts available for borrowing from our senior revolving credit facility or other financings.

Cash and cash equivalents. Cash and cash equivalents were approximately \$1.3 billion at June 30, 2022. However, a portion of this cash is allocated for specific business purposes, including, but not limited to, (i) performance allocations and incentive fee-related cash that has been received but not yet distributed as performance allocations and incentive fee-related compensation and amounts owed to non-controlling interests; (ii) proceeds received from realized investments that are allocable to non-controlling interests; and (iii) regulatory capital.

After deducting cash amounts allocated to the specific requirements mentioned above, the remaining cash and cash equivalents, is approximately \$1.2 billion as of June 30, 2022. This remaining amount will be used towards our primary liquidity needs, as outlined in the next section. This amount does not take into consideration ordinary course of business payables and reserves for specific business purposes.

Senior Revolving Credit Facility. On April 29, 2022, the Company entered into an amendment and restatement of its senior revolving credit facility. Following the amendment, the capacity under the revolving credit facility is \$1.0 billion and the facility is scheduled to mature on April 29, 2027. Principal amounts outstanding under the amended and restated revolving credit facility accrue interest, at the option of the borrowers, either (a) at an alternate base rate plus an applicable margin not to exceed 0.50% per annum, or (b) at SOFR (or similar benchmark rate for non-U.S. dollar borrowings) plus a 0.10% adjustment and an applicable margin not to exceed 1.50% per annum (2.79% at June 30, 2022). As of June 30, 2022, there was no balance outstanding under the senior revolving credit facility.

The senior revolving credit facility is unsecured. We are required to maintain management fee earning assets (as defined in the amended and restated senior revolving credit facility) of at least \$126.6 billion and a total leverage ratio of less than 4.0 to 1.0, in each case, tested on a quarterly basis. Non-compliance with any of the financial or non-financial covenants without cure or waiver would constitute an event of default under the senior revolving credit facility. An event of default resulting from a breach of certain financial or non-financial covenants may result, at the option of the lenders, in an acceleration of the principal and interest outstanding, and a termination of the senior revolving credit facility. The senior credit facility also contains other customary events of default, including defaults based on events of bankruptcy and insolvency, nonpayment of principal, interest or fees when due, breach of specified covenants, change in control and material inaccuracy of representations and warranties.

Global Credit Revolving Credit Facility. In December 2018, certain subsidiaries of the Company established a \$250.0 million revolving line of credit, primarily intended to support certain lending activities within the Global Credit segment. The credit facility, which was amended in December 2020 and September 2021, has capacity of \$250.0 million and is scheduled to mature in September 2024. Principal amounts outstanding under the facility accrue interest, at the option of the borrowers, either (a) at an alternate base rate plus applicable margin not to exceed 1.00%, or (b) at the Eurocurrency rate plus an applicable margin not to exceed 2.00%. As of June 30, 2022, there was no balance outstanding under the revolving credit facility.

CLO Borrowings. For certain of our CLOs, the Company finances a portion of its investment in the CLOs through the proceeds received from term loans and other financing arrangements with financial institutions or other financing arrangements. The Company's CLO borrowings were \$386.0 million and \$219.0 million at June 30, 2022 and December 31, 2021, respectively, with the increase during the six months ended June 30, 2022 primarily driven by the CBAM acquisition. The CLO borrowings are secured by the Company's investments in the respective CLO, have a general unsecured interest in the Carlyle entity that manages the CLO, and generally do not have recourse to any other Carlyle entity. As of June 30, 2022, \$369.2 million of these borrowings are secured by investments attributable to The Carlyle Group Inc. See Note 8 of the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for more information on our CLO borrowings.

Senior Notes. Certain indirect finance subsidiaries of the Company have issued senior notes, on which interest is payable semi-annually, as discussed below. The senior notes are unsecured and unsubordinated obligations of the respective subsidiary and are fully and unconditionally guaranteed, jointly and severally, by the Company and each of the Carlyle Holdings partnerships. The indentures governing each of the senior notes contain customary covenants that, among other things, limit the issuers' and the guarantors' ability, subject to certain exceptions, to incur indebtedness secured by liens on voting stock or profit participating equity interests of their subsidiaries or merge, consolidate or sell, transfer or lease assets. The notes also contain customary events of default. All or a portion of the notes may be redeemed at our option, in whole or in part, at any time and from time to time, prior to their stated maturity, at the make-whole redemption price set forth in the notes. If a change of control repurchase event occurs, the notes are subject to repurchase at the repurchase price as set forth in the notes.

3.500% Senior Notes. In September 2019, Carlyle Finance Subsidiary L.L.C. issued \$425.0 million of 3.500% senior notes due September 19, 2029 at 99.841% of par.

5.650% Senior Notes. In September 2018, Carlyle Finance L.L.C. issued \$350.0 million of 5.650% senior notes due September 15, 2048 at 99.914% of par.

5.625% Senior Notes. In March 2013, Carlyle Holdings II Finance L.L.C. issued \$400.0 million of 5.625% senior notes due March 30, 2043 at 99.583% of par. In March 2014, an additional \$200.0 million of these notes were issued at 104.315% of par and are treated as a single class with the already outstanding \$400.0 million aggregate principal amount of these notes.

Subordinated Notes. In May and June 2021, Carlyle Finance L.L.C. issued \$500.0 million aggregate principal amount of 4.625% subordinated notes due May 15, 2061. The subordinated notes are unsecured and subordinated obligations of the issuer and are fully and unconditionally guaranteed, jointly and severally, on a subordinated basis, by the Company, each of the Carlyle Holdings partnerships, and CG Subsidiary Holdings L.L.C., an indirect subsidiary of the Company. The indentures

governing the subordinated notes contain customary covenants that, among other things, limit the issuers' and the guarantors' ability, subject to certain exceptions, to incur indebtedness ranking on a parity with the subordinated notes or indebtedness ranking junior to the subordinated notes secured by liens on voting stock or profit participating equity interests of their subsidiaries or merge, consolidate or sell, transfer or lease all or substantially all of their assets. The subordinated notes also contain customary events of default. All or a portion of the notes may be redeemed at our option, in whole or in part, at any time and from time to time on or after June 15, 2026, prior to their stated maturity, at a redemption price equal to their principal amount plus any accrued and unpaid interest to, but excluding, the date of redemption. If interest due on the Subordinated Notes is deemed to no longer be deductible in the U.S., a "Tax Redemption Event", the subordinated notes may be redeemed, in whole, but not in part, within 120 days of the occurrence of such event at a redemption price equal to their principal amount plus accrued and unpaid interest to, but excluding, the date of redemption. In addition, the subordinated notes may be redeemed, in whole, but not in part, at any time prior to May 15, 2026, within 90 days of the rating agencies determining that the Subordinated Notes should no longer receive partial equity treatment pursuant to the rating agency's criteria, a "rating agency event", at a redemption price equal to 102% of their principal amount plus any accrued and unpaid interest to, but excluding, the date of redemption.

Obligations of CLOs. Loans payable of the Consolidated Funds represent amounts due to holders of debt securities issued by the CLOs. We are not liable for any loans payable of the CLOs. Several of the CLOs issued preferred shares representing the most subordinated interest, however these tranches are mandatorily redeemable upon the maturity dates of the senior secured loans payable, and as a result have been classified as liabilities under U.S. GAAP, and are included in loans payable of Consolidated Funds in our unaudited condensed consolidated balance sheets. Loans payable of the CLOs are collateralized by the assets held by the CLOs and the assets of one CLO may not be used to satisfy the liabilities of another. This collateral consists of cash and cash equivalents, corporate loans, corporate bonds and other securities.

Realized Performance Allocation Revenues. Another source of liquidity we may use to meet our capital needs is the realized performance allocation revenues generated by our investment funds. Performance allocations are generally realized when an underlying investment is profitably disposed of and the fund's cumulative returns are in excess of the preferred return. For certain funds, performance allocations are realized once all invested capital and expenses have been returned to the fund's investors and the fund's cumulative returns are in excess of the preferred return. Incentive fees earned on our CLO vehicles generally are paid upon the dissolution of such vehicles.

Our accrued performance allocations by segment as of June 30, 2022, gross and net of accrued giveback obligations, are set forth below:

	Accrued Performance Allocations	Accrued Giveback Obligation	Net Accrued Performance Revenues
(Dollars in millions)			
Global Private Equity	\$ 6,358.6	\$ (18.4)	\$ 6,340.2
Global Credit	256.2	(22.5)	233.7
Global Investment Solutions ⁽¹⁾	1,431.9	—	1,431.9
Total	<u>\$ 8,046.7</u>	<u>\$ (40.9)</u>	<u>\$ 8,005.8</u>
Plus: Accrued performance allocations from NGP Carry Funds			454.4
Less: Net accrued performance allocations presented as fee related performance revenues			(64.0)
Less: Accrued performance allocation-related compensation			(4,074.3)
Plus: Receivable for giveback obligations from current and former employees			10.1
Less: Deferred taxes on certain foreign accrued performance allocations			(46.7)
Plus: Net accrued performance allocations attributable to non-controlling interests in consolidated entities			0.9
Plus: Net accrued allocations attributable to Consolidated Funds, eliminated in consolidation			4.8
Net accrued performance revenues before timing differences			4,291.0
Less/Plus: Timing differences between the period when accrued performance allocations are realized and the period they are collected/distributed			(0.6)
Net accrued performance revenues attributable to The Carlyle Group Inc.			<u>\$ 4,290.4</u>

(1) The Company's primary and secondary investments in external funds are generally valued based on its proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. As a result, amounts presented may not include the impact of economic activity in the current quarter.

The net accrued performance revenues attributable to The Carlyle Group Inc., excluding realized amounts, related to our carry funds and our other vehicles as of June 30, 2022, as well as the carry fund appreciation (depreciation), is set forth below by segment (Dollars in millions):

	Carry Fund Appreciation/(Depreciation) ⁽¹⁾						Net Accrued Performance Revenues
	Quarter-to-Date		Year-to-Date		Last Twelve Months		
	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	
Overall Carry Fund Appreciation/(Depreciation)	11 %	3 %	25 %	9 %	43 %	22 %	
Global Private Equity ⁽²⁾ :							\$ 3,788.3
Corporate Private Equity	12 %	0 %	28 %	3 %	51 %	13 %	2,739.9
Real Estate	11 %	4 %	15 %	15 %	24 %	37 %	313.3
Infrastructure & Natural Resources	9 %	13 %	17 %	35 %	23 %	52 %	738.8
Global Credit Carry Funds	8 %	2 %	16 %	1 %	32 %	6 %	126.0
Global Investment Solutions Carry Funds ⁽³⁾	12 %	5 %	28 %	9 %	47 %	27 %	376.1
Net Accrued Performance Revenues							\$ 4,290.4

(1) Appreciation/(Depreciation) represents unrealized gain/(loss) for the period on a total return basis before fees and expenses. The percentage of return is calculated as: ending remaining investment fair market value plus net investment outflow (sales proceeds minus net purchases) minus beginning remaining investment fair market value divided by beginning remaining investment fair market value. Amounts are fund only, and do not include coinvestments.

(2) Includes \$3.7 million of net accrued clawback from our Legacy Energy funds.

(3) The Company's primary and secondary investments in external funds are generally valued based on its proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. As a result, amounts presented may not include the impact of economic activity in the current quarter. Appreciation in 2022 includes the positive impact of foreign currency translation of the USD-denominated investments in our EUR-based funds. Excluding that impact, appreciation was 3%, 6% and 21% in the three, six and twelve months ended June 30, 2022.

Realized Principal Investment Income. Another source of liquidity we may use to meet our capital needs is the realized principal investment income generated by our equity method investments and other principal investments. Principal investment income is realized when we redeem all or a portion of our investment or when we receive or are due cash income, such as dividends or distributions. Certain of the investments attributable to The Carlyle Group Inc. (excluding certain general partner interests, certain strategic investments, and investments in certain CLOs) may be sold at our discretion as a source of liquidity.

Investments as of June 30, 2022 consist of the following:

	Investments in Carlyle Funds	Investments in NGP ⁽¹⁾	Total
	(Dollars in millions)		
Investments, excluding performance allocations	\$ 2,638.3	\$ 825.3	\$ 3,463.6
Less: Amounts attributable to non-controlling interests in consolidated entities	(173.6)	—	(173.6)
Plus: Investments in Consolidated Funds, eliminated in consolidation	137.0	—	137.0
Less: Strategic equity method investments in NGP Management	—	(370.9)	(370.9)
Less: Investment in NGP general partners - accrued performance allocations	—	(454.4)	(454.4)
Total investments attributable to The Carlyle Group Inc., exclusive of NGP Management	\$ 2,601.7	\$ —	\$ 2,601.7

(1) See Note 6 to our unaudited condensed consolidated financial statements.

Our investments as of June 30, 2022, can be further attributed as follows (Dollars in millions):

Investments in Carlyle Funds, excluding CLOs:	
Global Private Equity funds ⁽¹⁾	\$ 862.2
Global Credit funds ⁽²⁾	981.6
Global Investment Solutions funds ⁽³⁾	96.3
Total investments in Carlyle Funds, excluding CLOs	1,940.1
Investments in CLOs	529.0
Other investments	132.6
Total investments attributable to The Carlyle Group Inc.	2,601.7
CLO loans and other borrowings collateralized by investments attributable to The Carlyle Group Inc. ⁽⁴⁾	(369.2)
Total investments attributable to The Carlyle Group Inc., net of CLO loans and other borrowings	\$ 2,232.5

(1) Excludes our strategic equity method investment in NGP Management and investments in NGP general partners - accrued performance allocations.

(2) Includes the Company's investment in Fortitude Re, which was contributed to Carlyle FRL, a Carlyle-affiliated investment fund, in June 2020 as discussed in Note 6 to the consolidated financial statements. This investment has a carrying value of \$614.5 million as of June 30, 2022.

(3) The Company's primary and secondary investments in external funds are generally valued based on its proportionate share of the net assets provided by the third party general partners of the underlying fund partnerships based on the most recent available information which typically has a lag of up to 90 days. As a result, amounts presented may not include the impact of economic activity in the current quarter.

(4) Of the \$386.0 million in total CLO borrowings as of June 30, 2022 and as disclosed in Note 8 to the consolidated financial statements, \$369.2 million are collateralized by investments attributable to The Carlyle Group Inc. The remaining \$16.8 million in total CLO borrowings are collateralized by investments attributable to non-controlling interests.

Our Liquidity Needs

We generally use our working capital and cash flows to invest in growth initiatives, service our debt, fund the working capital needs of our business and investment funds and pay dividends to our common stockholders.

In the future, we expect that our primary liquidity needs will be to:

- provide capital to facilitate the growth of our existing business lines;
- provide capital to facilitate our expansion into new, complementary business lines, including acquisitions;
- pay operating expenses, including compensation and compliance costs and other obligations as they arise;
- fund costs of litigation and contingencies, including related legal costs;
- fund the capital investments of Carlyle in our funds;
- fund capital expenditures;
- repay borrowings and related interest costs and expenses;
- pay earnouts and contingent cash consideration associated with our acquisitions and strategic investments;
- pay income taxes, including corporate income taxes;
- pay dividends to our common stockholders in accordance with our dividend policy;
- make installment payments under the deferred obligation to former holders of Carlyle Holdings partnership units, which were exchanged in the Conversion, and;
- repurchase our common stock.

Common Stockholder Dividends. Under our dividend policy for our common stock, our intention is to pay dividends to holders of our common stock in an amount of \$0.325 per common share on a quarterly basis (\$1.30 annually), commencing with the first quarter 2022 dividend paid in May 2022. Prior to the first quarter 2022 dividend, we paid dividends to holders of our common stock in an amount of \$0.25 per share of common stock (\$1.00 annually). For U.S. federal income tax purposes, any dividends we pay generally will be treated as qualified dividend income (generally taxable to U.S. individual stockholders at capital gain rates) 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, with any excess dividends treated as return of capital to the extent of the stockholder's basis. The declaration and payment of dividends to holders of our common stock will be at the sole discretion of our Board of Directors and in compliance with applicable law, and our dividend policy may be changed at any time.

With respect to distribution year 2022, the Board of Directors has declared a dividend to common stockholders totaling approximately \$235.7 million, or \$0.650 per share, consisting of the following:

Common Stock Dividends - Dividend Year 2022				
Quarter	Dividend per Common Share	Dividend to Common Stockholders	Record Date	Payment Date
(Dollars in millions, except per share data)				
Q1 2022	\$ 0.325	\$ 117.6	May 10, 2022	May 17, 2022
Q2 2022	0.325	118.1	August 9, 2022	August 16, 2022
Total	\$ 0.650	\$ 235.7		

With respect to distribution year 2021, the Board of Directors declared cumulative dividends to common stockholders totaling approximately \$356.6 million, consisting of the following:

Common Stock Dividends - Dividend Year 2021				
Quarter	Dividend per Common Share	Dividend to Common Stockholders	Record Date	Payment Date
(Dollars in millions, except per share data)				
Q1 2021	\$ 0.25	\$ 88.7	May 11, 2021	May 19, 2021
Q2 2021	0.25	89.3	August 10, 2021	August 17, 2021
Q3 2021	0.25	89.1	November 9, 2021	November 17, 2021
Q4 2021	0.25	89.5	February 15, 2022	February 23, 2022
Total	\$ 1.00	\$ 356.6		

Dividends to common stockholders paid during the six months ended June 30, 2022 totaled \$207.1 million, including the amount paid in February 2022 of \$0.25 per common share in respect of the fourth quarter of 2021. Dividends to common stockholders paid during the six months ended June 30, 2021 totaled \$177.4 million, including the amount paid in February 2021 of \$0.25 per common share in respect of the fourth quarter of 2020.

Fund Commitments. Generally, we intend to have Carlyle commit to fund approximately 0.75% of the capital commitments to our future carry funds, although we may elect to invest additional amounts in funds focused on new investment areas. For example, in March 2022, our Global Credit platform acquired a diversified portfolio of triple net leases through a Carlyle-affiliated investment fund as part of the expansion of our real estate strategy, which was funded in part with a \$200 million minority interest balance sheet investment from Carlyle. We may, from time to time, exercise our right to purchase additional interests in our investment funds that become available in the ordinary course of their operations. We expect our senior Carlyle professionals and employees to continue to make significant capital contributions to our funds based on their existing commitments, and to make capital commitments to future funds consistent with the level of their historical commitments. We also intend to make investments in our open-end funds and our CLO vehicles. Our investments in our European CLO vehicles will comply with the risk retention rules as discussed in "Risk Retention Rules" later in this section.

Since our inception through June 30, 2022, we and our senior Carlyle professionals, operating executives and other professionals have invested or committed to invest in or alongside our funds. Approximately 3% to 5% of all capital commitments to our funds are funded collectively by us and our senior Carlyle professionals, operating executives and other professionals. The current unfunded commitment of Carlyle and our senior Carlyle professionals, operating executives and other professionals to our investment funds as of June 30, 2022, consisted of the following (Dollars in millions):

<u>Asset Class</u>	<u>Unfunded Commitment</u>
Global Private Equity	\$ 3,571.7
Global Credit	412.0
Global Investment Solutions	228.7
Total	<u>\$ 4,212.4</u>

A substantial majority of the remaining commitments are expected to be funded by senior Carlyle professionals, operating executives and other professionals through our internal co-investment program. Of the \$4.2 billion of unfunded commitments, approximately \$3.5 billion is subscribed individually by senior Carlyle professionals, operating executives and other professionals, with the balance funded directly by the Company.

Under the Carlyle Global Capital Markets platform, certain of our subsidiaries may act as an underwriter, syndicator or placement agent for security offerings and loan originations. We earn fees in connection with these activities and bear the risk of the sale of such securities and placement of such loans, which may be longer dated. As of June 30, 2022, we had \$158.6 million in unfunded commitments related to the origination and syndication of loans and securities under the Carlyle Global Capital Markets platform.

Repurchase Program. In October 2021, our Board of Directors authorized the repurchase of up to \$400 million of common stock, which replaced a repurchase authorization provided in February 2021 effective January 1, 2022. This program authorizes the repurchase of shares of common stock from time to time in open market transactions, in privately negotiated transactions or otherwise, including through Rule 10b5-1 plans. During the six months ended June 30, 2022, we paid an aggregate of \$24.9 million to repurchase and retire approximately 2.4 million shares of common stock with all of the repurchases done via open market and brokered transactions. As of June 30, 2022, \$294.7 million of repurchase capacity remained under the program.

Cash Flows

The significant captions and amounts from our consolidated statements of cash flows which include the effects of our Consolidated Funds and CLOs in accordance with U.S. GAAP are summarized below.

	<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
	(Dollars in millions)	
Statements of Cash Flows Data		
Net cash (used in) provided by operating activities, including investments in Carlyle funds	\$ (558.5)	\$ 595.3
Net cash used in investing activities	(635.8)	(11.7)
Net cash provided by financing activities	75.9	69.7
Effect of foreign exchange rate changes	(46.9)	(25.7)
Net change in cash, cash equivalents and restricted cash	<u>\$ (1,165.3)</u>	<u>\$ 627.6</u>

Net Cash Provided by (Used In) Operating Activities. Net cash provided by (used in) operating activities includes the investment activity of our Consolidated Funds. Excluding this activity, net cash provided by operating activities was primarily driven by our earnings in the respective periods after adjusting for significant non-cash activity, including non-cash performance allocations and incentive fees, the related non-cash performance allocations and incentive fee related compensation, non-cash equity-based compensation, and depreciation, amortization and impairments, all of which are included in earnings.

Cash flows provided by (used in) operating activities during the six months ended June 30, 2022 and 2021, excluding the activities of our Consolidated Funds, were \$(113.7) million and \$580.7 million, respectively. Operating cash inflows primarily include the receipt of management fees, realized performance allocations and incentive fees, while operating cash outflows primarily include payments for operating expenses, including compensation and general, administrative, and other expenses and income taxes. During both the six months ended June 30, 2022 and 2021, net cash provided by operating activities primarily

included the receipt of management fees and realized performance allocations and incentive fees, totaling approximately \$1.8 billion and \$1.4 billion, respectively. These inflows were offset by payments for compensation and general, administrative and other expenses of approximately \$1.7 billion and \$1.4 billion for the six months ended June 30, 2022 and 2021, respectively, which includes payment of 2021 and 2020 year-end bonuses paid in January 2022 and 2021, respectively.

Cash used to purchase investments as well as the proceeds from the sale of such investments are also reflected in our operating activities as investments are a normal part of our operating activities. During the six months ended June 30, 2022, investment proceeds were \$287.1 million while investment purchases were \$456.8 million, which includes our \$200 million strategic investment in iStar through our real estate credit fund and our \$49 million follow-on investment in Carlyle FRL. During the six months ended June 30, 2021, investment proceeds were \$398.2 million as compared to purchases of \$103.4 million.

The net cash provided by operating activities for the six months ended June 30, 2022 and 2021 also reflects the investment activity of our Consolidated Funds. For the six months ended June 30, 2022, purchases of investments by the Consolidated Funds were \$2.0 billion, while proceeds from the sales and settlements of investments by the Consolidated Funds were \$1.6 billion. For the six months ended June 30, 2021, purchases of investments by the Consolidated Funds were \$2.7 billion, while proceeds from the sales and settlements of investments by the Consolidated Funds were \$2.4 billion.

Net Cash Used In Investing Activities. Our investing activities generally reflect cash used for acquisitions, fixed assets and software for internal use. For the six months ended June 30, 2022, cash used in investing activities principally reflects purchases of intangible assets and net CLO investments from the CBAM transaction of \$618.4 million. Purchases of fixed assets were \$17.4 million and \$17.6 million for the six months ended June 30, 2022 and 2021, respectively.

Net Cash Provided by (Used in) Financing Activities. Net cash provided by (used in) financing activities during the six months ended June 30, 2022 and 2021, excluding the activities of our Consolidated Funds, was \$(372.6) million and \$68.5 million, respectively. During the six months ended June 30, 2022 and the six months ended June 30, 2021, the Company made no borrowings or repayments under the revolving credit facilities. The Company also paid \$68.8 million in each of January 2022 and 2021, representing the second and third annual installments of the deferred consideration payable to former Carlyle Holdings unitholders in connection with the Conversion.

Dividends paid to our common stockholders were \$207.1 million and \$177.4 million for the six months ended June 30, 2022 and 2021, respectively. The Company paid \$105.3 million and \$25.0 million for the six months ended June 30, 2022 and 2021, respectively, to repurchase and retire 2.4 million and 0.6 million shares, respectively. For the six months ended June 30, 2022, cash provided by financing activities reflects \$36.5 million from common shares issued for the carry distributed in shares program. This financing cash inflow partially offsets the corresponding operating cash outflow for realized performance allocations and incentive fee related compensation included in net income.

The net borrowings (payments) on loans payable by our Consolidated Funds during the six months ended June 30, 2022 and 2021 were \$405.9 million and \$(15.9) million, respectively. Contributions from non-controlling interest holders were \$166.9 million and \$44.4 million for the six months ended June 30, 2022 and 2021, respectively, which relate primarily to contributions from the non-controlling interest holders in Consolidated Funds. For the six months ended June 30, 2022 and 2021, distributions to non-controlling interest holders were \$156.6 million and \$42.9 million, respectively, which relate primarily to distributions to the non-controlling interest holders in Consolidated Funds.

Our Balance Sheet

Total assets were \$21.4 billion at June 30, 2022, an increase of \$0.2 billion from December 31, 2021. The increase in total assets was primarily attributable to a \$0.7 billion increase in investments, including performance allocations and an increase in net intangible assets of \$0.7 billion, partially offset by a decrease in cash and cash equivalents of \$1.2 billion. The increase in investments, including performance allocations, was largely driven by our strategic investment in a portfolio of triple net leases through a Carlyle-affiliated fund and the CBAM transaction (see Note 4 to the unaudited condensed consolidated financial statements), as well as appreciation across the portfolio, partially offset by a \$177 million investment loss related to the dilution of our indirect investment in Fortitude (see Note 6 to the unaudited condensed consolidated financial statements) and realizations. The decrease in cash was primarily due to the aforementioned investments, as well as the payment of the third installment of deferred consideration to the former Carlyle Holdings unitholders, and payments for bonuses and payroll, dividends and income taxes. Cash and cash equivalents were approximately \$1.3 billion and \$2.5 billion at June 30, 2022 and December 31, 2021, respectively.

Total liabilities were \$15.0 billion at June 30, 2022, an decrease of \$0.6 billion from December 31, 2021. The decrease in liabilities was primarily attributable to an decrease in accrued compensation and benefits of \$0.4 billion due to the payment of performance revenues that were realized but unpaid as of December 31, 2021 and the payment of year-end bonuses in the first quarter, partially offset by an increase in debt obligations of \$167.5 million driven by an increase in outstanding CLO

borrowings, largely in connection with the CBAM transaction (see Notes 4 and 8 to the unaudited condensed consolidated financial statements).

The assets and liabilities of the Consolidated Funds are generally held within separate legal entities and, as a result, the assets of the Consolidated Funds are not available to meet our liquidity requirements and similarly the liabilities of the Consolidated Funds are non-recourse to us. In addition, as previously discussed, the CLO term loans generally are secured by the Company's investment in the CLO, have a general unsecured interest in the Carlyle entity that manages the CLO, and do not have recourse to any other Carlyle entity.

Our balance sheet without the effect of the Consolidated Funds can be seen in Note 19 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. At June 30, 2022, our total assets without the effect of the Consolidated Funds were \$14.8 billion, including cash and cash equivalents of \$1.3 billion and net accrued performance revenues of \$4.3 billion.

Unconsolidated Entities

Certain of our funds have entered into lines of credit secured by their investors' unpaid capital commitments or by a pledge of the equity of the underlying investment. These lines of credit are used primarily to reduce the overall number of capital calls to investors or for working capital needs. In certain instances, however, they may be used for other investment related activities, including serving as bridge financing for investments. The degree of leverage employed varies among our funds.

Off-balance Sheet Arrangements

In the normal course of business, we enter into various off-balance sheet arrangements including sponsoring and owning limited or general partner interests in consolidated and non-consolidated funds, entering into derivative transactions, and entering into guarantee arrangements. We also have ongoing capital commitment arrangements with certain of our consolidated and non-consolidated funds. We do not have any other off-balance sheet arrangements that would require us to fund losses or guarantee target returns to investors in any of our other investment funds.

For further information regarding our off-balance sheet arrangements, see Note 3 and Note 10 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Contractual Obligations

The following table sets forth information relating to our contractual obligations as of June 30, 2022 on a consolidated basis and on a basis excluding the obligations of the Consolidated Funds:

	Jul. 1, 2022 to Dec. 31, 2022	2023-2024	2025-2026	Thereafter	Total
(Dollars in millions)					
Debt obligations (1)	\$ —	\$ 27.1	\$ 16.0	\$ 2,221.6	\$ 2,264.7
Interest payable (2)	183.1	218.1	213.7	1,862.4	2,477.3
Other consideration (3)	188.9	344.2	—	—	533.1
Operating lease obligations (4)	32.1	120.4	108.5	377.0	638.0
Capital commitments to Carlyle funds (5)	4,678.0	—	—	—	4,678.0
Tax receivable agreement payments (6)	—	27.7	6.5	67.7	101.9
Loans payable of Consolidated Funds (7)	53.7	213.5	213.2	6,396.1	6,876.5
Unfunded commitments of the CLOs (8)	12.9	—	—	—	12.9
Consolidated contractual obligations	5,148.7	951.0	557.9	10,924.8	17,582.4
Loans payable of Consolidated Funds (7)	(53.7)	(213.5)	(213.2)	(6,396.1)	(6,876.5)
Capital commitments to Carlyle funds (5)	(3,461.5)	—	—	—	(3,461.5)
Unfunded commitments of the CLOs (8)	(12.9)	—	—	—	(12.9)
Carlyle Operating Entities contractual obligations	\$ 1,620.6	\$ 737.5	\$ 344.7	\$ 4,528.7	\$ 7,231.5

- (1) The table above assumes that no prepayments are made on the senior and subordinated notes and that the outstanding balances, if any, on the senior credit facility and Global Credit revolving credit facility are repaid on the maturity dates of credit facilities, which are February 2024 and September 2024, respectively. The CLO term loans are included in the table above based on the earlier of the stated maturity date or the date the CLO is expected to be dissolved. See Note 8 to the unaudited condensed consolidated financial statements for the various maturity dates of the CLO term loans, senior notes and subordinated notes.
- (2) The interest rates on the debt obligations as of June 30, 2022 consist of: 3.500% on \$425.0 million of senior notes, 5.650% on \$350.0 million of senior notes, 5.625% on \$600.0 million of senior notes, 4.625% on \$500.0 million of subordinated notes, and a range of approximately 1.35% to 8.11% for our CLO term loans. Interest payments assume that no prepayments are made and loans are held until maturity with the exception of the CLO term loans, which are based on the earlier of the stated maturity date or the date the CLO is expected to be dissolved.
- (3) These obligations represent our estimate of amounts to be paid on the contingent cash obligations associated with our acquisition of Carlyle Aviation Partners, deferred consideration related to our strategic investment in Fortitude, and other obligations, as well as the deferred payment obligations described below. In connection with the Conversion, former holders of Carlyle Holdings partnership units will receive cash payments aggregating to approximately \$344 million, which is equivalent to \$1.50 per Carlyle Holdings partnership unit exchanged in the Conversion, payable in five annual installments of \$0.30, the third of which occurred during the first quarter of 2022. The payment obligations are unsecured obligations of the Company or a subsidiary thereof, subordinated in right of payment to indebtedness of the Company and its subsidiaries, and do not bear interest. These amounts also include a \$187.5 million equity commitment related to the acquisition of Abingworth, which is expected to close in 2022.
- (4) We lease office space in various countries around the world, including our largest offices in Washington, D.C., New York City, London and Hong Kong, which have non-cancelable lease agreements expiring in various years through 2036. The amounts in this table represent the minimum lease payments required over the term of the lease.
- (5) These obligations generally represent commitments by us to fund a portion of the purchase price paid for each investment made by our funds. These amounts are generally due on demand and are therefore presented in the less than one year category. A substantial majority of these investments is expected to be funded by senior Carlyle professionals and other professionals through our internal co-investment program. Of the \$4.2 billion of unfunded commitments to the funds, approximately \$3.5 billion is subscribed individually by senior Carlyle professionals, advisors and other professionals, with the balance funded directly by the Company. The amount presented above also includes \$307.0 million which was substantially funded in July 2022 to bridge investment activity in certain funds which are actively fundraising in our Global Private Equity segment, as well as \$158.6 million in unfunded commitments related to the origination and syndication of loans and securities under the Carlyle Global Capital Markets platform.
- (6) In connection with our initial public offering, we entered into a tax receivable agreement with the limited partners of the Carlyle Holdings partnerships whereby we agreed to pay such limited partners 85% of the amount of cash tax savings, if any, in U.S. federal, state and local income tax realized as a result of increases in tax basis resulting from exchanges of Carlyle Holdings partnership units for common units of The Carlyle Group L.P. From and after the consummation of the Conversion, former holders of Carlyle Holdings partnership units do not have any rights to payments under the tax receivable agreement except for payment obligations pre-existing at the time of the Conversion with respect to exchanges that occurred prior to the Conversion. These obligations are more than offset by the future cash tax savings that we are expected to realize.
- (7) These obligations represent amounts due to holders of debt securities issued by the consolidated CLO vehicles. These obligations include interest to be paid on debt securities issued by the consolidated CLO vehicles. Interest payments assume that no prepayments are made and loans are held until maturity. For debt securities with rights only to the residual value of the CLO and no stated interest, no interest payments were included in this calculation. Interest payments on variable-rate debt securities are based on interest rates in effect as of June 30, 2022, at spreads to market rates pursuant to the debt agreements, and range from 0.30% to 9.66%.
- (8) These obligations represent commitments of the CLOs to fund certain investments. These amounts are generally due on demand and are therefore presented in the less than one year category.

Excluded from the table above are liabilities for uncertain tax positions of \$29.2 million at June 30, 2022 as we are unable to estimate when such amounts may be paid.

Contingent Cash Payments For Business Acquisitions and Strategic Investments

We have certain contingent cash obligations associated with our acquisition of Carlyle Aviation Partners which relate to an earn-out of up to \$150.0 million that is payable upon the achievement of certain revenue and earnings performance targets during 2020 through 2025, and which is accounted for as compensation expense. We accrue the compensation liability over the service period. If earned, payments are made in the year following the performance year to which the payments relate. To date, we have paid \$53.6 million related to the Carlyle Aviation Partners earn-out for the performance period ended December 31, 2021. Based on the terms of the underlying contracts, the maximum amount that could be paid from contingent cash obligations associated with the acquisition of Carlyle Aviation Partners as of June 30, 2022 is \$96.4 million versus the amounts recognized on the balance sheet of \$40.2 million.

We may enter into similar arrangements in future business acquisitions. For example, our recently announced acquisition of Abingworth, which is expected to close in 2022, includes contingent cash obligations which relate to future incentive payments of up to \$130.0 million that is payable upon the achievement of certain performance targets during 2023 through 2028.

Risk Retention Rules

We will continue to comply with the risk retention rules governing CLOs issued in Europe for which we are a sponsor, which require a combination of capital from our balance sheet, commitments from senior Carlyle professionals, and/or third party financing.

Guarantees

See Note 10 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for information related to all of our material guarantees.

Indemnifications

In many of our service contracts, we agree to indemnify the third-party service provider under certain circumstances. The terms of the indemnities vary from contract to contract, and the amount of indemnification liability, if any, cannot be determined and has not been included in the table above or recorded in our unaudited condensed consolidated financial statements as of June 30, 2022. See Note 10 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for information related to indemnifications.

Other Contingencies

In the ordinary course of business, we are a party to litigation, investigations, inquiries, employment-related matters, disputes and other potential claims. We discuss certain of these matters in Note 10 to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Carlyle Common Stock

A rollforward of our common stock outstanding from December 31, 2021 through June 30, 2022 is as follows:

	Shares as of December 31, 2021	Shares Issued	Shares Forfeited	Shares Repurchased / Retired	Shares as of June 30, 2022
The Carlyle Group Inc. common shares	355,367,876	8,300,451	—	(2,422,362)	361,245,965

Shares of The Carlyle Group Inc. common stock issued during the period from December 31, 2021 through June 30, 2022 relate to the vesting of the Company's restricted stock units, shares issued pursuant to a program under which we may distribute realized performance allocation related compensation in fully vested, newly issued shares (see Note 15 to the accompanying condensed consolidated financial statements), and 4.2 million shares issued as part of the purchase price consideration in the CBAM transaction (see Note 4 to the accompanying condensed consolidated financial statements).

The total shares as of June 30, 2022 as shown above exclude approximately 2.2 million net common shares in connection with the vesting of restricted stock units and shares issued pursuant to the carry distributed in shares program subsequent to June 30, 2022 that will participate in the common shareholder dividend that will be paid August 16, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our primary exposure to market risk is related to our role as general partner or investment advisor to our investment funds and the sensitivities to movements in the fair value of their investments, including the effect on management fees, incentive fees and investment income, including performance allocations. Although our investment funds share many common themes, each of our asset management asset classes runs its own investment and risk management processes, subject to our overall risk tolerance and philosophy. The investment process of our investment funds involves a comprehensive due diligence approach, including review of reputation of shareholders and management, company size and sensitivity of cash flow generation, business sector and competitive risks, portfolio fit, exit risks and other key factors highlighted by the deal team. Key investment decisions are subject to approval by both the fund-level managing directors, as well as the investment committee, which is generally comprised of one or more of the three founding partners, one “sector” head, one or more operating executives and senior investment professionals associated with that particular fund. Once an investment in a portfolio company has been made, our fund teams closely monitor the performance of the portfolio company, generally through frequent contact with management and the receipt of financial and management reports.

There was no material change in our market risks during the six months ended June 30, 2022. For additional information, refer to our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) that are designed to ensure that information required to be disclosed in our reports 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 principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation and subject to the foregoing, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the design and operation of our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended June 30, 2022 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The information required with respect to this item can be found under “Legal Matters” in Note 10, Commitments and Contingencies, of the notes to the Company’s unaudited condensed consolidated financial statements contained in this quarterly report, and such information is incorporated by reference into this Item 1.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the information under Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021.

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

Issuer Purchases of Equity Securities

The following table sets forth repurchases of our common stock during the three months ended June 30, 2022 for the periods indicated:

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs	
				(Dollars in millions, except unit and per unit data)	
April 1, 2022 to April 30, 2022 (1)	—	\$ —	—	\$ —	319.7
May 1, 2022 to May 31, 2022 (1)(2)	682,264	\$ 36.64	682,264	\$ —	294.7
June 1, 2022 to June 30, 2022 (1)	—	\$ —	—	\$ —	294.7
Total	<u>682,264</u>		<u>682,264</u>		

(1) In October 2021, the Board of Directors of the Company authorized the repurchase of up to \$400.0 million of common stock in the aggregate, effective January 1, 2022. The timing and actual number of shares of common stock repurchased will depend on a variety of factors, including legal requirements, price, and economic and market conditions. This share repurchase program may be suspended or discontinued at any time and does not have a specified expiration date.

(2) All of the shares of common stock purchased during this period were purchased in open market and brokered transactions and were subsequently retired.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following is a list of all exhibits filed or furnished as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
3.1	Certificate of Conversion of The Carlyle Group L.P. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 2, 2020).
3.2	Certificate of Incorporation of The Carlyle Group Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 2, 2020).
3.3	Bylaws of The Carlyle Group Inc. (incorporated by reference to Exhibit 3.3 to the Registrant's Current Report on Form 8-K filed with the SEC on January 2, 2020).
10.22*	Second Amended and Restated Credit Agreement, dated as of April 29, 2022, among TC Group Cayman, L.P., Carlyle Investment Management L.L.C., and CG Subsidiary Holdings L.L.C., as Borrowers, TC Group, L.L.C., Carlyle Holdings I L.P., Carlyle Holdings II L.L.C., Carlyle Holdings III L.P. and Carlyle Finance Subsidiary L.L.C. as Guarantors, the Lenders Party Hereto, and Citibank, N.A. as Administrative Agent, and Citibank, N.A., JPMorgan Chase Bank, N.A. Credit Suisse Loan Funding LLC, BofA Securities, Inc. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Bookrunners, and JPMorgan Chase Bank, N.A., Credit Suisse Loan Funding LLC, Bank of America, N.A. and Wells Fargo Bank, National Association, as Syndication Agents.
22*	Senior and Subordinated Notes, Issuers and Guarantors.
31.1 *	Certification of the principal executive officer pursuant to Rule 13a – 14(a).
31.2 *	Certification of the principal financial officer pursuant to Rule 13a – 14(a).
32.1 *	Certification of the principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 *	Certification of the principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from The Carlyle Group Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, formatted in Inline XBRL (included within the Exhibit 101 attachments).

* Filed herewith.

+ Management contract or compensatory plan or arrangement in which directors and/or executive officers are eligible to participate.

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

SIGNATURE

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

The Carlyle Group Inc.

Date: July 28, 2022

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Chief Financial Officer
(Principal Financial Officer and Authorized Officer)

U.S. \$1,000,000,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

April 29, 2022

among

TC GROUP CAYMAN, L.P.
CARLYLE INVESTMENT MANAGEMENT L.L.C.
CG SUBSIDIARY HOLDINGS L.L.C.
as Borrowers

TC GROUP, L.L.C.,
CARLYLE HOLDINGS I L.P.
CARLYLE HOLDINGS II L.L.C.
CARLYLE HOLDINGS III L.P.
CARLYLE FINANCE SUBSIDIARY L.L.C.
as Parent Guarantors

The LENDERS Party Hereto,

and

CITIBANK, N.A.
as Administrative Agent

CITIBANK, N.A.
JPMORGAN CHASE BANK, N.A.
CREDIT SUISSE LOAN FUNDING LLC
BOFA SECURITIES, INC.
WELLS FARGO SECURITIES, LLC
as Joint Lead Arrangers and Bookrunners

JPMORGAN CHASE BANK, N.A.
CREDIT SUISSE LOAN FUNDING LLC
BANK OF AMERICA, N.A.
WELLS FARGO BANK, NATIONAL ASSOCIATION
as Syndication Agents

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT dated as of April 29, 2022 (this “Agreement”), among TC GROUP CAYMAN, L.P., a Cayman Islands exempted limited partnership, CARLYLE INVESTMENT MANAGEMENT L.L.C., a Delaware limited liability company, and CG SUBSIDIARY HOLDINGS L.L.C., a Delaware limited liability company (individually, an “Initial Borrower”, and collectively, the “Initial Borrowers”), TC GROUP, L.L.C., a Delaware limited liability company, CARLYLE HOLDINGS I L.P., a Delaware limited partnership, CARLYLE HOLDINGS II L.L.C., a Delaware limited liability company, CARLYLE HOLDINGS III L.P., a Quebec limited partnership, and CARLYLE FINANCE SUBSIDIARY L.L.C., a Delaware limited liability company, as Parent Guarantors (individually, a “Parent Guarantor”, and collectively, the “Parent Guarantors”), the LENDERS party hereto, and CITIBANK, N.A. (“Citibank”), as Administrative Agent.

TC Group Investment Holdings, L.P., TC Group Cayman Investment Holdings, L.P., TC Group Cayman, L.P. and Carlyle Investment Management L.L.C., as Borrowers, and the Parent Guarantors are parties to the Amended and Restated Credit Agreement dated as of February 11, 2019 (as amended, restated, modified and otherwise supplemented and in effect from time to time prior to the date hereof, the “Existing Credit Agreement”) with several banks and other financial institutions or entities parties as lenders thereto and Citibank, N.A., as administrative agent. The parties to the Existing Credit Agreement have agreed to amend the Existing Credit Agreement in certain respects and to restate the Existing Credit Agreement as so amended as provided in this Agreement, in each case effective upon the satisfaction of the conditions precedent set forth in Section 5.01. Accordingly, the parties hereto agree that on the Amendment Effective Date (as defined below), the Existing Credit Agreement shall be amended and restated in its entirety as follows:

ARTICLE I DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Alternate Base Rate.

“ABR Loan” means a Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

“Acceleration Event” has the meaning assigned to such term in Section 2.04(k).

“Acquired Entity” means any Person or property acquired pursuant to a New Acquisition.

“Additional Borrower” has the meaning assigned to such term in Section 2.23.

“Additional Borrower Joinder Agreement” means an Additional Borrower Joinder Agreement substantially in the form of Exhibit B.

“Additional Guarantors” means, collectively, the Additional Parent Guarantors and the Additional Subsidiary Guarantors.

“Additional Parent Guarantor” means any limited partnership, limited liability company or corporation (or similar entity) organized under the laws of any Permitted Jurisdiction (or, with the approval of the Administrative Agent, acting reasonably, any limited partnership, limited liability company, corporation or equivalent entity organized under the laws of another jurisdiction) (i) the general partner (or equivalent Controlling member entity) of which is Carlyle Group or a direct or indirect wholly owned subsidiary of Carlyle Group, (ii) which, directly or through one or more direct or indirect subsidiaries, conducts one or more Core Businesses, and (iii) which is not a Subsidiary of any Person that is an Obligor at the time of designation under Section 2.24(a). In the event that it is determined by the Obligors that an Additional Parent Guarantor should be organized in a form other than a limited partnership or a limited liability company, the Administrative Agent and the Obligors agree to negotiate in good faith to make changes to this Agreement and the other Loan Documents as are advisable in order to include such Person as a Parent Guarantor and to otherwise give effect to the intent of this Agreement

Credit Agreement

and the other Loan Documents (and the Lenders hereby authorize the Administrative Agent to make any such changes).

“Additional Subsidiary Guarantor” has the meaning assigned to such term in Section 2.24(b).

“Adjusted Applicable Percentage” means, with respect to any Revolving Credit Lender, such Revolving Credit Lender’s Applicable Percentage adjusted to exclude from the calculation thereof the Revolving Credit Commitment of any Defaulting Lender. If the Revolving Credit Commitments have terminated, the Adjusted Applicable Percentages shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments and to any Revolving Credit Lender’s status as a Defaulting Lender at the time of determination.

“Adjusted Daily Simple RFR” means, for any day (an “RFR Rate Day”), a rate per annum equal to, for any Loan, interest, fees, commissions or other amounts denominated in, or calculated with respect to:

(a) Sterling, the sum of (A) SONIA for the day (such day, a “Sterling RFR Determination Day”) that is five (5) RFR Business Days prior to (I) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day or (II) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day, in each case, as such SONIA is published by the SONIA Administrator on the SONIA Administrator’s Website; *provided* that if by 5:00 p.m. (London time) on the second (2nd) RFR Business Day immediately following any Sterling RFR Determination Day, SONIA in respect of such Sterling RFR Determination Day has not been published on the SONIA Administrator’s Website and a Benchmark Replacement Date with respect to the Adjusted Daily Simple RFR for Sterling has not occurred, then SONIA for such Sterling RFR Determination Day will be SONIA as published in respect of the first preceding RFR Business Day for which such SONIA was published on the SONIA Administrator’s Website, *provided* that SONIA as determined pursuant to this proviso shall be utilized for purposes of calculation of Adjusted Daily Simple RFR for no more than three (3) consecutive RFR Rate Days and (B) the SONIA Adjustment; *provided further* that if such rate shall be less than zero, the Adjusted Daily Simple RFR for Sterling shall be deemed to be zero for the purposes of this Agreement; and

(b) Japanese Yen, the sum of (A) TONAR for the day (such day, a “Japanese Yen RFR Determination Day”) that is five (5) RFR Business Days prior to (I) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day or (II) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day, in each case, as such TONAR is published by the TONAR Administrator on the TONAR Administrator’s Website; *provided* that if by 5:00 p.m. (Tokyo time) on the second (2nd) RFR Business Day immediately following any Japanese Yen RFR Determination Day, TONAR in respect of such Japanese Yen RFR Determination Day has not been published on the TONAR Administrator’s Website and a Benchmark Replacement Date with respect to the Adjusted Daily Simple RFR for Japanese Yen has not occurred, then TONAR for such Japanese Yen RFR Determination Day will be TONAR as published in respect of the first preceding RFR Business Day for which such TONAR was published on the TONAR Administrator’s Website, *provided* that TONAR as determined pursuant to this proviso shall be utilized for purposes of calculation of Adjusted Daily Simple RFR for no more than three (3) consecutive RFR Rate Days and (B) the TONAR Adjustment; *provided further* that if such rate shall be less than zero, the Adjusted Daily Simple RFR for Japanese Yen shall be deemed to be zero for the purposes of this Agreement.

Any change in Adjusted Daily Simple RFR due to a change in the applicable RFR shall be effective from and including the effective date of such change in the RFR without notice to the Borrower.

“Adjusted EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euros for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided* that if the Adjusted EURIBOR Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

Credit Agreement

“Adjusted Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in Dollars for any Interest Period, an interest rate per annum equal to (a) Term SOFR for such Interest Period plus (b) the Term SOFR Adjustment; *provided* that if the Adjusted Term SOFR Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Administrative Agent” means Citibank, in its capacity as administrative agent for the Lenders hereunder and under the other Loan Documents.

“Administrative Agent’s Account” means, for each Currency, an account in respect of such Currency designated by the Administrative Agent in a notice to the Borrowers and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreed Currencies” means Dollars and each Agreed Foreign Currency.

“Agreed Foreign Currency” means, at any time, any of Sterling, Euros, Japanese Yen, and, with the agreement of each Revolving Credit Lender, any other Foreign Currency, so long as, in respect of any such specified Currency, at such time (a) such Currency is dealt with in the London interbank deposit market, (b) such Currency is freely transferable and convertible into Dollars in the London foreign exchange market and (c) no central bank or other governmental authorization in the country of issue of such Currency (including, in the case of the Euro, any authorization by the European Central Bank) is required to permit use of such Currency by any Revolving Credit Lender for making any Revolving Credit Loan hereunder and/or to permit the Borrowers to borrow and repay the principal thereof and to pay the interest thereon and by any Issuing Bank for issuing or making any disbursement with respect to any Letter of Credit hereunder and/or to permit the Borrowers to reimburse any Issuing Bank for any such disbursement or pay the interest thereon or to permit any Revolving Credit Lender to acquire a participation interest in any Letter of Credit or make any payment to such Issuing Bank in consideration therefor, unless in each case such authorization has been obtained and is in full force and effect.

“Alternate Base Rate” means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of:

- (a) for any day, the Prime Rate in effect on such day;
- (b) for any day, the Federal Funds Effective Rate for such day *plus* 1/2 of 1.00%; and
- (c) for any day, the Adjusted Term SOFR Rate for a one month Interest Period that commences on the second Business Day following such day *plus* 1.00%;

provided that, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

Each change in any interest rate provided for herein based upon the Alternate Base Rate resulting from a change in the Alternate Base Rate shall take effect at the time of such change in the Alternate Base Rate.

“Amendment Effective Date” means the date on which the conditions specified in Section 5.01 are satisfied (or waived in accordance with Section 10.02), which date is April 29, 2022.

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“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to any Obligor or its Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering.

“Applicable Percentage” means (a) with respect to any Revolving Credit Lender for purposes of Section 2.04, Section 2.19(f), Section 2.22 or in respect of any indemnity claim under Section 10.03(c) arising out of an action or omission of any Issuing Bank under this Agreement, the percentage of the total Revolving Credit Commitments represented by such Revolving Credit Lender’s Revolving Credit Commitment, and (b) with respect to any Lender in respect of any indemnity claim under Section 10.03(c) arising out of an action or omission of the Administrative Agent under this Agreement, the percentage of the total Revolving Credit Commitments or Loans of all Classes hereunder represented by the aggregate amount of such Lender’s Revolving Credit Commitments or Loans of all Classes hereunder. If the Revolving Credit Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments.

“Applicable Rate” means, for any day with respect to any ABR Loan, Term Benchmark Loan, RFR Loan, Letter of Credit or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Applicable Margin for ABR Loans”, “Applicable Margin for Term Benchmark Loans, RFR Loans and Letters of Credit” or “Commitment Fee”, respectively, based upon the category that applies on such day:

	S&P Rating	Applicable Margin for ABR Loans	Applicable Margin for Term Benchmark Loans, RFR Loans and Letters of Credit	Commitment Fee
<u>Category 1</u>	A+ or higher	0.000%	0.750%	0.060%
<u>Category 2</u>	A	0.000%	0.875%	0.080%
<u>Category 3</u>	A-	0.000%	1.000%	0.100%
<u>Category 4</u>	BBB+	0.250%	1.250%	0.150%
<u>Category 5</u>	Less than BBB+ or unrated	0.500%	1.500%	0.200%

The parties hereto agree that, for purposes of determining the foregoing, in the event the Obligors have different Ratings, the lowest Rating with respect to any Obligor shall apply. If the Rating by S&P shall be changed, such change shall be effective as of the date on which it is first announced by S&P (or, in the case of a private Rating by S&P, on the date on which S&P first notifies the Obligors of such change). Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change in Rating and ending on the date immediately preceding the effective date of the next such change in Rating.

“Approved Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.04), and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) 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, regulation, rule or requirement for such EEA Member Country from time

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to time that is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Event of Default” means any Event of Default pursuant to Sections 8.01(h) or (i).

“Benchmark” means, initially, with respect to any (i) RFR Loan in any Agreed Currency, the applicable Relevant Rate for such Agreed Currency, or (ii) Term Benchmark Loan, the Relevant Rate for such Agreed Currency; *provided* that if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.26.

“Benchmark Replacement” means with respect to any Benchmark Transition Event, the sum of (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrowers 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 as a replacement to the then-current Benchmark for U.S. Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; *provided* that, if such Benchmark Replacement as so determined would be less than zero, such Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, 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 Borrowers giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) 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 such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated syndicated credit facilities.

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; *provided* that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof) continues to be provided on such date.

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

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(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide 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 such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide 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 such Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that such Benchmark (or such component thereof) is not, or as of a specified future date will not be, representative.

“Benchmark Transition Start Date” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.26 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.26.

“Beneficial Ownership Certification” means, for a “legal entity customer” (as such term is defined in the Beneficial Ownership Regulation), a certification regarding beneficial ownership to the extent required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers included as Appendix A to the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) 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” means the Board of Governors of the Federal Reserve System of the United States of America.

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“Borrower Obligations” has the meaning assigned to such term in Section 2.20.

“Borrowers” means, collectively, the Initial Borrowers and each other Person that becomes a Borrower hereunder pursuant to Section 2.23.

“Borrowing” means (a) all ABR Loans of the same Class made, converted or continued on the same date, (b) all Term Benchmark Loans of the same Class, Type and Currency that have the same Interest Period or (c) all RFR Loans of the same Class denominated in the same Currency.

“Borrowing Request” means a request by the Borrowers for a Borrowing in accordance with Section 2.03.

“Broker-Dealer” means (a) a broker-dealer business duly registered as a broker-dealer as and to the extent required under the Exchange Act, as amended, and the rules and regulations promulgated thereunder and, as and to the extent required, is a member in good standing of the Financial Institutions Regulatory Authority, Inc., and (b) any other broker-dealer or capital solutions business entity that originates and/or syndicates securities or loans (including any such business that is not required to be registered as a broker-dealer under the Exchange Act, as amended, and the rules and regulations promulgated thereunder).

“Broker-Dealer Subsidiary” means any Subsidiary of a Credit Party designated by the Borrowers as a “Broker-Dealer Subsidiary” pursuant to Section 6.11(b), for so long as such Subsidiary remains designated as a Broker-Dealer Subsidiary and is not undesignated as a “Broker-Dealer Subsidiary” pursuant to Section 6.11(b).

“Business Day” means a day (a) other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close, (b) with respect to notices and determinations in connection with, and payments of principal and interest on, Term Benchmark Loans, such day is also a day for trading by and between banks in deposits in the relevant Currency in the interbank eurocurrency market, (c) if the applicable Business Day relates to any RFR Loan, an RFR Business Day and (d) with respect to notices and determinations in connection with, and payments of principal and interest on, Loans denominated in any other Agreed Foreign Currency, such day is also a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system (or any successor settlement system as determined by the Administrative Agent) or any other relevant exchange or payment system, as applicable, is open for the settlement of payments in such other Agreed Foreign Currency.

“Capital Lease Obligations” of any Person means, subject to Section 1.03(c), the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Carlyle Group” means The Carlyle Group Inc., a Delaware corporation (or any successor corporation by conversion, merger, consolidation or similar transaction), or such other Person designated by the Obligors and approved by the Administrative Agent and the Lenders.

“Carried Interest” means any and all limited partnership or other ownership interests or contractual rights representing the right to receive, directly or indirectly, the proceeds of any “carried interest” in any Fund Entity (including incentive and performance fees dependent on investment performance or results) and all distributions received by any Obligor or any Subsidiary thereof the source of which is carried interest; *provided that* “Carried Interest” shall include the “carried interest” reported on the Obligors’ consolidated financial statements prepared in accordance with GAAP; *provided further that* “Carried Interest” shall in any event not include any Deal Team Interests.

“Change in Control” means the occurrence of any of the following: (i) any person or group (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provision), other than a Permitted Investor, becomes the “beneficial owner” (within the meaning of Rule 13d-3 and 13d-5 under the Exchange Act or any successor provision) of a majority of the aggregate

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ordinary voting power represented by the issued and outstanding Equity Interests of the Carlyle Group, or (ii) the acquisition of direct or indirect Control of any Obligor by any Person or group (other than the Obligors, their Subsidiaries and the Permitted Investors).

“Change in Law” means the occurrence, after the Amendment Effective Date, of any of the following: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance for the first time of any guideline or directive (whether or not having the force of law) by any Governmental Authority.

“Citibank” means Citibank, N.A.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Credit Loans or Incremental Term Loans.

“CLO” means a “collateralized loan obligation” and including any special-purpose investment vehicle established to accumulate primarily loans and which is funded by the issuance of securities in one or more classes, the debt securities of which are secured by substantially all of the assets of such Person.

“CLO Management Subsidiary” means any Subsidiary of a Credit Party designated by the Borrowers as a “CLO Management Subsidiary” pursuant to Section 6.11(a), for so long as such Subsidiary remains designated as a CLO Management Subsidiary and is not undesignated as a “CLO Management Subsidiary” pursuant to Section 6.11(b).

“Code” means the Internal Revenue Code of 1986.

“Commitment Schedule” means Schedule 1.

“Conforming Changes” means, with respect to either the use or administration of an initial Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate” (if applicable), the definition of “Business Day”, the definition of “U.S. Government Securities Business Day”, the definition of “RFR 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, the applicability of Section 2.15 and other technical, administrative or operational matters) that the Administrative Agent, in consultation with the Borrowers, decides 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, in consultation with the Borrowers, that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Consolidated Subsidiary” means, for any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which shall be (or should have been) consolidated with the financial statements of such Person in accordance with GAAP. For the avoidance of doubt, “Consolidated Subsidiary” shall not include any Fund Entity or any subsidiary of a Fund Entity or any Person constituting a “Consolidated Fund” (as such term is used in Footnote 1 to the Consolidated Financial Statements of the Carlyle Group on Form 10-K for the fiscal year ended December 31, 2021) and “Consolidated Subsidiary” shall not in any event include UrbPlan.

“Contractual Obligation” of any Person means any obligation, agreement, undertaking or similar provision of any Equity Interests issued by such Person or of any agreement, undertaking, contract, lease, indenture, mortgage, deed of trust or other instrument to which such Person is a party or by which it or any of its property is bound or to which any of its property is subject (excluding, in each case, a Loan Document).

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“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Core Business Entity” means any Person that earns or is entitled to receive fees or income (including investment income and fees, gains or income with respect to carried interest) from one or more Core Businesses.

“Core Businesses” means (a) establishing or acquiring investment funds or managed accounts, (b) investment or asset management services, financial advisory services, money management services, merchant banking activities or similar or related activities, including services provided to mutual funds, private equity or debt funds, hedge funds, funds of funds, corporate or other business entities or individuals and (c) making investments, including investments in funds of the type specified in clause (b).

“Credit Parties” means, collectively, the Obligors and the Subsidiary Guarantors.

“Currency” means Dollars or any Foreign Currency.

“Deal Team Interest” means that portion of any “carried interest” (or capital interests taken in lieu of “carried interest”) in any Fund Entity accruing to the members, partners, employees, contractors or advisors of the Obligors or any of their Affiliates and not directly or indirectly accruing to the Obligors or investors in the Obligors in their capacity as such.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) other than at the direction or request of any regulatory agency or authority or unless subject to a good faith dispute, has failed to fund any portion of its Loans or participations in Letters of Credit within three Business Days of the date required to be funded by such Lender hereunder, (b) has notified any Obligor, the Administrative Agent, any Issuing Bank or any Lender in writing that such Lender does not intend or expect to comply with any of its funding obligations under this Agreement, (c) unless subject to a good faith dispute, has failed to confirm in writing to the Administrative Agent upon its request (or at the request of the Borrowers), within three Business Days after such request is received by such Lender (which request may only be made after all conditions to funding have been satisfied, *provided* that such Lender shall cease to be a Defaulting Lender upon receipt of such confirmation by Administrative Agent), that such Lender will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit, (d) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by such Lender hereunder within three Business Days of the date when due, unless such amount is the subject of a good faith dispute, or (e) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; *provided* that a Lender shall not qualify as a “Defaulting Lender” solely as the result of the acquisition or maintenance of an ownership interest in such Lender or any Person controlling such Lender, or the exercise of control over such Lender or any Person controlling such Lender, by a governmental authority or an instrumentality thereof so long as such ownership interest does not result in or provide such Lender 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 permit such Lender (or such governmental authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

“Dollar Equivalent” means, with respect to any Borrowing, Letter of Credit or LC Disbursement denominated in any Foreign Currency, the amount of Dollars that would be required to

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purchase the amount of the Foreign Currency of such Borrowing, Letter of Credit or LC Disbursement on the date two Business Days prior to the date of such Borrowing, Letter of Credit or LC Disbursement (or, in the case of any determination made under Section 2.09(b) or redenomination under the last sentence of Section 2.17(a), on the date of determination or redenomination therein referred to), based upon the spot selling rate at which the Administrative Agent offers to sell such Foreign Currency for Dollars in the London foreign exchange market at approximately 11:00 a.m., London time, for delivery two Business Days later.

“Dollars” or “\$” refers to the lawful currency of the United States of America.

“EBITDA” means, for any period, Net Income for such period, plus

(a) the sum, without duplication (including with respect to any item already added back to Net Income) and to the extent deducted in calculating Net Income, of the amounts for such period of:

- (i) depreciation and amortization;
- (ii) interest expense (paid or accrued during such period);
- (iii) income taxes;
- (iv) non-recurring, extraordinary or unusual expenses, losses and charges (including all expenses associated with litigation settlements, severance, closing offices and early termination of any investment fund);
- (v) non-cash expenses and charges (including non-cash stock compensation expenses), *provided* that any cash payment made with respect to any non-cash expenses or charges added back in calculating EBITDA for any earlier period pursuant to this clause (vi) shall be subtracted in calculating EBITDA for the period in which such cash payment is made; and
- (vi) partner (excluding general public partners) and fundraising bonus expenses incurred after the consummation of the initial public offering of the Carlyle Group; minus

(b) the sum, without duplication and to the extent included in Net Income, of the amounts (which may be negative) for such period of:

- (i) any extraordinary, unusual or other non-recurring gains increasing Net Income;
- (ii) any non-cash items (other than accrual of revenue in the ordinary course of business) increasing Net Income, but excluding any such items in respect of which cash was received in a prior period (other than accrual of revenue in the ordinary course of business);
- (iii) the amount (which may be negative) equal to net income (loss) of Persons not constituting Subsidiaries (determined ratably based on the ownership percentage in such Persons);
- (iv) the amount (which may be negative) equal to net income of any coinvestment made by individual partners and employees in Fund Entities and otherwise included in Net Income;
- (v) the amount of any clawbacks of realized performance revenues actually paid during such period;
- (vi) the sum of (A) net unrealized performance revenues and (B) net unrealized principal investment income, in each case, for such period; and

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(vii) the sum of (A) an amount equal to 50% of net realized performance revenues and (B) an amount equal to 50% of net realized principal investment income, in each case, for such period;

in each case determined on a consolidated basis for the Obligors and their Consolidated Subsidiaries without duplication in accordance with GAAP; *provided that*, in determining EBITDA for any period, not more than 30% of EBITDA for such period shall be attributable to, or generated by, CLO Management Subsidiaries and Broker-Dealer Subsidiaries in the aggregate.

For purposes of calculating EBITDA, for any Reference Period, if at any time during such Reference Period (and after the Amendment Effective Date) any of the Obligors and their Consolidated Subsidiaries shall have made any New Acquisition or any New Disposition, the EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such New Acquisition or such New Disposition occurred on the first day of such Reference Period. For purposes of this definition, whenever pro forma effect is to be given to a transaction, the pro forma calculation shall be made in good faith by a Responsible Officer.

“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 delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible New Lender” means any Person that meets the requirements to be an assignee under Section 10.04(b) (subject to such consents, if any, as may be required under Section 10.04(b)(iii)).

“Employee Loan Indebtedness” means any guarantee of Indebtedness by any Obligor under employee loan programs implemented by any Obligor or its Subsidiaries.

“Environmental Laws” means any and all applicable laws, rules, orders, regulations, statutes, ordinances, codes or decrees of any international authority, foreign government, the United States of America, or any state, provincial, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, as has been, is now, or at any time hereafter is, in effect.

“Environmental Liability” means any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses (including reasonable fees and expenses of attorneys and consultants) or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” means the Employee Retirement Income Security Act of 1974.

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“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with any Obligor, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of a failure to satisfy the minimum funding standard (as defined in Section 412(a) of the Code or Section 302(a)(2) of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Obligor or any of its Subsidiaries of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Obligor or any of its Subsidiaries from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by any Obligor or any of its Subsidiaries of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by any Obligor or any of its Subsidiaries of any notice, or the receipt by any Multiemployer Plan from any Obligor or any of its Subsidiaries of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA.

“Erroneous Payment” has the meaning assigned to such term in Section 10.17(a).

“Erroneous Payment Impacted Class” has the meaning assigned to such term in Section 10.17(d).

“Erroneous Payment Deficiency Assignment” has the meaning assigned to such term in Section 10.17(d).

“Erroneous Payment Return Deficiency” has the meaning assigned to such term in Section 10.17(d).

“Erroneous Payment Subrogation Rights” has the meaning assigned to it in Section 10.17(e).

“ESG Amendment” has the meaning assigned to such term in Section 2.25(a).

“ESG Pricing Provisions” has the meaning assigned to such term in Section 2.25(b).

“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.

“EURIBOR Rate” means, with respect to any Borrowing denominated in Euros and for any Interest Period, the EURIBOR Screen Rate, two Target Days prior to the commencement of such Interest Period.

“EURIBOR Screen Rate” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as published at approximately 11:00 a.m. Brussels time two Target Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers.

“Euros” has the meaning assigned to such term in Section 10.12(a).

“Event of Default” has the meaning assigned to such term in Article VIII.

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“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Excess Funding Guarantor” has the meaning assigned to such term in Section 3.07.

“Excess Payment” has the meaning assigned to such term in Section 3.07.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Revolving Credit Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Revolving Credit Commitment (other than pursuant to an assignment request by the Borrowers under Section 2.18(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Sections 2.16(e)-(f) and (d) any withholding Taxes imposed under FATCA.

“Existing Credit Agreement” has the meaning assigned to such term in the preamble hereto.

“Existing Letter of Credit” means a Letter of Credit (as defined in the Existing Credit Agreement) issued under the Existing Credit Agreement and outstanding immediately prior to the Amendment Effective Date.

“Existing Revolving Credit Loans” means a “Revolving Credit Loan” under (and as defined in) the Existing Credit Agreement and outstanding immediately prior to the Amendment Effective Date.

“Facility” means each of (a) the Incremental Term Facility and (b) the Revolving Credit Facility.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future United States Treasury regulations promulgated thereunder and published guidance with respect thereto, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any applicable intergovernmental agreements with respect thereto, including any laws, regulations, guidance or practices governing any such intergovernmental agreement.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository 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 (or, if such rate is no longer available, a successor rate reasonably determined by the Administrative Agent after consultation with the Borrowers), *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.

“Foreign Currency” means, at any time, any Currency other than Dollars.

“Foreign Currency Equivalent” means, with respect to any amount in Dollars, the amount of any Foreign Currency that could be purchased with such amount of Dollars using the reciprocal of the foreign exchange rate(s) specified in the definition of the term “Dollar Equivalent”, as determined by the Administrative Agent.

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“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than the United States of America. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Fund Entity” means any investment fund or managed account (and related special purpose co-investment vehicles) established (or acquired) directly or indirectly by the Obligors to make investments in (a) portfolio companies thereof, (b) real estate and real estate oriented investments and (c) loans, “high yield” debt securities, derivative financial instruments, structured finance securities, hedge agreements and/or similar securities, instruments and arrangements and equity interests.

“GAAP” means generally accepted accounting principles in the United States of America.

“General Partner” means Carlyle Group Management, L.L.C., a Delaware limited liability company, or any successor entity thereto that is Controlled by the Global Partners.

“Global Partners” means any natural person who hold Equity Interests in Carlyle Holdings I L.P., Carlyle Holdings II L.L.C. and/or Carlyle Holdings III L.P., in each case, or any Parent thereof, and is a senior partner-level member of management of the Obligors.

“Governmental Authority” means the government of the United States of America, the Cayman Islands or any other nation, or any political subdivision thereof, whether provincial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity (including any federal or other association of or with which any such province, state or nation may be a member or associated) exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), including, with regard to any Broker-Dealer Subsidiary, any self-regulatory organization or body with supervisory, regulatory or other authority over such Broker-Dealer Subsidiary.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guarantee issued to support such Indebtedness or obligation; *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee by any guaranteeing Person shall be deemed to be such Person’s maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Hedging Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

“Holder” means, collectively, the Administrative Agent, the Issuing Banks and the Lenders and any holder of the obligations described the definition of “Obligations”.

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“Increased Revolving Credit Facility Amendment Agreement” has the meaning assigned to such term in Section 2.22.

“Incremental Term Facility” has the meaning assigned to such term in Section 2.21.

“Incremental Term Lender” means a Lender with an outstanding Incremental Term Loan.

“Incremental Term Loan” means a Loan made or deemed made pursuant to Section 2.21.

“Incremental Term Loan Amendment Agreement” has the meaning assigned to such term in Section 2.21.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (i) accounts payable incurred in the ordinary course of business and (ii) any unsecured earn-out obligation or other contingent obligation incurred as consideration for an acquisition until (x) such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP or (y) the liability on account of any such obligation becomes fixed), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed (with the value of such Indebtedness being equal to the lesser of the value of the property subject to such Lien and the amount of such Indebtedness), (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guarantee and (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Taxes” means (a) 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 Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Initial Borrower” and “Initial Borrowers” has the meaning assigned to such terms in the preamble hereto.

“Interest Election Request” means a request by the Borrowers to convert or continue a Borrowing in accordance with Section 2.06.

“Interest Payment Date” means (a) with respect to any ABR Loan or RFR Loan, each Quarterly Date and (b) with respect to any Term Benchmark Loan, the last day of each Interest Period therefor and, in the case of any Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at three-month intervals after the first day of such Interest Period.

“Interest Period” means, for any Term Benchmark Loan or Borrowing, the period commencing on the date of such Term Benchmark Loan or Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency); *provided* that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Term Benchmark Loan initially shall be the date on

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which such Term Benchmark Loan is made and thereafter shall be the effective date of the most recent conversion or continuation of such Term Benchmark Loan.

“Investment” means, for any Person, (a) the acquisition (whether for cash, property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person; (b) the making of any advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person), but excluding any such advance, loan or extension of credit arising in connection with the sale of inventory, supplies or services by such Person in the ordinary course of business; (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person; or (d) the entering into of any Hedging Agreement.

“Issuing Bank” means (i) each Lead Arranger and any Affiliate thereof and (ii) any Lender appointed by the Borrowers and reasonably acceptable to the Administrative Agent that shall have agreed to be an Issuing Bank, in each case, in its capacity as an issuer of Letters of Credit hereunder, and their successors in such capacity as provided in Section 2.04(j). An Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. The commitments of each Issuing Bank to provide Letters of Credit as of the Amendment Effective Date are as set forth on Schedule 1.

“Japanese Yen” or “¥” refers to the lawful currency of Japan.

“LC Disbursement” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrowers at such time (calculated, in the case of Letters of Credit and LC Disbursements denominated in currencies other than Dollars, by reference to the Dollar Equivalent thereof at such time). The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“Lead Arrangers” means, collectively, Citibank, JPMorgan Chase Bank, N.A., Credit Suisse Loan Funding LLC, BofA Securities, Inc. and Wells Fargo Securities, LLC.

“Lenders” means the Persons listed on the Commitment Schedule, and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, an Incremental Term Loan Amendment Agreement or Increased Revolving Credit Facility Amendment Agreement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement.

“Letter of Credit Commitment” means, with respect to each Issuing Bank, the commitment, if any, of such Issuing Bank to issue, at any time and from time to time during the Revolving Credit Availability Period, Letters of Credit denominated in Dollars or any Agreed Foreign Currency for the account of a Borrower or a Subsidiary of a Borrower in such form as is acceptable to such Issuing Bank in its reasonable determination. The initial aggregate amount of the Issuing Banks’ Letter of Credit Commitments as of the Amendment Effective Date is \$150,000,000.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

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“Loan Documents” means, collectively, this Agreement, any promissory note issued pursuant to Section 2.08(g), the Subsidiary Guarantee Agreement and any amendments or supplements or joinders to any Loan Document entered into from time to time.

“Loans” means the loans made and deemed made by the Lenders to the Borrowers pursuant to this Agreement.

“Local Time” means, with respect to any Loan denominated in or any payment to be made in any Currency, the local time in the Principal Financial Center for the Currency in which such Loan is denominated or such payment is to be made.

“Management Fee Agreement” means any agreement governing the payment of, or any interest of any Credit Party or any of its Subsidiaries in, any Management Fees, including the limited partnership and other organizational agreements of each Fund Entity.

“Management Fee Earning Assets Amount” means, on any Quarterly Date, the aggregate amount, without duplication, of (a) capital commitments to the applicable Fund Entity, (b) invested capital of the applicable Fund Entity, or (c) total assets of the applicable Fund Entity, in each case, to the extent used as the basis for calculating Management Fees for such Fund Entity on the applicable Quarterly Date; *provided* that for purposes of the foregoing determination, (i) only Fund Entities with respect to which any Management Fees shall have been paid, directly or indirectly, to the Obligors during the four-quarter period ending on such Quarterly Date shall be included, (ii) any Fund Entity owned or managed by a Non-Controlled Acquired Entity shall be excluded, (iii) any Fund Entity that is a CLO or owned or managed by a CLO Management Subsidiary shall in each case be excluded and (iv) any Fund Entity owned or managed by a Broker-Dealer Subsidiary shall in each case be excluded.

“Management Fees” means (i) any and all management fees and other fees (excluding incentive or performance fees dependent on investment performance or results) for management services (whether pursuant to a Management Fee Agreement or otherwise) and any and all distributions received by any Obligor or any Subsidiary thereof the source of which is Management Fees, (ii) any and all “Management Fees” pursuant to any Management Fee Agreement, (iii) any and all payments with respect to any Priority Profit Share (as defined in the Management Fee Agreements of Carlyle Europe Partners II, L.P. and Carlyle Europe Partners III, L.P. or any other Fund Entity the Management Fee Agreement of which is governed by the law of England), or the equivalent in any non-U.S. jurisdiction, and (iv) any and all payments received which are treated as a credit or offset or otherwise reduce such fees, and shall in any event include the “management fees” reported on the Obligors’ consolidated financial statements prepared in accordance with GAAP. For the avoidance of doubt, it is understood that a Priority Profit Share, and any payments with respect thereto, constitute “Management Fees” under clauses (i), (ii) and (iv) of this definition.

“Margin Stock” means “margin stock” within the meaning of Regulations T, U and X of the Board.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial condition, operations or properties of the Credit Parties, taken as a whole, (b) the ability of the Credit Parties, taken as a whole, to perform their respective payment or other material obligations under the Loan Documents or (c) the material rights of or benefits available to the Administrative Agent, the Issuing Banks or the Lenders under this Agreement and the other Loan Documents, in each case taken as a whole.

“Material Indebtedness” means Indebtedness of the type described in clauses (a), (b), (g) and (h) of the definition of “Indebtedness” and any Guarantees of such Indebtedness (other than the Loans and Letters of Credit) of any one or more Credit Parties and its Material Subsidiaries in an aggregate principal amount exceeding \$50,000,000.

“Material Subsidiary” means, on any date, any Subsidiary of any of the Obligors that has had more than 5% of the revenue of the Obligors and their Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) as reflected on the most recent financial statements delivered pursuant to Section 6.01 prior to such date; *provided* that, if at any time the revenue (determined on a consolidated basis without duplication in accordance with GAAP) of all

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Subsidiaries of the Obligors which would otherwise not be Material Subsidiaries as provided above exceeds 7% of the revenue of the Obligors and their Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) at such time, then the 5% referred to above in this definition shall be automatically reduced to the extent necessary such that, after giving effect to such reduction, the revenue (determined on a consolidated basis without duplication in accordance with GAAP) of all Subsidiaries of the Obligors which are not Material Subsidiaries does not exceed 7% of the revenue of the Obligors and their Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) at such time.

“Maturity Date” means April 29, 2027; *provided* that if such date is not a Business Day, the Maturity Date shall be the immediately preceding Business Day.

“Moody’s” means Moody’s Investors Service, Inc. or any successor to the rating agency business thereof.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Negotiation Period” has the meaning assigned to such term in Section 2.13.

“Net Cash Proceeds” means, with respect to any issuance or any sale of Equity Interests, the cash proceeds received from such issuance or sale, net of attorneys’ fees, investment banking fees, accountants’ fees, consulting fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

“Net Income” means, for any period, (a) the net income (or loss) of the Obligors and their Consolidated Subsidiaries for such period determined on a consolidated basis without duplication in accordance with GAAP minus, to the extent included in such net income (or loss), (b) the net income of any Consolidated Subsidiary of any Obligor to the extent that the declaration or payment of dividends or similar distributions by that Consolidated Subsidiary of that net income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Consolidated Subsidiary.

“New Acquisition” means any acquisition of property or series of related acquisitions of property that involves the payment of consideration by any Obligor or any of its Subsidiaries in excess of \$25,000,000;

“New Disposition” means, with respect to any property or asset, any sale, lease, sale and leaseback, assignment, conveyance, transfer or disposition thereof that yields gross proceeds to any Obligor or any of its Subsidiaries in excess of \$25,000,000.

“Non-Consent Event” means (a) any Payment Default that shall have continued unremedied for a period of the lesser of (i) 30 days after notice thereof to the Borrowers from the Administrative Agent or any Lender or (ii) 60 days, and (b) any Bankruptcy Event of Default.

“Non-Controlled Acquired Entity” means an Acquired Entity that is not Controlled by any Obligor or any of its Subsidiaries.

“Non-Defaulting Lender” means any Lender that is not a Defaulting Lender.

“Non-Guarantor Subsidiary” means any Subsidiary (other than an Obligor) of any Obligor that is not a Subsidiary Guarantor.

“NYFRB” means the Federal Reserve Bank of New York.

“NYUCC” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Obligations” means, collectively, the obligations of the Borrowers to pay when due the principal of and interest on the Loans made by the Lenders to the Borrowers and all fees, indemnification

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payments and other amounts whatsoever, whether direct or indirect, absolute or contingent, now or hereafter from time to time owing to any Holder by the Borrowers under this Agreement and any other Loan Document and from time to time owing to any Holder by any Credit Party under any of the Loan Documents (including any and all amounts in respect of Letters of Credit), and all other obligations of the Credit Parties under the Loan Documents.

“Obligors” means, collectively, the Borrowers and the Parent Guarantors.

“Other Connection Taxes” means, with respect to any Administrative Agent or Lender, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient 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 Loan Documents, or sold or assigned an interest in any Letter of Credit or Loan Document).

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.18).

“Parent” means any direct or indirect parent of any Credit Party.

“Parent Guarantor” means TC Group L.L.C., Carlyle Holdings I L.P., Carlyle Holdings II L.L.C., Carlyle Holdings III L.P., Carlyle Finance Subsidiary L.L.C. and each other Person that becomes a Parent Guarantor hereunder pursuant to Section 2.24(a).

“Parent Guarantor Joinder Agreement” means the Parent Guarantor Joinder Agreement substantially in the form of Exhibit I.

“Participant” means any Person to whom a participation is sold as permitted by Section 10.04(d).

“Participant Register” has the meaning assigned to such term in Section 10.04(d).

“Patriot Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Payment Default” means any Default described under Sections 8.01(a) or (b).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Periodic Term SOFR Determination Day” has the meaning specified in the definition of “Term SOFR”.

“Permitted Encumbrances” means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 6.04;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 6.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

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(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VIII; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Obligors or any of their respective Subsidiaries.

“Permitted Investments” means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within two years from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of one year or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof having combined capital and surplus of not less than \$250,000,000; (c) commercial paper of an issuer rated at least A-2 by S&P or P-2 by Moody’s, or carrying an equivalent rating by a nationally recognized rating agency if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within one year from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of two years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A-2 by Moody’s; (f) securities with maturities of two years or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; and (g) money market funds that (i) purport to comply generally with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940 and (ii) are rated AAA by S&P or Aaa by Moody’s or carrying an equivalent rating by a nationally recognized rating agency and shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of any of clauses (a) through (f) of this definition.

“Permitted Investors” means (a) any Person who is a founder, an officer or otherwise a member of the management team of any Obligor on the Amendment Effective Date (including Daniel A. D’Aniello, William E. Conway, Jr. and David M. Rubenstein), (b) any Person that (A) is a natural person, (B) directly or indirectly holds Equity Interests in any Obligor (or any Parent thereof) and (C) is an officer or otherwise a member of the management team or a partner-level personnel of any Obligor (or any Parent thereof), (c) any trust or other personal planning vehicle formed by any Person described in clauses (a) through (b) above that directly or indirectly owns Equity Interests in any of the Obligors or any Parent thereof and (d) any Person, all or substantially all of whose Equity Interests are owned or Controlled by Persons described in clauses (a) through (c) hereof or any group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the Amendment Effective Date) consisting of such Persons.

“Permitted Jurisdiction” means any state of the United States of America, any province or territory of Canada, the Cayman Islands and Scotland.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is sponsored, maintained or contributed to by any Obligor or any of its ERISA Affiliates.

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“Prime Rate” means the rate of interest announced publicly by Citibank as its prime rate in effect at its principal office in New York City.

“Principal Financial Center” means, in the case of any Currency, the principal financial center where such Currency is cleared and settled, as determined by the Administrative Agent.

“Pro Forma Compliance” means with respect to any event or transaction, including any Restructuring Transaction (each a “Relevant Transaction”; the consummation date of such Relevant Transaction being the “Relevant Transaction Consummation Date”), the Obligor shall be in compliance with (a) Section 7.08, which compliance shall be determined as of such Relevant Transaction Consummation Date immediately after giving effect to such Relevant Transaction and as if each reference therein to “Quarterly Date” were instead a reference to such Relevant Transaction Consummation Date; and (b) Section 7.10, which compliance shall be determined as of such Relevant Transaction Consummation Date immediately after giving effect to the incurrence, assumption and/or repayment of Indebtedness in connection with such Relevant Transaction and as if the reference therein to “last day of any fiscal quarter” was instead a reference to such Relevant Transaction Consummation Date.

“Pro Rata Share” has the meaning assigned to such term in Section 3.07.

“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.

“Quarterly Dates” means the last Business Day of March, June, September and December in each year.

“Rating” means the rating that has been most recently announced by S&P (or, in the case of a private “Rating” by S&P, most recently notified by S&P to the Obligors or any Holder) for the long term counterparty credit rating of each Obligor.

“Recipient” means (a) the Administrative Agent, (b) any Lender or (c) any Issuing Bank, as applicable.

“Reference Period” means any period of four consecutive fiscal quarters.

“Register” has the meaning assigned to such term in Section 10.04(c).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Relevant Rate” means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the Adjusted EURIBOR Rate, (iii) with respect to any Loan denominated in Japanese Yen, the applicable Adjusted Daily Simple RFR or (iv) with respect to any Loan denominated in Sterling, the applicable Adjusted Daily Simple RFR.

“Relevant Transaction” has the meaning assigned to such term in the definition of “Pro Forma Compliance”.

“Relevant Transaction Consummation Date” has the meaning assigned to such term in the definition of “Pro Forma Compliance”.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures, unused Revolving Credit Commitments and outstanding Incremental Term Loans representing more than 50% of the sum of the total Revolving Credit Exposures, unused Revolving Credit Commitments and outstanding Incremental Term Loans at such time.

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“Requirement of Law” means, with respect to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means, with respect to any Person, the chief executive officer, president, chief financial officer (or similar title), chief operating officer, managing director, chief accounting officer, controller, treasurer (or similar title) or vice president (or similar title) of such Person, and, with respect to financial matters, the chief financial officer (or similar title), controller or treasurer (or similar title) of such Person.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of any Obligor or any of its Subsidiaries (other than dividends and distributions on Equity Interests payable solely by the issuance of additional shares of Equity Interests of the Person paying such dividends or distributions), or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or any option, warrant or other right to acquire any such Equity Interests.

“Restructuring Transaction” has the meaning assigned to such term in Section 7.03(d).

“Revolving Credit Availability Period” means the period from and including the Amendment Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Credit Commitments.

“Revolving Credit Borrowing” means any Borrowing comprised of Loans made pursuant to Section 2.01(a).

“Revolving Credit Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Credit Loans and to acquire participations in Letters of Credit hereunder, expressed as a Dollar amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (i) reduced from time to time pursuant to Section 2.07, (ii) increased from time to time pursuant to Section 2.22 and (iii) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The initial amount of each Lender’s Revolving Credit Commitment as of the Amendment Effective Date is set forth on the Commitment Schedule, or, in the case of a Lender that assumes a Revolving Credit Commitment after the Amendment Effective Date, in the Assignment and Assumption pursuant to which such Lender shall have assumed such Revolving Credit Commitment. The initial aggregate amount of the Lenders’ Revolving Credit Commitments as of the Amendment Effective Date is \$1,000,000,000.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Credit Loans and its LC Exposure at such time.

“Revolving Credit Facility” means, at any time, the aggregate amount of the Revolving Credit Lenders’ Revolving Credit Commitments at such time.

“Revolving Credit Increase Effective Date” has the meaning assigned to such term in Section 2.22.

“Revolving Credit Lender” means a Lender with a Revolving Credit Commitment or, if the Revolving Credit Commitments have terminated or expired, a Lender with Revolving Credit Exposure.

“Revolving Credit Loan” means a Loan made pursuant to Section 2.01(a).

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“RFR” means, for any Loans, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Sterling, SONIA and (b) Japanese Yen, TONAR.

“RFR Borrowing” means, as to any Borrowing, the RFR Loans comprising such Borrowing.

“RFR Business Day” means, for any Loans, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London or (b) Japanese Yen, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in Japan; *provided* that for purposes of notice requirements herein, such day is also a Business Day.

“RFR Loan” means a Loan that bears interest at a rate based on Adjusted Daily Simple RFR.

“RFR Rate Day” has the meaning specified in the definition of “Adjusted Daily Simple RFR”.

“S&P” means Standard & Poor’s Ratings Group, Inc., or any successor to the rating agency business thereof.

“Sanctions” means 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, Canada or Her Majesty’s Treasury of the United Kingdom.

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of comprehensive country- or territory-wide Sanctions (as of the date of the Amendment Effective Date, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, and the so-called Donetsk People’s Republic and Luhansk People’s Republic regions of Ukraine).

“Sanctioned Person” means, at any time, (a) any Person listed in the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, and any Person listed in any other Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person(s) described in the foregoing clauses.

“SEC” means the United States Securities and Exchange Commission.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SLL Principles” has the meaning assigned to such term in Section 2.25(b).

“Solvent” means, with respect to any Person, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, (ii) “claim” means

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any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable law, the amount of “contingent liabilities” at any time shall be the amount thereof which, in light of all the facts and circumstances existing at such time, can reasonably be expected to become actual or matured liabilities.

“SONIA” means a rate equal to the Sterling Overnight Index Average as administered by the SONIA Administrator.

“SONIA Adjustment” means a percentage equal to 0.1193% (11.93 basis points) per annum.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency, or supplemental reserves) established by the Federal Reserve Board to which the Administrative Agent is subject with respect to the Adjusted EURIBOR Rate for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Federal Reserve Board). Such reserve percentages shall include those imposed pursuant to such Regulation D of the Federal Reserve Board. Term Benchmark Loans denominated in Euros shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D of the Federal Reserve Board or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling” or “£” refers to the lawful currency of the United Kingdom.

“Subject Parties” means, collectively, the Credit Parties and the Material Subsidiaries.

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent, *provided* that “Subsidiary” shall not include any Fund Entity and any Subsidiary of any Fund Entity and “Subsidiary” shall not in any event include UrbPlan.

“Subsidiary Guarantee Agreement” means the Amended and Restated Subsidiary Guarantee Agreement dated as of April 29, 2022, among each of the Subsidiary Guarantors and the Administrative Agent.

“Subsidiary Guarantee Joinder Agreement” means the Subsidiary Guarantor Joinder Agreement substantially in the form of Exhibit A to the Subsidiary Guarantee Agreement.

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“Subsidiary Guarantor” means each Person that becomes a party to the Subsidiary Guarantee Agreement pursuant to Section 2.24(b). The Subsidiary Guarantors as of the Amendment Effective Date are set forth in Schedule 2.

“Sustainability Assurance Provider” has the meaning assigned to such term in Section 2.25(b).

“Sustainability Coordinator” means BofA Securities, Inc, as sustainability coordinator in respect of the credit facility established hereunder.

“Sustainability Targets” means specified key performance indicators with respect to certain environmental, social and governance targets of the Obligors and their Subsidiaries, which shall be confirmed by the Borrowers as being consistent with the SLL Principles.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“Target Day” means any day on which TARGET2 is open for the settlement of payments in Euros.

“Tax Agreement Form” has the meaning assigned to such term in Section 7.06(c).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term”, when used in reference to any Loan or Borrowing, refers to whether the Class of such Loan or Borrowing is Term, as opposed to Revolving Credit.

“Term Benchmark” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate.

“Term SOFR” means, for any calculations with respect to any Term Benchmark Loan denominated in Dollars, 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 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* 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.

“Term SOFR Adjustment” means a percentage equal to 0.10% per annum.

“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).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“TONAR” means a rate equal to the Tokyo Overnight Average Rate as administered by the TONAR Administrator.

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“TONAR Adjustment” means a percentage equal to 0.00835% (0.835 basis points) per annum.

“TONAR Administrator” means the Bank of Japan (or any successor administrator of the Tokyo Overnight Average Rate).

“TONAR Administrator’s Website” means the Bank of Japan’s website, currently at <http://www.boj.or.jp>, or any successor source for the Tokyo Overnight Average Rate identified as such by the TONAR Administrator from time to time.

“Total Indebtedness” means, at any time, the aggregate outstanding amount of (i) Indebtedness of the type described in clauses (a), (b), (g), (h) and (i) of the definition of “Indebtedness”, and any Guarantees of such Indebtedness and (ii) all obligations in respect of any earn-out obligation or other contingent obligation that becomes a liability on the balance sheet of such Person in accordance with GAAP or becomes fixed, and any Guarantees of such obligations, in each case of the Obligor and their Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) at such time, excluding (A) any Indebtedness of a CLO Management Subsidiary incurred pursuant to and in accordance with Section 7.01(o) and (B) any Indebtedness of a Broker-Dealer Subsidiary incurred pursuant to and in accordance with Section 7.01(p). Notwithstanding the last sentence of the definition of “Guarantee”, for purposes of determining the aggregate outstanding amount of any Indebtedness contemplated by this definition, the amount of any Guarantee shall be deemed to equal the aggregate outstanding principal amount of the Indebtedness that is guaranteed by such Guarantee.

“Total Indebtedness Ratio” means, at any time, the ratio of (a) the sum of (i) Total Indebtedness at such time minus (ii) the aggregate amount of Unrestricted Cash of the Obligor and their Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) at such time to (b) EBITDA for the period of four consecutive fiscal quarters ending at such time or the most recently ended prior to such time.

“Transactions” means the execution, delivery and performance by each Credit Party of this Agreement and the other Loan Documents to which such Obligor is a party, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, Adjusted EURIBOR Rate, Adjusted Daily Simple RFR or the Alternate Base Rate.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“Unrestricted Cash” means the aggregate amount of cash held in bank accounts of the Obligor and their Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) to the extent that the use of such cash for application to payment of the Obligations or other Indebtedness is not prohibited by law or any written contractual agreement (including, with respect to cash held in a bank account of any Consolidated Subsidiary of an Obligor, that such Consolidated Subsidiary is not subject to any restriction on its ability to distribute such cash to the Obligor), and such cash and cash equivalents are free and clear of all Liens (other than any statutory

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Liens in favor of banks (including rights of set-off)); *provided* that Unrestricted Cash shall not include any cash of any CLO Management Subsidiary or Broker-Dealer Subsidiary.

“UrbPlan” means SCPL Brazil Real Estate I Fundo de Investimento em Participacoes and its Subsidiaries, including Carlyle SDU Participacoes S.A., UrbPlan Desenvolvimento Urbano S.A. and their respective Subsidiaries.

“U.S. Lender” has the meaning assigned to such term in Section 2.16(f).

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Withholding Agent” means any Obligor or the Administrative Agent.

“Write-Down and Conversion Powers” means, (a) 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, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein 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), (b) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) 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. References to any Cayman Islands exempted limited partnership taking any action or holding any property shall be deemed to be references to such Person taking such action or holding such property, as applicable, through and by its general partner (or, as the case may be, such general partners’ ultimate general partner).

SECTION 1.03 Accounting Terms; GAAP.

(a) Subject to paragraphs (b) and (c) of this Section, and 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 the Borrowers notify the Administrative Agent that the Borrowers request an amendment to any provision hereof to eliminate the effect of any change occurring after the Amendment Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrowers that the Required 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.

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(b) All measurements or calculations of Indebtedness used in determining compliance with any covenant, condition or agreement contained in Article VII shall be made excluding the effect of Financial Accounting Standard No. 159.

(c) The definition of Capital Lease Obligations shall be determined in accordance with GAAP as in effect on the Amendment Effective Date.

SECTION 1.04 Currencies; Currency Equivalents. At any time, any reference in the definition of the term “Agreed Foreign Currency” or in any other provision of this Agreement to the Currency of any particular nation means the lawful currency of such nation at such time whether or not the name of such Currency is the same as it was on the Amendment Effective Date. Except as provided in Section 2.09(b) and the last sentence of Section 2.17(a), for purposes of determining (i) whether the amount of any Borrowing or Letter of Credit, together with all other Borrowings and Letters of Credit then outstanding or to be borrowed at the same time as such Borrowing, would exceed the aggregate amount of the Revolving Credit Commitments, (ii) the aggregate unutilized amount of the Revolving Credit Commitments and (iii) the outstanding aggregate principal amount of Borrowings and LC Exposure, the outstanding principal amount of any Borrowing or Letter of Credit that is denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount of the Foreign Currency of such Borrowing or Letter of Credit determined as of the date of such Borrowing (determined in accordance with the last sentence of the definition of the term “Interest Period”) or Letter of Credit. Wherever in this Agreement in connection with a Borrowing, Loan or Letter of Credit an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Loan or Letter of Credit is denominated in a Foreign Currency, such amount shall be the relevant Foreign Currency Equivalent of such Dollar amount (rounded to the nearest 1,000 units of such Foreign Currency).

SECTION 1.05 Divisions. For all purposes under the Loan 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 capital stock 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 (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Alternate Base Rate, the Adjusted Daily Simple RFR, the Adjusted EURIBOR Rate, the EURIBOR Rate, the Adjusted Term SOFR Rate, 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 Alternate Base Rate, the Adjusted Daily Simple RFR, the Adjusted EURIBOR Rate, the EURIBOR Rate, the Adjusted Term SOFR Rate, the Term SOFR Reference Rate or 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 that affect the calculation of the Alternate Base Rate, the Adjusted Daily Simple RFR, the Adjusted EURIBOR Rate, the EURIBOR Rate, the Adjusted Term SOFR Rate, the Term SOFR Reference Rate or 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 Alternate Base Rate, the Adjusted Daily Simple RFR, the Adjusted EURIBOR Rate, the EURIBOR Rate, the Adjusted Term SOFR Rate, the Term SOFR Reference Rate or Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, 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.

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SECTION 1.07 Effect of Amendment and Restatement. On the Amendment Effective Date, the Existing Credit Agreement shall be amended and restated in its entirety in the form hereof.

ARTICLE II
THE CREDITS

SECTION 2.01 Revolving Credit Loans.

(a) Revolving Credit Loans. Subject to the terms and conditions set forth herein, each Revolving Credit Lender agrees to make Revolving Credit Loans in Dollars or in any Agreed Foreign Currency to the Borrowers from time to time during the Revolving Credit Availability Period in an aggregate principal amount that will not result in (i) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment or (ii) the total Revolving Credit Exposures exceeding the total Revolving Credit Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Credit Loans.

If any Existing Revolving Credit Loans or Existing Letters of Credit shall be outstanding immediately prior to the Amendment Effective Date, the Borrowers shall borrow Revolving Credit Loans from the Revolving Credit Lenders, and the Revolving Credit Lenders shall make Revolving Credit Loans to the Borrowers (in the case of Eurocurrency Revolving Credit Loans, with Interest Periods commencing on the Amendment Effective Date and ending on the date as shall have been previously notified to the Lenders in connection therewith) and shall be deemed to have acquired participations in any Existing Letters of Credit, in each case on the Amendment Effective Date, so that after giving effect to such Revolving Credit Loans and purchases, the Revolving Credit Loans and LC Exposure in respect of all outstanding Letters of Credit shall be held by the Revolving Credit Lenders ratably in accordance with the respective amounts of their Revolving Credit Commitments as of the Amendment Effective Date as set forth on Schedule 1. To effect the foregoing payments, the related transfers of funds shall be netted to the extent necessary to minimize the actual flows of funds between the relevant parties.

SECTION 2.02 Loans and Borrowings.

(a) Obligations of Lenders. Each Revolving Credit Loan shall be made as part of a Borrowing consisting of Revolving Credit Loans of the same Type and Currency made by the Revolving Credit Lenders ratably in accordance with their respective Revolving Credit Commitments. The failure of any Revolving Credit Lender to make any Revolving Credit Loan required to be made by it shall not relieve any other Revolving Credit Lender of its obligations hereunder; *provided* that the Revolving Credit Commitments of the Revolving Credit Lenders are several and no Revolving Credit Lender shall be responsible for any other Revolving Credit Lender's failure to make Revolving Credit Loans as required.

(b) Type of Loans. Subject to Section 2.12, each Borrowing shall be comprised entirely of ABR Loans, Term Benchmark Loans or RFR Loans denominated in a single Currency as the Borrowers may request in accordance herewith. Each ABR Loan shall be denominated in Dollars. Each Revolving Credit Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Revolving Credit Lender to make such Revolving Credit Loan; *provided* that any exercise of such option shall not affect the obligation of the Borrowers to repay such Revolving Credit Loan in accordance with the terms of this Agreement.

(c) Minimum Amounts; Limitation on Number of Borrowings. Each Term Benchmark Borrowing or RFR Borrowing shall be in an aggregate amount of \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof. Each ABR Borrowing shall be in an aggregate amount equal to \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; *provided* that a Revolving Credit ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Credit Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(f). Borrowings of more than one Class, Type and Currency may be outstanding at the same time; *provided* that there shall not at any time be more than a total of fourteen Term Benchmark Borrowings or RFR Borrowings outstanding.

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(d) Limitations on Interest Periods. Notwithstanding any other provision of this Agreement, the Borrowers shall not be entitled to request (or to elect to convert to or continue as a Term Benchmark Borrowing):

- (i) any Revolving Credit Borrowing if the Interest Period requested therefor would end after the Maturity Date; or
- (ii) any Term Borrowing if the Interest Period requested therefor would end after the maturity date applicable thereto.

SECTION 2.03 Requests for Borrowings.

(a) Notice by the Borrowers. To request a Borrowing, the Borrowers shall notify the Administrative Agent of such request by telephone (i) in the case of a Term Benchmark Borrowing denominated in Dollars, not later than 10:00 a.m., New York City time, two Business Days before the date of the proposed Borrowing, (ii) in the case of a Term Benchmark Borrowing denominated in a Euro, not later than 10:00 a.m., London time, four Business Days before the date of the proposed Borrowing, (iii) in the case of a RFR Borrowing denominated in a Foreign Currency, not later than 10:00 a.m., London time, five Business Days before the date of the proposed Borrowing, or (iv) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrowers.

(b) Content of Borrowing Requests. Each telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the Currency of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing, a Term Benchmark Borrowing or an RFR Borrowing;
- (iv) in the case of a Term Benchmark Borrowing, the Interest Period therefor, which shall be a period contemplated by the definition of the term "Interest Period" and permitted under Section 2.02(d);
- (v) the identity of the Borrower that is to receive the proceeds of such Borrowing; and
- (vi) the location and number of the applicable Borrower's account to which funds are to be disbursed.

(c) Notice by the Administrative Agent to the Lenders. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(d) Failure to Elect. If no election as to the Currency of a Revolving Credit Borrowing is specified, then the requested Revolving Credit Borrowing shall be denominated in Dollars. If no election as to the Type of a Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing unless (i) if such Borrowing is a Revolving Credit Borrowing as to which Euro has been specified, then in which case the requested Revolving Credit Borrower shall be a Term Benchmark Borrowing having an Interest Period of one month, and (ii) if such Borrowing is a Revolving Credit Borrowing as to which any other Agreed Foreign Currency has been specified, then in which case the requested Revolving Credit Borrowing shall be a RFR Borrowing denominated in such Agreed Foreign Currency. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, the Borrowers shall be deemed to have selected an Interest Period of one month's duration.

SECTION 2.04 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.01, the Borrowers may request any Issuing Bank to issue, at any time and from time to time during the Revolving Credit Availability Period, Letters of Credit denominated in Dollars or any Agreed Foreign Currency for the account of a Borrower or a Subsidiary of a Borrower in such form as is acceptable to such Issuing Bank in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Revolving Credit Commitments. On the Amendment Effective Date, the Existing Letters of Credit shall be deemed to be "Letters of Credit" for all purposes of this Agreement and the other Loan Documents.

(b) Notice of Issuance, Amendment, Renewal or Extension. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrowers shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the respective Issuing Bank) to an Issuing Bank selected by them with a copy to the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (d) of this Section), the amount and Currency of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the respective Issuing Bank, the Borrowers also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrowers to, or entered into by the Borrowers with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) Limitations on Amounts. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the total LC Exposures shall not exceed \$150,000,000 and (ii) the total Revolving Credit Exposures shall not exceed the total Revolving Credit Commitments. In no event shall the obligation of any Issuing Bank to issue Letters of Credit exceed its Letter of Credit Commitment (less the aggregate amount of any then outstanding Letters of Credit issued by such Issuing Bank) unless such Issuing Bank shall agree in its sole and absolute discretion.

(d) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date twelve months after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, twelve months after the then-current expiration date of such Letter of Credit) and (ii) the date that is five Business Days prior to the Maturity Date.

(e) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) by any Issuing Bank, and without any further action on the part of such Issuing Bank or the Revolving Credit Lenders, such Issuing Bank hereby grants to each Revolving Credit Lender, and each Revolving Credit Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Revolving Credit Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Revolving Credit Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Credit Commitments.

In consideration and in furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent in Dollars, for account of the respective Issuing Bank, such Revolving Credit Lender's Applicable Percentage of the Dollar Equivalent of each LC Disbursement made by an Issuing Bank promptly upon the request of such Issuing Bank at any time from the time of such LC Disbursement until such LC Disbursement is reimbursed by the Borrowers or at any time after any reimbursement payment is required to be refunded to the Borrowers for any reason. Such payment shall be made without any offset, abatement, withholding or

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reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 2.05 with respect to Revolving Credit Loans made by such Revolving Credit Lender (and Section 2.05 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Credit Lenders), and the Administrative Agent shall promptly pay to the respective Issuing Bank the amounts so received by it from the Revolving Credit Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrowers pursuant to the next following paragraph, the Administrative Agent shall distribute such payment to the respective Issuing Bank or, to the extent that the Revolving Credit Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Revolving Credit Lenders and such Issuing Bank as their interests may appear. Any payment made by a Revolving Credit Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement shall not constitute a Revolving Credit Loan and shall not relieve the Borrowers of their obligations to reimburse such LC Disbursement.

(f) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrowers shall reimburse such Issuing Bank in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to the Dollar Equivalent of such LC Disbursement not later than 12:00 noon, New York City time, on the Business Day immediately following the day that any Borrower receives such notice; *provided* that the Borrowers may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with a Revolving Credit ABR Borrowing in the Dollar Equivalent amount and, to the extent so financed, the Borrowers' obligation to make such payment shall be discharged and replaced by the resulting Revolving Credit ABR Borrowing. If the Borrowers fail to make such payment when due, the Administrative Agent shall notify each Revolving Credit Lender of the applicable LC Disbursement, the payment then due from the Borrowers in respect thereof and such Revolving Credit Lender's Applicable Percentage thereof.

(g) Obligations Absolute. The Borrowers' obligations to reimburse LC Disbursements as provided in paragraph (f) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the respective Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder, except in each case for errors or omissions resulting from the gross negligence or willful misconduct of such Issuing Bank or its employees or agents.

No Issuing Bank shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the respective Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the respective Issuing Bank, except in each case for errors or omissions resulting from the gross negligence or willful misconduct of such Issuing Bank or its employees or agents; *provided* that the foregoing shall not be construed to excuse an Issuing Bank from liability to the Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by the Borrowers that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank, any action taken or omitted by any Issuing Bank under or in connection with any Letter of Credit or the related drafts or documents, if done in accordance with the standard of care specified in the NYUCC, shall be binding on the Borrowers and shall not result in any liability of such Issuing Bank to the Borrowers.

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(h) Disbursement Procedures. The Issuing Bank for any Letter of Credit shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Such Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrowers by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligations to reimburse such Issuing Bank and the Revolving Credit Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If the Issuing Bank for any Letter of Credit shall make any LC Disbursement, then, unless the Borrowers shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrowers reimburse such LC Disbursement, at the rate per annum then applicable to ABR Loans; *provided* that, if the Borrowers fail to reimburse such LC Disbursement when due pursuant to paragraph (f) of this Section, then the rate specified in Section 2.11(d) shall apply on each such past-due day. Interest accrued pursuant to this paragraph shall be for account of such Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Credit Lender pursuant to paragraph (f) of this Section to reimburse such Issuing Bank shall be for account of such Revolving Credit Lender to the extent of such payment.

(j) Replacement of an Issuing Bank. Any Issuing Bank may be replaced at any time at the designation of the Borrowers and the consent of the successor Issuing Bank (with notice to the Administrative Agent). The Administrative Agent shall notify the Revolving Credit Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for account of the replaced Issuing Bank pursuant to Section 2.10(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include such successor or any previous Issuing Bank, or such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(k) Cash Collateralization. If either (i) the Loans shall have been accelerated pursuant to Section 8.01 (an "Acceleration Event") or (ii) the Borrowers shall be required to provide cover for LC Exposure pursuant to Section 2.09(b) or Section 2.19(d)(ii), the Borrowers shall immediately deposit into an account designated by the Administrative Agent an amount in Dollars in cash equal to, in the case of an Acceleration Event, the Dollar Equivalent of the aggregate undrawn amount of all outstanding Letters of Credit as of such date and, in the case of cover pursuant to Section 2.09(b) or Section 2.19(d)(ii), the amount required under Section 2.09(b) or Section 2.19(d)(ii), as the case may be; *provided* that, in the case of cover provided by the Borrowers pursuant to Section 2.09(b) after the Revolving Credit Commitments have expired or been terminated and after the principal of and interest on each Loan and all fees or other amounts payable hereunder shall have been paid in full, the Borrowers shall deposit into an account designated by the Administrative Agent an amount in the same currency as the currency in which the applicable outstanding Letter of Credit is denominated in cash equal to the aggregate undrawn amount of such Letter of Credit. The Borrowers shall not at any time thereafter permit the amount of such deposit to be less than (i) in the case of an Acceleration Event, the Dollar Equivalent of the aggregate undrawn amount of all outstanding Letters of Credit at such time and (ii) in the case of cover pursuant to Section 2.09(b) (other than as contemplated by the proviso in the immediately preceding sentence) or Section 2.19(d)(ii), the Dollar Equivalent of the aggregate amount required under Section 2.09(b) or Section 2.19(d)(ii), as the case may be. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrowers under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent in Permitted Investments and at the Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse each Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the

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satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, with the consent of Revolving Credit Lenders with LC Exposure representing more than 50% of the total LC Exposure, be applied to satisfy other obligations of the Borrowers under this Agreement.

(l) Existing Letters of Credit. Subject to the terms and conditions hereof, each Existing Letter of Credit that is outstanding on the Amendment Effective Date, shall, effective as of the Amendment Effective Date and without any further action by the Borrowers, be continued as a Letter of Credit hereunder and from and after the Amendment Effective Date shall be deemed a Letter of Credit for all purposes hereof and shall be subject to and governed by the terms and conditions hereof.

SECTION 2.05 Funding of Borrowings.

(a) Funding by Lenders. Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, Local Time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrowers by promptly crediting the amounts so received, in like funds, to an account of the Borrowers designated by the Borrowers in the applicable Borrowing Request; *provided* that Revolving Credit ABR Borrowings made to finance the reimbursement of an LC Disbursement as provided in Section 2.04(f) shall be remitted by the Administrative Agent to the respective Issuing Bank.

(b) Presumption by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date (or, in the case of any ABR Borrowing, prior to 10:00 a.m., New York City time, on the date such ABR Borrowing is to be made) of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, 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 and (ii) in the case of a payment to be made by the Borrowers, the interest rate applicable to ABR Loans. If the Borrowers and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrowers the amount of such interest paid by the Borrowers for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

SECTION 2.06 Interest Elections.

(a) Elections by the Borrowers. The Loans comprising each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have the Interest Period specified in such Borrowing Request. Thereafter, the Borrowers may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing as a Borrowing of the same Type and, in the case of a Term Benchmark Borrowing, may elect the Interest Period therefor, all as provided in this Section; *provided* that (i) a Borrowing denominated in one Currency may not be continued as, or converted to, a Borrowing in a different Currency, (ii) no Borrowing denominated in a Foreign Currency may be continued if, after giving effect thereto, the aggregate Revolving Credit Exposures would exceed the aggregate Revolving Credit Commitments, (iii) no Borrowing denominated in a Foreign Currency may not be converted to a Borrowing of a different Type and (iv) the Borrowers may at any time during the pendency of an Interest Period for any Term Benchmark Loan provide an Interest Election Request hereunder to select a new Interest Period for such Term Benchmark Loan, the applicable Adjusted Term SOFR Rate or Adjusted EURIBOR Rate, as applicable, for such Term Benchmark Loan to be effective on the Business Day specified in such request, which effective date shall be not less than the second Business Day following such request (and such

request shall otherwise be given in accordance with, and comply with the requirements, if applicable, of, paragraph (c) below), in which case the relevant Lenders shall be entitled to receive amounts payable under Section 2.15 as if such Lenders had received a prepayment of such Loan on such effective date.

The Borrowers may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) Notice of Elections. To make an election pursuant to this Section, the Borrowers shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrowers were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrowers.

(c) Content of Interest Election Requests. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing (in the case of Borrowings denominated in Dollars), a Term Benchmark Borrowing or an RFR Borrowing; and

(iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period therefor after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period" and permitted under Section 2.02(d).

(d) Notice by the Administrative Agent to the Lenders. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) Failure to Elect; Events of Default. If the Borrowers fail to deliver a timely and complete Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period therefor, then, unless such Term Benchmark Borrowing is repaid as provided herein, the Borrowers shall be deemed to have selected an Interest Period of one month's duration.

Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent or the Required Lenders so notifies the Borrowers, then, so long as an Event of Default is continuing (A) no outstanding Borrowing denominated in Dollars may be converted to or continued as a Term Benchmark Borrowing, (B) unless repaid, each Term Benchmark Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period therefor and (C) no outstanding Term Benchmark Borrowing denominated in a Foreign Currency may have an Interest Period of more than one month's duration.

SECTION 2.07 Termination and Reduction of the Revolving Credit Commitments.

(a) Scheduled Termination. Unless previously terminated, the Revolving Credit Commitments shall terminate on the Maturity Date.

(b) Voluntary Termination or Reduction. The Borrowers may at any time terminate, or from time to time reduce, the Revolving Credit Commitments; *provided* that (i) each partial reduction

of the Revolving Credit Commitments pursuant to this Section shall be in an amount that is \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof and (ii) the Borrowers shall not terminate or reduce the Revolving Credit Commitments if, after giving effect to any concurrent prepayment of the Revolving Credit Loans in accordance with Section 2.09, the total Revolving Credit Exposures would exceed the total Revolving Credit Commitments.

(c) Notice of Voluntary Termination or Reduction. The Borrowers shall notify the Administrative Agent of any election to terminate or reduce the Revolving Credit Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrowers pursuant to this Section shall be irrevocable; *provided* that a notice of termination of the Revolving Credit Commitments delivered by the Borrowers may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrowers (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(d) Effect of Termination or Reduction. Any termination or reduction of the Revolving Credit Commitments shall be permanent. Subject to Section 2.19(h), each reduction of the Revolving Credit Commitments shall be made ratably among the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitments.

SECTION 2.08 Repayment of Loans; Evidence of Debt.

(a) Repayment. The Borrowers hereby unconditionally promise to pay the Loans as follows:

(i) to the Administrative Agent for account of the Revolving Credit Lenders the outstanding principal amount of the Revolving Credit Loans on the Maturity Date; and

(ii) to the extent any Incremental Term Loan remains outstanding on the maturity date applicable thereto, to the Administrative Agent for account of the applicable Incremental Term Lenders the outstanding principal amount of the Incremental Term Loans on such maturity date.

(b) [Reserved]

(c) Manner of Payment. Prior to any repayment or prepayment of any Borrowings of any Class hereunder, and subject (in the case of a prepayment) to any applicable provisions of Section 2.09, the Borrowers shall select the Borrowing or Borrowings of the applicable Class to be paid and shall notify the Administrative Agent by telephone (confirmed by telecopy) of such selection not later than 10:00 a.m., New York City time, two Business Days before (or, in the case of ABR Borrowings, the same Business Day of) the scheduled date of such repayment; *provided* that each repayment of Borrowings of any Class shall be applied to repay any outstanding ABR Borrowings of such Class before any other Borrowings of such Class. If the Borrowers fail to make a timely selection of the Borrowing or Borrowings to be repaid or prepaid, such payment shall be applied, first, to pay any outstanding ABR Borrowings of the applicable Class and, second, to other Borrowings of such Class in the order of the remaining duration of their respective Interest Periods (the Borrowing with the shortest remaining Interest Period to be repaid first). Each payment of a Borrowing shall be applied ratably to the Loans included in such Borrowing.

(d) Maintenance of Records by Lenders. Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender, including the amounts and Currency of principal and interest payable and paid to such Lender from time to time hereunder.

(e) Maintenance of Records by the Administrative Agent. The Administrative Agent shall maintain records in which it shall record (i) the amount and Currency of each Loan made hereunder, the Class and Type thereof and each Interest Period therefor, (ii) the amount and Currency of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender

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hereunder and (iii) the amount and Currency of any sum received by the Administrative Agent hereunder for account of the Lenders and each Lender's share thereof.

(f) Effect of Entries. The entries made in the records maintained pursuant to paragraph (d) or (e) of this Section shall, to the extent consistent with the records in the Register, be presumptively correct evidence of the existence and amounts of the obligations recorded therein absent manifest error; *provided* that the failure of any Lender or the Administrative Agent to maintain such records or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(g) Promissory Notes. Any Lender may request that Loans of any Class made by it be evidenced by a promissory note, which promissory note shall (i) in the case of any Revolving Credit Loan be substantially in the form of Exhibit F and (ii) in the case any Incremental Term Loan, be substantially in the form of Exhibit G. In such event, the Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.09 Prepayment of Loans.

(a) Optional Prepayments. The Borrowers shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without premium or penalty, subject to the requirements of this Section. Any partial prepayment pursuant to this paragraph shall be in an amount that is \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof.

(b) Mandatory Prepayments—Revolving Credit Loans—Foreign Currency Valuations. On each Quarterly Date prior to the Maturity Date, the Administrative Agent shall determine the aggregate Revolving Credit Exposure. For the purpose of this determination, the outstanding principal amount or stated amount of any Loan or Letter of Credit that is denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount in the Foreign Currency of such Loan or Letter of Credit, determined as of such Quarterly Date. If on the date of such determination the aggregate Revolving Credit Exposure exceeds the sum of (i) 105% of the aggregate amount of the Revolving Credit Commitments as then in effect *plus* (ii) the amount then on deposit in the account contemplated by Section 2.04(k), the Administrative Agent shall promptly notify the Lenders and the Borrowers thereof and the Borrowers shall, within five Business Days after their receipt of such notice, prepay the Revolving Credit Loans (and/or provide cover for LC Exposure as specified in Section 2.04(k)) in such amounts as shall be sufficient to eliminate such excess.

(c) Notices, Etc. The Borrowers shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Term Benchmark Borrowing or RFR Borrowing, not later than 10:00 a.m., New York City time (or, in the case of a Borrowing denominated in a Foreign Currency, 11:00 a.m., London time), three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; *provided* that, if a notice of prepayment is given in connection with a conditional notice of termination of the Revolving Credit Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the relevant Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11 and all other amounts payable under this Agreement, including under Section 2.15. Amounts prepaid in respect of the Incremental Term Loans may not be reborrowed.

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SECTION 2.10 Fees.

(a) Commitment Fees. The Borrowers agree to pay to the Administrative Agent for account of each Lender a commitment fee, which shall accrue on the average daily unused amount of the Revolving Credit Commitment of such Lender during the period from and including the Amendment Effective Date to but excluding the date such Revolving Credit Commitment terminates at a rate per annum equal to the Applicable Rate. Accrued commitment fees shall be payable in arrears on each Quarterly Date and on the date the Revolving Credit Commitments terminate, commencing with the first Quarterly Date to occur after the Amendment Effective Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees with respect to the Revolving Credit Commitments, the Revolving Credit Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Credit Loans and LC Exposure of such Lender.

(b) Letter of Credit Fees. The Borrowers agree to pay (i) to the respective Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Amendment Effective Date to but excluding the later of the date of termination of the Revolving Credit Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder, and (ii) to the Administrative Agent for account of each Revolving Credit Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Amendment Effective Date to but excluding the later of the date on which such Lender's Revolving Credit Commitment terminates and the date on which such Lender ceases to have any LC Exposure at a rate per annum equal to (i) the Applicable Rate applicable to interest on Term Benchmark Loans *minus* (ii) the fronting fee referred to in clause (i) above. Participation fees and fronting fees accrued through and including each Quarterly Date shall be payable on the third Business Day following such Quarterly Date, commencing with the first Quarterly Date to occur after the Amendment Effective Date; *provided* that all such fees shall be payable on the date on which the Revolving Credit Commitments terminate and any such fees accruing after the date on which the Revolving Credit Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within 10 Business Days after receipt of a reasonably detailed written invoice therefor. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) Administrative Agent Fees. The Borrowers agree to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrowers and the Administrative Agent.

(d) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in Dollars and immediately available funds, to the Administrative Agent (or to the respective Issuing Bank, in the case of fees payable to it) for distribution, in the case of facility fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.11 Interest.

(a) ABR Loans. The Loans comprising each ABR Borrowing shall bear interest at a rate per annum equal to the Alternate Base Rate *plus* the Applicable Rate.

(b) Term Benchmark Loans. The Loans comprising each Term Benchmark Borrowing shall bear interest at a rate per annum equal to the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate, as applicable, for the Interest Period in effect for such Borrowing *plus* the Applicable Rate.

(c) RFR Loans. The Loans comprising each RFR Borrowing shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR *plus* the Applicable Rate.

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(d) Default Interest. Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrowers hereunder is not paid when due, whether at stated maturity, upon acceleration, by mandatory prepayment or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided above or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Credit Loans, upon termination of the Revolving Credit Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable from time to time on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of a Revolving Credit ABR Loan prior to the Maturity Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Borrowing denominated in Dollars prior to the end of the Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(f) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Adjusted EURIBOR Rate or Adjusted Daily Simple RFR shall be determined by the Administrative Agent, and such determination shall be presumptively correct absent manifest error. The Administrative Agent shall, at the request of the Borrowers, deliver to the Borrowers a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.11(a) and Section 2.11(b).

SECTION 2.12 Alternate Rate of Interest. Subject to Section 2.26, if,

(i) with respect to any Loan (the Currency of such Loan herein called the "Affected Currency"), the Administrative Agent shall have determined (which determination shall be presumptively correct absent manifest error) (A) prior to the first day of any Interest Period for any Term Benchmark Loan that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining Adjusted Term SOFR Rate or Adjusted EURIBOR Rate for the Affected Currency for such Interest Period or (B) for any RFR Loan, at any time, that adequate and reasonable means so not exist for ascertaining the applicable Adjusted Daily Simple RFR or RFR for the Affected Currency, or

(b) the Administrative Agent shall have received notice from the Required Lenders in respect of the relevant Facility that by reason of any changes arising after the Amendment Effective Date the Adjusted Term SOFR Rate, Adjusted EURIBOR Rate or Adjusted Daily Simple RFR for the Affected Currency determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders) of making or maintaining their affected Loans during such Interest Period, then the Administrative Agent shall give telecopy notice thereof to the Borrowers and the relevant Lenders as soon as practicable thereafter.

If such notice is given, any obligation of the Lenders to make RFR Loans or Term Benchmark Loans, as applicable, in each such Affected Currency, and any right of the Borrowers to convert any Loan in each such Affected Currency (if applicable) to or continue any Loan as an RFR Loan or a Term Benchmark Loan, as applicable, in each such Affected Currency, shall be suspended (to the extent of the affected RFR Loans or Term Benchmark Loans or, in the case of Term Benchmark Loans, the affected Interest Periods) until the Administrative Agent (with respect to clause (b), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) the Borrowers may revoke any pending request for a borrowing of, conversion to or continuation of RFR Loans or Term Benchmark Loans in each such Affected Currency (to the extent of the affected RFR Loans or Term Benchmark Loans or, in the case of Term Benchmark Loans, the affected Interest Periods) or, failing that, (1) in the case of any request for any affected Term Benchmark Borrowing in Dollars, the Borrowers will be deemed to have converted any such request into a request for an ABR Borrowing or conversion to

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ABR Loans in the amount specified therein and (II) in the case of any request for any affected RFR Borrowing or Term Benchmark Borrowing, in each case, in an Agreed Foreign Currency, if applicable, then such request shall be ineffective and (B) any outstanding affected Loans denominated in an Agreed Foreign Currency, at the Borrower's election, shall either (1) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Agreed Foreign Currency) immediately or, in the case of Term Benchmark Loans, at the end of the applicable Interest Period or (2) be prepaid in full immediately or, in the case of Term Benchmark Loans, at the end of the applicable Interest Period; *provided* that if no election is made by the Borrowers by the date that is the earlier of (x) three Business Days after receipt by the Borrower of such notice or (y) with respect to a Term Benchmark Loan, the last day of the current Interest Period, the Borrowers shall be deemed to have elected clause (1) above. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest (except with respect to any prepayment or conversion of a RFR Loan) on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.15.

SECTION 2.13 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof, in each case, first made after the Amendment Effective Date, shall make it unlawful for any Lender to make, maintain or fund Loans whose interest is determined by reference to any applicable RFR, Adjusted Daily Simple RFR, Adjusted Term SOFR Rate or Adjusted EURIBOR Rate, or to determine or charge interest based upon any applicable RFR, Adjusted Daily Simple RFR, Adjusted Term SOFR Rate or Adjusted EURIBOR Rate, or, with respect to any Term Benchmark Loan, any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, any applicable Currency in the applicable offshore interbank market for the applicable Currency, then, upon notice thereof by such Lender to the Borrowers (through the Administrative Agent) (an "Illegality Notice"), (a) any obligation of the Lenders to make RFR Loans or Term Benchmark Loans, as applicable, and any right of the Borrowers to continue RFR Loans or Term Benchmark Loans, as applicable, in the affected Currency or Currencies or, in the case of ABR Loans denominated in Dollars, to convert ABR Loans to Term Benchmark Loans, shall be suspended, and (b) if necessary to avoid such illegality, the Administrative Agent shall compute the ABR without reference to clause (c) of the definition of "Alternate Base Rate", in each case until each such affected Lender notifies the Administrative Agent and the Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of an Illegality Notice, the Borrowers shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, (i) convert all Term Benchmark Loans denominated in Dollars to ABR Loans or (ii) convert all RFR Loans or Term Benchmark Loans denominated in an affected Agreed Foreign Currency to ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Agreed Foreign Currency) (in each case, if necessary to avoid such illegality, the Administrative Agent shall compute the ABR without reference to clause (c) of the definition of "Alternate Base Rate"), (A) with respect to RFR Loans, on the Interest Payment Date therefor, if all affected Lenders may lawfully continue to maintain such RFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such RFR Loans to such day or (B) with respect to Term Benchmark Loans, on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such Term Benchmark Loans, to such day, or immediately, if any Lender may not lawfully continue to maintain such Term Benchmark Loans, as applicable, to such day. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.15.

SECTION 2.14 Increased Costs.

(a) Increased Costs Generally. If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority first made, in each case, subsequent to the Amendment Effective Date:

(i) shall impose, modify or hold applicable any reserve, any requirement to maintain liquid assets, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of Adjusted Term SOFR Rate, Adjusted EURIBOR Rate or Adjusted Daily Simple RFR hereunder;

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(ii) subject any Lender to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) shall impose on such Lender any other condition not otherwise contemplated hereunder; and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender reasonably deems to be material, of making, converting into, continuing or maintaining Term Benchmark Loans or RFR Loans or issuing or participating in Letters of Credit (in each case hereunder), or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrowers shall promptly pay such Lender, in Dollars, within ten Business Days after the Borrowers' receipt of a reasonably detailed invoice therefor (showing with reasonable detail the calculations thereof), any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify the Borrowers (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) Capital Requirements. If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or liquidity or in the interpretation or application thereof or compliance by such Lender or any holding company controlling such Lender with any request or directive regarding capital adequacy or liquidity (whether or not having the force of law) from any Governmental Authority first made, in each case, subsequent to the Amendment Effective Date shall have the effect of reducing the rate of return on such Lender's or such holding company's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such holding company could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such holding company's policies with respect to capital adequacy or liquidity) by an amount deemed by such Lender to be material, then from time to time, within ten Business Days after submission by such Lender to the Borrowers (with a copy to the Administrative Agent) of a reasonably detailed written request therefor (consistent with the detail provided by such Lender to similarly situated borrowers), the Borrowers shall pay to such Lender, in Dollars, such additional amount or amounts as will compensate such Lender or such holding company on an after-tax basis for such reduction.

(c) Certificates for Reimbursement. A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender to the Borrowers (with a copy to the Administrative Agent) shall be presumptively correct in the absence of manifest error.

(d) Delay in Requests. Notwithstanding anything to the contrary in this Section, the Borrowers shall not be required to compensate a Lender pursuant to this Section for any amounts incurred more than 180 days prior to the date that such Lender notifies the Borrowers of such Lender's intention to claim compensation therefor; *provided* that if the circumstances giving rise to such claim have a retroactive effect, then such 180-day period shall be extended to include the period of such retroactive effect.

(e) Dodd-Frank and Basel III. For the purposes of this Section, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all rules, regulations, orders, requests, guidelines or directives thereunder or issued in connection therewith and (y) all rules, regulations, orders, requests, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to have been adopted and gone into effect from and after the Amendment Effective Date.

SECTION 2.15 Break Funding Payments. The Borrowers agree to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense (other than lost profits, including the loss of Applicable Rate) that such Lender may actually sustain or incur as a consequence of (a) default by any Borrower in making a borrowing of, conversion into or continuation of Term Benchmark Loans after such Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by any Borrower in making any prepayment of or conversion from Term Benchmark Loans after such Borrower has given a notice thereof in accordance with the provisions of this Agreement (regardless of whether such notice is permitted to be revocable under Section 2.09(c) and is

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revoked in accordance herewith), (c) the making of a payment, prepayment, conversion or continuation of Term Benchmark Loans on a day that is not the last day of an Interest Period with respect thereto (including as a result of an Event of Default) or (d) the assignment as a result of a request by the Borrowers pursuant to Section 2.18(b) of any Term Benchmark Loan other than on the last day of the Interest Period therefor. A reasonably detailed certificate as to (showing in reasonable detail the calculation of) any amounts payable pursuant to this Section submitted to the Borrowers by any Lender shall be presumptively correct in the absence of manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

SECTION 2.16 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of each Obligor hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Taxes except as required by applicable law; provided that if any Obligor shall be required by applicable law to deduct any Taxes from such payments, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax or Other Tax, the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made.

(b) Payment of Other Taxes by the Obligors. Without limiting the provisions of paragraph (a) above, the Obligors shall timely pay any Other Taxes 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.

(c) Indemnification by the Obligors. The Obligors shall jointly and severally indemnify the Administrative Agent, each Lender and each Issuing Bank, within 30 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Obligors hereunder and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate prepared in good faith as to the amount of such payment or liability delivered to the Obligors by a Lender or an Issuing Bank (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Bank, shall be presumptively correct absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Obligor to a Governmental Authority pursuant to this Section 2.16, such Obligor shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Foreign Lenders. Each Foreign Lender shall deliver to the Borrowers and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased, and such participating Lender shall deliver to the Borrower and the Administrative Agent) (i) two accurate and complete copies of IRS Form W-8ECI, W-8BEN, W-8BEN-E or W-8IMY together with supporting documentation, as applicable, or (ii) in the case of a Foreign Lender claiming exemption from United States federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of the applicable statement in Exhibit E and two accurate and complete copies of IRS Form W-8BEN or W-8BEN-E together with supporting documentation, as applicable, or copies of any subsequent versions or successors to such forms, in each case properly completed and duly executed by such Foreign Lender claiming complete exemption from, or a reduced rate of, United States federal withholding tax on all payments by an Obligor under this Agreement and the other Loan Documents. Such forms shall be delivered by each Foreign Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation).
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addition, each Foreign Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Foreign Lender. Each Foreign Lender shall promptly notify the Borrowers and the Administrative Agent at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrowers and Administrative Agent (or any other form of certification adopted by the United States taxing authorities for such purpose) . Notwithstanding any other provision of this paragraph, a Foreign Lender shall not be required to deliver any form pursuant to this paragraph that such Foreign Lender is not legally able to deliver or otherwise take any action if in such Lender's reasonable judgment such action would subject such Foreign Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. If a payment made to a Lender under any Loan Document would be subject to U.S. federal, Canadian or Cayman Tax imposed under FATCA if such Lender fails 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 the Withholding Agent such documentation as shall be reasonably requested by the Withholding Agent sufficient for the Withholding Agent to comply with its obligations under FATCA and to determine that such Lender has complied with such applicable reporting requirements.

(f) Status of U.S. Lenders. Each Lender other than a Foreign Lender (a "U.S. Lender") shall deliver to the Borrowers and the Administrative Agent two accurate and complete copies of IRS Form W-9, or any subsequent versions or successors to such form, certifying that such Lender is exempt from U.S. federal backup withholding tax. Such forms shall be delivered by each U.S. Lender on or before the date it becomes a party to this Agreement. In addition, each U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such U.S. Lender. Each U.S. Lender shall promptly notify the Borrowers and the Administrative Agent at any time it determines that it is no longer in a position to provide any previously delivered certifications to the Borrowers and Administrative Agent (or any other form of certification adopted by the United States taxing authorities for such purpose).

(g) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Obligor or with respect to which any Obligor has paid additional amounts pursuant to this Section, it shall promptly pay over such refund to such Obligor (but only to the extent of indemnity payments made, or additional amounts paid, by such Obligor under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the applicable Obligor, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority; provided further in no event will the Administrative Agent or such Lender be required to pay any amount to an Obligor pursuant to this paragraph (g) the payment of which would place the Administrative Agent or such Lender, as applicable, in a less favorable net after-Tax position than the Administrative Agent or such Lender as applicable, would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrowers or any other Person.

(h) Any successor or supplemental Administrative Agent that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, shall deliver to the Borrower, on or prior to the date on which it becomes a party to this Agreement, two duly completed copies of (i) a Qualified intermediary withholding certificate on IRS Form W-8IMY evidencing its agreement with the IRS to be treated as a withholding agent (as defined in Section 7701(a)(16) of the Code) (with respect to amounts received on account of any Lender) or (ii) a U.S. branch withholding certificate on IRS Form W-8IMY evidencing its agreement with the IRS to be treated as a "United States person" (as defined in Section 7701(a)(30) of the Code) (with respect to amounts received on account of any Lender).

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SECTION 2.17 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) Payments by the Obligors. Each Obligor shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.14, Section 2.15 or Section 2.16, or otherwise), or under any other Loan Document (except to the extent otherwise provided therein), prior to 2:00 p.m., Local Time, on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Administrative Agent's Account, except as otherwise expressly provided in the relevant Loan Document and except payments to be made directly to an Issuing Bank as expressly provided herein and payments pursuant to Section 2.14, Section 2.15, Section 2.16 and Section 10.03, which shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension at the then applicable rate. All amounts owing under this Agreement (including commitment fees, payments required under Section 2.14, and payments required under Section 2.15 relating to any Loan denominated in Dollars, but not including principal of, and interest on, any Loan denominated in any Foreign Currency or payments relating to any such Loan required under Section 2.15, which are payable in such Foreign Currency) or under any other Loan Document (except to the extent otherwise provided therein) are payable in Dollars. Notwithstanding the foregoing, if the Borrowers shall fail to pay any principal of any Loan when due (whether at stated maturity, by acceleration, by mandatory prepayment or otherwise), the unpaid portion of such Loan shall, if such Loan is not denominated in Dollars, automatically be redenominated in Dollars on the due date thereof (or, if such due date is a day other than the last day of the Interest Period therefor, on the last day of such Interest Period) in an amount equal to the Dollar Equivalent thereof on the date of such redenomination and such principal shall be payable on demand; and if the Borrowers shall fail to pay any interest on any Loan that is not denominated in Dollars, such interest shall automatically be redenominated in Dollars on the due date therefor (or, if such due date is a day other than the last day of the Interest Period therefor, on the last day of such Interest Period) in an amount equal to the Dollar Equivalent thereof on the date of such redenomination and such interest shall be payable on demand.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) Pro Rata Treatment. Except to the extent otherwise provided herein (including Section 2.19): (i) each Borrowing of Revolving Credit Loans shall be made from the Revolving Credit Lenders, each payment of commitment fee under Section 2.10 in respect of the Revolving Credit Commitments shall be made for account of the Revolving Credit Lenders, and each termination or reduction of the amount of the Revolving Credit Commitments under Section 2.07 shall be applied to the Revolving Credit Commitments of the Revolving Credit Lenders, *pro rata* according to the amounts of their respective Revolving Credit Commitments; (ii) each Borrowing of Revolving Credit Loans shall be allocated *pro rata* among the Revolving Credit Lenders according to the amounts of their respective Revolving Credit Commitments (in the case of the making of Revolving Credit Loans) or their respective Revolving Credit Loans that are to be included in such Borrowing (in the case of conversions and continuations of Revolving Credit Loans); (iii) reserved; (iv) each payment or prepayment of principal of Revolving Credit Loans and Incremental Term Loans by the Borrowers shall be made for account of the relevant Lenders *pro rata* in accordance with the respective unpaid principal amounts of the Loans of such Class held by them; and (v) each payment of interest on Revolving Credit Loans and Incremental Term Loans by the Borrowers shall be made for account of the relevant Lenders *pro rata* in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders.

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(d) Sharing of Payments by Lenders. Subject to Section 2.19, if any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (A) notify the Administrative Agent of such fact, and (B) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; *provided that*:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to any Obligor or any Affiliate thereof (as to which the provisions of this paragraph shall apply).

Each Obligor consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Obligor rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Obligor in the amount of such participation.

(e) Payments by the Borrowers; Presumptions by the Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an Issuing Bank hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or such Issuing Bank, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or such Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrowers.

(f) Certain Deductions by the Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(e), 2.05(b), 2.17(e) or 10.03(c) then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent or the applicable Issuing Bank to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid, and/or (ii) until such time as the Administrative Agent, the Borrowers and the Issuing Banks each agree that such Lender has adequately remedied all matters that caused such Lender to fail to make such payment, hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its sole discretion.

SECTION 2.18 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.13, 2.14, 2.16(a) or 2.16(c) with respect to such Lender, it will, if requested by the Borrowers, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event

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with the object of avoiding the consequences of such event; *provided* that (i) such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no material economic, legal or regulatory disadvantage and (ii) nothing in this Section shall affect or postpone any of the obligations of the Borrowers or the rights of any Lender pursuant to Section 2.13, 2.14 or 2.16(a). The Borrowers hereby agree to pay all reasonable out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. Subject to the requirements of Section 10.04(g), the Borrowers shall be permitted to replace (at their sole expense) with a financial institution or financial institutions any Lender that (x) requests reimbursement for amounts owing pursuant to Section 2.14, 2.15 (to the extent a request made by a Lender pursuant to the operation of Section 2.15 is materially greater than requests made by other Lenders) or 2.16 or gives a notice of illegality pursuant to Section 2.13, (y) is a Defaulting Lender, or (z) that has refused to consent to any waiver or amendment with respect to any Loan Document that requires the consent of all of the Lenders and has been consented to by the Required Lenders; *provided* that (i) such replacement does not conflict with any Requirement of Law, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.15) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts), (iii) the replacement financial institution or financial institutions, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent and each Issuing Bank (to the extent that an assignment to such replacement financial institution of the rights and obligations being acquired by it would otherwise require the consent of the Administrative Agent or such Issuing Bank pursuant to Section 10.04, (iv) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.04, (v) the Borrowers shall pay all additional amounts (if any) required pursuant to Section 2.14 or 2.16, as the case may be, in respect of any period prior to the date on which such replacement shall be consummated, (vi) if applicable, the replacement financial institution or financial institutions shall consent to such amendment or waiver, (vii) any such replacement shall not be deemed to be a waiver of any rights that the Borrowers, the Administrative Agent or any other Lender shall have against the replaced Lender, and (viii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments thereafter.

SECTION 2.19. Defaulting Lenders.

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:

(a) commitment fees shall cease to accrue from and after the time such Lender becomes a Defaulting Lender on the unused portion of the Revolving Credit Commitment of such Defaulting Lender pursuant to Section 2.10(a);

(b) if such Defaulting Lender is an Issuing Bank, fronting fees shall cease to accrue from and after the time such Lender becomes a Defaulting Lender on the LC Exposure attributable to Letters of Credit issued by such Issuing Bank pursuant to Section 2.10(b)(i);

(c) the Revolving Credit Commitment, Revolving Credit Exposure and Incremental Term Loans, if any, of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or modification pursuant to Section 10.02), *provided* that any amendment, waiver or modification requiring the consent of all Lenders or each affected Lender which affects such Defaulting Lender differently than other affected Lenders or that would (i) change the percentage of Revolving Credit Commitments or of the aggregate unpaid principal amount of the Loans or LC Exposures, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, (ii) amend Section 10.02 in a manner which affects such Defaulting Lender differently than other Lenders and is adverse to such Defaulting Lender or this Section 2.19, (iii) increase or extend the Revolving Credit Commitment of such Defaulting Lender or subject such Defaulting Lender to any additional obligations (it being understood that any amendment, waiver or consent in respect of conditions precedent, covenants, Defaults or Events of Default shall not constitute an increase or extension of the

Revolving Credit Commitment of any Lender or an additional obligation of any Lender), (iv) reduce the principal of the Loans made by such Defaulting Lender or any LC Disbursements payable hereunder to such Defaulting Lender or (v) postpone the scheduled date for any payment of principal of, or interest on, the Loans made by such Defaulting Lender or any LC Disbursements payable hereunder to such Defaulting Lender, shall in each case require the consent of such Defaulting Lender (which consent shall be deemed to have been given if such Defaulting Lender fails to respond to a written request for such consent within 30 days after receipt of such written request);

(d) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender or at any time such Lender remains a Defaulting Lender, then:

(i) all or any part of such LC Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Adjusted Applicable Percentages but only to the extent (x) the sum of any Non-Defaulting Lender's Revolving Credit Exposure plus its Adjusted Applicable Percentage of such Defaulting Lender's LC Exposure does not exceed such Non-Defaulting Lender's Revolving Credit Commitment and (y) the sum of all Non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's LC Exposure does not exceed the total of all Non-Defaulting Lenders' Revolving Credit Commitments (it being understood that such LC Exposure shall not be reallocated after the Revolving Credit Commitments are terminated on the Maturity Date);

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within three Business Day following notice by the Administrative Agent cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.04(k) for so long as such LC Exposure is outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's LC Exposure pursuant to this Section 2.19(d), the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.10(b) with respect to such Defaulting Lender's LC Exposure (and such fees shall cease to accrue with respect to such Defaulting Lender's LC Exposure) during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the Non-Defaulting Lenders is reallocated pursuant to this Section 2.19(d), then the fees payable to the Lenders pursuant to Sections 2.10(a) and 2.10(b) shall be adjusted in accordance with such Non-Defaulting Lenders' Adjusted Applicable Percentages; and

(v) if any Defaulting Lender's LC Exposure is not reallocated pursuant to this Section 2.19(d), then, without prejudice to any rights or remedies of any Issuing Bank or any Lender hereunder, all letter of credit fees payable under Section 2.10(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Bank(s) until such LC Exposure is reallocated;

(e) so long as any Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, extend or increase any Letter of Credit unless such Defaulting Lender's LC Exposure that would result from such newly issued, extended or increased Letter of Credit has been or would be, at the time of such issuance, extension or increase, fully allocated among Non-Defaulting Lenders pursuant to Section 2.19(d)(i) or fully cash collateralized by the Borrowers pursuant to Section 2.19(d)(ii);

(f) in the event that the Administrative Agent, the Borrowers and the Issuing Banks each agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Defaulting Lender's Revolving Credit Commitment and on such date such Defaulting 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 Defaulting Lender to hold such Loans in accordance with its Applicable Percentage;

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(g) subject to Section 10.21, no reallocation pursuant to paragraph (d) above, nor the operation of any other provision of this Section 2.19, will (i) constitute a waiver or release of any claim the Borrowers, the Administrative Agent, any Issuing Bank or any other Lender may have against such Defaulting Lender, or (except with respect to clause (f) above) cause such Defaulting Lender to be a Non-Defaulting Lender, or (ii) except as expressly provided in this Section 2.19, excuse or otherwise modify the performance by the Borrowers of their respective obligations under this Agreement and the other Loan Documents; and

(h) anything herein to the contrary notwithstanding, the Borrowers may terminate the unused amount of the Revolving Credit Commitment of a Defaulting Lender on a non-pro rata basis upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), *provided* that such termination will not be deemed to be a waiver or release of any claim the Borrowers, the Administrative Agent, the Issuing Bank or any Lender may have against such Defaulting Lender.

SECTION 2.20 Joint and Several Liability of the Borrowers. Notwithstanding anything in this Agreement or any other Loan Document to the contrary, each Borrower hereby accepts joint and several liability hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by Administrative Agent, the Issuing Banks and Lenders under this Agreement and the other Loan Documents, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrower to accept joint and several liability for the Borrower Obligations (as hereinafter defined). Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrower, with respect to the payment and performance of all of the Borrower Obligations (including any Borrower Obligations arising under this Section), it being the intention of the parties hereto that all of the Borrower Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them. If and to the extent that any Borrower shall fail to make any payment with respect to any of the Borrower Obligations as and when due or to perform any of the Borrower Obligations in accordance with the terms thereof, then in each such event, the other Borrower will make such payment with respect to, or perform, such Borrower Obligations. Subject to the terms and conditions hereof, the Borrower Obligations of each Borrower under the provisions of this Section constitute the absolute and unconditional, full recourse Borrower Obligations of each Borrower, enforceable against each such Person to the full extent of its properties and assets, irrespective of the validity, binding effect or enforceability of this Agreement, the other Loan Documents or any other circumstances whatsoever. As used in this Section, "Borrower Obligations" means all liabilities and obligations of every nature of the Borrowers from time to time owed to the Administrative Agent, the Issuing Banks, the Lenders or any of them under any Loan Document, whether for principal, interest (including all interest and expenses accrued or incurred subsequent to the commencement of any bankruptcy or insolvency proceedings with respect to the Borrowers, whether or not such interest or expenses are allowed as a claim in such proceeding), fees, expenses, indemnification or otherwise and whether primary, secondary, direct, indirect, contingent, fixed or otherwise (including obligations of performance).

SECTION 2.21 Incremental Term Facility.

(a) Provided there exists no Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders) specifying in reasonable detail the proposed terms thereof, the Borrowers may from time to time after the Amendment Effective Date, request the establishment of one or more new term loan commitments (the "Incremental Term Loan Commitments"; the facility represented by such commitments and the term loans made thereunder, the "Incremental Term Loan Facility." by an amount (for all such requests, together with all requests for an increase in the Revolving Credit Facility pursuant to Section 2.22) not exceeding \$250,000,000; *provided* that (i) any such request for an increase shall be in a minimum amount of the lesser of (x) \$25,000,000 and (y) the entire remaining amount of new term loan commitments available under this Section, and (ii) the Borrowers shall make no more than a total of three requests for Incremental Term Loan Commitments under this Section and/or increases in the Revolving Credit Facility under Section 2.22. At the time of sending such notice, the Borrowers and the Administrative Agent shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

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(b) Each Lender shall notify the Administrative Agent within such time period whether or not it elects to provide such Incremental Term Loans and, if so, whether by an amount equal to, greater than, or less than its ratable portion (based on such Lender's ratable share of the Revolving Credit Facility as of the date of such notice) of such Incremental Term Loan Commitments. Any Lender approached to provide all or a portion of the Incremental Term Loans may elect or decline, in its sole discretion, to provide such loans thereunder. Any Lender not responding within such time period shall be deemed to have declined to provide the Incremental Term Loans.

(c) The Administrative Agent shall promptly notify the Borrowers and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested Incremental Term Facility, the Borrowers may also invite Eligible New Lenders to become Incremental Term Lenders pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent.

(d) If the Incremental Term Loans are made in accordance with this Section, the Administrative Agent and the Borrowers shall determine the effective date (the "Incremental Term Effective Date") and the final allocation of such Incremental Term Loans. The Administrative Agent shall promptly notify the Borrowers and the Incremental Term Lenders of the final allocation of such Incremental Term Loans and the Incremental Term Effective Date. The terms and conditions of any Incremental Term Loan Facility shall be identical to those of the Revolving Credit Facility (except to reflect the term loan nature of the Incremental Term Loan Facility including, that once repaid or prepaid, Incremental Term Loans cannot be re-borrowed), shall be governed by this Agreement, shall be unsecured and shall have the same guarantees as the Revolving Credit Facility. In connection with the making of the Incremental Term Loans, this Agreement and the other Loan Documents may be amended in a writing (which may be executed and delivered by the Obligors and the Administrative Agent, without the consent of any Lender) to reflect any technical changes necessary to give effect to such Incremental Term Loan Facility in accordance with its terms as set forth herein (including the addition of such Incremental Term Loans as a "Facility" hereunder) (such amendment, an "Incremental Term Loan Amendment Agreement").

(e) As a condition precedent to such Incremental Term Facility,

(i) each Borrower shall deliver to the Administrative Agent a certificate of such Borrower dated as of the Incremental Term Effective Date signed by a Responsible Officer of such Borrower, certifying and attaching the resolutions adopted by such Borrower approving or consenting to such Incremental Term Facility, and certifying that the conditions precedent set out in the following subclauses (ii) through (v) have been satisfied (which certificate shall include supporting calculations demonstrating compliance with the conditions set forth in clause (vi) below),

(ii) no Default shall have occurred and be continuing or would result from such increase,

(iii) the representations and warranties of the Obligors set forth in this Agreement, and of each Credit Party in each of the other Loan Documents to which it is a party, shall be true and correct in all material respects as of the Incremental Term Effective Date, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date,

(iv) (A) the maturity date with respect to the Incremental Term Facility shall not be prior to the Maturity Date and (B) the Incremental Term Facility shall not require any amortization payments to be made thereunder prior to the Maturity Date, except for, in the case of this clause (B), amortization payments in an aggregate amount not exceeding 5% of the aggregate principal amount of such Incremental Term Facility in any fiscal year of the Obligors, and

(v) immediately after giving effect to the Incremental Term Loan Commitments and the making of Incremental Term Loans thereunder, the Obligors shall be in Pro Forma Compliance (it being understood and agreed that the proceeds of such

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Incremental Term Loans shall not be included as Unrestricted Cash for purposes of the calculation under this clause (v)), and

(vi) to the extent reasonably requested by the Administrative Agent, the Administrative Agent shall have received legal opinions, resolutions, officers' certificates and/or reaffirmation agreements consistent with those delivered on the Amendment Effective Date under Section 5.01 with respect to the Obligors and each other Credit Party evidencing the approval of such Incremental Term Loans by the Obligors and each other Credit Party.

SECTION 2.22 Increase in Revolving Credit Commitments.

(a) Provided there exists no Default, upon notice to the Administrative Agent (which shall promptly notify the Revolving Credit Lenders) specifying in reasonable detail the proposed terms thereof, the Borrowers may from time to time after the Amendment Effective Date, request an increase in the Revolving Credit Facility (which shall be on the same terms as the Revolving Credit Facility) by an amount (for all such requests, together with all requests for Incremental Term Loan Commitments pursuant to Section 2.21) not exceeding \$250,000,000; *provided* that (i) any such request for an increase shall be in a minimum amount of the lesser of (x) \$25,000,000 and (y) the entire remaining amount of increases available under this Section and (ii) the Borrowers shall make no more than a total of three requests for increases in the Revolving Credit Facility under this Section 2.22 and/or Incremental Term Loan Commitments under Section 2.21. At the time of sending such notice, the Borrowers and the Administrative Agent shall specify the time period within which each Revolving Credit Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Revolving Credit Lenders).

(b) Each Revolving Credit Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Revolving Credit Commitment and, if so, whether by a percentage of the requested increase equal to, greater than, or less than its Applicable Percentage in respect of the Revolving Credit Facility. Any Revolving Credit Lender approached to provide all or a portion of the increase in the Revolving Credit Facility may elect or decline, in its sole discretion, to provide such increase of the loans thereunder. Any Revolving Credit Lender not responding within such time period shall be deemed to have declined to increase its Revolving Credit Commitment.

(c) The Administrative Agent shall promptly notify the Borrowers and each Revolving Credit Lender of the Revolving Credit Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase, the Borrowers may also invite Eligible New Lenders to become Revolving Credit Lenders pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent.

(d) If the Revolving Credit Facility is increased in accordance with this Section, the Administrative Agent and the Borrowers shall determine the effective date (the "Revolving Credit Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Borrowers and the Revolving Credit Lenders of the final allocation of such increase and the Revolving Credit Increase Effective Date. In connection with any increase in the Revolving Credit Facility, this Agreement and the other Loan Documents may be amended in a writing (which may be executed and delivered by the Obligors and the Administrative Agent, without the consent of any Lender) to reflect any technical changes necessary to give effect to such increase in accordance with its terms as set forth herein (such amendment, an "Increased Revolving Credit Facility Amendment Agreement").

(e) As conditions precedent to such increase,

(i) each Borrower shall deliver to the Administrative Agent a certificate of such Borrower dated as of the Revolving Credit Increase Effective Date signed by a Responsible Officer of such Borrower, certifying and attaching the resolutions adopted by such Borrower approving or consenting to such increase, and certifying that the conditions precedent set out in the following subclauses (ii) through (iv) have been satisfied (which certificate shall include supporting calculations demonstrating compliance with the conditions set forth in clause (iv) below),

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- (ii) no Default shall have occurred and be continuing or would result from such increase,
- (iii) the representations and warranties of the Obligors set forth in this Agreement, and of each Credit Party in each of the other Loan Documents to which it is a party, shall be true and correct in all material respects as of the Revolving Credit Increase Effective Date, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date,
- (iv) immediately after giving effect to such increase, the Obligors shall be in Pro Forma Compliance, and
- (v) to the extent reasonably requested by the Administrative Agent, the Administrative Agent shall have received legal opinions, board resolutions, officers' certificates and/or reaffirmation agreements consistent with those delivered on the Amendment Effective Date under Section 5.01 with respect to the Obligors and each other Credit Party evidencing the approval of such increase by the Obligors and each other Credit Party.

(f) On the Revolving Credit Increase Effective Date, the Borrowers shall (A) prepay the outstanding Revolving Credit Loans (if any) in full; (B) simultaneously borrow new Revolving Credit Loans hereunder in an amount equal to such prepayment, *provided* that with respect to subclauses (A) and (B), (x) the prepayment to, and borrowing from, any existing Revolving Credit Lender shall be effected by book entry to the extent that any portion of the amount prepaid to such Revolving Credit Lender will be subsequently borrowed from such Revolving Credit Lender and (y) the existing Revolving Credit Lenders and any Eligible New Lenders that become Revolving Credit Lenders pursuant to this Section, if any, shall make and receive payments among themselves, in a manner acceptable to the Administrative Agent, so that, after giving effect thereto, the Revolving Credit Loans are held ratably by the Revolving Credit Lenders in accordance with the respective Revolving Credit Commitments of such Revolving Credit Lenders (after giving effect to such increase); and (C) pay to the Revolving Credit Lenders the amounts, if any, payable under Section 2.15 as a result of any such prepayment. Concurrently therewith, the Revolving Credit Lenders shall be deemed to have adjusted their participation interests in any outstanding Letters of Credit so that such interests are held ratably in accordance with their Revolving Credit Commitments as so increased.

SECTION 2.23 Additional Borrowers. An Affiliate of an Obligor may, with the prior written consent of the Administrative Agent and each Lender (*provided* that no such consent shall be required for any Affiliate of an Obligor organized under the laws of any Permitted Jurisdiction with respect to which at least 10 Business Days' (or such shorter period as the Administrative Agent shall otherwise agree) prior notice to the Administrative Agent and the Lenders has been given) and subject to the immediately following sentence, become a party to this Agreement as a Borrower and be deemed a Borrower for all purposes of this Agreement and the other Loan Documents (such Affiliate of an Obligor, an "Additional Borrower") by delivery to the Administrative Agent of an Additional Borrower Joinder Agreement executed by such Additional Borrower and the satisfaction of the conditions set forth in Section 5.04(a). No Additional Borrower shall be admitted as a party to this Agreement as a Borrower unless at the time of such admission and after giving effect thereto (a) the representations and warranties set forth in Article IV shall be true and correct with respect to such Additional Borrower, (b) such Additional Borrower shall be in compliance in all material respects with all of the terms and provisions set forth herein on its part to be observed or performed at the time of the admission and after giving effect thereto, and (c) no Default or Event of Default shall have occurred and be continuing.

SECTION 2.24 Additional Guarantors.

(a) Parent Guarantors. The Obligors may at any time and from time to time, including for purposes of complying with Section 7.05, designate any Additional Parent Guarantor as a Parent Guarantor hereunder, by delivery to the Administrative Agent of a Parent Guarantor Joinder Agreement executed by such Additional Parent Guarantor and the satisfaction of the conditions with

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respect to such Additional Guarantor set forth in Section 5.04(b) (or waiver thereof in accordance with Section 10.02).

(b) Subsidiary Guarantors. The Obligors may at any time and from time to time, including for purposes of complying with Section 7.01, designate any of their Subsidiaries as a Subsidiary Guarantor hereunder (such Subsidiary, an “Additional Subsidiary Guarantor”), by delivery to the Administrative Agent of the Subsidiary Guarantor Agreement (or, if the Subsidiary Guarantee Agreement shall have been theretofore executed and delivered, a Subsidiary Guarantee Joinder Agreement) executed by such Additional Subsidiary Guarantor and the satisfaction of the conditions with respect to such Additional Subsidiary Guarantor set forth in Section 5.04(b) (or waiver thereof in accordance with Section 10.02).

SECTION 2.25 Sustainability Targets. After the Amendment Effective Date, the Borrowers may submit a written request to the Administrative Agent and the Sustainability Coordinator that this Agreement be amended to provide for an annual adjustment (an increase, a decrease or no adjustment) to the Applicable Rate based on the performance of the Obligors and their Subsidiaries against the Sustainability Targets (such amendment, the “ESG Amendment”). Such request shall be accompanied by the proposed Sustainability Targets, as prepared by the Borrowers in consultation with the Sustainability Coordinator.

(a) In connection with a request for the ESG Amendment, the Borrowers shall engage in good faith discussions with the Administrative Agent and the Sustainability Coordinator in respect of the proposed Sustainability Targets and the proposed Sustainability Assurance Provider (as defined below), and any proposed incentives and penalties for compliance and noncompliance, respectively, with the Sustainability Targets, including any adjustments to the Applicable Rate, to be set forth in the ESG Amendment (collectively, the “ESG Pricing Provisions”); *provided* that (i) the amount of any such adjustments shall not result in a decrease or an increase of more than (A) 0.01% in the “Commitment Fee” set forth in the definition of Applicable Rate (at any level of the pricing grid set forth therein) and/or (B) 0.05% in the “Applicable Margin for ABR Loans” or “Applicable Margin for Term Benchmark Loans, RFR Loans and Letters of Credit” set forth in the definition of Applicable Rate (at any level of the pricing grid set forth therein), in each case, during any fiscal year, (ii) in no event shall the amount of any such adjustment result in the Applicable Rate, whether with respect to the “Commitment Fee”, the “Applicable Margin for ABR Loans” or the “Applicable Margin for Term Benchmark Loans, RFR Loans and Letters of Credit” set forth therein, being less than 0% at any time and (iii) such pricing adjustments shall not be cumulative year-over-year, and each applicable adjustment shall only apply until the date on which the next adjustment is due to take place. The ESG Pricing Provisions shall be consistent in all material respects with the Sustainability Linked Loan Principles, as published in May 2021, and as it may be updated, revised or amended from time to time by the Loan Market Association and the Loan Syndications & Trading Association (the “SLL Principles”) as of the date of effectiveness of the ESG Amendment.

(b) The ESG Amendment shall (i) set forth the Sustainability Targets and the ESG Pricing Provisions, (ii) shall identify a sustainability assurance provider (the “Sustainability Assurance Provider”), which shall be a qualified external reviewer, independent of the Obligors and their Subsidiaries, with relevant expertise (in each case in the Borrowers’ reasonable judgment), such as an auditor, environmental consultant and/or independent ratings agency of recognized national standing, and (iii) may contain provisions relating thereto, including, without limitation, the provisions described in this Section 2.25 and provisions setting forth indemnities and other protections for the benefit of the Sustainability Coordinator.

(c) A copy of the proposed ESG Amendment shall be posted to all Lenders. The effectiveness of the ESG Amendment (including the ESG Pricing Provisions) shall be subject to the execution and delivery thereof by the Borrowers, the Administrative Agent and the Required Lenders (it being agreed that no consent of any other Lender shall be required for the effectiveness of the ESG Amendment).

(d) Following the effectiveness of the ESG Amendment, any amendment or other modification to the ESG Pricing Provisions that does not have the effect of reducing the Applicable Rate to a level not otherwise permitted by this Section 2.25 shall be subject only to the prior written consent of the Borrowers and the Required Lenders, subject to the provisions of Section 10.02.

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SECTION 2.26 Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event with respect to any Benchmark, the Administrative Agent and the Borrowers may amend this Agreement to replace such Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrowers so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.26(a) will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrowers of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.26(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.26, 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 or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.26.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if any then-current Benchmark is a term rate (including Term SOFR or the EURIBOR 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 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 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) or (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 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.

(e) Benchmark Unavailability Period. Upon the Borrowers' receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a given Benchmark, (i) the Borrowers may revoke any pending request for a Term Benchmark Borrowing or RFR Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period denominated in the applicable Currency and, failing that, (A) in the case of any request for any affected Term Benchmark Borrowing in Dollars, the Borrowers will be deemed to have converted any such request into a request for an ABR Borrowing or conversion to ABR Loans in the amount specified therein and (B) in the case of any request for any affected RFR Borrowing or Term Benchmark Borrowing, in each case, in an Agreed Foreign Currency, if applicable, then such

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request shall be ineffective and (ii)(A) any outstanding affected Loans denominated in Dollars, if applicable, will be deemed to have been converted Term Benchmark into ABR Loans immediately and (B) any outstanding affected RFR Loans or Term Benchmark Loans, in each case, denominated in an Agreed Foreign Currency, at the Borrower's election, shall either (I) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Agreed Foreign Currency) immediately or, in the case of Term Benchmark Loans, at the end of the applicable Interest Period or (II) be prepaid in full immediately or, in the case of Term Benchmark Loans, at the end of the applicable Interest Period; *provided* that, with respect to any RFR Loan, if no election is made by the Borrowers by the date that is three Business Days after receipt by the Borrowers of such notice, the Borrowers shall be deemed to have elected clause (I) above; *provided, further* that, with respect to any Term Benchmark Loan, if no election is made by the Borrowers by the earlier of (x) the date that is three Business Days after receipt by the Borrowers of such notice and (y) the last day of the current Interest Period for the applicable Term Benchmark Loan, the Borrowers shall be deemed to have elected clause (I) above. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest (except with respect to any prepayment or conversion of a RFR Loan) on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.15. During a Benchmark Unavailability Period with respect to any Benchmark or at any time that a tenor for any then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark that is the subject of such Benchmark Unavailability Period or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

ARTICLE III GUARANTEE

SECTION 3.01 The Guarantee. The Parent Guarantors hereby jointly and severally guarantee to each Holder and their successors and permitted assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise, including amounts that would become due but for the operation of the automatic stay under applicable Debtor Relief Laws) of the Obligations. The Parent Guarantors hereby further jointly and severally agree that if the Credit Parties shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise, including amounts that would become due but for the operation of the automatic stay under applicable Debtor Relief Laws) any of the Obligations, the Parent Guarantors will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

SECTION 3.02 Obligations Unconditional.

(a) Guarantee Absolute. The obligations of the Parent Guarantors under this Article are primary, absolute and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Credit Parties under this Agreement, the other Loan Documents or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section that the obligations of the Parent Guarantors hereunder shall be absolute and unconditional, joint and several, under any and all circumstances and shall apply to any and all Obligations now existing or in the future arising. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the enforceability of this Agreement in accordance with its terms or affect, limit, reduce, discharge, terminate, alter or impair the liability of the Parent Guarantors hereunder, which shall remain absolute and unconditional as described above:

- (i) at any time or from time to time, without notice to the Parent Guarantors, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;
- (ii) any of the acts mentioned in any of the provisions of this Agreement, the other Loan Documents or any other agreement or instrument referred to herein or therein shall be done or omitted;

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(iii) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement, the other Loan Documents or any other agreement or instrument referred to herein or therein shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any application by any of the Holders of the proceeds of any other guaranty of or insurance for any of the Obligations to the payment of any of the Obligations;

(v) any settlement, compromise, release, liquidation or enforcement by any of the Holders of any of the Obligations;

(vi) the giving by any of the Holders of any consent to the merger or consolidation of, the sale of substantial assets by, or other restructuring or termination of the corporate existence of, any Borrower or any other Person, or to any disposition of any Equity Interests by any Borrower or any other Person;

(vii) the exercise by any Holder of any of their rights, remedies, powers and privileges under the Loan Documents;

(viii) the entering into any other transaction or business dealings with the Borrowers or any other Person; or

(ix) any combination of the foregoing.

(b) Waiver of Defenses. The enforceability of this Agreement and the liability of the Parent Guarantors and the rights, remedies, powers and privileges of the Holders under this Agreement shall not be affected, limited, reduced, discharged or terminated, and each Parent Guarantor hereby expressly waives to the fullest extent permitted by law any defense now or in the future arising, by reason of:

(i) the illegality, invalidity or unenforceability of any of the Obligations, any Loan Document or any other agreement or instrument whatsoever relating to any of the Obligations;

(ii) any disability or other defense with respect to any of the Obligations, including the effect of any statute of limitations, that may bar the enforcement thereof or the obligations of such Parent Guarantor relating thereto;

(iii) the illegality, invalidity or unenforceability of any other guaranty of or insurance for any of the Obligations;

(iv) the cessation, for any cause whatsoever, of the liability of the Borrowers or any Parent Guarantor with respect to any of the Obligations;

(v) any failure of any of the Holders to marshal assets, to pursue or exhaust any right, remedy, power or privilege it may have against the Borrowers or any other Person, or to take any action whatsoever to mitigate or reduce the liability of any Parent Guarantor under this Agreement, the Holders being under no obligation to take any such action notwithstanding the fact that any of the Obligations may be due and payable and that any Borrower may be in default of its obligations under any Loan Document;

(vi) any counterclaim, set-off or other claim which the Borrowers or any Parent Guarantor has or claims with respect to any of the Obligations;

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(vii) any failure of any of the Holders to file or enforce a claim in any bankruptcy, insolvency, reorganization or other proceeding with respect to any Person;

(viii) any bankruptcy, insolvency, reorganization, winding-up or adjustment of debts, or appointment of a custodian, liquidator or the like of it, or similar proceedings commenced by or against the Borrowers or any other Person, including any discharge of, or bar, stay or injunction against collecting, any of the Obligations (or any interest on any of the Obligations) in or as a result of any such proceeding;

(ix) any action taken by any of the Holders that is authorized by this Section or otherwise in this Agreement or by any other provision of any Loan Document, or any omission to take any such action; or

(x) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

(c) Waiver of Counterclaim. The Parent Guarantors expressly waive, to the fullest extent permitted by law, for the benefit of each of the Holders, any right of set-off and counterclaim with respect to payment of its obligations hereunder, and all diligence, presentment, demand of payment or performance, protest, notice of nonpayment or nonperformance, notice of protest, notice of dishonor and all other notices or demands whatsoever, and any requirement that any Holder exhaust any right, power, privilege or remedy or proceed against the Credit Parties under this Agreement, the other Loan Documents or any other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Obligations, and all notices of acceptance of this Agreement or of the existence, creation, incurrence or assumption of new or additional Obligations. Each Parent Guarantor further expressly waives the benefit of any and all statutes of limitation, to the fullest extent permitted by applicable law.

(d) Other Waivers. Each Parent Guarantor expressly waives, to the fullest extent permitted by law, for the benefit of each of the Holders, any right to which it may be entitled:

(i) that the assets of the Borrowers first be used, depleted and/or applied in satisfaction of the Obligations prior to any amounts being claimed from or paid by such Parent Guarantor;

(ii) to require that the Borrowers be sued and all claims against the Borrowers be completed prior to an action or proceeding being initiated against such Parent Guarantor; and

(iii) to have its obligations hereunder be divided among the Parent Guarantors, such that each Parent Guarantor's obligation would be less than the full amount claimed.

SECTION 3.03 Reinstatement. The obligations of the Parent Guarantors under this Article shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Credit Party in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Parent Guarantors jointly and severally agree that they will indemnify each Holder on demand for all reasonable costs and expenses (including fees of counsel) incurred by such Holder in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

SECTION 3.04 Subrogation. The Parent Guarantors hereby jointly and severally agree that until the payment and satisfaction in full of all Obligations (other than any contingent or

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indemnification obligations) and the expiration and termination of the Revolving Credit Commitments and all LC Exposure of the Lenders under this Agreement they shall not exercise any right or remedy arising by reason of any performance by them of their guarantee in Section 3.01, whether by subrogation or otherwise, against any Credit Party or any other guarantor of any of the Obligations or any security for any of the Obligations. All rights and claims arising under this Section or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation that may at any time arise or exist in favor of any Parent Guarantor as to any payment on account of the Obligations made by it or received or collected from its property shall be fully subordinated in all respects to the prior payment in full of the Obligations. If any such payment or distribution is made or becomes available to any Parent Guarantor in any bankruptcy case or receivership, insolvency or liquidation proceeding, such payment or distribution shall be delivered by the Person making such payment or distribution directly to the Administrative Agent, for application to the payment of the Obligations. If any such payment or distribution is received by any Parent Guarantor, it shall be held by such Parent Guarantor in trust, as trustee of an express trust for the benefit of the Holders, and shall forthwith be transferred and delivered by such Parent Guarantor to the Administrative Agent, in the exact form received and, if necessary, duly endorsed.

SECTION 3.05 Remedies. The Parent Guarantors jointly and severally agree that, as between the Parent Guarantors and the Lenders, the obligations of the Borrowers under this Agreement may be declared to be forthwith due and payable as provided in Article VIII (and shall be deemed to have become automatically due and payable in the circumstances provided in Article VIII) for purposes of Section 3.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrowers and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrowers) shall forthwith become due and payable by the Parent Guarantors for purposes of Section 3.01.

SECTION 3.06 Continuing Guarantee. The guarantee in this Article is a continuing guarantee and is a guarantee of payment and not merely of collection, and shall apply to all Obligations whenever arising.

SECTION 3.07 Rights of Contribution. The Parent Guarantors hereby agree, as between themselves, that if any Parent Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Parent Guarantor of any Obligations, each other Parent Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Parent Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Obligations. The payment obligation of a Parent Guarantor to any Excess Funding Guarantor under this Section shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Parent Guarantor under the other provisions of this Section and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations. For purposes of this Section, (i) "Excess Funding Guarantor" means, in respect of any Obligations, a Parent Guarantor that has paid an amount in excess of its Pro Rata Share of such Obligations, (ii) "Excess Payment" means, in respect of any Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Obligations and (iii) "Pro Rata Share" means, for either Parent Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate fair saleable value of all properties of such Parent Guarantor (excluding any shares of stock or other equity interest of any other Parent Guarantor) exceeds the amount of all the debts and liabilities of such Parent Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Parent Guarantor hereunder and any obligations of any other Parent Guarantor that have been Guaranteed by such Parent Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of both Parent Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Parent Guarantors hereunder and under the other Loan Documents) of all of the Parent Guarantors, determined, with respect to each Parent Guarantor, as of the date that the Guarantee under this Section shall become effective with respect to such Parent Guarantor.

SECTION 3.08 General Limitation on Obligations. In any action or proceeding involving any state corporate law, or any state or Federal bankruptcy, insolvency, reorganization or other

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law affecting the rights of creditors generally, if the obligations of any Parent Guarantors under this Article would otherwise, taking into account the provisions of Section 3.07, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under this Article, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Parent Guarantor, any Holder or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding. Each Parent Guarantor agrees that the Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Parent Guarantor under this Section without impairing the guarantee contained in this Article or affecting the rights and remedies of any Holder hereunder.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Each Obligor represents and warrants to the Administrative Agent, the Issuing Banks and the Lenders that:

SECTION 4.01 Organization; Powers. Each of the Credit Parties and the Material Subsidiaries is duly organized, validly existing and in good standing (or, only where applicable, the equivalent status in any foreign jurisdiction) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing (or, only where applicable, the equivalent status in any foreign jurisdiction) in, every jurisdiction where such qualification is required.

SECTION 4.02 Authorization; Enforceability. The Transactions are within the corporate and other organizational powers of each of the Credit Parties and have been duly authorized by all necessary corporate and other organizational action of each of the Credit Parties and, if required, by all necessary shareholder action of each of the Credit Parties. Each Loan Document has been duly executed and delivered by each Credit Party party thereto and constitutes a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 4.03 Governmental Approvals; No Conflicts. The Transactions:

(a) except as would not reasonably be expected to result in a Material Adverse Effect, do not require any consent or approval (including any exchange control approval) of, registration or filing with, or any other action by, any Governmental Authority, except for such as have been obtained or made and are in full force and effect,

(b) will not violate the charter, by-laws or other organizational documents of any Credit Party and, except as would not reasonably be expected to result in a Material Adverse Effect, will not violate the charter, by-laws or other organizational documents of any Subsidiary of the Obligors,

(c) except as would not reasonably be expected to result in a Material Adverse Effect, will not (i) violate any Contractual Obligation of any Obligor or any of its Subsidiaries and (ii) violate any Requirement of Law with respect to any Obligor or any of its Subsidiaries, and

(d) except as would not reasonably be expected to result in a Material Adverse Effect, will not result in the creation or imposition of any Lien on any asset of any Obligor or any of its Subsidiaries.

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SECTION 4.04 Financial Condition; No Material Adverse Change.

(a) Financial Condition. The Obligors have heretofore furnished to the Lenders the combined and consolidated balance sheet and statements of operations, changes in members' equity and partners' capital and cash flows of the Obligors and their Consolidated Subsidiaries as of and for the fiscal year ended December 31, 2021, reported on by Ernst & Young LLP, independent public accountants, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended March 31, 2022. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Obligors and their Consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) of the first sentence of this paragraph.

(b) No Material Adverse Change. Since December 31, 2021, there has been no material adverse change, or any event or occurrence which will have a material adverse change, in the business, financial condition, operations or properties of the Obligors and their Consolidated Subsidiaries, taken as a whole.

SECTION 4.05 Properties. Each of the Obligors and its Subsidiaries has good title to, or valid leasehold interests in, all its property, subject only to Liens permitted by Section 7.02 and except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.06 Litigation and Environmental Matters.

(a) Actions, Suits and Proceedings. Except as disclosed, prior to the date hereof and in connection with the Amendment Effective Date, in writing by the Obligors to the Administrative Agent (for delivery to each Lender), there are no actions, suits, proceedings or investigations by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of any Obligor, likely to be commenced within a reasonable period of time against any Obligor or any of its Subsidiaries (i) that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that restrain, prevent or impose or can reasonably be expected to impose materially adverse conditions upon the Transactions.

(b) Environmental Matters. Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, none of the Obligors nor any of their Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (ii) has become subject to any Environmental Liability.

SECTION 4.07 Compliance with Laws; No Default. Each of the Obligors and its Subsidiaries is in compliance with all Requirements of Law with respect to it, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

SECTION 4.08 Investment Company Status. Each of the Obligors and its Subsidiaries (other than any Subsidiary that is not a Credit Party and that is organized for purposes of making co-investments) is not an "investment company" registered or required to be registered under the Investment Company Act of 1940.

SECTION 4.09 Taxes. Each of the Obligors and its Subsidiaries has timely filed or caused to be filed all tax returns and reports required to have been filed and has paid or caused to be paid all Taxes shown to be due and payable on such returns, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Person has set aside on its books any reserves required in conformity with GAAP or (b) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.10 ERISA. No ERISA Event has occurred within the past five years or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability to any Obligor or its Subsidiaries is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. Except as would not reasonably be expected to result in a Material Adverse Effect, the present value of all accumulated benefit obligations under each Plan (based on the

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assumptions used for purposes of The Financial Accounting Board Accounting Standards Notification Topic 715) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan.

SECTION 4.11 Disclosure.

(a) None of the written information (excluding the projections and pro forma information referred to below) furnished by or on behalf of the Obligors to the Lenders in connection with the negotiation of this Agreement and the other Loan Documents or delivered hereunder or thereunder (as modified or supplemented by other information so furnished), taken as a whole, contains any untrue statement of material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; *provided* that, with respect to projected and pro forma financial information, the Obligors represent only that such information was based upon good faith estimates and assumptions believed to be reasonable at the time made, it being recognized by the Lenders that such information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such information may differ from the projected results set forth therein by a material amount.

(b) As of the Amendment Effective Date, the information included in the Beneficial Ownership Certification provided on or prior to the Amendment Effective Date to any Lender in connection with this Agreement is true and correct in all material respects.

SECTION 4.12 Use of Credit. Neither any Obligor nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any extension of credit hereunder will be used to buy or carry any Margin Stock.

SECTION 4.13 Legal Form. Each of the Loan Documents is in a legal form which under the law of the Cayman Islands would be enforceable against each Credit Party incorporated under the laws of the Cayman Islands in accordance with its terms. All formalities required in the Cayman Islands for the validity and enforceability of each of the Loan Documents (including any necessary registration, recording or filing with any court or other authority in Cayman Islands) have been accomplished (save for any stamp duty that may be payable if the Loan Documents are brought into or executed in the Cayman Islands), and no Indemnified Taxes or Other Taxes are required to be paid to Cayman Islands (save for any stamp duty that may be payable if the Loan Documents are brought into or executed in the Cayman Islands), or any political subdivision thereof or therein, and no notarization is required, for the validity and enforceability thereof.

SECTION 4.14 Ranking. This Agreement and the other Loan Documents and the obligations evidenced hereby and thereby are and will at all times be direct and unconditional general obligations of the Credit Parties, and rank and will at all times rank in right of payment and otherwise at least *pari passu* with all other unsecured Indebtedness of the Credit Parties, whether now existing or hereafter outstanding.

SECTION 4.15 Commercial Activity; Absence of Immunity. Each Credit Party is subject to civil and commercial law with respect to its obligations under this Agreement and each of the other Loan Documents to which it is a party. The execution, delivery and performance by each Credit Party of this Agreement and each of the other Loan Documents to which it is a party constitute private and commercial acts rather than public or governmental acts. None of the Credit Parties, nor any of their properties or revenues, is entitled to any right of immunity in any jurisdiction from suit, court jurisdiction, judgment, attachment (whether before or after judgment), setoff or execution of a judgment or from any other legal process or remedy relating to the obligations of such Credit Party under this Agreement or any of the other Loan Documents to which it is a party.

SECTION 4.16 Solvency. Each Credit Party is and immediately after giving effect to each Borrowing and the use of proceeds thereof, will be, Solvent.

SECTION 4.17 No Burdensome Restrictions. The Transactions will not subject any Credit Party to one or more charter or corporate restrictions that would reasonably be expected to have, in the aggregate, a Material Adverse Effect. To the best knowledge of the Obligors, there are no

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Requirements of Law with respect to any Obligor or any of its Subsidiaries the compliance with which by such Obligor or such Subsidiary, as the case may be, would reasonably be expected to have, in the aggregate, a Material Adverse Effect.

SECTION 4.18. Anti-Corruption Laws and Sanctions. The Obligors have implemented and maintain in effect policies and procedures designed to ensure compliance by the Obligors, their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and each Obligor, its Subsidiaries and, to the knowledge of such Obligor or any such Subsidiary, its officers, employees, directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in (a) a Material Adverse Effect or (b) any Lender violating any applicable Sanctions, and are not knowingly engaged in any activity that would reasonably be expected to result in such Obligor being designated as a Sanctioned Person. None of (a) the Obligors, any Subsidiary nor, to the knowledge of any Obligor or any Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of each Obligor, any agent of such Obligor or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person or is the target of Sanctions. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by the Agreement will violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE V CONDITIONS

SECTION 5.01 Conditions to Effectiveness. The amendment and restatement of the Existing Credit Agreement provided for hereby and the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless and until each of the following conditions shall have been satisfied in form and substance reasonably satisfactory to the Administrative Agent (or such condition shall have been waived in accordance with Section 10.02):

(a) Executed Counterparts. The Administrative Agent shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page to this Agreement) that such party has signed a counterpart of this Agreement.

(b) Opinion of Counsel to the Credit Parties. The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Amendment Effective Date) of (i) Latham & Watkins LLP, special New York counsel for the Credit Parties, (ii) Walkers, special Cayman Islands counsel for each Credit Party organized under the laws of the Cayman Islands and (iii) Gowling WLG (Canada) LLP, special Quebec counsel for each Credit Party organized under the laws of Quebec.

(c) Closing Certificates. The Administrative Agent shall have received a certificate of each Obligor dated the Amendment Effective Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(d) Financial Statements. The Administrative Agent shall have received (i) the combined and consolidated balance sheet and statements of operations, changes in members' equity and partners' capital and cash flows of the Obligors and their Consolidated Subsidiaries as of and for the fiscal year ended December 31, 2021, reported on by Ernst & Young LLP, independent public accountants, and (ii) the combined and consolidated balance sheet and statements of operations, changes in members' equity and partners' capital and cash flows of the Obligors and their Consolidated Subsidiaries as of and for the first fiscal quarter of 2022.

(e) Solvency Certificate. The Administrative Agent shall have received a solvency certificate signed by a Responsible Officer of each Obligor, substantially in the form of Exhibit D hereto.

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(f) Necessary Consents and Approvals. All consents, licenses, permits and governmental and third-party consents and approvals required for the due execution, delivery and performance by the Credit Parties of this Agreement and the other Loan Documents and the transactions contemplated hereby have been obtained and remain in full force and effect, except, in each case, as could not reasonably be expected to have a Material Adverse Effect.

(g) Representations and Warranties. The representations and warranties of the Obligors set forth in this Agreement, and of each Credit Party in each of the other Loan Documents to which it is a party, shall be true and correct in all material respects as of the Amendment Effective Date, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

(h) No Default. No Default shall have occurred and be continuing.

(i) Know Your Customer Information. The Lenders shall have received, to the extent requested, (A) all documentation and other information reasonably requested by the Lenders or the Administrative Agent under applicable “know your customer” and anti-money laundering laws, rules and regulations, including the Patriot Act and (B) if any Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, the Beneficial Ownership Certification in relation to such Borrower.

(j) Subsidiary Guarantee Agreement. The Administrative Agent shall have received the Subsidiary Guarantee Agreement, duly executed and delivered by each Subsidiary Guarantor.

(k) Existing Credit Agreement. The Administrative Agent shall be satisfied that on the Amendment Effective Date, all interest and fees under the Existing Credit Agreement and all other amounts then due and payable thereunder shall have been paid in full, excluding principal of the Existing Revolving Credit Loans (except to the extent required under Section 2.01(a)).

The amendment and restatement of the Existing Credit Agreement provided for hereby and the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder is also subject to (i) the payment by the Obligors of all fees and expenses (including fees and expenses of one counsel per jurisdiction to the Lead Arrangers) for which reasonably detailed invoices (which may include estimates) have been provided to the Obligors not later than three Business Days prior to the Amendment Effective Date and required to be paid to the Administrative Agent and the Lenders on the Amendment Effective Date and (ii) the absence of a material adverse change, or any event or occurrence which could reasonably be expected to result in a material adverse change, in the business, financial condition, operations or properties of the Obligors and their consolidated Subsidiaries, taken as a whole, since December 31, 2021. The Administrative Agent shall promptly notify the Lenders and the Obligors of the occurrence of the Amendment Effective Date.

SECTION 5.02 Reserved.

SECTION 5.03 Conditions to each Credit Event. The obligation of each Lender to make any Loan, and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is additionally subject to the satisfaction of the following conditions:

(a) delivery to the Administrative Agent of a Borrowing Request in accordance with Section 2.03;

(b) the representations and warranties of the Obligors set forth in this Agreement (other than Section 4.04(b) and Section 4.06(a)), and of each Credit Party in each of the other Loan Documents to which it is a party, shall be true and correct in all material respects on and as of the date of such Loan or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date; and

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(c) at the time of and immediately after giving effect to such Loan or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Obligors on the date thereof as to the matters specified in clauses (b) and (c) of the preceding sentence.

SECTION 5.04 Additional Credit Parties.

(a) Joinder of Additional Borrower. The effectiveness of the designation of any Additional Borrower as a Borrower hereunder in accordance with Section 2.23 is subject to the satisfaction of the following conditions:

(i) the Administrative Agent shall have received an Additional Borrower Joinder Agreement duly executed by such Additional Borrower;

(ii) the Administrative Agent shall have received such documents (including such legal opinions) as the Administrative Agent shall reasonably request relating to the formation, existence and good standing of such Additional Borrower, the authorization and legality of the Transactions insofar as they relate to such Additional Borrower and any other legal matters relating to such Additional Borrower, the Additional Borrower Joinder Agreement or such Transactions, all in form and substance reasonably satisfactory to the Administrative Agent;

(iii) the Administrative Agent and the Lenders shall have received, at least five Business Days (or such other period as the Administrative Agent may reasonably agree) prior to the effectiveness of the designation of such Additional Borrower as a Borrower, all documentation and other information relating to such Additional Borrower reasonably requested by them for purposes of ensuring compliance with applicable "know your customer" and anti-money laundering laws, rules and regulations, including the Patriot Act, which documentation and other information shall be reasonably satisfactory to the Administrative Agent and the Lenders;

(iv) the Administrative Agent shall have received such information demonstrating how such Additional Borrower fits into the organizational structure of the Carlyle Group and its Subsidiaries as it shall reasonably request;

(v) in the case of any Additional Borrower that is not organized under the laws of a Permitted Jurisdiction, the Administrative Agent shall have received satisfactory evidence that each Lender shall have consented to such Additional Borrower becoming a Borrower under this Agreement; and

(vi) the Administrative Agent and the Lenders shall be reasonably satisfied that (A) the designation of any Additional Borrower as a Borrower hereunder, and the performance of its obligations hereunder, would not result in the occurrence of any event giving rise to the operation of Section 2.13 or Section 2.14 with respect to any Lender, (B) any payments by or on account of such Additional Borrower hereunder or under any Loan Document will not be subject to deduction or withholding for any Taxes (whether or not indemnified under this Agreement) and (C) such designation will not subject any Lender to any Taxes (whether or not indemnified under this Agreement) to which they otherwise would not have been subject.

(b) Joinder of Additional Guarantor. The effectiveness of the designation of any Additional Guarantor as a Parent Guarantor or as a Subsidiary Guarantor hereunder in accordance with Section 2.24 is subject to the satisfaction of the following conditions:

(i) (A) in the case of any Additional Parent Guarantor, the Administrative Agent shall have received a Parent Guarantor Joinder Agreement duly executed by all parties thereto and (B) in the case of any Additional Subsidiary Guarantor, the Administrative Agent shall have received the Subsidiary Guarantee Agreement (or, if the Subsidiary Guarantee

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Agreement shall have been therefore executed and delivered, a Subsidiary Guarantee Joinder Agreement) duly executed by all parties thereto;

(ii) the Administrative Agent shall have received such documents (including such legal opinions) as the Administrative Agent shall reasonably request relating to the formation, existence and good standing of such Additional Guarantor, the authorization and legality of the Transactions insofar as they relate to such Additional Guarantor and any other legal matters relating to such Additional Guarantor, the Parent Guarantor Joinder Agreement, the Subsidiary Guarantee Agreement or the Subsidiary Guarantee Joinder Agreement or such Transactions, all in form and substance reasonably satisfactory to the Administrative Agent;

(iii) the Administrative Agent and the Lenders shall have received, at least five Business Days prior to the effectiveness of the designation of such Additional Guarantor as a Parent Guarantor or a Subsidiary Guarantor, as the case may be, all documentation and other information relating to such Additional Guarantor reasonably requested by them for purposes of ensuring compliance with applicable "know your customer" and anti-money laundering laws, rules and regulations, including the Patriot Act, which documentation and other information shall be reasonably satisfactory to the Administrative Agent and the Lenders; and

(iv) the Administrative Agent and the Lenders shall be reasonably satisfied that (A) the designation of any Additional Guarantor as a Parent Guarantor or as a Subsidiary Guarantor hereunder, and the performance of its obligations hereunder, would not result in the occurrence of any event giving rise to the operation of Section 2.13 or 2.14 with respect to any Lender, (B) any payments by or on account of such Additional Guarantor hereunder or under any Loan Document will not be subject to deduction or withholding for any Taxes (whether or not indemnified under this Agreement) and (C) such designation will not subject any Lender to any Taxes (whether or not indemnified under this Agreement) to which they otherwise would not have been subject.

(c) Notice of Joinder. The Administrative Agent shall notify the Obligors and the Lenders of the effectiveness of the designation of any Additional Borrower as a Borrower hereunder, any Additional Parent Guarantor as a Parent Guarantor hereunder and any Additional Subsidiary Guarantor as a new Subsidiary Guarantor hereunder, and such notice shall be conclusive and binding.

ARTICLE VI AFFIRMATIVE COVENANTS

Until the Revolving Credit Commitments have expired or been terminated and the principal of and interest on each Loan and all fees or other amounts payable hereunder shall have been paid in full (other than contingent or indemnification obligations not then due), and all Letters of Credit (that have not been cash collateralized in accordance with Section 2.04(k)) shall have expired or terminated and all LC Disbursements shall have been reimbursed, each Obligor covenants and agrees with the Administrative Agent, the Issuing Banks and the Lenders that:

SECTION 6.01 Financial Statements and Other Information. The Obligors will furnish to the Administrative Agent (for delivery to each Lender):

(a) within 120 days after the end of each fiscal year of Carlyle Group, (A) the audited combined and consolidated balance sheet and related statements of operations, changes in members' equity and partners' capital and cash flows of Carlyle Group and its Consolidated Subsidiaries as of the end of and for such fiscal year, setting forth in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Carlyle Group and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied (it being agreed that the information required by this clause (A) may be furnished in the form of a Form 10-K to the extent such Form 10-K satisfies the requirements of this clause (A)), (B) the unaudited condensed consolidated and combined statement of financial condition and condensed consolidated and

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combined statements of income and cash flows as of the end of and for such fiscal year of the combined Obligor and their Consolidated Subsidiaries, setting forth in comparative form the figures for the previous fiscal year, all certified by a Responsible Officer on behalf of the Obligor as fairly presenting, in all material respects, the financial position and results of operations of the combined Obligor and their Consolidated Subsidiaries on a condensed consolidated and combined basis in accordance with GAAP consistently applied, and (C) a reconciliation prepared by a Responsible Officer on behalf of the Obligor of the audited financial statements referred to in clause (A) of this paragraph (a) to the unaudited financial statements referred to in clause (B) of this paragraph (a);

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year of Carlyle Group, (A) the combined and consolidated balance sheet and related statements of operations, changes in members' equity and partners' capital and cash flows of Carlyle Group and its Consolidated Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or, in the case of the balance sheet, for the most recently ended fiscal year), all certified by a Responsible Officer of the Obligor as presenting fairly in all material respects the financial condition and results of operations of Carlyle Group and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes (it being agreed that the information required by this clause (A) may be furnished in the form of a Form 10-Q to the extent such Form 10-Q satisfies the requirements of this clause (A)), (B) the unaudited condensed consolidated and combined statement of financial condition and condensed consolidated and combined statements of income and cash flows of the combined Obligor and their Consolidated Subsidiaries as of the end of and for such fiscal quarter and the then-elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or, in the case of the balance sheet, for the most recently ended fiscal year), all certified by a Responsible Officer on behalf of the Obligor as presenting fairly, in all material respects, the financial position and results of operations of the combined Obligor and their Consolidated Subsidiaries on a condensed consolidated and combined basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and absence of footnotes, and (C) a reconciliation prepared by a Responsible Officer on behalf of the Obligor of the unaudited financial statements referred to in clause (A) of this paragraph (b) to the unaudited financial statements referred to in clause (B) of this paragraph (b);

(c) concurrently with any delivery of financial statements under clause (a) or (b) of this Section, a certificate of a Responsible Officer on behalf of the Obligor (i) certifying (to the knowledge of such Responsible Officer) as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 7.08 and Section 7.10 and reasonable detail of any portion of the EBITDA that is attributable to a CLO Management Subsidiary or a Broker-Dealer Subsidiary and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 4.04 and has resulted in a change to such financial statements and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (b) of this Section that are substantially different in form from the financial statements previously delivered pursuant to clause (b) of this Section, a certificate of a Responsible Officer on behalf of the Obligor containing a reasonably detailed reconciliation, prepared by management of the Obligor, of such delivered financial statements with the applicable previously delivered financial statements; *provided* that, no such reconciliation shall be required to the extent any difference in the form of the financial statements (x) does not result in any changes to net income for such period than would otherwise be calculated therefor or (y) results primarily from newly adapted accounting standards under GAAP;

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Carlyle Group, such Obligor or any of

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its Subsidiaries with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed by such Obligor to its public shareholders generally as the case may be; *provided* that the documents required to be delivered pursuant to this clause (e) shall be deemed to have been furnished by the Obligors to the Administrative Agent (and by the Administrative Agent to the Lenders) on the date on which such materials are publicly available as posted on the SEC's Electronic Data Gathering, Analysis and Retrieval system (EDGAR);

(f) promptly following any request therefor, such other financial information regarding the operations, business affairs and financial condition of such Obligor or any of its Subsidiaries, or compliance with the terms of this Agreement and the other Loan Documents, as the Administrative Agent, including on behalf of any Lender, may reasonably request, *provided* that such Obligor shall not be required to provide such information if such disclosure would, in the reasonable judgment of the Obligors, reasonably be expected to be a violation of any applicable Requirement of Law; and

(g) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering laws, rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation;

SECTION 6.02 Notices of Material Events. Each Obligor will furnish to the Administrative Agent (for delivery to each Lender) prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting any Obligor or any of its Subsidiaries;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(d) the assertion of any environmental matters by any Person against, or with respect to the activities of, any Obligor or any of its Subsidiaries and any alleged violation of or non-compliance with any Environmental Laws or any permits, licenses or authorizations, other than any environmental matters or alleged violation that would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect;

(e) any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect; and

(f) any change in the information provided in the Beneficial Ownership Certification delivered to any Lender that would result in a change to the list of beneficial owners identified in such certification.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer on behalf of the relevant Obligor, setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken by such Obligor with respect thereto.

SECTION 6.03 Existence; Conduct of Business. Each Obligor will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect; *provided* that the foregoing shall not prohibit any transaction permitted under Section 7.03.

SECTION 6.04 Payment of Taxes. Each Obligor will, and will cause each of its Subsidiaries to, pay its Taxes, governmental assessments and governmental charges (other than

Indebtedness) that, if not paid, would result in a Material Adverse Effect before the same shall become delinquent or in default, except where the validity or amount thereof is being contested in good faith by appropriate proceedings and such Obligor or such Subsidiary has set aside on its books any reserves with respect thereto required in conformity with GAAP.

SECTION 6.05 Maintenance of Properties; Insurance. Each Obligor will, and will cause each of its Subsidiaries to, (a) keep and maintain all property useful and necessary to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained (as determined by such Obligor in good faith) by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 6.06 Books and Records; Inspection Rights. Each Obligor will, and will cause the Credit Parties collectively to, (a) keep proper books of records and accounts in a manner necessary to permit the delivery of the financial statements required in Sections 6.01(a) and (b); (b) permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records upon reasonable notice and during normal business hours (*provided* that such visits shall be coordinated by the Administrative Agent, and such visits shall be limited to no more than one such visit per calendar year, except, in each case, during the continuance of an Event of Default); and (c) permit representatives of any Lender to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Obligors and their Subsidiaries with officers and employees of the Obligors and their Subsidiaries and with their independent certified public accountants (*provided* that a Responsible Officer of either Obligor shall be present during such discussions, any such discussions with independent certified public accountants shall be coordinated by the Administrative Agent and such discussions shall be at the Lender's expense and shall be limited to no more than one such visit per calendar year, except, in each case, during the continuance of an Event of Default).

SECTION 6.07 Compliance with Laws. Each Obligor will, and will cause each of its Subsidiaries to, comply with all Requirements of Law (including, all Anti-Corruption Laws and applicable Sanctions) with respect to it, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. Each Obligor will maintain in effect and enforce policies and procedures designed to ensure compliance by the Obligors, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.08 Use of Proceeds and Letters of Credit. The proceeds of the Revolving Credit Loans and the Letters of Credit will be used by the Obligors and their Subsidiaries for working capital and general corporate purposes, including Investments. The proceeds of Incremental Term Loans will be used by the Obligors and their Subsidiaries for general corporate purposes, including Investments. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X.

SECTION 6.09 Certain Obligations Respecting Management Fees and Carried Interest; Further Assurances.

- (a) Distributions. The Obligors shall cause (i) each of the Fund Entities to make all distributions in respect of Carried Interest and make all payments of Management Fees in accordance with the requirements in respect thereof under the relevant organization documents or Management Fee Agreement, (ii) all payments and distributions in respect of Management Fees and Carried Interest to be promptly paid at reasonable intervals (but in no event less than quarterly) directly or indirectly to an Obligor and (iii) all payments and distributions in respect of Management Fees and Carried Interest from any Fund Entity to any Subsidiary of any Obligor to be promptly paid or distributed directly to a deposit account or securities account of such Obligor; *provided* that (x) the Obligors and their Subsidiaries may maintain reasonable reserves in respect of Carried Interest, (y) the Obligors may permit any of their respective Subsidiaries that is a general partner of any Fund Entity to retain Management Fees and Carried Interest in amounts

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equal to the amounts required for such Subsidiary, in its capacity as general partner of such Fund Entity, to pay the administrative and reasonable expenses of such Fund Entity incurred in the ordinary course of business, and (z) the Obligors may permit any of their Subsidiaries to retain Management Fees and Carried Interest in aggregate amounts necessary to satisfy the requirements of relevant Governmental Authorities (including requirements with respect to capitalization).

(b) Further Assurances. The Obligors shall, and shall cause its Subsidiaries to, from time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement.

SECTION 6.10 Governmental Approvals. Each Obligor agrees that it will promptly obtain from time to time at its own expense all such governmental licenses, authorizations, consents, permits and approvals as may be required for such Obligor to comply with its obligations, and preserve its rights under, each of the Loan Documents, except in each case where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.11 Designation of Subsidiaries.

(a) Designation of CLO Management Subsidiary. The Borrowers may at any time designate any Subsidiary of a Credit Party as a CLO Management Subsidiary, and may un-designate any previously designated CLO Management Subsidiary; *provided* that (i) immediately before and after the effectiveness of such designation or un-designation, no Default or Event of Default shall have occurred and be continuing, (ii) immediately after giving effect to the effectiveness of such designation or un-designation, the Obligors shall be in Pro Forma Compliance and (iii) at least three days prior to the effectiveness of such designation or un-designation, the Borrowers shall deliver to the Administrative Agent an officer's certificate containing the effective date of such designation or un-designation and confirming that such designation or un-designation is in compliance with the terms of this Agreement; *provided further* that if any CLO Management Subsidiary has been un-designated in accordance herewith, such Subsidiary may not be redesignated as a CLO Management Subsidiary until at least twelve months after such un-designation (unless otherwise agreed by the Administrative Agent). Upon the un-designation of any previously designated CLO Management Subsidiary, any outstanding Indebtedness of such Subsidiary must be permitted under Section 7.01 (other than under clause (o) thereof).

(b) Designation of Broker-Dealer Subsidiary. The Borrowers may at any time designate any Subsidiary of a Credit Party as a Broker-Dealer Subsidiary, and may un-designate any previously designated Broker-Dealer Subsidiary; *provided* that (i) immediately before and after the effectiveness of such designation or un-designation, no Default or Event of Default shall have occurred and be continuing, (ii) immediately after giving effect to the effectiveness of such designation or un-designation, the Obligors shall be in Pro Forma Compliance and (iii) at least three days prior to the effectiveness of such designation or un-designation, the Borrowers shall deliver to the Administrative Agent an officer's certificate containing the effective date of such designation or un-designation and confirming that such designation or un-designation, is in compliance with the terms of this Agreement; *provided further* that if any Broker-Dealer Subsidiary has been un-designated in accordance herewith, such Subsidiary may not be redesignated as a Broker-Dealer Subsidiary until at least twelve months after such un-designation (unless otherwise agreed by the Administrative Agent). Upon the un-designation of any previously designated Broker-Dealer Subsidiary, any outstanding Indebtedness of such Subsidiary must be permitted under Section 7.01 (other than under clause (p) thereof).

**ARTICLE VII
NEGATIVE COVENANTS**

Until the Revolving Credit Commitments have expired or been terminated and the principal of and interest on each Loan and all fees or other amounts payable hereunder shall have been paid in full (other than contingent or indemnification obligations not then due), and all Letters of Credit (that have not been cash collateralized in accordance with Section 2.04(k)) shall have expired or terminated and all LC Disbursements shall have been reimbursed, each Obligor covenants and agrees with the Administrative Agent, the Issuing Banks and the Lenders that:

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SECTION 7.01 Indebtedness. Each Obligor will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

- (a) Indebtedness created hereunder;
- (b) Indebtedness of any Obligor or any of its Subsidiaries; *provided* that (i) at the time such Indebtedness is incurred, and immediately after giving effect to the incurrence thereof, no Default shall have occurred under Section 6.01 and the ratio of Total Indebtedness of the Obligors and their Subsidiaries to EBITDA (such EBITDA to be determined as of the end of the fiscal quarter most recently ended for which financial statements have been delivered to the Administrative Agent pursuant to Section 6.01) shall not exceed 4.0 to 1.0 and (ii) the aggregate principal amount of Indebtedness of all Non-Guarantor Subsidiaries incurred pursuant to this clause (b) shall not exceed the greater of (x) \$500,000,000 and (y) the amount equal to the Total Indebtedness of the Obligors and their Subsidiaries that would not breach the 4.0 to 1.0 ratio above *multiplied by 35%* (in the case of this clause (y), calculated at the time of the incurrence of such Indebtedness on a pro forma basis based on EBITDA as of the fiscal quarter most recently ended for which financial statements have been delivered to the Administrative Agent pursuant to Section 6.01);
- (c) Indebtedness of any Obligor or any of its Subsidiaries to any Obligor or any of its Subsidiaries;
- (d) Guarantees by any Obligor of obligations of any Obligor or any Subsidiary of any Obligor;
- (e) Guarantees by any Subsidiary of any Obligor of obligations of any Obligor or any of its Subsidiaries; *provided* that (i) at the time such Indebtedness is incurred, and immediately after giving effect to the incurrence thereof, no Default shall have occurred under Section 6.01, and (ii) the aggregate amount of all Guarantees by Non-Guarantor Subsidiaries permitted pursuant to this clause (e) at any time, when added to the sum of the aggregate outstanding principal amount of all Indebtedness of the Non-Guarantor Subsidiaries permitted under clause (b) of this Section, shall not exceed the greater of (x) \$500,000,000 and (y) the amount equal to the Total Indebtedness of the Obligors and their Subsidiaries that would not breach the 4.0 to 1.0 ratio above *multiplied by 35%* (in the case of this clause (y), calculated at the time of the incurrence of such Indebtedness on a pro forma basis based on EBITDA as of the fiscal quarter most recently ended for which financial statements have been delivered to the Administrative Agent pursuant to Section 6.01);
- (f) Indebtedness of the Obligors or any of their Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn by such Obligor or such Subsidiary in the ordinary course of business against insufficient funds, so long as such Indebtedness is promptly repaid;
- (g) Guarantees made in the ordinary course of business; *provided* that such Guarantees are not of Indebtedness for borrowed money and such Guarantees would not otherwise in the aggregate reasonably be expected to have a Material Adverse Effect;
- (h) the Employee Loan Indebtedness in an aggregate principal amount not exceeding \$50,000,000 at any time outstanding;
- (i) Indebtedness existing on the Amendment Effective Date that, prior to the date hereof and in connection with the Amendment Effective Date, has been disclosed in writing by the Obligors to the Administrative Agent (for delivery to each Lender), and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof;
- (j) Indebtedness to any Global Partner so long as such Indebtedness is unsecured and subordinated as to payment of principal to the Obligations on terms reasonably satisfactory to the Administrative Agent, *provided* that payments of principal in respect of such Indebtedness

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shall be permitted so long as, immediately before and after giving effect to such payment, no Payment Default or Event of Default shall have occurred and be continuing;

- (k) Indebtedness of the Obligors or any of their Subsidiaries in respect of workers' compensation claims, property casualty or liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations, performance, bid and surety bonds and completion guaranties, in each case in the ordinary course of business;
- (l) Indebtedness issued in lieu of cash payments of Restricted Payments permitted by Section 7.06; *provided* that such Indebtedness is subordinated to the Obligations on terms reasonably satisfactory to the Administrative Agent;
- (m) Indebtedness owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business;
- (n) other Indebtedness of the Obligors and the Subsidiary Guarantors (including Guarantees of any Indebtedness) in an aggregate principal amount not exceeding \$200,000,000 at any time outstanding; *provided* that, immediately after giving effect to such Indebtedness, the Obligors shall be in Pro Forma Compliance (it being understood and agreed that the proceeds of such Indebtedness shall not be included as Unrestricted Cash for purposes of such calculation);

(o) Indebtedness incurred by any CLO Management Subsidiary to finance any Investment made to comply with any regulatory requirements with respect to a CLO (including risk retention requirements); *provided* that (i) such Indebtedness is a limited recourse obligation of such CLO Management Subsidiary payable solely from the assets of such CLO Management Subsidiary, (ii) following realization of the assets of such CLO Management Subsidiary and application of the proceeds thereof all obligations of such CLO Management Subsidiary in respect of such Indebtedness are expected to be extinguished and, to the extent of such proceeds, shall be repaid and shall not thereafter revive, (iii) neither the Obligors nor any of their Subsidiaries (other than such CLO Management Subsidiary) (x) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) to such CLO Management Subsidiary, (y) is directly or indirectly liable as a guarantor in connection with such Indebtedness or (z) is a creditor in respect of such Indebtedness, *provided* that none of the foregoing shall prevent the Obligors and their Subsidiaries from making any reasonable and customary representations, warranties, covenants (which covenants shall not relate to the payment of such Indebtedness) and indemnities in connection with such Indebtedness, and (iv) no default with respect to such Indebtedness (including any rights that the holders of such Indebtedness may have to take enforcement action against such CLO Management Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Obligors or any of their Subsidiaries (other than such CLO Management Subsidiary) to declare a default on such other Indebtedness or cause the payment of such Indebtedness of such CLO Management Subsidiary to be accelerated or payable prior to its stated maturity; and

(p) Indebtedness incurred by any Broker-Dealer Subsidiary; *provided* that (i) such Indebtedness is a limited recourse obligation of such Broker-Dealer Subsidiary payable solely from the assets of such Broker-Dealer Subsidiary, (ii) following realization of the assets of such Broker-Dealer Subsidiary and application of the proceeds thereof all obligations of such Broker-Dealer Subsidiary in respect of such Indebtedness are expected to be extinguished and, to the extent of such proceeds, shall be repaid and shall not thereafter revive, (iii) neither the Obligors nor any of their Subsidiaries (other than such Broker-Dealer Subsidiary) (x) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) to such Broker-Dealer Subsidiary, (y) is directly or indirectly liable as a guarantor in connection with such Indebtedness or (z) is a creditor in respect of such Indebtedness, *provided* that none of the foregoing shall prevent the Obligors and their Subsidiaries from making any reasonable and customary representations, warranties, covenants (which covenants shall not relate to the payment of such Indebtedness) and indemnities in connection with such Indebtedness, and (iv) no default with respect to such Indebtedness (including any rights that the holders of such Indebtedness may have to take enforcement action against such Broker-Dealer Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Obligors or

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any of their Subsidiaries (other than such Broker-Dealer Subsidiary) to declare a default on such other Indebtedness or cause the payment of such Indebtedness of such Broker-Dealer Subsidiary to be accelerated or payable prior to its stated maturity;

provided that, notwithstanding the last sentence of the definition of "Guarantee", for purposes of determining the aggregate outstanding principal amount of any Indebtedness, the amount of any Guarantee shall be deemed to equal the aggregate outstanding principal amount of the Indebtedness that is guaranteed by such Guarantee.

SECTION 7.02 Liens. Each Obligor will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or (except in connection with a transaction permitted by Section 7.03(d)) assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of any of the Obligors or any of their Subsidiaries existing on the Amendment Effective Date that, prior to the date hereof and in connection with the Amendment Effective Date, has been disclosed in writing by the Obligors to the Administrative Agent (for delivery to each Lender); *provided* that (i) no such Lien shall extend to any other property or asset of such Obligor or any of its Subsidiaries and (ii) any such Lien shall secure only those obligations which it secures on the Amendment Effective Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any interest or title of a lessor under any lease or sublease entered into by any Obligor or any Subsidiary in the ordinary course of its business and covering only the assets so leased, and any financing statement filed in connection with any such lease;

(d) Liens solely on any cash earnest money deposits made by any Obligor or any of its Subsidiaries in connection with an Investment;

(e) Liens on cash or cash equivalents used to defease or to satisfy and discharge Indebtedness, *provided* that such defeasance or satisfaction and discharge is not otherwise prohibited hereunder;

(f) (i) Liens that are contractual rights of set-off (A) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (B) relating to pooled deposit or sweep accounts of the Obligors or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Obligors and the Subsidiaries or (C) relating to purchase orders and other agreements entered into with customers of the Obligors or any Subsidiary in the ordinary course of business and (ii) other Liens securing cash management obligations (that do not constitute Indebtedness) in the ordinary course of business;

(g) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights;

(h) other Liens with respect to obligations that do not exceed an aggregate amount of \$200,000,000 at any one time outstanding;

(i) Liens granted in the ordinary course of business by any Subsidiary (other than an Obligor) of any Obligor that is the general partner of a Fund Entity securing Indebtedness of such Fund Entity on the right of such Subsidiary to issue or make capital calls in its capacity as the general partner of such Fund Entity;

(j) Liens on Investments of a CLO Management Subsidiary securing Indebtedness incurred pursuant to and in accordance with Section 7.01(o) to the extent such Lien covers only the assets of such CLO Management Subsidiary; and

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(k) Liens on Investments of a Broker-Dealer Subsidiary securing Indebtedness incurred pursuant to and in accordance with Section 7.01(p) to the extent such Lien covers only the assets of such Broker-Dealer Subsidiary.

SECTION 7.03 Fundamental Changes. Each Obligor will not, nor will it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution) or divide. Each Obligor will not, nor will it permit any of its Subsidiaries to convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of the consolidated assets (including by way of sale or transfer of stock of Subsidiaries) of the Obligors and their Subsidiaries.

Notwithstanding the foregoing provisions of this Section:

- (a) any Obligor or any Subsidiary of an Obligor may be merged or consolidated with or into any other Obligor or any Subsidiary of an Obligor; *provided* that (i) if any such transaction shall be between a Subsidiary (other than an Obligor or a Subsidiary Guarantor) and a wholly owned Subsidiary (other than an Obligor or a Subsidiary Guarantor), the wholly owned Subsidiary shall be the continuing or surviving entity, (ii) if any such transaction shall involve an Obligor, an Obligor shall be the continuing or surviving entity, and (iii) if any such transaction shall be between a Subsidiary Guarantor and a Non-Guarantor Subsidiary, such Subsidiary Guarantor shall be the continuing or surviving entity;
- (b) any Subsidiary of an Obligor may sell, lease, transfer or otherwise dispose of any or all of its property (upon voluntary liquidation or otherwise) to (i) an Obligor or (ii) in the case of any such Subsidiary that is not itself an Obligor, any wholly owned Subsidiary of an Obligor;
- (c) the Equity Interests of any Subsidiary of an Obligor may be sold, transferred or otherwise disposed of to (i) an Obligor or (ii) in the case of any such Subsidiary that is not itself an Obligor, any wholly owned Subsidiary of such Obligor;
- (d) (i) the Subsidiaries (other than an Obligor) of the Obligors may undergo a restructuring and (ii) any Obligor or any Subsidiary of an Obligor may be reorganized as a corporation in its jurisdiction of organization or in any Permitted Jurisdiction (each of the transactions described in clauses (i) and (ii) of this paragraph (d), a "Restructuring Transaction"), in each case so long as
- (u) such Restructuring Transaction could not reasonably be expected to materially reduce the expected distributions to be received by the Obligors in respect of Management Fees and Carried Interest,
- (v) immediately before and after the consummation of such Restructuring Transaction, no Default shall have occurred and be continuing,
 - (w) immediately after giving effect to the consummation of such Restructuring Transaction, the Obligors shall be in Pro Forma Compliance (and a Responsible Officer on behalf of the Obligors shall have certified as such to the Administrative Agent),
 - (x) the Obligors shall have delivered a notice to the Administrative Agent containing a reasonably detailed description of such Restructuring Transaction at least 10 Business Days prior to the consummation of such Restructuring Transaction,
- (y) such Restructuring Transaction could not reasonably be expected to adversely affect the priority in right of payment of the Obligations, or the priority of any claims the Holders may have against any Obligor or any of its Subsidiaries, in each case relative to (1) any other creditor of any Obligor or any Subsidiary of an Obligor and (2) any Person to whom any Obligor or any Subsidiary of an Obligor owes Indebtedness, and

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- (z) with respect to clause (ii) above, if any such Restructuring Transaction shall involve an Obligor, an Obligor shall be the continuing or surviving entity;
- (e) any Subsidiary (other than an Obligor) of an Obligor may enter into a transaction of merger, consolidation or amalgamation, liquidate, wind up or dissolve itself, in each case, in the ordinary course of business, and to the extent not otherwise material to the Obligors and their Subsidiaries on a consolidated basis;
- (f) the Obligors and the Subsidiaries may sell, transfer or otherwise dispose of any assets or property for cash or other consideration, in each case, reasonably determined by the Obligors to be in an amount at least equal to the fair value of such assets or property; and
- (g) the Obligors and the Subsidiaries may enter into mergers and consolidations to effect asset acquisitions; *provided* that (i) if any Obligor is party to such transaction, such Obligor shall be the continuing or surviving entity, and (ii) if any Subsidiary Guarantor is a party to such transaction, such Subsidiary Guarantor shall be the continuing or surviving entity.

Solely for the purpose of determining whether a Subsidiary is a wholly owned Subsidiary under this Section, if, with respect to any Subsidiary, a de minimis amount of the Equity Interests of such Subsidiary are required to held by another Person under applicable Requirements of Law (including qualifying directors shares and similar requirements), effect shall not be given to such de minimis holding in determining whether such Subsidiary is wholly-owned.

SECTION 7.04 Lines of Business. Each Obligor will not, nor will it permit any of its Subsidiaries to, engage to any material extent in any business other than the business of the type conducted by the Obligors and their Subsidiaries on the Amendment Effective Date and the Core Business, and, in each case, businesses reasonably related thereto and reasonable extensions thereof.

SECTION 7.05 Ownership of Core Businesses. Each Obligor will not permit any Equity Interests that are owned by Carlyle Group, either directly or through its direct or indirect subsidiaries, in a Core Business Entity, to be owned by any Person other than the Obligors and their Subsidiaries (unless such Core Business Entity is itself an Obligor); *provided* that the foregoing will not prohibit Carlyle Group's indirect ownership of such Equity Interests through its direct or indirect ownership of Equity Interests in the Obligors.

SECTION 7.06 Restricted Payments. Each Obligor will not, nor will it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment when a Default has occurred and is continuing, *provided* that

(a) irrespective of the occurrence of any Default, (i) any Subsidiary of any Obligor may make Restricted Payments to any wholly-owned Subsidiary of any Obligor, (ii) any Obligor may make Restricted Payments in the form of Equity Interests of such Obligor, (iii) any Subsidiary of any Obligor (including a Subsidiary that is also an Obligor) may make Restricted Payments to any Obligor, (iv) any Obligor or any of its Subsidiaries may make Restricted Payments on account of Deal Team Interest consisting of realized performance revenue related compensation to members, partners, employees, contractors or advisors of the Borrowers or any of their Affiliates and (v) any Subsidiary that does not Guarantee the Obligations and is not wholly-owned by the Obligors may make a Restricted Payment to the holders of the Equity Interests in such Subsidiary on a pro rata basis for all such holders with respect to both the amount and form of such Restricted Payment;

(b) so long as immediately before and after giving effect to such payment, no Payment Default or Bankruptcy Event of Default shall have occurred and be continuing, the Obligors may make cash distributions to the owners of their Equity Interests, on a pro rata basis, in an amount necessary to provide the Carlyle Group with funds to make regular quarterly cash distributions to common shareholders in an amount not to exceed the amount determined in accordance with the distribution policy described in the most recent quarterly report on Form 10-Q or annual report on Form 10-K, as applicable, of the Carlyle Group filed with the SEC, so long as any such cash distributions by the Obligors (A) are not in the aggregate, net of applicable taxes, in excess of the amounts of such quarterly distributions by the Carlyle Group and (B) are

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made not more than 15 days prior to the payment date for such quarterly distributions by the Carlyle Group; and

(c) so long as immediately before and after giving effect to such payment, no Payment Default or Bankruptcy Event of Default shall have occurred and be continuing, in respect of any period during which any Obligor qualifies as a partnership or disregarded entity thereof for U.S. federal and applicable state income tax purposes, such Obligor (including any Additional Parent Guarantor) shall be permitted to make "Tax Distributions" on the basis of the "Assumed Tax Rate" (as each such term is defined in the September 13, 2017 Second Amended and Restated Limited Partnership Agreement of Carlyle Holding I L.P. (the "Tax Agreement Form"), which Tax Agreement Form may be delivered by the Administrative Agent to each Lender upon request) in accordance with the terms and conditions set forth in the Tax Agreement Form.

SECTION 7.07 Transactions with Affiliates. Each Obligor will not, nor will it permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions otherwise not prohibited under this Agreement or any other Loan Document, (b) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to an Obligor or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties and (c) transactions between or among an Obligor and any other Obligor and transactions between or among an Obligor and any wholly owned Subsidiary of any Obligor, in each case not involving any other Affiliate. For the avoidance of doubt, this Section shall not apply to employment, bonus, retention and severance arrangements with, and payments of compensation or benefits to or for the benefit of, current or former employees, consultants, officers or directors of any Obligor or any of its Subsidiaries in the ordinary course of business.

SECTION 7.08 Minimum Management Fee Earnings Assets Amount. Each Obligor will not permit the Management Fee Earnings Assets Amount on any Quarterly Date commencing with the Quarterly Date occurring on the last Business Day of June 2022 to be less than \$126,600,000,000.

SECTION 7.09 Modifications of Certain Documents. Other than pursuant to a transaction permitted by Section 7.03, each Obligor will not, nor will it permit any of its Subsidiaries to, consent to any amendment, modification, rescission or termination of or waiver under any documents relating to the organization or existence of any such Person or any document relating to any Management Fees or Carried Interest, to the extent that such amendment, modification, rescission, termination or waiver:

- (a) could reasonably be expected to materially reduce the then-expected distributions to be received by the Obligors, taken as a whole, in respect of Management Fees and Carried Interest; or
- (b) could materially impair (i) the credit worthiness of any Credit Party or (ii) the rights and interests of the Lenders hereunder and under the other Loan Documents.

SECTION 7.10 Total Indebtedness Ratio. Each Obligor will not permit the Total Indebtedness Ratio on the last day of any fiscal quarter to exceed 4 to 1.

SECTION 7.11. Use of Proceeds in Compliance with Sanctions Laws. Each Borrower will not request any Borrowing or Letter of Credit, and each Obligor shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, directly or, to the knowledge of such Obligor, indirectly, 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, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 7.12. CLO Management Subsidiaries. No Credit Party shall permit any CLO Management Subsidiary to engage in any business other than the management, servicing or

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administration performed in connection with a Fund Entity that is a CLO (or similar funds established to invest primarily in leveraged loans) and the holding of Investments in such a Fund Entity or other CLO Management Subsidiary and activities reasonably related or incidental thereto (including the incurrence of Indebtedness to finance such Investments to the extent permitted under and in accordance with Section 7.01(o)).

SECTION 7.13. Broker-Dealer Subsidiaries. No Credit Party shall permit any Broker-Dealer Subsidiary to engage in any business other than a Broker-Dealer and the holding of Investments in a Broker-Dealer Subsidiary and activities reasonably related or incidental thereto (including the incurrence of Indebtedness to finance such Investments to the extent permitted under and in accordance with Section 7.01(p)).

ARTICLE VIII EVENTS OF DEFAULT

SECTION 8.01 Events of Default. If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay (i) any principal of any Loan when due in accordance with the terms hereof or (ii) any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due in accordance with the terms hereof, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five or more Business Days;

(c) any representation or warranty made or deemed made by any Credit Party (including any Responsible Officer on behalf of any Credit Party) in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect when made or deemed made in any material respect;

(d) any Obligor shall fail to observe or perform any covenant, condition or agreement contained in Section 6.02(a), Section 6.03 (with respect to such Obligor's existence and conduct of business), Section 6.08 or in Article VII;

(e) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document and such failure shall continue unremedied for a period of 30 or more days after notice thereof from the Administrative Agent or any Lender to the Borrowers;

(f) any Credit Party or any Material Subsidiary shall fail to make any payment of principal or interest (beyond any grace period applicable thereto) in respect of any Material Indebtedness, when and as the same shall become due and payable; *provided* that this clause (f) shall not apply to (i) any Guarantees except to the extent such Guarantees shall become due and payable by any Credit Party or any Material Subsidiary and remain unpaid after any applicable grace period or period permitted following demand for the payment thereof, (ii) any Indebtedness of a CLO Management Subsidiary incurred pursuant to and in accordance with Section 7.01(o) or (iii) any Indebtedness of a Broker-Dealer Subsidiary incurred pursuant to and in accordance with Section 7.01(p);

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause (with the giving of notice if required) any Material Indebtedness to become due, or to require the prepayment, repurchase,

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redemption or defeasance thereof, prior to its scheduled maturity; *provided* that this clause (g) shall not apply to (i) secured Indebtedness that becomes due as a result of the sale or transfer of all or a portion of the property or assets securing such Indebtedness or (ii) any Guarantees except to the extent such Guarantees shall become due and payable by any Obligor, any Material Subsidiary or any Fund Entity and remain unpaid after any applicable grace period or period permitted following demand for the payment thereof;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Subject Party or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Subject Party or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Subject Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Subject Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any partnership or formal action for the purpose of effecting any of the foregoing;

(j) any Credit Party or any Material Subsidiary thereof shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) the failure by any Credit Party or any Material Subsidiary thereof to pay one or more final judgments aggregating in excess of \$50,000,000 (net of any amounts which are covered by insurance or bonded), which judgments are not discharged or effectively waived or stayed for a period of 30 consecutive days, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of any Borrower or any Material Subsidiary thereof to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) the Guarantee pursuant to Article III by any Parent Guarantor or the Guarantee pursuant to the Subsidiary Guarantee Agreement by any Subsidiary Guarantor shall cease to be in full force and effect (other than in accordance with the terms thereof) or shall be asserted in writing by any Credit Party not to be in effect or not to be legal, valid and binding obligations;

then, and in every such event (other than a Bankruptcy Event of Default), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrowers, take either or both of the following actions, at the same or different times: (i) terminate the Revolving Credit Commitments, and thereupon the Revolving Credit Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Obligors accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Obligor; and in case of any Bankruptcy Event of Default, the Revolving Credit Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Obligors accrued hereunder, shall automatically become due and payable, without presentment, demand,

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protest or other notice of any kind, all of which are hereby waived by each Obligor. A vote of the Required Lenders shall be effective to rescind acceleration of the Loans (except with respect to any acceleration resulting from any Bankruptcy Event of Default).

ARTICLE IX
AGENCY

SECTION 9.01 The Administrative Agent. Each of the Lenders and the Issuing Banks hereby irrevocably appoints Citibank to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Administrative Agent hereunder in its individual capacity. Each such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Obligors or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent shall not:

- (a) be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
- (b) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and
- (c) except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, or shall be liable for the failure to disclose, any information relating to any Obligor or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 10.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Obligors, a Lender or an Issuing Bank.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

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The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for an Obligor), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through its Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agents, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

Subject to, and effective upon, the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Lenders and the Borrowers. Upon any such resignation, the Required Lenders shall have the right to appoint a successor with the consent of the Borrowers (which consent (i) shall not be required if a Payment Default or Bankruptcy Event of Default shall have occurred and be continuing and (ii) shall not be unreasonably withheld or delayed). If no successor shall have been so appointed by the Required Lenders and approved by the Borrowers and shall have accepted such appointment within 45 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders with the consent of the Borrowers (which consent (i) shall not be required if a Payment Default or Bankruptcy Event of Default shall have occurred and be continuing and (ii) shall not be unreasonably withheld or delayed), appoint a successor Administrative Agent which shall be a bank with an office in New York, New York and an office in London, England (or a bank having an Affiliate with such an office) having a combined capital and surplus that is not less than \$500,000,000 or an Affiliate of any such bank. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor bank, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder. After an Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Each Lender and each Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

The Lenders party hereto consent to the amendment and restatement of the Subsidiary Guarantee Agreement on the Amendment Effective Date and hereby authorize and direct the Administrative Agent to enter into the Amended and Restated Subsidiary Guarantee Agreement.

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SECTION 9.02 Bookrunners, Etc. Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, co-documentation agents or syndication agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an Issuing Bank hereunder.

SECTION 9.03 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, the Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Credit Party, that at least one of the following is and will be true:

(b) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans in connection with the Revolving Credit Loans, Revolving Credit Commitments or the Letters of Credit,

(i) 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 Revolving Credit Loans, the Revolving Credit Commitments, the Letters of Credit and this Agreement,

(ii) (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 Revolving Credit Loans, the Revolving Credit Commitments, the Letters of Credit and this Agreement, (C) the entrance into, participation in, administration of and performance of the Revolving Credit Loans, the Revolving Credit Commitments, the Letters of Credit 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 Revolving Credit Loans, the Revolving Credit Commitments, the Letters of Credit and this Agreement, or

(iii) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (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, the Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Credit Party, that none of the Administrative Agent, the Lead Arrangers and their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in the Revolving Credit Loans, the Revolving Credit Commitments, the Letters of Credit and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

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ARTICLE X
MISCELLANEOUS

SECTION 10.01 Notices.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein and in the other Loan Documents shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier, as follows:

(i) if to any Credit Party, to it at 1001 Pennsylvania Avenue, NW, Suite 220S, Washington, D.C., 20004, Attention of William Winnicki, Vice President (Telecopier No. (202) 347-5550; Telephone No. (202) 729-5383), with a copy to Jeffrey W. Ferguson, Managing Director and General Counsel (Telecopier No. (202) 347-5550; Telephone No. (202) 729-5325);

(ii) if to the Administrative Agent, to Citibank Delaware, 1615 Brett Road, OPS III, New Castle, DE 19720, Attn: Agency Operations, (Telecopier No. (646) 274-5080; Telephone No. (302) 894-6010;

(iii) if to Citibank as Issuing Bank, to it at 3800 Citibank Center, Building B, Tampa, FL 33610-9122, Attention of Karen Kunze (Telecopier No. (813) 604-7187; Telephone No. (813) 604-7038); and 388 Greenwich St, 23rd Floor, New York, NY 10013, Attention of Anthony Lieggi (Telecopier No. (646) 291-1716; Telephone No. (212) 816-4131); and

(iv) if to a Lender, to it at its address (or telecopier number) set forth in its Administrative Questionnaire;

or, as to the any Credit Party or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each other party hereto, at such other address as shall be designated by such party in a written notice to the Borrowers and the Administrative Agent. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Banks hereunder and under the other Loan Documents may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices to any Lender or any Issuing Bank pursuant to Article II if such Lender or such Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrowers may, in its discretion, agree to accept notices and other communications to it hereunder and under the other Loan Documents by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

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Anything in this Agreement to the contrary notwithstanding:

- (x) So long as Citibank or any of its Affiliates is the Administrative Agent, materials required to be delivered pursuant to Section 6.01 shall be delivered to the Administrative Agent in an electronic medium in a format acceptable to the Administrative Agent and the Lenders by e-mail at oploanswebadmin@citigroup.com. The Credit Parties agree that the Administrative Agent may make such materials, as well as any other written information, documents, instruments and other material relating to a Credit Party, any of its Subsidiaries or any other materials or matters relating to this Agreement or any of the transactions contemplated hereby (collectively, the "Communications") available to the Lenders by posting such notices on Intralinks or a substantially similar electronic system (the "Platform"). The Borrowers and the Lenders acknowledge that (1) although the 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, the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (2) the Platform is provided "as is" and "as available" and (3) neither the Administrative Agent nor any of its Affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform, except to the extent such errors or omissions are due to the gross negligence, bad faith or willful misconduct of the Administrative Agent or any of its Affiliates. No warranty of any kind, express, implied or statutory, including, without limitation, 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 Administrative Agent or any of its Affiliates in connection with the Platform.
- (y) Each Lender agrees that notice to it (as provided in the next sentence) (a "Notice") specifying that any Communications have been posted to the Platform shall constitute effective delivery of such information, documents or other materials to such Lender for purposes of this Agreement; *provided* that if requested by any Lender, the Administrative Agent shall deliver a copy of the Communications to such Lender by email or telecopier. Each Lender agrees (1) to notify the Administrative Agent in writing of such Lender's e-mail address to which a Notice may be sent by electronic transmission (including by electronic communication) on or before the date such Lender becomes a party to this Agreement (and from time to time thereafter to ensure that the Administrative Agent has on record an effective e-mail address for such Lender) and (2) that any Notice may be sent to such e-mail address.

SECTION 10.02 Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Obligor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Amendments. Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the applicable Credit Parties and the Required Lenders or by the applicable Credit Parties and the Administrative Agent with the consent of the Required Lenders; *provided* that no such agreement shall

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- (i) increase any Revolving Credit Commitment of any Lender or add or increase any commitment to fund Incremental Term Loans of any Lender without the written consent of such Lender,
- (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon (except for reduction of interest by virtue of a default waiver), or reduce any fees payable hereunder, without the written consent of each Lender directly and adversely affected thereby,
- (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Revolving Credit Commitment, without the written consent of each Lender directly and adversely affected thereby,
- (iv) change Section 2.17(c) or (d) in a manner that would alter the *pro rata* sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby,
- (v) change any of the provisions of this Section or the percentage in the definition of the term “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, or
- (vi) release all or substantially all of the Parent Guarantors from their guarantee obligations under Article III or the Subsidiary Guarantors from their guarantee under the Subsidiary Guarantee Agreement, without the written consent of each Holder, and in each case except pursuant to a transaction permitted by Section 7.03;

and *provided further* that (x) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or any Issuing Bank hereunder or under the other Loan Documents without the prior written consent of the Administrative Agent or such Issuing Bank, as the case may be, (y) any modification or supplement of Article III shall require the consent of the Parent Guarantors and (z) any ESG Amendment shall require the consent solely of the Borrowers and the Required Lenders.

SECTION 10.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrowers shall pay (i) all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of not more than one counsel per jurisdiction (unless multiple counsels are necessary to avoid conflicts of interest) for the Administrative Agent) and the Sustainability Coordinator in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof, (ii) all reasonable out-of-pocket costs and expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all documented out-of-pocket costs and expenses incurred by the Administrative Agent, the Sustainability Coordinator, any Issuing Bank or any Lender (including the fees, charges and disbursements of not more than one counsel per jurisdiction (unless multiple counsels are necessary to avoid conflicts of interest) for the Administrative Agent, any Issuing Bank or any Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket costs and expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit and (iv) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any other Loan Document or any other document referred to herein or therein.

(b) Indemnification by the Borrowers. The Borrowers shall indemnify the Administrative Agent (and any sub-agent thereof), the Sustainability Coordinator, each Lender and each Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an

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“Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related costs and expenses (including the fees, charges and disbursements of not more than one counsel per jurisdiction (unless multiple counsels are necessary to avoid conflicts of interest)) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by such Borrower or any other Credit Party any Obligor arising out of, in connection with, or as a result of any action, claim, judgment or suite arising out of or in connection with (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any Environmental Liability related in any way to the Borrowers or any of their Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by such Borrower or any other Credit Party, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related costs and expenses are determined by a court of competent jurisdiction in a final non-appealable judgment to have resulted from the gross negligence or willful misconduct of, or the breach of any Loan Document by, such Indemnitee or any of its Affiliates or the directors, officers, employees or advisors of any of them.

(c) Reimbursement by Lenders. To the extent that the Borrowers (and, with respect to the guarantees hereunder, the Parent Guarantors) for any reason fail to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof) or the Sustainability Coordinator or any Issuing Bank or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or the Sustainability Coordinator or such Issuing Bank or such Related Party, as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Sustainability Coordinator or such Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or such Issuing Bank in connection with such capacity. The obligations of the Lenders under this paragraph (c) are several obligations.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Obligor shall assert, and each Obligor hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly after receipt of a reasonably detailed invoice therefor.

SECTION 10.04 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that none of the Obligors may assign or otherwise transfer any of its rights or obligations hereunder (except pursuant to a transaction permitted hereunder) without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (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, each Issuing Bank, Participants, to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent, each Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitments and the Loans at the time owing to it) to any Person; *provided* that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) In the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitments and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Revolving Credit Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Revolving Credit Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of a Revolving Credit Commitment, or \$1,000,000, in the case of any assignment in respect of any Incremental Term Loan, unless each of the Administrative Agent and, so long as no Non-Consent Event has occurred and is continuing, the Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Revolving Credit Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations in respect of Revolving Credit Commitments and Incremental Term Loans on a non-*pro rata* basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b) (i)(B) of this Section and, in addition:

(A) the consent of the Borrowers (such consents not to be unreasonably withheld or delayed) shall be required unless (x) a Non-Consent Event has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrowers shall be deemed to have consented to such assignment if the Borrowers do not respond within ten Business Days of a written request for its consent with respect to such assignment;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required unless such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the Issuing Banks (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding).

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a

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processing and recordation fee of \$3,500, and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to the Obligors. No such assignment shall be made to any Obligor or any of its Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.15 and Section 10.03 with respect to facts and circumstances occurring prior to the effective date of such assignment.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at one of its offices in New York, New York a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders and the Revolving Credit Commitments and the principal amounts of (and stated interest on) the Loans owing to each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be presumptively correct absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Administrative Agent or Issuing Banks, sell participations to any Person (other than a natural person or the Obligors or any of the Obligors' Affiliates or Subsidiaries) in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and/or the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrowers, the Administrative Agent, the Lenders and the Issuing Banks shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (iv) the consent of the Borrowers (such consents not to be unreasonably withheld or delayed) shall be required for any such participation unless (x) a Non-Consent Event has occurred and is continuing at the time of such participation or (y) such participation is to a Lender, an Affiliate of a Lender or an Approved Fund.

Each Lender that sells a participation pursuant to paragraph (d) of this Section, acting solely for this purpose as a non-fiduciary agent of the Borrowers and solely for tax purposes, shall maintain a register comparable to the Register on which it shall enter the name and address of each Participant and the principal (and stated interest on) of each Participant in all or a portion of the participating Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and/or the Loans owing to it) (the "Participant Register"). The entries in the Participant Register shall be presumptively correct absent manifest error, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary. Notwithstanding anything herein to the contrary, such Lender shall not be required to disclose the Participant Register except that (i) such Lender shall be required to make its Participant Register available to the Administrative Agent or to the Borrowers if requested by the Borrowers in connection with the exercise by a related Participant of remedies hereunder and (ii) such Lender shall be required to make its Participant Register available to the Internal Revenue Service if requested by the Internal Revenue Service or the Borrowers and to the extent such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form

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under Section 5f.103-1(c) of the United States Treasury Regulations and Proposed Treasury Regulations Section 1.163-5(b) (or any amended or successor version).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso of Section 10.02(b) that directly and adversely affects such Participant. Subject to paragraph (e) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.17(d) as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 2.14 and Section 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrowers' prior written consent after disclosure of such greater payments, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless the Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.16(e) as though it were a Lender (it being understood that the documentation required under Section 2.1(e) shall be delivered to the participating Lender) and any such Participant shall be deemed to be a Lender for the purposes of the definition of Excluded Taxes.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 10.05 Survival. All representations and warranties made by the Obligor herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Revolving Credit Commitments have not expired or terminated. The provisions of Section 2.14, Section 2.15, Section 2.16, Section 3.03 and Section 10.03 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Revolving Credit Commitments or the termination of this Agreement or any provision hereof.

SECTION 10.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents (and any separate letter agreements among the Obligor and Citibank and certain affiliates thereof, JPMorgan Chase Bank, N.A. and certain affiliates thereof, Credit Suisse Loan Funding LLC and certain affiliates thereof, BofA Securities, Inc. and certain affiliates thereof and Wells Fargo Securities, LLC and certain affiliates thereof, with respect to fees payable thereto and their initial Revolving Credit Commitments and the syndication thereof) constitute the entire contract between and among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an

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executed counterpart of a signature page to this Agreement by electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Bank and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such Issuing Bank or any such Affiliate to or for the credit or the account of any Credit Party against any and all of the obligations of such Credit Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such Issuing Bank, irrespective of whether or not such Lender or such Issuing Bank shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender or such Issuing Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, each Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Bank or their respective Affiliates may have. Each Lender and each Issuing Bank agrees to notify the Borrowers and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 10.09 Governing Law; Jurisdiction; Service of Process; Etc.

(a) Governing Law. This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction. Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State or Federal court located in the City of New York, sitting in New York County, in any suit, action or proceeding arising out of or relating to this Agreement or any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims with respect to any such suit, action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such suit, action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.01. Each Credit Party that is incorporated or organized under the laws of any jurisdiction other than the United States of America, any state or territory thereof or the District of Columbia hereby irrevocably appoints TC Group, L.L.C., as its agent to receive on its behalf, service of process that may be served in any action, litigation or proceeding referred to in clause (b) of this Section 10.09. Nothing in this Agreement will affect the right of any party to this Agreement or any other Loan Document to serve process in any other manner permitted by law. Nothing herein shall in any way be deemed to limit the ability of any party hereto to serve any such writs, process or summonses in any other manner permitted by applicable law or to obtain jurisdiction over any other party hereto in such other jurisdictions, and in such manner, as may be permitted by applicable law.

(d) Waiver of Venue. Each party hereto irrevocably waives any objection that it may now or hereafter have to the laying of the venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document brought in the Supreme Court of the State of New York, County of New York or in the United States District Court for the Southern District of New York, and further irrevocably waives any claim that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

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SECTION 10.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.11 No Immunity. To the extent that any Obligor may be or become entitled, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to this Agreement or any other Loan Document, to claim for itself or its properties or revenues any immunity from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment, execution of a judgment or from any other legal process or remedy relating to its obligations under this Agreement or any other Loan Document, and to the extent that in any such jurisdiction there may be attributed such an immunity (whether or not claimed), each Obligor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.

SECTION 10.12 European Monetary Union.

(a) Definitions. As used herein, the following terms shall have the following meanings:

“EMU” means economic and monetary union as contemplated in the Treaty on European Union.

“EMU Legislation” means legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency (whether known as the euro or otherwise), being in part the implementation of the third stage of EMU.

“Euros” or “€” refers to the single currency of Participating Member States of the European Union, which shall be an Agreed Foreign Currency and a Foreign Currency under this Agreement.

“National Currency” means the Currency, other than the Euro, of a Participating Member State.

“Participating Member State” means each state so described in any EMU Legislation.

“Target Operating Day” means any day that is not (i) a Saturday or Sunday, (ii) Christmas Day or New Year’s Day or (iii) any other day on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (or any successor settlement system) is not scheduled to operate (as determined by the Administrative Agent).

“Treaty on European Union” means the Treaty of Rome of March 25, 1957, as amended by the Single European Act 1986 and the Maastricht Treaty (which was signed at Maastricht on February 7, 1992, and came into force on November 1, 1993).

(b) Effectiveness of Provisions. The provisions of paragraphs (c) through (h) of this Section shall be effective on the Amendment Effective Date; *provided* that, if and to the extent that any such provision relates to any state (or the Currency of such state) that is not a Participating Member State on the Amendment Effective Date, such provision shall become effective in relation to such state (and such Currency) at and from the date on which such state becomes a Participating Member State.

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(c) Redenomination and Alternative Currencies. Each obligation under this Agreement of a party to this Agreement which has been denominated in the National Currency of a Participating Member State shall be redenominated in Euros in accordance with EMU Legislation; *provided* that, if and to the extent that any EMU Legislation provides that following the Amendment Effective Date an amount denominated either in Euros or in the National Currency of a Participating Member State and payable within the Participating Member State by crediting an account of the creditor can be paid by the debtor either in Euros or in such National Currency, any party to this Agreement shall be entitled to pay or repay any such amount either in Euros or in such National Currency.

(d) Payments by the Administrative Agent Generally. With respect to the payment of any amount denominated in Euros or in a National Currency, the Administrative Agent shall not be liable to the Obligors or any of the Lenders in any way whatsoever for any delay, or the consequences of any delay, in the crediting to any account of any amount required by this Agreement to be paid by the Administrative Agent if the Administrative Agent shall have taken all relevant steps to achieve, on the date required by this Agreement, the payment of such amount in immediately available, freely transferable, cleared funds (in Euros or in such National Currency, as the case may be) to the account of any Lender in the Principal Financial Center in the Participating Member State which the Obligors or such Lender, as the case may be, shall have specified for such purpose. For the purposes of this paragraph, "all relevant steps" means all such steps as may be prescribed from time to time by the regulations or operating procedures of such clearing or settlement system as the Administrative Agent may from time to time determine for the purpose of clearing or settling payments in Euros or such National Currency.

(e) Certain Rate Determinations. For the purposes of determining the date on which the Adjusted EURIBOR Rate or the Adjusted Daily Simple RFR is determined under this Agreement for the Interest Period for any Borrowing denominated in Euros (or in any National Currency), references in this Agreement to Business Days shall be deemed to be references to Target Operating Days. In addition, if the Administrative Agent determines, with respect to the Interest Period for any Borrowing denominated in a National Currency, that there is no Adjusted EURIBOR Rate or Adjusted Daily Simple RFR displayed on the Reuters' Service for deposits denominated in such National Currency, the Adjusted Daily Simple RFR for such Interest Period shall be based upon Adjusted EURIBOR Rate or Adjusted Daily Simple RFR displayed on the Reuters' Service for the offering of deposits denominated in Euros.

(f) Basis of Accrual. If the basis of accrual of interest or fees expressed in this Agreement with respect to the Currency of any state that becomes a Participating Member State shall be inconsistent with any convention or practice in the interbank market for the basis of accrual of interest or fees in respect of the Euro, such convention or practice shall replace such expressed basis effective as of and from the date on which such state becomes a Participating Member State; *provided* that, with respect to any Borrowing denominated in such Currency that is outstanding immediately prior to such date, such replacement shall take effect at the end of the Interest Period therefor.

(g) Rounding. Without prejudice and in addition to any method of conversion or rounding prescribed by the EMU Legislation, each reference in this Agreement to a minimum amount, or to a multiple of a specified amount, in a National Currency to be paid to or by the Administrative Agent shall be replaced by a reference to such reasonably comparable and convenient amount, or to a multiple of such reasonably comparable and convenient amount, in Euros as the Administrative Agent may from time to time reasonably specify.

(h) Other Consequential Changes. Without prejudice to the respective liabilities of the Obligors to the Lenders and the Lenders to the Obligors under or pursuant to this Agreement, except as expressly provided in this Section, each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time reasonably specify to be necessary or appropriate to reflect the introduction of or changeover to the Euro in Participating Member States.

SECTION 10.13 Judgment Currency. This is an international loan transaction in which the specification of Dollars or any Foreign Currency, as the case may be (the "Specified Currency"), and payment in New York City or the country of the Specified Currency, as the case may be (the "Specified Place"), is of the essence, and the Specified Currency shall be the currency of account in all events relating to Loans denominated in the Specified Currency. The payment obligations of each Obligor under

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this Agreement shall not be discharged or satisfied by an amount paid in another currency or in another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to the Specified Currency and transfer to the Specified Place under normal banking procedures does not yield the amount of the Specified Currency at the Specified Place due hereunder. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Specified Currency into another currency (the "Second Currency"), the rate of exchange that shall be applied shall be the rate at which in accordance with normal banking procedures the Administrative Agent could purchase the Specified Currency with the Second Currency on the Business Day next preceding the day on which such judgment is rendered. The obligation of each Obligor in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under any other Loan Document (in this Section called an "Entitled Person") shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by such Entitled Person of any sum adjudged to be due hereunder in the Second Currency such Entitled Person may in accordance with normal banking procedures purchase and transfer to the Specified Place the Specified Currency with the amount of the Second Currency so adjudged to be due; and each Obligor hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify such Entitled Person against, and to pay such Entitled Person on demand, in the Specified Currency, the amount (if any) by which the sum originally due to such Entitled Person in the Specified Currency hereunder exceeds the amount of the Specified Currency so purchased and transferred.

SECTION 10.14 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.15 Treatment of Certain Information; Confidentiality.

(a) Treatment of Certain Information. Each Obligor acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to such Obligor or one or more of its Subsidiaries (in connection with this Agreement or otherwise) by any Lender or by one or more subsidiaries or affiliates of such Lender and each Obligor hereby authorizes each Lender to share any information delivered to such Lender by such Obligor and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such subsidiary or affiliate, it being understood that any such subsidiary or affiliate receiving such information shall be bound by the provisions of paragraph (b) of this Section as if it were a Lender hereunder. Such authorization shall survive the repayment of the Loans, the expiration or termination of the Letters of Credit and the Revolving Credit Commitments or the termination of this Agreement or any provision hereof.

(b) Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) to any swap or derivative or similar transaction under which payments are to be made by reference to any Credit Party and its obligations, this Agreement or payments hereunder, (iii) any rating agency, or (iv) the CUSIP Service Bureau or any similar organization, (g) with the consent of the Borrowers, (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to either Agent, any Issuing Bank, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Credit Parties or (i) to market data collectors, similar service providers to the lending industry and service

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providers to the Administrative Agent or any Lender in connection with the administration of this Agreement and the other Loan Documents, subject, in each case, to customary confidentiality arrangements for service providers and limited to the existence of the Agreement and publicly available information for market data collectors. For purposes of this Section, “Information” means all information received from any Credit Party relating to such Credit Party or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by any Credit Party or any of its Subsidiaries. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.16 USA PATRIOT Act. Each Lender hereby notifies the Credit Parties that pursuant to the requirements of the Patriot Act, such Lender may be required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify the Credit Parties in accordance with said Act.

SECTION 10.17 Erroneous Payments

(a) If the Administrative Agent (x) notifies a Lender, Issuing Bank or any Person who has received funds on behalf of a Lender or Issuing Bank (any such Lender, Issuing Bank or other recipient (and each of their respective successors and assigns), a “Payment Recipient”) that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Bank or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “Erroneous Payment”) and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 10.17(a) and held in trust for the benefit of the Administrative Agent, and such Lender or Issuing Bank shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at 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 from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, Issuing Bank or any Person who has received funds on behalf of a Lender or Issuing Bank agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, Issuing Bank or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the

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case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Issuing Bank shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.17(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 10.17(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 10.17(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender or Issuing Bank hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Issuing Bank under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Issuing Bank under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d) (i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an electronic transmission system as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any promissory notes evidencing such Loans to the Borrowers or the Administrative Agent (but the failure of such Person to deliver any such promissory notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, (D) the Administrative Agent and the Borrowers shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Revolving Credit Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(ii) Subject to Section 10.04 (but excluding, in all events, any assignment consent or approval requirements (whether from any Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or

Credit Agreement

against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Administrative Agent) and (y) may, in the sole discretion of the Administrative Agent, be reduced by any amount specified by the Administrative Agent in writing on the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Issuing Bank, to the rights and interests of such Lender or Issuing Bank, as the case may be) under the Loan Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") (provided that the Borrower's Obligations under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower; provided that this Section 10.17(e) shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Borrowers relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided further that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrowers for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 10.17(g) shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Revolving Credit Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

SECTION 10.18 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate for each day to the date of repayment, shall have been received by such Lender.

SECTION 10.19 Acknowledgments. Each Obligor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent, the Issuing Banks nor any Lender has any fiduciary relationship with or duty to such Obligor arising out of or in connection with this

Credit Agreement

Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent, the Issuing Banks and Lenders, on the one hand, and such Obligor, on the other hand, in connection herewith or therewith is solely that of creditor and debtor;

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby; and

(d) each Lender, each Issuing Bank, the Administrative Agent and their Affiliates may have economic interests that conflict with those of the Credit Parties, the owners of their Equity Interests and/or their Affiliates.

SECTION 10.20 Fiscal Year. Each Obligor will not change the last day of its fiscal year from December 31, or the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30 and September 30, respectively, without the prior written consent of the Administrative Agent.

SECTION 10.21 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable 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 the applicable Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an Affected 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 Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

SECTION 10.22 Amendment Effective Date New Obligors. On the Amendment Effective Date,

(a) CG Subsidiary Holdings LLC hereby agrees to become an "Initial Borrower", a "Borrower" and an "Obligor" for all purposes of the Credit Agreement and the Loan Documents and hereby, jointly and severally with the other Borrowers, unconditionally assumes and agrees to perform, and to be bound by all of the terms and provisions of, any and all obligations (including, without limitation, the obligation to pay the principal amount of any Loans and accrued interest thereon, all obligations in respect of any LC Exposure, fees and other amounts), covenants and agreements of a Borrower and an Obligor under the Credit Agreement and the Loan Documents;

(b) Carlyle Finance Subsidiary L.L.C. hereby agrees to become a "Parent Guarantor" and an "Obligor" for all purposes of the Credit Agreement and all other Loan Documents and agrees to be bound by all covenants, agreements and obligations of a Parent Guarantor and an Obligor under the Credit Agreement and the Loan Documents and hereby, jointly and severally with the other Parent Guarantors, guarantees to each Holder and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise, including amounts that would become due but for the operation of the automatic stay under applicable Debtor Relief Laws) of all Obligations in the same manner and to the same extent as is provided in Article III of the Credit Agreement; and

Credit Agreement

(c) Carlyle Holdings II L.P. is hereby released as a “Parent Guarantor” and an “Obligor” for all purposes of the Credit Agreement and all other Loan Documents and is hereby released from any covenants, agreements and obligations of a Parent Guarantor and an Obligor under the Credit Agreement and the Loan Documents.

Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered (and, in the case of each Person organized under the laws of the Cayman Islands, as a deed) by their respective authorized officers as of the day and year first above written.

BORROWERS

TC GROUP CAYMAN, L.P.
By: Carlyle Holdings III L.P., its general partner

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

CARLYLE INVESTMENT MANAGEMENT L.L.C.

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Chief Financial Officer

CG SUBSIDIARY HOLDINGS L.L.C.

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

PARENT GUARANTORS

TC GROUP, L.L.C.
By: Carlyle Holdings I L.P., its sole member

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

CARLYLE HOLDINGS I L.P.

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

CARLYLE HOLDINGS II L.L.C.

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

Credit Agreement

CARLYLE HOLDINGS III L.P.

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

CARLYLE FINANCE SUBSIDIARY L.L.C.

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Chief Financial Officer

Credit Agreement

ACKNOWLEDGED BY:

TC GROUP INVESTMENT HOLDINGS, L.P.
By: CG Subsidiary Holdings L.L.C., its general partner

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

TC GROUP CAYMAN INVESTMENT HOLDINGS, L.P.
By: CG Subsidiary Holdings L.L.C., its general partner

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

CARLYLE HOLDINGS II L.P.

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

CARLYLE HOLDINGS FINANCE L.L.C.

By: /s/ Curtis L. Buser
Name: Curtis L. Buser
Title: Managing Director

Credit Agreement

ADMINISTRATIVE AGENT

CITIBANK, N.A., as Administrative Agent

By: /s/ Maureen Maroney
Name: Maureen Maroney
Title: Vice President

Credit Agreement

LENDERS

CITIBANK, N.A.

By: /s/ Maureen Maroney
Name: Maureen Maroney
Title: Vice President

Credit Agreement

LENDERS

CREDIT SUISSE AG, NEW YORK BRANCH,

By: /s/ Komal Shah
Name: Komal Shah
Title: Authorized Signatory

By: /s/ Michael Dieffenbacher
Name: Michael Dieffenbacher
Title: Authorized Signatory

Credit Agreement

LENDERS

JPMORGAN CHASE BANK, N.A.

By: /s/ Matthew Griffith
Name: Matthew Griffith
Title: Managing Director

Credit Agreement

LENDERS

Bank of America, N.A.

By: /s/ Matthew C. White
Name: Matthew C. White
Title: Director

Credit Agreement

LENDERS

WELLS FARGO BANK, N.A.

By: /s/ Nick Brokke
Name: Nick Brokke
Title: Director

Credit Agreement

LENDERS

BARCLAYS BANK PLC

By: /s/ Edward Pan
Name: Edward Pan
Title: Vice President

Credit Agreement

LENDERS

Deutsche Bank AG New York Branch

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Director

By: /s/ Douglas Darman
Name: Douglas Darman
Title: Director

Credit Agreement

LENDERS

GOLDMAN SACHS BANK USA

By: /s/ Dan Starr
Name: Dan Starr
Title: Authorized Signatory

Credit Agreement

LENDERS

HSBC Bank USA, National Association

By: /s/ Johann Matthai
Name: Johann Matthai
Title: Director

Credit Agreement

LENDERS

MORGAN STANLEY BANK, N.A.,

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

Credit Agreement

LENDERS

SOCIETE GENERAL, as a Lender

By: /s/ Nick Heptinstall
Name: Nick Heptinstall
Title: Managing Director

Credit Agreement

LENDERS

UBS AG, STAMFORD BRANCH

By: /s/ Housseem Daly
Name: Housseem Daly
Title: Director

By: /s/ Dionne Robinson
Name: Dionne Robinson
Title: Associate Director

Credit Agreement

SCHEDULE 1

Revolving Credit Commitments

	<u>Revolving Credit Commitment</u>
Citibank, N.A.	\$130,000,000
Credit Suisse AG, New York Branch	\$130,000,000
JPMorgan Chase Bank, N.A.	\$130,000,000
Bank of America, N.A.	\$130,000,000
Wells Fargo Bank, N.A.	\$130,000,000
Barclays Bank PLC	\$50,000,000
Deutsche Bank AG, New York Branch	\$50,000,000
Goldman Sachs Bank USA	\$50,000,000
HSBC Bank USA, National Association	\$50,000,000
Morgan Stanley Bank, N.A.	\$50,000,000
Societe Generale	\$50,000,000
UBS AG, Stamford Branch	\$50,000,000
<u>TOTAL:</u>	\$1,000,000,000

Letter of Credit Commitments (a sublimit inside the Revolving Credit Commitments).

Schedule 1 to Credit Agreement

	<u>Letter of Credit Commitment</u>
Citibank, N.A.	\$30,000,000
Credit Suisse AG, New York Branch	\$30,000,000
JPMorgan Chase Bank, N.A.	\$30,000,000
Bank of America, N.A.	\$30,000,000
Wells Fargo Bank, National Association	\$30,000,000
<u>TOTAL:</u>	\$150,000,000

Credit Agreement

SCHEDULE 2

Subsidiary Guarantors as of the Amendment Effective Date

TC Group Investment Holdings, L.P., a Delaware limited liability company

TC Group Cayman Investment Holdings, L.P., a Cayman Islands exempted limited partnership

TC Group Sub L.P., a Delaware limited partnership.

TC Group Investment Holdings Sub L.P., a Delaware limited partnership.

TC Group Cayman Investment Holdings Sub L.P., a Cayman Islands exempted limited partnership

TC Group Cayman Sub L.P., a Cayman Islands exempted limited partnership

Carlyle Knox Holdings, L.L.C., a Delaware limited liability company

Carlyle Holdings II Finance L.L.C., a Delaware limited liability company

Carlyle Finance L.L.C., a Delaware limited liability company

Assignment and Assumption

EXHIBIT A

[Form of Assignment and Assumption]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each]¹ Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each]² Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including any letters of credit and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

2. Assignee[s]: _____

_____ [for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]

3. Borrowers: TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and
CG Subsidiary Holdings L.L.C.

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

³ Select as appropriate.

⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

Credit Agreement

4. Administrative Agent: Citibank, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: The Second Amended and Restated Credit Agreement dated as of April 29, 2022 among the Borrowers, the Parent Guarantors party thereto, the Lenders party thereto, and Citibank, N.A., as Administrative Agent for the Lenders

6. Assigned Interest[s]:

Assignor[s] ⁵	Assignee[s] ⁶	Facility Assigned ⁷	Aggregate Amount of Commitment/Loans for all Lenders ⁸	Amount of Commitment/Loans Assigned ⁸	Percentage Assigned of Commitment/Loans ⁹	CUSIP Number
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

[7. Trade Date: _____]¹⁰

[Page break]

⁵ List each Assignor, as appropriate.

⁶ List each Assignee, as appropriate.

⁷ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment.

⁸ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁹ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

¹⁰ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Credit Agreement

Effective Date: _____, 20____ **[TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]**

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]¹¹

[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]¹²

[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and]¹³ Accepted:

CITIBANK, N.A.,
as Administrative Agent

By _____
Title:

[Consented to:]

[ISSUING BANK(S)]¹⁴

By _____
Title:

¹¹ Add additional signature blocks as needed.

¹² Add additional signature blocks as needed.

¹³ See Section 10.04(b).

¹⁴ See Section 10.04(b).

[TC GROUP CAYMAN, L.P.
By: Carlyle Holdings III L.P., its general partner

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer

CARLYLE INVESTMENT MANAGEMENT L.L.C.

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer

CG SUBSIDIARY HOLDINGS L.L.C.

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer]¹⁵

¹⁵ See Section 10.04(b).

Credit Agreement

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of the Obligors, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Obligors, any of their Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) satisfies the requirements to be an assignee under the Credit Agreement (subject to such consents, if any, as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant thereto, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Annex 1 to Assignment and Assumption

EXHIBIT B

[Form of Additional Borrower Joinder Agreement]

ADDITIONAL BORROWER JOINDER AGREEMENT

ADDITIONAL BORROWER JOINDER AGREEMENT dated as of [____], 20[___], among TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and CG Subsidiary Holdings L.L.C. (individually, an “Original Borrower”, and collectively, the “Original Borrowers”), [Insert name of Additional Borrower], a [____] (the “Additional Borrower”), and CITIBANK, N.A., as administrative agent (the “Administrative Agent”).

The Original Borrowers, the Parent Guarantors party thereto, the Lenders party thereto and the Administrative Agent are parties to a Second Amended and Restated Credit Agreement dated as of April 29, 2022 (as amended, supplemented and otherwise modified and in effect from time to time, the “Credit Agreement”). Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Credit Agreement.

The Original Borrowers and the Additional Borrower hereby request, pursuant to Section 2.23 of the Credit Agreement, that the Additional Borrower be admitted as an additional Borrower under the Credit Agreement.

The Additional Borrower hereby agrees to become a “Borrower” and an “Obligor” for all purposes of the Credit Agreement and the Loan Documents and hereby unconditionally assumes and agrees to perform, and to be bound by all of the terms and provisions of, any and all obligations (including, without limitation, the obligation to pay the principal amount of any Loans and accrued interest thereon, all obligations in respect of any LC Exposure, fees and other amounts), covenants and agreements of a Borrower and an Obligor under the Credit Agreement and the Loan Documents and all obligations of each Original Borrower arising out of all representations, warranties, documents, instruments and certificates made or delivered by or on behalf of such Original Borrower under or in connection with the Credit Agreement and the Loan Documents, in each case to the same extent as if such Additional Borrower was an original party thereto (such obligations, covenants and agreements of the Original Borrowers, the “Assumed Obligations”). Notwithstanding any other provision of this Agreement or the Credit Agreement to the contrary, each Original Borrower hereby unconditionally confirms and ratifies and agrees to perform and observe, and to be bound by all of the terms and provisions of, any and all of the Assumed Obligations.

The Additional Borrower hereby acknowledges its joint and several liability for the Borrower Obligations as provided in Section 2.20 of the Credit Agreement.

The Additional Borrower hereby represents and warrants to the Administrative Agent, the Issuing Banks and the Lenders (it being agreed that the Additional Borrower represents and warrants only with respect to itself) that as of the date hereof and after giving effect to the admission of the Additional Borrower as an additional Borrower under the Credit Agreement: (i) the representations and warranties set forth in Article IV of the Credit Agreement are true and correct with respect to the Additional Borrower, (ii) the Additional Borrower is in compliance in all material respects with all the terms and provisions set forth in the Credit Agreement on its part to be observed or performed as of the date hereof and after giving effect thereto and (iii) no Default or Event of Default shall have occurred and be continuing.

This Additional Borrower Joinder Agreement shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents. This Additional Borrower Joinder Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

Additional Borrower Joinder Agreement

Delivery of an executed counterpart of a signature page to this Additional Borrower Joinder Agreement by electronic transmission shall be effective as delivery of a manually executed counterpart of this Additional Borrower Joinder Agreement. This Additional Borrower Joinder Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

Additional Borrower Joinder Agreement

IN WITNESS WHEREOF, the Additional Borrower and each Original Borrower has caused this Additional Borrower Joinder Agreement to be duly executed and delivered as of the day and year first above written.

ADDITIONAL BORROWER

[NAME OF ADDITIONAL BORROWER]

By _____
Title:

ORIGINAL BORROWERS

TC GROUP CAYMAN, L.P.
By: Carlyle Holdings III L.P., its general partner

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer

CARLYLE INVESTMENT MANAGEMENT L.L.C.

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer

CG SUBSIDIARY HOLDINGS L.L.C.

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer

Additional Borrower Joinder Agreement

Accepted and agreed:

CITIBANK, N.A.,
as Administrative Agent

By _____
Title:

Additional Borrower Joinder Agreement

EXHIBIT C

[Form of Closing Certificate]

Date: _____, 2022

Pursuant to Section 5.01(c) of the Second Amended and Restated Credit Agreement dated as of April 29, 2022 (the "Credit Agreement"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), among TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and CG Subsidiary Holdings L.L.C., as Borrowers, the Parent Guarantors party thereto, the lenders party thereto and Citibank, N.A., as Administrative Agent, the undersigned, _____ [Insert name of Responsible Officer], _____ [Insert title of Responsible Officer] of _____ (the "Credit Party"), hereby certifies on behalf of the Credit Party as follows:

1. The representations and warranties of the Credit Party set forth in each of the Loan Documents to which it is a party or which are contained in any certificate furnished by or on behalf of the Credit Party pursuant to any of the Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date. No Default has occurred and is continuing.
2. _____ is the duly elected and qualified [Assistant] Secretary of the Credit Party and the signature set forth for such Responsible Officer below is such Responsible Officer's true and genuine signature.

The undersigned [Assistant] Secretary of the Credit Party hereby certifies as follows:

- (i) Attached hereto as Annex 1 is a true and complete copy of a Certificate of Good Standing or the equivalent from the Credit Party's jurisdiction of organization dated as of a recent date prior to the date hereof.
- (ii) Attached hereto as Annex 2 is a true and complete copy of [resolutions][unanimous written consent] duly adopted by the [Board of Directors] of the Credit Party on _____, 2022. Such resolutions have not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof and are now in full force and effect and are the only corporate proceedings of the Credit Party now in force relating to or affecting the matters referred to therein.
- (iii) Attached hereto as Annex 3 is a true and complete copy of the [Certificate of Incorporation] [Memorandum of Association] of the Credit Party as in effect on the date hereof, and such [Certificate of Incorporation] [Memorandum of Association] has not been amended, repealed, modified or restated.
- (iv) Attached hereto as Annex 4 is a true and complete certified copy of the [Articles of Association][Bylaws] of the Credit Party as in effect on the date hereof, and such [Articles of Association][Bylaws] have not been amended, repealed, modified or restated.
- (v) The persons listed on Schedule I hereto are now duly elected and qualified officers of the Credit Party holding the offices indicated next to their respective names on Schedule I hereto, and the signatures appearing opposite their respective names on Schedule I hereto are the true and genuine signatures of such officers, and each of such officers is duly authorized to execute and deliver on behalf of the Credit Party each of the Loan Documents to which it is a party and any certificate or other document to be delivered by the Credit Party pursuant to the Loan Documents to which it is a party.

Closing Certificate

- (vi) Latham & Watkins LLP and (for Persons organized under the laws of the Cayman Islands) Maples and Calder may rely on this certificate in rendering their respective opinions.

Closing Certificate

IN WITNESS WHEREOF, the undersigned have hereunto set their names as of the first date set forth above.

Name: _____ Name: _____
Title: *[Insert title of Responsible Officer]* Title: [Assistant] Secretary

Closing Certificate

Name

Office

Signature

Schedule I to Closing Certificate

[Certificate of Good Standing]

Annex 1 to Closing Certificate

[Board Resolutions][Unanimous Written Consent]

Annex 2 to Closing Certificate

[Bylaws][Memorandum of Association]

Annex 3 to Closing Certificate

[Articles of [Incorporation][Association]]

EXHIBIT D

[Form of Solvency Certificate]

_____, 2022

This Solvency Certificate is delivered pursuant to Section 5.01(e) of the Second Amended and Restated Credit Agreement dated as of April 29, 2022 (the "Credit Agreement"), among TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and CG Subsidiary Holdings L.L.C., as Borrowers, the Parent Guarantors party thereto, the Lenders party thereto, and Citibank, N.A., as Administrative Agent. Capitalized terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined therein.

The undersigned, being a Responsible Officer of [_____], the [general partner (the "General Partner") [managing member (the "Managing Member")]] of [TC Group Cayman, L.P.] [Carlyle Investment Management L.L.C.] [CG Subsidiary Holdings L.L.C.], hereby certifies on behalf of the Obligors that, immediately after giving effect to the Transactions and immediately following the making of each Loan and after giving effect to the application of the proceeds of each Loan, (a) the amount of the "present fair saleable value" of the assets of the Obligors will exceed the amount of all "liabilities of the Obligors, contingent or otherwise", as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of the Obligors will be greater than the amount that will be required to pay the liability of the Obligor on its debts as such debts become absolute and matured, (c) the Obligors will not have an unreasonably small amount of capital with which to conduct its business and (d) the Obligors will be able to pay its debts as they mature. For purposes hereof, (i) "debt" means liability on a "claim", (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable law, the amount of "contingent liabilities" at any time shall be the amount thereof which, in light of all the facts and circumstances existing at such time, can reasonably be expected to become actual or matured liabilities.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Solvency Certificate

WITNESS my hand dated as of the date first above written.

By [_____], as its [General Partner][Managing Member]

By: _____
Name:
Title:

Solvency Certificate

EXHIBIT E

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of April 29, 2022 (the “Credit Agreement”), among TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and CG Subsidiary Holdings L.L.C., as Borrowers, the Parent Guarantors party thereto, the Lenders party thereto, and Citibank, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Letters of Credit evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Exemption Certificate

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of April 29, 2022 (the "Credit Agreement"), among TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and CG Subsidiary Holdings L.L.C., as Borrowers, the Parent Guarantors party thereto, the Lenders party thereto, and Citibank, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "ten percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20[]

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of April 29, 2022 (the "Credit Agreement"), among TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and CG Subsidiary Holdings L.L.C., as Borrowers, the Parent Guarantors party thereto, the Lenders party thereto, and Citibank, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20[]

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of April 29, 2022 (the "Credit Agreement"), among TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and CG Subsidiary Holdings L.L.C., as Borrowers, the Parent Guarantors party thereto, the Lenders party thereto, and Citibank, N.A., as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Letters of Credit evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Letters of Credit evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20[]

EXHIBIT F

[Form of Revolving Credit Loan Note]

REVOLVING CREDIT LOAN NOTE

\$_[_____] [_____] , 202[]

FOR VALUE RECEIVED, TC GROUP CAYMAN, L.P., CARLYLE INVESTMENT MANAGEMENT L.L.C. AND CG SUBSIDIARY HOLDINGS L.L.C. (collectively, the “Borrowers”), hereby promise to pay, jointly and severally, to [_____] or its registered permitted assigns (the “Lender”), at such of the offices of the Lender as shall be notified to the Borrowers from time to time, the principal sum of [_____] (\$[_____]), in lawful money of the United States and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement referred to below, or such lesser amount at any time as shall equal the then aggregate outstanding principal amount of Revolving Credit Loans by the Lender under the Credit Agreement, and to pay, jointly and severally, interest on the unpaid principal amount of each Revolving Credit Loan made by the Lender under the Credit Agreement, at such office, in like money and funds, for the period commencing on the date of such Revolving Credit Loan until such Revolving Credit Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

This Note is one of the promissory notes referred to in Section 2.08(g) of the Second Amended and Restated Credit Agreement dated as of April 29, 2022 (the “Credit Agreement”) among the Borrowers, the Parent Guarantors party thereto from time to time, the Lenders party thereto and Citibank, N.A, as Administrative Agent, and evidences Revolving Credit Loans made by the Lender. This note is subject to, and the Lender is entitled to the benefits of, the provisions of the Credit Agreement and the Revolving Credit Loans evidenced hereby are guaranteed as provided for therein and in the other Loan Documents. Terms used but not defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The date, amount, Type, interest rate and Interest Period of each Revolving Credit Loan made by the Lender to the Borrowers, and each payment made on account of the principal thereof, shall be recorded by the Lender on its books and, prior to any transfer of this Note, endorsed by the Lender on the Schedule attached hereto or any continuation thereof, provided that the failure of the Lender to make any such recordation (or any error in making any such recordation) or endorsement shall not affect the obligations of the Borrowers to make a payment when due of any amount owing under the Credit Agreement or hereunder.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments hereof upon the terms and conditions specified therein.

No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

Except as permitted by Section 10.04 of the Credit Agreement, this Note may not be assigned by the Lender to any other Person.

Revolving Credit Loan Note

This Note shall be governed by, and construed in accordance with, the law of the State of New York.

TC GROUP CAYMAN, L.P.
By: Carlyle Holdings III L.P., its general partner

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer

CARLYLE INVESTMENT MANAGEMENT L.L.C.

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer

CG SUBSIDIARY HOLDINGS L.L.C.

By: _____
Name: Curtis L. Buser
Title: Chief Financial Officer

Revolving Credit Loan Note

SCHEDULE OF REVOLVING CREDIT LOANS

This Note evidences Revolving Credit Loans made under the within-described Credit Agreement to the Borrowers, on the dates, in the principal amounts and of the Types, and bearing interest at the rates and having the Interest Period set forth below, subject to the payments and prepayments of principal set forth below:

<u>Principal Amount of Revolving Credit Loan</u>	<u>Type of Revolving Credit Loan</u>	<u>Interest Rate and Period</u>	<u>Amount Paid or Prepaid</u>	<u>Unpaid Principal Amount</u>	<u>Notation Made By</u>
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Revolving Credit Loan Note

EXHIBIT G

[Form of Term Loan Note]

TERM LOAN NOTE

\$_[] [], 202[]

FOR VALUE RECEIVED, TC GROUP CAYMAN, L.P., CARLYLE INVESTMENT MANAGEMENT L.L.C. AND CG SUBSIDIARY HOLDINGS L.L.C. (COLLECTIVELY, THE "BORROWERS"), HEREBY PROMISE TO PAY, JOINTLY AND SEVERALLY, TO [] OR ITS REGISTERED PERMITTED ASSIGNS (THE "LENDER"), AT SUCH OF THE OFFICES OF THE LENDER AS SHALL BE NOTIFIED TO THE BORROWERS FROM TIME TO TIME, THE PRINCIPAL SUM OF [] (\$[]), in lawful money of the United States and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement referred to below, or such lesser amount at any time as shall equal the then aggregate outstanding principal amount of Incremental Term Loans by the Lender under the Credit Agreement, and to pay, jointly and severally, interest on the unpaid principal amount of each Incremental Term Loan made by the Lender under the Credit Agreement, at such office, in like money and funds, for the period commencing on the date of such Incremental Term Loan until such Incremental Term Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

This Note is one of the promissory notes referred to in Section 2.08(g) of the Second Amended and Restated Credit Agreement dated as of April 29, 2022 (the "Credit Agreement") among the Borrowers, the Parent Guarantors party thereto from time to time, the Lenders party thereto and Citibank, N.A, as Administrative Agent, and evidences Incremental Term Loans made by the Lender thereunder. This note is subject to, and the Lender is entitled to the benefits of, the provisions of the Credit Agreement and the Incremental Term Loans evidenced hereby are guaranteed as provided for therein and in the other Loan Documents. The Incremental Term Loans evidenced hereby are subject to prepayment prior to the Maturity Date, in whole or in part, as provided in the Credit Agreement. Terms used but not defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments hereof upon the terms and conditions specified therein.

No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

Except as permitted by Section 10.04 of the Credit Agreement, this Note may not be assigned by the Lender to any other Person.

Term Loan Note

This Note shall be governed by, and construed in accordance with, the law of the State of New York.

[]

Term Loan Note

EXHIBIT H

[Reserved]

EXHIBIT I

[Form of Parent Guarantor Joinder Agreement]

PARENT GUARANTOR JOINDER AGREEMENT

PARENT GUARANTOR JOINDER AGREEMENT dated as of [____], 20[___] by [NAME OF ADDITIONAL PARENT GUARANTOR], a [____] (the "Additional Parent Guarantor"), in favor of CITIBANK, N.A., as administrative agent for the parties defined as "Holders" under the Credit Agreement referred to below (in such capacity, together with its successors in such capacity, the "Administrative Agent").

TC Group Cayman, L.P., Carlyle Investment Management L.L.C. and CG Subsidiary Holdings L.L.C. as Borrowers, the Parent Guarantors party thereto, the Lenders party thereto and the Administrative Agent are parties to a Second Amended and Restated Credit Agreement dated as of April 29, 2022 (as modified and supplemented and in effect from time to time, the "Credit Agreement"). Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.24(a) of the Credit Agreement, the Additional Parent Guarantor hereby agrees to become a "Parent Guarantor" and an "Obligor" for all purposes of the Credit Agreement and all other Loan Documents. Without limiting the foregoing, the Additional Parent Guarantor hereby:

(a) jointly and severally with the other Parent Guarantors, guarantees to each Holder and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise, including amounts that would become due but for the operation of the automatic stay under applicable Debtor Relief Laws) of all Obligations in the same manner and to the same extent as is provided in Article III of the Credit Agreement;

(b) makes the representations and warranties set forth in Article IV of the Credit Agreement with respect to itself and its obligations under this Parent Guarantor Joinder Agreement, as if each reference in such Article to the Loan Documents included reference to this Parent Guarantor Joinder Agreement; and

(c) agrees to be bound by all covenants, agreements and obligations of a Parent Guarantor and an Obligor pursuant to the Credit Agreement and all other Loan Documents to which it is or becomes a party.

This Parent Guarantor Joinder Agreement shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents. This Parent Guarantor Joinder Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and both of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Parent Guarantor Joinder Agreement by electronic transmission shall be effective as delivery of a manually executed counterpart of this Parent Guarantor Joinder Agreement. This Parent Guarantor Joinder Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

Parent Guarantor Joinder Agreement

IN WITNESS WHEREOF, the Additional Parent Guarantor has caused this Parent Guarantor Joinder Agreement to be duly executed and delivered as of the day and year first above written.

[NAME OF ADDITIONAL PARENT GUARANTOR]

By _____
Title:

Accepted and agreed:

CITIBANK, N.A.,
as Administrative Agent

By _____
Title:

Parent Guarantor Joinder Agreement

Subsidiary guarantors and issuers of guaranteed securities and affiliates whose securities collateralize securities of the registrant

The following securities (collectively, the “Notes”) issued by the corresponding issuer listed below, each a wholly-owned subsidiary of The Carlyle Group Inc. (the “Company”), were outstanding as of June 30, 2022:

Notes Issued Under	Issuer	Jurisdiction of Formation, Organization, or Incorporation
5.625% Senior Notes due 2043	Carlyle Holdings II Finance L.L.C.	Delaware
5.65% Senior Notes due 2048	Carlyle Finance L.L.C.	Delaware
3.500% Senior Notes due 2029	Carlyle Finance Subsidiary L.L.C.	Delaware
4.625% Subordinated Notes due 2061	Carlyle Finance L.L.C.	Delaware

As of June 30, 2022, the guarantors under the Notes consisted of the Company, as a guarantor that provides an unsecured guarantee of the Notes, and its wholly-owned subsidiaries listed in the below table. The guarantees are joint and several, and full and unconditional.

Guarantor	Jurisdiction of Formation, Organization, or Incorporation
Carlyle Holdings I L.P.	Delaware
Carlyle Holdings II L.P.*	Quebec
Carlyle Holdings III L.P.	Quebec
CG Subsidiary Holdings L.L.C.	Delaware
Carlyle Holdings II L.L.C.	Delaware

* Carlyle Holdings II L.P. is not a guarantor of the 4.625% Subordinated Notes due 2061

I, Kewsong Lee, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of The Carlyle Group 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: July 28, 2022

/s/ Kewsong Lee

Kewsong Lee

Chief Executive Officer

The Carlyle Group Inc.

(Principal Executive Officer)

I, Curtis L. Buser, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of The Carlyle Group 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: July 28, 2022

/s/ Curtis L. Buser

Curtis L. Buser
Chief Financial Officer
The Carlyle Group Inc.
(Principal Financial Officer)

**Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of The Carlyle Group Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2022 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kewsong Lee, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kewsong Lee
Kewsong Lee
Chief Executive Officer
The Carlyle Group Inc.

Date: July 28, 2022

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of The Carlyle Group Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2022 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Curtis L. Buser, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Curtis L. Buser

Curtis L. Buser
Chief Financial Officer
The Carlyle Group Inc.

Date: July 28, 2022

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.